Elusive Partnership:

U.S. and European Policies in the Near East and the Gulf

Rita Hauser
J. Robinson West
Marc C. Ginsberg
Geoffrey Kemp
Craig Kennedy
Christopher J. Makins
James Steinberg

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Foreword

During the time of transatlantic tensions in the last year or more, no area has contributed more to the public appearance of disagreement than the Middle East, with its arc of instability and crises stretching from Israel and the West Bank to Iraq and Iran and connecting to the problems of the Caucasus and Central Asia. With their respective missions dedicated to the improvement of transatlantic relations and the promotion of constructive transatlantic dialogue, the Atlantic Council of the United States and the German Marshall Fund of the United States decided that it would be timely to take an initiative related to these issues. The two institutions accordingly sent a delegation of respected U.S. Middle East experts to Europe for a series of discussions with government and non-government leaders to explore the ways in which greater transatlantic cooperation, or at least complementarity of policy, might be achieved. This report reflects the results of this initiative.

The joint delegation visited four European capitals – in order, Paris, Berlin, Brussels and London – during the week of 8-12 July, 2002. The members of the delegation were the authors of this report.[1] In Paris, Berlin and London the delegation had extensive meetings with senior government officials from various ministries and several meetings with prominent individuals knowledgeable about the Middle East from the corporate, academic, media and NGO communities. In Brussels the delegation met with senior officials of the Council of Ministers of the European Union and of the European Commission, and with media and NGO representatives with extensive knowledge of the Middle East.

At all its meetings in Europe, the delegation covered a broad range of subjects, from the social, economic, political and demographic forces driving change in the countries of the region to the specific issues associated with the Israeli-Palestinian question, the problems related to Iraq and the future of Iran-West relations. This report presents the delegation's assessment of European attitudes and its conclusions and recommendations for the policies of the U.S. government, the principal governments of Western Europe and the European Union as a whole. The report represents the consensus of the views of the delegation members, although not every member of the delegation would necessarily subscribe to every judgment in the report.

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Christopher J. Makins
President, The Atlantic Council

Craig Kennedy
President, The German Marshall Fund

[1] Marc Ginsberg was prevented at the last moment from traveling to Europe by other professional commitments. However, he participated in the delegation's pre-trip briefings and in the post-trip discussions and in the drafting of this report.

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Executive Summary

The Broader Context

The current transatlantic relationship as it concerns the Middle East can only be understood in a broader context.

The History of U.S.-European Relations on the Middle East. The affairs of the Middle East have been uniquely contentious between the principal European countries and the United States for over 50 years. This has derived primarily from differing approaches to the Arab-Israel problem. The 1990s were an unusual and short-lived interlude in this history of differences. The recent emergence of the Common Foreign and Security Policy of the European Union and a growing awareness of a broader common European interest in the region based on history, proximity, trade, migration and the changing role of Islam, have prompted the European Union to engage increasingly in the region and to seek a position as a true partner for the United States and not just as 'a wallet.'

Europe and the Bush Administration. Many difficulties arose between the new U.S. administration and European governments in 2001. Some of these issues have receded. But many Europeans have continued to criticize what they see as the new administration's unilateralist approach to international affairs that does not view the Atlantic Alliance as central to U.S. interests.

The Aftermath of 9/11. The terrorist attacks of September 11 and their aftermath have complicated the transatlantic dialogue, notably by intensifying some negative perceptions on both sides of the ocean.

This background has created a premium on clarity, frankness and timeliness in the intergovernmental dialogue and consultation on current Middle East issues that has not always been achieved.

European Attitudes Towards the Problems of the Middle East

The Israeli-Palestinian Question. Many Europeans support the goals of President Bush's speech on June 24, 2002. Unlike the U.S. government, they believe that progress must be sought along several tracks simultaneously: the reform of the Palestinian Authority, security issues, the negotiation of a political settlement and humanitarian relief in the West Bank and Gaza. European officials are more than willing to try to thread their way through the minefield of political obstacles – several of them, as they see it, of U.S. creation – towards these goals. But they believe this will require a more continuous and extensive U.S. commitment. Moreover they are concerned about some worst case scenarios that could result from the actions of extremists on both sides and the possibility that these could spell the end of the political road mapped by Security Council Resolution 242. They fear that this could lead to a serious transatlantic rift. Europeans see every reason not to depart from that road on the grounds that doing so would likely lead to less stability on one side or the other. To the extent that the new U.S. policy is intended to impart momentum to these familiar objectives, they are willing to support it. But many are apprehensive that the administration has either not fully thought through the implications of its statements or, worse, decided not to intervene decisively to prevent the idea of a two state settlement being progressively eroded and destroyed.

Iraq. There is broad transatlantic agreement that Saddam Hussein's regime in Iraq represents a real threat to the allies because of its nuclear, chemical and biological weapons programs. But there is less agreement on how to deal with this. Europeans typically raise several questions: how urgent is the problem; whether Saddam Hussein can be contained; the grounds for an eventual military attack on Iraq; the issue of the mandate for action; the need to press for new UN inspections as a first step and the idea of posing a credible threat of force to back up the demand for inspections; possible European participation in a military action; the post-Saddam scenario and the challenge of building a stable and better Iraq; the Iranian connection; the problem of oil; and the linkage to the Israeli-Palestinian issue. Europeans do not have confidence in the Bush administration's approach to the diplomatic and political context for its Iraq policy or the worldview that underlies it. In view of mutual mistrust on these issues, the outlook, at best, is for a host of transatlantic frictions and tactical disagreements in the coming months.

Iran. The European assessment of the situation in Iran is similar to that of the United States, although the conclusions drawn from it are considerably different. Europeans generally believe that the West has no choice but to work to strengthen the moderate nationalists in Iran and that the weakening of the clerical forces is unstoppable. They see Iranian foreign and defense policy as a mixed bag – very negative in its support for terrorism and for WMD programs, but positive in relation to Afghanistan. Europeans see Iran as concerned about encirclement by the United States and most believe that Iran's acquisition of nuclear weapons can still be headed off. While Europeans continue to believe that engagement is critical, they now accept that it must be conditional. But it is uncertain how strong their conditions will be. Europeans generally see the United States as being on the wrong tack on Iran. The transatlantic divergence on Iran is probably greater at present than on any other regional issue, especially since the U.S. policy statement on July 12, 2002.

The Directions and Dynamics of the Middle East. Both Europeans and Americans see the flashpoints of the Middle East against a background of a region in acute distress. The Arab Human Development Report, published by the UN Development Program, represents a major effort by Arabs to propose approaches to dealing with this situation. But Europeans are not sure that it will acquire political traction in the region and do not have clear ideas about how this can be encouraged. They are especially concerned about the mixed signals that the United States is sending to the region, notably on the issue of democratic reform.

On *Egypt,* ideas for the resolution of the difficulties that Egypt faces, at least among Europeans, are few. Many Europeans are, however, quite critical of the United States for sending the wrong signals to Egypt, notably by appearing to prefer stability to change there.

On *Saudi Arabia***,** Europeans are concerned about the trend of events, although few believe that the regime is seriously threatened in the near future. They fear that needed domestic reforms may prove politically impossible. Internationally, they are concerned that Saudi leaders may believe that the United States has espoused a new policy for the region in which Saudi Arabia no longer plays the central role.

The vulnerability of *Jordan* is seen as the most critical situation.

European experts believe that the West needs to encourage a polycentric Middle East in which countries progress along the path of reform and economic development more rapidly and under more pluralistic political and economic institutions, as Islamism wanes. Failure to make progress towards resolving the Israeli-Palestinian problem is seen in Europe as a malignant influence on the region's prospects.

Obstacles to Transatlantic Cooperation. There has been a serious failure of consultation across the Atlantic on the Middle East. This has been due to several factors: divisions among Europeans and within the U.S. administration; a European concern not to put the transatlantic relationship at risk at a time of great U.S. sensitivity; a European fear of becoming embroiled in U.S. policies with which they do not fully agree; a lack of good new ideas; and a U.S. sense that European governments will have little choice but to follow the U.S. lead on major policy decisions. Many Europeans are at pains to say that government-to-government relations are working well at present. But their concerns about U.S. policy are substantial.

Conclusions and Recommendations

Conclusions

The United States and the countries of Western Europe all have extensive and legitimate interests in the Middle East and will, and should, have active policies relating to the Middle East and its problems. Those interests overlap in many respects, but they are not identical and the differences of interest are likely to engender differences of policy approach on some key questions.

The United States is more extensively engaged and in many ways has more at stake in the region than European countries. But European governments dispose of substantial assets, financial and human, in support of their policy which, if they were in the service of common or complementary policies among the allies, could be even more productively expended. European governments also have expertise and intelligence capabilities on the Middle East that can be of value to the formulation and implementation of sound U.S. as well as European policy.

The key problems in the Middle East cannot be resolved without close U.S.-European cooperation. There may be some U.S. policy goals – notably those requiring only the use of military force – that the United States can pursue and implement successfully without the support or participation – and indeed if necessary, against the opposition – of European countries. But this is not true of most of the major elements of U.S. policy, notably the successful achievement of regime change in Iraq. And, as in Afghanistan, the United States almost certainly does not have either the desire or the political will to see these problems through to successful resolution alone. U.S. public opinion consistently shows a strong preference for the United States to act internationally in concert with its allies and friends. For most purposes, European governments are the logical choices as the U.S. partners.

Transatlantic disagreements on Middle East policy are more about timing, approach and priority than about the goals of policy. (Arguably this is not true of Iran, although it is not clear that even there U.S. and European policies differ in their objectives.) That does not mean that the differences are minor or easy to bridge. Nevertheless, agreement on the acceptable political resolutions of the principal disputes provides a foundation on which to build compatible policies.

If Europe and the United States can present a unified front on key Middle East issues, the chances of success in achieving their goals are considerably increased.

Middle East issues can no longer, if they ever could, be divorced from other aspects of the transatlantic relationship. Neither side can expect that a failure to cooperate on Middle East issues will be without consequences in other areas of policy.

The transatlantic allies must therefore make a substantially greater effort to manage their relations on these important issues better. There is an urgent need to intensify and make more routine the systematic search for common or at least complementary policies.

Recommendations

Several actions on both sides of the ocean could help achieve this goal.

- *On the U.S. side, there is a strong case even in U.S. interests for the president to strengthen his Middle East team, possibly by the addition of a special representative of the President and the Secretary of State for the Middle East as a whole, and to resolve the divergent approaches of the agencies principally involved into an agreed line of policy that can be pursued consistently.* European governments would much prefer to deal with a

unified and consolidated U.S. policy even if there were aspects of it with which they disagreed, than to face ambiguities and confusion in Washington.

- *On the European side, the principal governments need to harmonize their approaches more and to work together in their dialogue with the United States to seek complementary U.S. and European policies.* If the major European governments could operate even more by consensus and through a single institutional agency, if not necessarily through a single individual, their impact would be substantially greater. This is, no doubt, a counsel of perfection given the difficulties of making rapid progress towards a common foreign policy. Nevertheless, *European governments should have an incentive to act more in harmony towards the region unless they wish to continue in the unsatisfying role of reluctant adjutants to U.S. policy.*

- *For both sides there would be advantage in the creation of a new high level contact group or consultative forum for the Middle East.* This forum, which could be based on, but would need to supplement and possibly expand, the existing Quartet, could be the umbrella under which to achieve common political and intelligence assessments of the region and the threats it poses and to reach an understanding about some worst case possibilities and possible responses to averting or, if necessary, managing them.

A more intensive government-to-government dialogue must be accompanied by a greater effort on both sides to explain their policies publicly to the elites and public opinion of the other. Two areas are important:

Threat analysis. *The United States must do a better job of explaining to European parliaments and publics the nature of the threats and why, in the long run, they are just as much threats to Europe as to the United States.* Such an effective campaign may require going public with sensitive intelligence information.

- ***Political realities.*** *European governments should be more assertive and proactive in Washington in explaining European concerns.* Some of the key factors that shape European policy towards the region are little understood in Washington, either in the Congress or in the general public. Europeans have done a poor job of explaining EU policy towards Iran, in particular. The details of the proposed trade and cooperation agreement are not well understood in Washington. This may not convince U.S. skeptics that the EU will truly employ strict and serious conditionality towards Iranian behavior, but explaining it will go a long way to tone down the harsh, sometimes strident, comments that greeted its announcement in the United States.

On the substance of the principal issues addressed in the report:

- ***The Israeli-Palestinian Question.*** *The U.S. government should commit and stick to a process in which the different components of its policy – the 'reform,' security, humanitarian, and the political settlement tracks – are pursued in parallel, with clear milestones and benchmarks for each track to be met by both the Palestinians and the Israelis. This elaboration of the president's June speech, if constructed in consultation with European governments and based on a set of actions that took account of the interests of both sides, should be a program which European governments could undertake to support. It could become the basis for a clear and agreed division*

of labor between the United States and European governments. It should also be a basis on which the United States and the allies could jointly solicit the support and engagement of other governments in the region. If the humanitarian situation in the Palestinian areas further deteriorates, the allies should give high priority to contributing to a strong and swift international response.

- ***Iraq**. The U.S. government should make every effort, through the UN Secretary General and the Security Council, to launch the UNMOVIC inspection process in an attempt to bring Iraq into demonstrated compliance with its obligations on WMD and, if that should fail, establishing the legitimacy of a recourse to military force. The White House should make plain that actions or statements that cast doubt on the U.S. commitment to this effort, such as recent statements by some senior officials, do not represent U.S. policy. European governments should, after consultation with the United States on the precise way in which the UN processes would be carried through, including reasonable timetables and milestones for progress, commit publicly to supporting the use of military force to resolve the question of Iraqi non-compliance if the UN inspection process is not successful in doing so. The U.S. and major European governments should also immediately embark on a confidential, intensive dialogue about the options for a post-Saddam political scenario in Iraq, the requirements for an international force to manage the process, and their respective contributions to building a stable new political situation in Iraq.*

- ***Iran.** The U.S. government should, within the parameters of the Iran-Libya Sanctions Act and the strength of Congressional support for it, move back towards a policy of careful and conditional engagement with Iran and encourage the EU to continue on its current approach, with close U.S.-European cooperation on intelligence assessments on the evolution of Iranian policies towards WMD, human rights and support for terrorism.*

- ***Regional Development.** The United States and the EU should jointly develop a strategy to support the implementation of policies based on the Arab Human Development Report in all the major countries of the region. This strategy could usefully emphasize, in line with the report's conclusions, the issue of good governance and the damage that corruption is doing to the interests of both the countries in the region, (not least Iran, Iraq and Saudi Arabia), and the West.* This should involve discussions with the Saudis and Egyptians, in particular. The goal should be to move the assistance and other policies of both the United States and European governments towards explicitly supporting the priorities of the report and regional governments which move towards its implementation.

Finally, there is an urgent need on both sides of the Atlantic to ensure that the different components of Middle East policy fit together into a coherent whole in terms of both substance and timing. There has been much discussion on the question of 'Jerusalem first or Baghdad first?' The reality is that both sets of problems will have to be pursued simultaneously, with neither receiving priority. Allied governments should, by means of the proposed enhanced consultative process, assess and understand as best can be done the likely interactions, for good or ill, of the different possible sequences of action and undertake contingency planning related to these interactions.

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The Broader Context

The current transatlantic relationship as it concerns the Middle East[2] can only be understood if set in a broader context. At least three dimensions of this context are important – the historical evolution of transatlantic relations concerning the region, the broader aspects of transatlantic relations as they have developed under the new U.S. administration since January 2001, and the special circumstances that have affected transatlantic discussions since the attacks of September 11, 2001. These will be discussed in order in the following paragraphs.

U.S.-European Relations on the Middle East

The affairs of the Middle East have been uniquely contentious between the principal European countries and the United States for over 50 years. There have been areas in, and times at, which the United States and some European governments have worked closely together in the region. The United States and Britain have often cooperated, notably on policy towards Iran and the smaller Gulf states. The United States and Germany have in recent years cooperated on issues related to the Arab-Israeli dispute. But for the most part transatlantic relations relating to the Near East and often the Gulf were discordant from the immediate post-World War II period until the late 1980s.

At the heart of this disagreement have been differing approaches to the Arab-Israeli problem. Since the Six Day War and the passage of Security Council Resolution 242 in 1967, there has been a broad understanding across the Atlantic as to the outline of an eventual settlement between Israel and its Arab neighbors. But there has been a consistent preference on the European side for that settlement to be promoted by active U.S. involvement and pressure on all the parties to reach agreement. By contrast, the United States has equally consistently shared the Israeli view that only when there are Arab parties publicly and clearly committed to real peace with Israel should Israel be expected to engage in serious negotiations on the fundamental issues of land and peace. In part as a consequence of this difference of

2 The term 'Middle East' is used in this report to signify the region that includes all the countries of the Near East – notably Israel and all its neighbors, including Egypt – and of the Gulf region – notably Iran, Iraq and Saudi Arabia.

approach, for much of the period since 1967 the United States has sought to keep European governments at arms length in terms of its own regular and intense involvement in the process of bringing the parties into serious negotiations.

The 1990s were in many ways an unusual interlude in this history of differences. Not only did the Iraqi invasion of Kuwait mobilize the entire North Atlantic world for a concerted response, but the establishment of the Oslo peace process created a basis on which the United States and European governments could arrive at a division of labor. This meant that the United States undertook the primary responsibility for the external support of the Israeli-Palestinian negotiations, while the Europeans provided a substantial measure of financial and political support to the new Palestinian Authority, with the active encouragement and agreement of both Israel and the United States.

The tide of events that reached a high point of collaboration during the 1990s soon started to ebb. The Gulf War coalition frayed during the course of the decade as a result of Iraqi non-compliance with Security Council resolutions regulating its military programs. The Iran-Libya Sanctions Act created considerable friction over policy towards Iran, although this was eventually defused by the Clinton administration. And the collapse of the Israeli-Palestinian peace process following the meetings at Camp David and Taba in 2000-1 and the subsequent change of government in Israel presented the incoming Bush administration with difficult decisions as to the means by which a settlement should be pursued. The new approaches gradually adopted by President Bush on all three issues, which became clearer and more strongly entrenched after the terrorist attacks of September 11, set the scene for a return to a more traditional pattern of transatlantic friction on Middle East policy.

In some important respects, however, the background against which these policy differences would be played out had changed by the time the new administration took office. One change was of an institutional nature – the emergence of the Common Foreign and Security Policy of the European Union, with the new position of High Representative of the Council of Ministers filled by the impressive figure of former Spanish Foreign Minister and NATO Secretary General Javier Solana. But this change reflected a deeper reality, namely the growing awareness among European governments of a clearly defined 'European interest' in certain areas, of which the Middle East is one. Of course, individual countries in the European Union had always been aware of their specific interests in the region. But the process of European unification had gradually led to an awareness of a broader common interest that was bound to have an effect on policy and created the institutional mechanism, notably through the Commission's competence in foreign assistance and trade, for the implementation of some common policies at least in those areas.

There are several components of this common interest. One is obviously history, which has brought the countries of Europe and the Middle East into close, and often painful, contact. A second is the proximity of the region to Europe in an age of increasingly porous boundaries, physical and in every other sense. A third, related to these, is the fact that the European Union is the primary trading partner of the region. A substantial element of this trade is oil. The international nature of the oil market means that Europe and the United States would both be affected by any developments in the region that might affect the price or supply of oil. But overall, European economic interests are more integrated with those of the Middle East than are those of the United States, which creates a European interest different

from that of the United States. A fourth, by no means the least powerful in present circumstances, is migration, which has led to substantial Arab populations in all the key European countries, with important political consequences both domestic and international. The increase in the size of Arab populations in Europe has not necessarily led directly to a change in European policies. But it has certainly changed the context for those policies and, for some, provided a rationale or excuse for a reluctance to provide greater public support for Israel.

The relationship between migration (both legal and illegal), politics and economic and social welfare is a paramount consideration for European policy and requires further elaboration. In terms of history, Europe is saddled with two conflicting pangs of guilt that influence current policies. First, guilt towards the treatment of European Jewry over the centuries, but more particularly in the period prior to and during World War II. From this derives strong support for the security of Israel and the wish to sustain strong economic ties with the Jewish state. Secondly, guilt about Europe's colonial past. In this context, many Europeans identify strongly with what they perceive as the freedom struggle of the Palestinians to get out from under Israeli occupation.

The recent events in the Israeli-Palestinian arena have led to a disastrous setback of support for Israel in European public opinion. The Sharon government is widely seen as oppressive and 'colonialist.' While there is condemnation of suicide bombings, there is a belief that the Sharon government is not dedicated to a fair and satisfactory solution to the crisis. In this sense, the contrast between the position of governments and their own public opinion in Europe is very different from the situation in the United States. While the U.S. public continues to show strong support for a fair settlement of the dispute, there is at present little difference between U.S. public and Congressional support for Israel and the position of the Administration. The impact of the tragedies of September 11 on U.S. opinion and the consequent strong support for counter-terrorist policies has been especially significant in this respect.

A fifth dimension of the European interest, closely related to the last, is Islam, which has become a vital force in domestic politics in several European countries and some of the more extreme forms of which, as has become plain since September 11, have had European countries as their incubators before returning to the region. Islam has a much greater impact on politics in Europe then in the United States. The key European countries each face different Islamic problems. Turks, including Turkish Kurds, make up most of the German Islamic population; North Africans account for most of France's Muslims; and South Asians make up most of the Muslims in Britain. The heightened sensitivity to Islamic issues generated by the war on terrorism has had an immediate political resonance in Europe because as the size of Muslim populations, both citizens and non-citizens, has increased, they have become a political factor that cannot be ignored. It would be incorrect to say there is an "Islamic lobby" in Europe – there being so many different groups with Islamic backgrounds. But the divisive politics of the Israeli-Palestinian conflict does impact on local politics.

The combination of these and other factors has prompted the European Union to develop a series of policies that have engaged it increasingly in the region. These have included trade agreements of various kinds with Israel and several other countries, the 'Barcelona process' that provides a forum for EU-Arab dialogue, and the more recent initiative towards a trade and political cooperation agreement with Iran

(about which more will be said below). Looking to the future, there has also been discussion about an eventual Israeli application for membership of the European Union.

The importance of this growing perception of a common European interest is that it implies a significant European role in the region and, from the European point of view, a need to take a position on the critical issues that arise there in an attempt to protect and advance that interest. This is not to say that the European interest in the region is either as broad or as deep as that of the United States. But the United States and the European countries have more in common in relation to the Middle East than either does with the countries of the region. And, as Europeans see it, their shared interest in the region means that their engagement on key policy issues is not, as they believe it is often represented in the United States, motivated merely by a desire to play a role or to protect commercial positions, but flows from fundamental interests of which the United States should be more aware and to which it should be more sensitive.

Thus, while Europe is not looking for a separate role in the region, the major European countries do want to be seen as a true partner and not just as 'a wallet.' The recent emergence of the Quartet (of the United States, the European Union, Russia and the UN Secretary General) has provided a potential institutional mechanism for realizing this goal.

Europe and the Bush Administration

The second element of the broader context is the difficulties that have arisen between the new U.S. administration and many European governments. The predominantly social democratic governments of Europe in early 2001 had become accustomed to the Clinton administration, with which they were in broad ideological agreement (witness the vogue of 'Third Way' politics across the Atlantic), despite its occasionally inconsistent foreign policy (at least as it seemed in Europe). The Bush administration promised a very different approach to several issues of concern to Europeans, many of whom saw the new president as uninformed and inexperienced in foreign policy. The early months of the new administration did little to make European governments shift their assessment as the United States denounced the Kyoto Protocol on greenhouse gas emissions, promised a new attention to missile defense, and attacked other elements of the arms control canon that had been built up over the previous decades.

The catalog of differences of opinion on issues of this kind has continued with the U.S. attack on the International Criminal Court and recent U.S. actions to protect the U.S. steel industry and agriculture. Thus, despite the fact that the administration made good on its commitment to serious consultations with both the European allies and the Russians on missile defense and gave priority to addressing a series of transatlantic trade disputes, many Europeans have continued to criticize what they see as an 'I'll do it my way' unilateralist approach to international affairs of the new administration and the stark and, as it is often described, simplistic way in which the new president views the world.[3] The rise of a vocal

[3] A minority of Europeans recognize that the new administration's habit of stating clear objectives without having determined the best means of attaining them can have a form of shock effect that transforms the

group of U.S. intellectuals and policy makers who have argued that the transatlantic relationship and the Atlantic Alliance are no longer as central to the realization of U.S. interests as in the past has only worsened the climate and made it harder for Europeans to see that the actions of the Bush administration have in many respects been less 'unilateralist' than its rhetoric.

This perception has been aggravated by evidence of serious disagreements within the Bush administration on a series of issues, notably concerning the Middle East. Europeans are also struck by the fact that a group of senior policymakers, especially in the Department of Defense, who seem to be among the most influential for the direction of U.S. policy, appear reluctant, at best, to consult with European governments in the traditional spirit of the relationship and who seem to espouse a worldview quite different from that to which European governments had become accustomed in Washington.

This combination of internal divisions and radical new approaches has created in Europe a widespread sense of being marginalized.[4] Despite the facts that the president and his European opposite numbers have met several times both in Washington and in Europe and that the Secretary of State and the State Department, as Europeans willingly and gratefully admit, have been in intensive contact with European ministers and governments, there has not yet developed an ease of dealings between the new administration and its allies in Europe comparable to that which has existed in much of the post-World War II period.

These European perceptions may not accurately or fairly represent the actual situation. Nor are they altogether unusual early in the life of a new administration – one need only recall the opening months of the Reagan and Clinton administrations. And there are of course comparable perceptions on the U.S. side of the European propensity to posture on a range of international issues in ways that inhibit coming to grips with the real problems. Moreover, the rightward political shift in Europe in recent months may create a European audience more attuned to the Bush administration's world view. For the time being, however, these perceptions are palpably an influence on current events.[5] And coming, as they do, at a time at which U.S.-European cooperation could be so important in responding to challenges in the region, their impact is unusually damaging.

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international situation for the better. But this 'new diplomatic tool,' as one senior official put it, is by no means generally appreciated or approved in Europe.

4 As always, it is important not to over-generalize about European views. British officials, as usual, are less inclined to advance the analysis presented here, if only because the British government has made a point of finding a role as an intermediary between the United States and other European governments. Nevertheless, even in London one finds strong echoes of the attitudes described.

5 When the delegation was in Europe the discussion in the Security Council about the ICC was at its height. The lack of comprehension of the reasons for U.S. behavior and irritation at that behavior on the part of European governments that believed they had gone to great lengths to accommodate U.S. concerns was all too evident.

The Aftermath of 9/11

The terrorist attacks of September 11 and their aftermath have further complicated the transatlantic dialogue, notably by intensifying some of the perceptions already described on both sides of the ocean. This report is not the place in which to analyze in detail the complex developments in the transatlantic relationship that have followed 9/11. But several points are worth noting:

- Even those Europeans who fully understand the psychological impact of the attacks on the United States often do not accept the conclusion drawn by many Americans that they represented a fundamental transformation of international affairs.

- While the most responsible Europeans in and out of government recognize that the new international terrorism is a threat to Western Europe as well as to the United States, even if not necessarily equally so, the temptation remains for Europeans to suppose that by avoiding too close an association with U.S. anti-terrorism policies they can minimize the danger that their societies will be struck in the same way.

- Even those Europeans who have the best understanding of the impact of 9/11 on the United States question whether the commitment to a 'war' on terrorism is appropriate. European experience with their own varieties of terrorism has led them, rightly or wrongly, to think in terms of a more complex and multi-faceted response for which the word 'war' is not the most helpful descriptor.

- Whether or not the metaphor of war is the right one, U.S. official and public opinion has come to see the Middle East and other international issues primarily through the lens of counter-terrorism. By contrast, Europeans are generally inclined to see terrorism more as an additional dimension of already complex problems and to believe that applying the test of 'you're either for us or against us' in the campaign against terrorism is not a helpful way in which to address such problems.

- Europeans realize that in the wake of 9/11 those elements of the U.S. government that were most skeptical of the continuing priority of the transatlantic relationship have been strengthened, which makes them even more concerned about the course of U.S. policy.

- Nevertheless, just as the U.S. assessment of the implications of 9/11 has been continuously and rapidly evolving in recent months, the same is true in Europe. There is no more compelling example of this than the presence in Afghanistan of German forces, which would have been inconceivable only a year or so ago. However, neither Americans nor Europeans have found it easy to track and adapt to the speed of these changes in assessment and policy on the other side of the ocean.

- Many Europeans agree that were there to be a major terrorist attack on Europe comparable to the attacks on New York and Washington, European attitudes could shift even more dramatically and quickly towards those prevalent in the United States.

This, then, is the complex and difficult background against which U.S. and European policies towards the rapidly changing events in the Middle East in the last eighteen months must be seen. It has created a premium on clarity, frankness and timeliness in the intergovernmental dialogue and consultation that has not always been achieved. This report will suggest ways in which that record can be improved.

European Attitudes Towards the Problems of the Middle East

The natural tendency of governments is to approach the problems of the region by focusing on the most immediate and important issues at any time. Thus, not surprisingly the principal issues on European minds at present are the Israeli-Palestinian problem, Iraq and Iran. This assessment of European attitudes will begin by addressing each of these issues in turn. But all these questions are seen in Europe, as in the United States, against a broader background of social, economic and political change in the region and those broader issues, although of less immediate policy salience, nonetheless color European attitudes on the shorter term issues. Accordingly, a separate section will address European views of these questions. A final section will present an analysis of the obstacles to improved transatlantic cooperation on the problems of the region.

It is important to make clear at the outset that there is no single 'European view' on most of these issues. The range of opinions within European countries is not less that that within the United States and the differences between them are also considerable, making agreement within Europe on the details of policy, and sometimes even on its broad lines, difficult, if not impossible. Nevertheless, on many issues, opinions in Europe do tend to cluster around certain assessments and conclusions. This report will seek to present these areas of broad consensus as well as the significant differences of emphasis and approach. In general, despite widespread perceptions that, for example, Britain is closer to current U.S. policies than many other European countries, the delegation encountered a surprisingly widely shared set of both agreements and disagreements with U.S. approaches in all the countries it visited.

The Israeli-Palestinian Question

The delegation's visit to Europe came only two weeks after President Bush's speech on the Israeli-Palestinian problem on June 24. The attitudes of all the Europeans with whom we met were necessarily highly influenced by this speech. Although the public reaction of European governments to the speech was muted and they were at pains to point out what they saw as the positive elements, they were without question deeply concerned by this new turn in U.S. policy, for which they had been quite unprepared. One senior British official said that the initial reaction to the speech was one of 'absolute alarm,' while a senior German described the speech as 'totally counterproductive.'

Nevertheless, the speech stimulated a great deal of thought in Europe and has resulted in a considerable shift in thinking in the same general direction as that on which the president had embarked. European leaders, like their U.S. counterparts, had also started to lose faith in the willingness of Yasser Arafat to deliver Palestinian agreement even to a fair and balanced settlement with Israel. They understand that

the reform of the Palestinian Authority and its leadership is an indispensable element of progress towards a settlement. And they do not question the desirability of these reforms being based on democratic principles, although they question whether the U.S. government has thought through the implications of these principles in the Middle East as a whole, let alone how they can best be applied in societies that have been organized on very different principles for many years. Finally, they recognize that support for reform has been growing rapidly among Palestinians themselves and they credit the president with having speeded this process and brought it out into the open. The statement on this subject by Palestinian intellectuals shortly before the president's speech was an important straw in the wind.

A second important point of increasing agreement across the Atlantic is on the proposition that terrorist methods – that is to say the use of indiscriminate violence against civilians for political purposes – must be condemned and rejected in all places and at all times. European government leaders have been increasingly willing to make this point to Arab leaders and to the Palestinians. But most Europeans still do not fully understand (or if they understand, do not accept) the degree to which since 9/11 the lens of anti-terrorism has been central to the U.S. administration's view of the Israeli-Palestinian issue and the policies of the Sharon government. It is this factor, for example, that has given U.S. policy towards Yasser Arafat the hard edge that most Europeans judge unwise and potentially counterproductive, especially in view of the likelihood that the democratic elections the United States has called for would result in his reelection.

Nevertheless, most Europeans have reservations about the U.S. proposals as they understand them. In the first place, they believe that Palestinians' recourse to terrorist means is directly linked to the Israeli occupation of the West Bank and the Gaza Strip, which the international community, including the United States, has repeatedly declared illegal. For most Europeans this latter principle is at least of equal standing, if not prior in importance, to the unacceptability of terror. Thus they see President Bush's placing the burden of action initially on the Palestinians as unreasonable. Their own strong view is that progress must be made at least in parallel on several different fronts, including notably the political one. In particular, they generally believe that it will be necessary to create a Palestinian state on a permanent rather than an interim basis as proposed in the president's speech if the Palestinians are to be expected to establish strong and viable institutions that would ensure that they would abide by the terms of a settlement.

This view leads to another transatlantic difference of assessment. Many Europeans question whether the kind of Palestinian state that the president has in mind is the same as that of the present Israeli government when it says it accepts the idea of a two-state solution to the dispute. Even Europeans who support the concept of reform of the Palestinian leadership as a prerequisite for political progress are persuaded that no democratic or other process will lead to a legitimate leadership that will accept anything less than a permanent state on substantially all the territories occupied by Israel in 1967 with part of Jerusalem as its capital. Many of these Europeans doubt whether this is the kind of Palestinian reform that Prime Minister Sharon would wish to see.

This divergence is reflected in continuing criticism of the U.S. government for its failure to put greater pressure on Israel not only to withdraw its forces from recently reoccupied areas, but also to suspend

further settlements in the occupied territories. Europeans are aware that at different times in the past successive U.S. administrations have been prepared to take up the settlement issue quite forcibly with the Israelis and they believe that at the present time the continuation of settlement activity is especially provocative. They see the willingness of the administration to relegate this issue to one that will be addressed later in the process sketched by the president as indicative of a generally unbalanced, pro-Israeli policy.[6]

Finally, European leaders have a greater sense of urgency about making further progress than they saw in the president's speech. Some of them interpreted the speech as an attempt by the administration essentially to defer having to concentrate on the Israeli-Palestinian problem at a time at which it believed that Iraq posed a more immediate threat to U.S. interests.

In short, the European approach, typically, is similar to that of the United States in the substance of what the eventual outcome should be, but differs, on some points substantially, concerning the method, timing and priority of policy. From the European perspective the reform, security, political and humanitarian agendas need to be addressed in parallel if there is to be a real hope of progress. They would certainly accept the need for benchmarks and a calendar for progress on all these agendas, but they fault the president for reintroducing the idea of pursuing the different agendas sequentially and thus playing into the hands of the hardliners on both sides, but especially in Israel.

Against this background, European support for the Quartet process (which they see as basically a Duet of the United States and the European Union) remains strong. First and foremost, they do not believe that the parties in the region will be able to find their way to a political settlement without sustained and substantial outside assistance and pressure. They see both Prime Minister Sharon and Chairman Arafat as having failed to deliver what they promised to their people – respectively security and an independent state – and as being unable to make progress in that direction unaided. They do not think the Quartet can or should substitute for direct U.S. engagement or, still less, that it should become a pretext for the United States to pull back from engagement. But they do see it as a valuable means of concerting policy and as a vehicle through which they can try to ensure that their distinctive perspectives on these issues can be taken into account and what they consider the errors of U.S. assessments and policies can be discussed.

European officials therefore felt considerably aggrieved that the president's speech pulled the rug out from under an approach on which the Quartet had agreed only a few days earlier. They still believe the international conference that had been part of the discussions in the Quartet following Secretary Powell's visit to the region would be a useful vehicle for giving expression to the political perspective that they see as essential if the process of reform among the Palestinians is to proceed. They generally

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[6] Many Europeans emphasize the domestic context for U.S. Middle East policy. They consequently tend to explain what they see as a shift of approach towards the Israeli-Palestinian issue between the Clinton and Bush administrations as related to the desire of the latter not only to consolidate support among evangelical Christians who are inclined to recognize an Israeli claim to Judea and Samaria on biblical grounds, but also to make inroads into that part of the Jewish electorate which is concerned about threats to the survival of Israel, especially after 9/11.

do not see a need for the conference to be either long or at the highest level. But they do see it as a useful means of establishing a framework for parallel progress on all the agendas.

This assessment of European governmental positions is in contrast to the view of the dispute which emerges from the European media. Government officials are well aware of this discrepancy. They argue, with some justification, that the major European governments have had rather balanced policies in recent years, whereas for the most part the European media are distinctly pro-Palestinian and have reflected a public opinion that leans in the same direction. As one French expert put it graphically, Israel has lost the battle of images and words in Europe, at least for the time being. For this reason – and others, such as the natural European media focus on the destruction of infrastructure paid for by the EU – the humanitarian problems on the West Bank and in Gaza have much greater resonance in Europe than they have typically had in the United States.

Many Europeans think that Americans have been misled by this state of affairs into thinking that European governments are less balanced in their approach to the problem than they believe themselves to be (a situation that mirrors U.S. thinking about European views of U.S. policy). The recent outburst of commentary in the United States about the supposed revival of European anti-Semitism exasperated many Europeans, who saw in it a characteristic U.S. over-interpretation of a small number of incidents, mostly perpetrated by non-Europeans.[7] Here too the Bush speech in June may have had a salutary effect by making it hard for European media not to cover the defects of the Palestinian leadership and also to expose their own failings, notably in the coverage of the alleged 'massacre' in Jenin by the Israel Defense Forces.

It follows from this assessment that in the coming months, the major European governments and the European Union acting as a whole can be expected to support the effort to prepare and conduct elections in the West Bank and Gaza provided that Israel is willing to permit the development of the minimum conditions of free movement and activity necessary to enable free and fair elections to take place. In early July, European experts and policy makers were skeptical as to whether even on the most optimistic assumptions the elections could be properly prepared by January. But they were gearing up to try. At least the experience they had with the conduct of the previous elections for the Palestinian Authority will stand them in good stead, although they note bitterly that the Israelis seem to have gone to great lengths to destroy much of the infrastructure in the West Bank that would enable elections to be prepared quickly, or indeed any reformed Palestinian institutions to be constructed.

For the most part, European officials think that the Bush initiative has made the reelection of Yasser Arafat a near certainty and see this as presenting a real dilemma for U.S. policy. Their hope is that, once confirmed as the undisputed leader of his people, however, Arafat will agree to step down (or up) to an essentially ceremonial position and to entrust the affairs of government to a Prime Minister. Europeans are generally in line with U.S. thinking that the key to reform is not simply the change of the top leader,

7 The delegation met with one of France's leading experts on this general subject who noted that polls have in recent years consistently shown that anti-Semitism in France has fallen to a steady low level of 9-10 percent and also that the spate of attacks in the spring, which appear to have been mostly by second generation immigrants imitating the *intifada*, has now faded.

but the creation of new institutions, including a legislature and judiciary, with a more broadly based leadership class. Their concern is that there may be few if any Palestinian leaders who are not tainted in one way or another by the old policies and leadership, so that the issue of transparency in decision making is essential. But at the same time, there are many representatives of Hamas who, if they decide to run for office, would be quite likely to win substantial support and could constitute a real obstacle to the kind of settlement that the president envisaged.

Finally, Europeans are prepared to continue their financial support of the Palestinian Authority in order to rebuild the infrastructure they had previously built, only to see it destroyed by Israel earlier in the year. The European Commission continues to dispute allegations that have been made about EU financial support being used for terrorist policies. But they recognize that general support of the Authority almost inevitably frees resources for other purposes over which they have little control. They say, however, that they are willing to use a much greater degree of conditionality in their assistance in the future.

In short, European officials are more than willing to try to thread their way through the minefield of political obstacles – several of them, as they see it, of U.S. creation – towards the objectives set out in the president's speech. They see U.S. engagement with them through the Quartet process as essential for this purpose. But they have little confidence that the conditions exist or will be created to enable the international community to find the path; and they are certain that to do so will require a more continuous and extensive commitment by the U.S. administration than they believe that the president is willing to make.

Not the least of the obstacles they see to the success of this venture is that the situation has left the extremists on both sides holding the high cards and able to disrupt progress even if the conditions for it are created. The most immediate problem is that if Israel lifts the restrictions imposed on the Palestinians in the West Bank sufficiently to permit elections to be held, the likelihood that the Palestinian extremists will intensify suicide or other attacks on both the West Bank settlements and Israel proper must be high, with the consequent near certainty of Israeli ripostes.

Many Europeans believe that this is what a substantial fraction of the current Israeli government and elite would like to see. It would give Israelis who hold this view the pretext to move towards what many European experts believe to be their true objective – the cantonization of the West Bank under tight Israeli military control and, at best, a limited degree of political freedom for what some Europeans describe as 'Palestinian bantustans.' Some Europeans would even go further in attributing to the current Israeli government the ambition publicly espoused by extreme right wing groups in Israel of transferring some Arab populations out of Israel and the West Bank into Jordan or Lebanon. Among those seen as likely to be transferred are the majority of the current leadership of the Palestinian Authority, a move that might appear to be justified by a renewal of terrorist attacks on a large scale.

As against this view, many European experts recognize that the costs to Israel in economic and human terms of having to occupy an increasingly recalcitrant West Bank indefinitely would be unsupportable. And those who have studied the various ideas along these lines that have been articulated in Israel (and some European governments have looked at these proposals with great care) do not see them as viable in terms of water and infrastructure, let alone politically. Nevertheless, some Europeans apprehend a

shift of opinion in Israel in the face of continuing violence towards a much tougher policy in which Israelis would be willing to pay this price in the short term for what are anticipated to be long-term gains.

Were such a situation to develop, Europeans see the prospects for a serious transatlantic rift. Many of them believe that the Bush administration has essentially given the Sharon government a green light to do what it considers necessary in the name of security and anti-terrorism, even if this means the end of the political road originally mapped by the Security Council in Resolution 242.

Europeans who express this concern do not see what they would be able to do about such an evolution of the situation were it to occur. And many question whether the United States would be able to stand by and let Israel act in this way. But meanwhile, they believe that it behooves both Europeans and Americans to look for ways to 'give the kiss of life,' as one prominent European policy maker put it, to the latent majority that the polls show still exists in Israel for a political settlement with a Palestinian state based on Resolution 242. As noted earlier, the fact that they do not have the political and diplomatic means to ensure this outcome, whereas arguably the United States does, in no way diminishes the European interest in attempting to move events in this direction as best they can.

If Europeans worry a good deal about the worst-case scenario on the Israeli side, they are, rightly or wrongly, generally less concerned about the mirror image on the Palestinian side. While they see the extremism that exists within the Palestinian community, they seem generally rather sanguine that a settlement based on Resolution 242 would be accepted by the majority of Palestinians as permanent and that the latter would not, as Israelis have always feared, see it merely as a stepping stone towards the destruction of the state of Israel. Indeed, some European experts claim to see evidence of an increasing acceptance among Palestinians of Israel as a Jewish state, with the implication that the right to return could be substantially abandoned as a Palestinian requirement in a settlement.

In the absence of progress towards a settlement, they are, however, less optimistic for the longer term. They express concern that Palestinian opinion, especially among the young, will inevitably move towards hostility towards Israel and the West (in line with what has already been occurring in other Arab states). And they also worry that a truly democratic Palestinian state would be seen as a threat by other Arab states, including Egypt, that have little intention of moving in this direction in the near future.

In short, Europeans see every reason not to depart from the straight and narrow path of the policies of recent years on the grounds that any such departures are likely to lead to less stability on one side or the other. To the extent that the new U.S. policy is intended to impart momentum to these familiar objectives, they see some merit in it and are willing to support it. But many of them are apprehensive that the administration has either not fully thought through the implications of its statements or, worse from the European point of view, decided not to intervene decisively to prevent the idea of a two state settlement being progressively eroded and destroyed.

Iraq

Contrary to a widespread public perception, stimulated by some media coverage, there is a broad agreement across the Atlantic that Saddam Hussein's regime in Iraq represents a real threat to the allies because of its nuclear, chemical and biological weapons programs. But in terms of policy to deal with this threat, Europeans typically raise a number of issues on which they see less transatlantic agreement. These issues are as follows:

- The urgency of the problem. The timeframe for the Iraqi nuclear weapons program is seen as critical. If, as many Europeans in and out of government believe, the timeframe for Iraqi acquisition of nuclear weapons is of the order of three to five years at least, they are less inclined than the Bush administration to believe that a rapid move towards pre-emptive military action is desirable, especially given their other concerns discussed below. Some Europeans even argue that Saddam Hussein's principal interest is in the survival of his regime and his succession, and that nuclear weapons are less important than these objectives. Others, however, argue more along the lines familiar in Washington, that he sees WMD programs as critical to the regime's survival and to the country's regional role. It was, after all, in these contexts that he resorted to the use of chemical weapons twice.

- The question whether Saddam Hussein can be 'kept in his box.' Many Europeans believe that this is still feasible, even though they recognize that the history of the 1990s shows the difficulties involved. Some European government officials are concerned that the threats leveled against him by the Bush administration have, however, prompted him to strengthen his position both internally – by reaching out to tribes other than the Tikritis, increasing financial incentives to the armed forces and reinforcing his military position vis-à-vis the Kurds in the north – and externally – by improving his relations with other Arab states, notably at the time of the Arab summit in Beirut in the spring.

- The grounds for a military attack on Iraq. Most European governments believe that any military action against Iraq can only be justified on the basis of suppressing Iraq's WMD programs and cannot be justified by the goal of 'regime change.' They believe that President Bush and his administration have muddied the waters for legitimizing any military action in the future by their emphasis on regime change and by as yet unsubstantiated suggestions that Iraq was directly associated with the terrorist attacks of 9/11 and more generally with al-Qaeda. And they are still uncomfortable with the administration's new emphasis on preemption as a component of U.S. strategy.

- The issue of the mandate for action. Any European support for military action will require the existence of an international mandate. The question is how many European governments would be willing to accept demonstrated noncompliance with the existing Security Council resolutions as sufficient grounds for action and how many would require the passage of a new resolution. While all European governments would prefer the latter, many would be willing to accept the former provided that the noncompliance had been decisively demonstrated.

- The need for inspections. It follows that almost all Europeans regard it as essential that every effort be made to get the Iraqis to accept inspections by the United Nations Monitoring, Verification and Inspection Commission (UNMOVIC), which they see as indispensable to establishing the legitimacy of any military action if the inspections fail to resolve the WMD issue. There is no dissent from the view that the arrangements for these inspections must be tough and comprehensive. But few Europeans are willing to concede in advance that UNMOVIC cannot succeed. Many are frankly concerned that hardliners in Washington are trying by all possible means, including high level statements to the effect that UNMOVIC cannot succeed and publicity about U.S. war planning, to make the Iraqis believe that there is nothing to be gained by making a deal on inspections. The timing of some of the recent leaks to the U.S. press, immediately before the UN Secretary General's meetings with the Iraqis, lent credence in their minds to this theory.[8] For the most part, European officials believe that the Iraqis will accept inspectors on tolerable terms at or close to the last possible moment. A further question arises as to how long European governments would be willing to back the use of inspections before they agreed with the inevitable Iraqi proposal that enough was enough and that the sanctions should be lifted. European officials are generally cautious in response to this question, which suggests that they have little confidence in the willingness of their governments to stick with the inspection process for the year or two that they believe will be necessary to reach a conclusive judgment on the termination of Iraq's WMD programs.

- The need for a credible threat of force to back up the demand for inspections. The European response to the idea that the Iraqis would be more likely to agree to inspections if there were a credible threat of the use of force backed by European governments as well as by the United States evokes a mixed reaction in Europe. On the whole, those outside government are ready to accept that this is a sensible idea which European governments should support. Government officials generally do not give a clear answer on this point and are at best reluctant to commit to the idea, in part, apparently, for fear of a public backlash against it. But some senior officials note that this would be a very serious commitment for any government to make publicly, that there would need to be a specific proposal to this effect to which governments could respond, and that the United States had not yet made any such proposal.

- European participation in a military action. Few European officials are prepared to answer directly the hypothetical question about their participation in an eventual military action against Iraq. But they leave little doubt that the major governments would give at least rhetorical support, however reluctantly, assuming that the United States plays the diplomatic cards right and deals satisfactorily with the mandate issue. The British government would almost certainly be willing to provide forces on the ground. Many French specialists in and out of government believe that in the last analysis their government would do so too. The Germans would be less likely to do so, although they would probably not insist on withdrawing the chemical and biological weapons detection tanks that they already have in the region. Finally, many West Europeans are concerned about Turkey in view of its current political problems and see the

[8] It is, of course, also compatible with a strategy of ratcheting up the pressure on the Iraqis in order to convince them that inspections are the lesser evil they face.

elections projected in November as potentially creating a political constellation in which Turkish support for a U.S. operation, which they believe to be essential, would not be possible.

- Iraqi use of WMD. There is real concern in Europe about Iraqi use of chemical or biological weapons during the operation, although little confidence that Saddam Hussein's actions in this respect can be predicted with confidence. At the least, Europeans see a need for clarity as to how the West would deal with this contingency.

- The post-Saddam scenario. The most serious and persistent questions in European minds, and ones on which they do not believe the U.S. administration has adequately focused, concern the political scenario that would follow the start of a military operation and the subsequent deposition of the Tikriti regime in Baghdad. On this, European opinion runs overwhelmingly as follows:

  - There must be a properly thought-out and plausible post-Saddam scenario, but none is yet forthcoming from Washington.

  - Developing a satisfactory post-deposition scenario is not easy. There is a strong possibility of 'state failure' in the wake of the forcible removal of the Tikritis that could involve a vicious civil war and the settling of old scores among different tribes and between Sunni, Shi'a and Kurds. Europeans are fairly confident that the 'Afghan model' often discussed by Americans, in which some variant of the Northern Alliance would appear in Iraq and support a military operation against the regime and the institution of a new government, is not helpful as there is no such organization in sight. There is little, if any, confidence in Europe in the ability of the Iraqi exile groups to command the support necessary to be useful in a post-Saddam scenario, not least because none of them have suffered through the worst of the Saddam Hussein dictatorship. In short, as one European expert put it, while the world would be better off without Saddam, it would be worse off without a united Iraq and the question is how confident one can be that this could be prevented.

  - Building a stable and better Iraq will take at least 10-15 years of sustained Western military and security presence in the country. Saddam Hussein has destroyed all traces of a civil society. Is the United States prepared to see this through? Certainly, the major European governments do not have the stomach to pick up the pieces after a U.S. military operation and premature withdrawal. Europeans note that the most ardent U.S. advocates of a military solution to the Iraq problem also tend to be the most passionate critics of U.S. involvement in 'nation-building.' Yet they see no alternative to nation-building in Iraq given the depredations of the Tikriti regime.

  - Is there a realistic democratic solution, as many Americans advocate? Most European experts and officials doubt it. Iraq has been continuously run by Sunni strong men, yet a democratic Iraq would be dominated by the Shi'a majority. The U.S. scholar Fouad Ajami has written about the 'dream palace of the Arabs.' Some Europeans see the vision of a democratic Iraq in the near future as the 'dream palace of the Americans.' But they also see

a pro-Western dictator as being a bad outcome, especially in view of their minimal confidence in the Iraqi exile groups. Some question when the United States will learn the lessons of recent history: after all, Khomeini, the GIA in Algeria and the Taliban were all in some sense creatures of poor Western policy. Europeans believe that the West should not court the same risk in Iraq. For some Europeans, 'all outcomes seem worse that the present situation.'

- The Iranian connection. Europeans do not question that the Iranians have no brief for Saddam Hussein, at whose hands they have suffered much. However, they question whether the U.S. administration has thought through the impact of possible U.S. actions on Iranian perceptions and interests, especially after the departure of Saddam Hussein. Iran, in their view, has a real and legitimate interest in the fate of Iraq and they think it essential to ascertain this and ensure that it is respected, particularly in view of Iranian sensitivity to the appearance of encirclement by the United States.

- The linkage to the Israeli-Palestinian issue. This cuts in two directions. Europeans are acutely concerned that the timing of a U.S. military attack on Iraq, which they believe many in Washington are urging for early 2003, could greatly interfere with whatever prospect there is for progress towards the reform of the Palestinian Authority. This combination could in their view work to the maximum disadvantage of the West. Few, if any, Europeans accept the theory sometimes advanced in Washington that the removal of the Iraqi regime will make the Israeli-Palestinian issue easier to deal with. Many Europeans believe that the converse is true – that a lack of progress on the Israeli-Palestinian issue could make a successful operation in Iraq more problematical because of intensified Arab opposition.

- The oil question. For the most part, Europeans are quite relaxed about the impact of an invasion of Iraq on the oil supply situation, with the clear proviso that the invasion is done in a context in which Saudi and Iranian concerns are heeded to the greatest possible extent. They believe that the Saudi leadership feels betrayed by Saddam Hussein and will not shed any tears over his disappearance provided this is handled reasonably quickly.

In short, the bottom line of European attitudes on Iraq is that there is less of a gap in assessment or policy objectives between European governments and the U.S. administration than might appear.[9] But there is no great confidence in the Bush administration's approach to the diplomatic and political context for Iraq policy or the worldview that underlies it. (There is, of course, a reciprocal lack of confidence on the part of many U.S. officials in the European approach to the issue and, in particular, as to whether European concerns are raised in order to improve and sharpen policy choices for dealing with the Iraq problem once and for all or whether they are in reality tactics designed to frustrate the U.S. goal of doing so.) The failure of transatlantic consultation on many of these issues only intensifies this basic and mutual mistrust. Unless this failure can be repaired, the outlook is for a host of transatlantic frictions and tactical disagreements in the coming months.

[9] It is worth noting that, unlike on the Israeli-Palestinian and Iranian issues, the EU as an institution plays little role in connection with Iraq.

Having said that, many Europeans still hope that as and when the U.S. administration really gets down to asking the critical questions about the post-deposition scenario the president and his senior advisers will have second thoughts about the wisdom of a military solution. Some even quote Churchill's familiar observation that the Americans usually end up doing the right thing, but only after exhausting the alternatives. Their worry is that along the way, U.S. actions may still incur many of the prospective disadvantages for Western interests.

Iran

The European assessment of the situation in Iran is perhaps broader and more sophisticated than their understanding of any other part of the region. In sum, it differs relatively little from that prevailing in the United States, although the conclusions drawn from it are considerably different.

Europeans see warring factions in Iran. They see the clerical forces under Ayatollah Khameini and those who are variously described as the nationalists, moderates or reformers under the leadership of Prime Minister Khatami as two faces of the coin of contemporary Iranian society, neither of which will ever be completely hidden. The third principal force is public opinion, which is predominantly pro-Western and pro-U.S. and interested in the liberalization of the regime's internal and external policies. Within public opinion, women, most of whom are highly literate (in 1998 there were more women than men in higher education), play a major role.

The prevailing European view is that the nationalists are increasing in strength, including in institutions such as the armed forces, and that the weakening of the clerical forces is unstoppable. However this does not mean that in the short term there will not be political turbulence. In general, three possible scenarios are discussed:

- A continuation of the present situation for a considerable period of time.

- The steady evolution of the situation in a republican, and possibly more democratic, direction. Such a regime would probably not be perfect from a Western point of view in terms of human rights, but would be more or less strongly nationalist in its external orientation.

- A coup d'état that essentially restores the regime of the Shah. While this would be welcomed for a period of several months or more by the public, it would strengthen the nationalist and clerical forces over time and would be the least stable of the possible outcomes.

Against the background of this assessment, Europeans believe that the West has no choice but to work to strengthen the moderate nationalists and to help them, with the backing of public opinion, to gain the upper hand, while recognizing that their view of Iran's national interests may not always be entirely agreeable to the West. As one French expert put it, the challenge is to 'close the parenthesis of the revolution.'

Europeans generally assess Iranian foreign and defense policy as a mixed bag. They see Iranian support for terrorism and for WMD programs for the most part in the same way as Americans. Iranian support for terrorism, they believe, is one of the last redoubts of the Islamic dimension of policy managed by the clerical factions. But they view this more pragmatically than many in the U.S. administration who, looking through the counter-terrorist lens, see incidents like the shipment of Iranian arms to the Palestinian Authority on the *Karine A* in December 2001 as putting the Iranian regime beyond the pale of acceptability.

On WMD, European experts expect that any Iranian government will be inclined to see nuclear weapons as an important element of Iran's ability to play the leading role in the region that they believe it should play, especially as long as their conventional military forces remain relatively weak and as Iraq is actively pursuing nuclear weapons. But these programs should not be seen in a broader context as aimed at Israel, Europe or the United States: their origin is in Iran's perception of itself as the natural leading power in the region. Paradoxically, some Europeans think that a secular moderate regime in Iran might progress faster towards nuclear weapons than the clerical regime because there would likely be an influx of scientists who are now living outside the country and who would bring important knowledge to the program.

In contrast to these essentially negative aspects of policy, Europeans believe that the Iranians should be credited with having played a positive role in the Afghan campaign, especially at the Bonn conference on the establishment of a post-Taliban regime. Admittedly this was in their interest – they have essentially continued to play their traditional role in Afghanistan. But that fits well with the general European assessment of Iran as being increasingly driven by traditional national interests and less by the Islamic dimension of policy.

Europeans of course see oil as being a central element of Iranian concerns and note that Iran is the only country that is totally dependent on peace and stability in the Gulf for its oil exports.

Finally, Europeans see Iran as concerned about encirclement by the United States. Iranians understand that they would be better off if there were a change of regime in Iraq. But they are concerned that U.S. forces in Iraq would increase U.S. pressure on them, possibly up to the point of demanding 'regime change.' This fear of what U.S. policy is really leading to, in the European view, only strengthens the motivation for their nuclear weapons program and leads them to see Russia as an even more important source of reassurance against U.S. dominance in their region.

In building policy on the basis of this assessment, Europeans claim to have learned the lessons of the period of 'critical engagement' with Iran in the 1990s. They recognize that, while it had some impact on Iranian behavior, it did not take them very far. But they continue to believe that engagement is critical. As a result, the European Union has moved, under German and British prodding and with U.S. diplomatic pressure in the background, towards offering Iran the prospect of conditional engagement in the form of a trade and cooperation agreement accompanied by separate agreements on political questions.

This latest initiative is still somewhat unformed and is made unusually complicated by the different competences of the various EU institutions. But as described by prominent European officials, it is their intention to negotiate parallel agreements with Iran on trade, human rights and WMD under which none of the agreements could be completed before all were completed and, although this is less clearly agreed, a breach of one would be considered a breach of them all.

How tight this linkage will be in practice is hard to say. The legal structure of the European Union militates against a simple and direct conditionality as the two sets of agreements fall under the responsibility of the Council and the Commission respectively and cannot be directly tied together without making ratification of the whole package by each member state necessary. The British and German governments are quite firmly resolved that the linkage will be explicit and rigorously enforced. The Germans, who have in many ways been in the lead in dealings with Iran, are evidently determined to use the leverage they have built up (such as the Iranian desire to have the Chancellor return Prime Minister Khatami's visit to Berlin) to good effect. But the Germans seem to have been reluctant to use their contacts with Iran in recent years to press explicitly for the cessation of Iranian support to Hezbollah, for example, and how far they will press for real change in Iranian policies as part of the new EU initiative is uncertain. And, with the exception of Britain, other member governments are even less clearly committed.

Whether the eventual policy will prove tough enough to satisfy the United States is unclear at this point. Despite their rejection of U.S. criticisms that European policy towards Iran is largely driven by commercial interests, those interests are substantial for several European governments. Nevertheless, it is not yet certain that the conditionality inherent in the new EU policy will not be pursued forcefully.

The latest U.S. policy statements on Iran, starting with the presidential statement on 12 July, which came after the delegation's meetings in Europe, further clouds the outlook for closer transatlantic cooperation on Iran by negating the premise of European policy, namely that dealing with the nationalists within the present Iranian government will help to bring into being a more acceptable, and ultimately a more democratic, regime. The U.S. statement that it will in future work to support the Iranian public's desire for a more responsive regime will almost certainly seem to some Europeans as the extension of the 'regime change' approach to Iran at a time at which this could have considerable negative consequences for Western interests.

Finally, most Europeans believe that there is still a chance that Iran's acquisition of nuclear weapons can be headed off. A precondition for this is a continued effort to contain Iraq's program, since Iran could not stand by if Iraq were to acquire nuclear weapons. Europeans also see the Russian role as critical. This point was made even clearer by the announcement in late July that the Russians were discussing the possible supply of additional nuclear power reactors to Iran. The German government, like the U.S. government, has addressed this issue in its exchanges with Russia and the Russian government appears to have backed away from this idea in its most recent discussions with the United States.

Just as many Americans tend to believe that Europeans were too slow to admit the failure of their policy of 'critical engagement' with Iran, Europeans generally see the United States as being on the wrong tack in relation to Iran now. Some of them are reluctantly prepared to admit that the inclusion of Iran in the

'Axis of Evil' has had a salutary effect in influencing the moderate forces in Iran to press harder for change in Iranian foreign policy. But Europeans tend to view U.S. policy as too one-dimensional in its view of Iran and insufficiently inclined to give credit to the Iranians for their more positive policies, for instance towards Afghanistan. They tend to discount the unsuccessful efforts made under the Clinton administration to offer precisely the kind of conditional opening to Iran that they say they are about to undertake. And they see U.S. policy towards the Israeli-Palestinian problem as only likely to strengthen the determination of the Iranian clerical forces to maintain and intensify their support for Hezbollah and Islamic Jihad.

In sum, the transatlantic divergence of policy on Iran in terms of practical actions is probably greater at present than on any other regional issue. But in effect the two policies are broadly complementary and are seen as such, in a constructive sense, by many in Europe. Whether this understanding can be made operational, so that the differences of approach do not lead to friction and disagreement across the Atlantic such as there has been in the past (e.g., over the Iran-Libya Sanctions Act in the 1990s) remains to be seen. The most recent U.S. policy statements seem to have been a step away from such an understanding.

The Directions and Dynamics of the Middle East Region

Both Europeans and Americans see the flashpoints of the Middle East against a background of a region in acute distress. The 1990s were a lost decade in the region during which, despite its access to oil revenues, its economic performance was worse than any other region of the world other than sub-Saharan Africa. The few success stories, principally in the small states of the Gulf, were dwarfed by the failures of all the major states in the region. The social compact between autocratic regimes and their peoples, under which the former would take care of social needs, has started to break up under the weight of population growth and declining oil revenues, at least per capita. And despite some positive signs, such as the spread of education and an increase in life expectancy, the inability of the economies to create new jobs is becoming an increasing liability as large new cohorts of young people reach their twenties and thirties.

The events of September 11 have stripped a veil off aspects of this failure. They have laid bare the inability of the region to keep up with the benefits of global economic and social development and revealed the self-destructive consequences of corruption and support for terrorism and religious extremism, notably from Saudi sources. At the same time, some prominent Arabs have been facing up to the realities of the situation. The Arab Human Development Report, published by the UN Development Program shortly before the delegation visited Europe, represents a major effort by Arabs to describe the situation and to propose approaches to dealing with it. Its emphasis on the critical deficits – freedom, the empowerment of women and the spread of knowledge and innovation – and the key policies for a better future – building human capabilities and knowledge, using them to rebuild economies, and a new emphasis on good governance – constructively focuses on the broad range of policies needed to transform the region.

This report has made a considerable, and positive, impression in Europe. European officials recognize that European countries have as great an interest, if not a greater one, than most other countries outside the region in economic and social development in the Middle East along the lines sketched in the report. And they find that the general lines of its recommendations are compatible with their own priorities for the region. But they are not sure that it will acquire the necessary political traction in the region and do not as yet have good ideas as to how this can be encouraged.

This skepticism about the ability of the region to reverse the negative economic and social trends of recent years is matched by a concern about relations between the countries of the region and the West. Europeans recognize that the anger and hostility in the region, which they see as especially strong in the younger generations, is aimed at European countries as well as at the United States. And they note that since September 11 that hostility has greatly intensified. Part of the European feeling of urgency about the Israeli-Palestinian problem is derived from their sense that without a radical change in the trend of events this hostility is only likely to become yet more intense.

Europeans are especially concerned about the mixed signals that the United States is sending to the region, notably on the issue of political reform. In general, European experts do not hold out high hopes that democratic institutions will take root in the Arab world any time soon. As noted above, many of them believe that democratization in the Arab world is a 'dream palace' of Americans. But they see particular problems about the current U.S. approach of advocating it in some places, such as a new Palestinian state and Iraq, but not others, like Saudi Arabia and Egypt. At best they see this as unwise and at worst as exemplifying a U.S. hypocrisy that can only damage Western interests in the region. And, more practically, they question whether an emphasis on democratization in a Palestinian state and Iraq might not make the support of other key countries, such as Egypt and Saudi Arabia, for Western policies even less likely than it would otherwise be because they are inclined to see democracy as a threat to their own political future.

Egypt, Saudi Arabia and Jordan are obviously the key countries for the future of the region and European experts have clear views on each.

- On **Egypt,** the delegation found a surprising reluctance to discuss the situation in detail. The explanation may be that the difficulties that Egypt faces are so great and the ideas for their resolution, at least among Europeans, so few. Many Europeans are, however, quite critical of the United States for sending the wrong signals to Egypt by appearing to prefer stability to change and by such untimely actions as receiving President Mubarak's son at the White House at precisely the time when President Bush was advocating political reform in the Palestinian Authority.

- On **Saudi Arabia,** European experts and officials are quite concerned about the trend of events, although few believe that the regime is seriously threatened in the near future. They see the social, economic and demographic trends in Saudi Arabia as being as bad as anywhere in the region, especially given the high rate of population growth and the move of Bedouin into the cities. While the lower class is still deeply influenced by Wahhabi Islam, not least because of an education system that is in serious need of reform, the elites are very much engaged in

globalization. European experts believe that the need for change is well understood by important sections of the ruling family, notably Crown Prince Abdullah, but the resistance from other parts of the family, from the *ulama*, and from the society at large remains intense, to the point that one European expert is wont to refer to 'Soviet Arabia.' One small bright spot is the evidence that the Saudi elites are starting to invest in their own country, a much needed development. The European concern is that Abdullah may not have either the political clout within the family or, given his age, the time in office necessary to make much progress with reforms. Internationally, some European experts are concerned that the Saudi leaders increasingly believe that the United States has espoused a new policy for the region in which Saudi Arabia no longer plays the central role of recent years. According to this view, the Saudis interpret U.S. policy towards Iraq and even Iran as an attempt to build up their Gulf rivals to positions of greater prominence at the expense of the Saudi position. At best, U.S. policy towards the region is sufficiently controversial in Saudi Arabia that the Saudis are not likely to be willing to adopt a high profile on key issues. The Abdullah plan on the Israeli-Palestinian issue was extremely divisive within the ruling family and the failure of the United States to pick up on it more aggressively has, as Europeans see it, resulted in a Saudi decision to take a back seat role in the coming months.

- **Jordan** is seen as in the most critical situation. The Jordanian regime is caught between its concern for developments on the West Bank and its delicate position in relation to Iraq. This precarious position could be made almost untenable if the crisis on the West Bank intensifies and the Israelis start to implement expulsions, since Jordan is determined not to accept a new influx of Palestinians. The Jordanian leadership has made abundantly plain to European policy makers their concern about a U.S. invasion of Iraq. But the leak of rumors that U.S. plans for an invasion include the use of facilities in Jordan merely make the regime's situation more precarious.

Looking to the medium and longer term, some European experts argue that the West needs to find ways to encourage a polycentric Middle East in which countries progress along the path of reform and economic development more rapidly under more pluralistic political and economic institutions. But they are uncertain as to whether some of the major countries, notably Saudi Arabia and Egypt, accept this vision, which is essentially that of the Arab Human Development Report. Egypt, in particular, they see as wanting to play its historical role as a dominant power in the region and as not necessarily wishing to support an Israeli-Palestinian settlement that would lead to a more polycentric Near East.

The issue of Islamism is obviously of considerable concern. One of Europe's most eminent scholars of the region, Gilles Kepel, published the English version of his analysis of this subject shortly before the delegation visited Europe[10] and his thesis concerning the failure and decline of political Islam was very much on the minds of many of the European experts whom the delegation met.

[10] See his *Jihad: The Trail of Political Islam*, Harvard University Press, April 2002. This is the English translation of a work originally published in French in 2000.

In general, two observations were made about this. First, that even according to Kepel's thesis Islamic extremists could cause a great deal of disruption during their decline as a consequence of their use of the last resort of terrorism and violence to compensate for their political failure. Second, European experts warned that the secularists in the region could present the West with almost as great challenges as the religious groups. This point has already been mentioned in relation to Iran. As another example, the Iraqi regime is one of the most secular in the region. Some European experts believe that the key to long run success of Western policy may lie in the development of a moderate form of political Islam which can promote stable economic and political development in the region and with which the West can have constructive relations.

Finally, Europeans tend to see the influence across the region as a whole of the failure to make progress towards resolving the Israeli-Palestinian problem as extremely malignant. Not only is it an alibi for Arab regimes to avoid facing up to their economic, social and political problems, but it tends to aggravate the anti-Western attitudes of the younger generation, in particular. As a result, European officials are especially concerned about the sequencing of developments associated with the Israeli-Palestinian issue and of those relating to other issues such as Iraq and Iran. They do not have great confidence that the U.S. administration is as sensitive to the potentially harmful impact of a failure to deal with this question of sequencing as they believe it should be.

The potential coincidence of elections in the West Bank and Gaza in early 2003 and intensifying U.S. pressure and possibly military action against Iraq is only the most obvious example of this. In general, Europeans believe that U.S. policy does not, but should, coherently address the Middle East as a whole. The same criticism of course applies to European governments' policies. But rightly or wrongly, Europeans tend to think that the scope of the ambitions of current U.S. policy for the region makes the costs of a lack of coherence on the part of the United States greater.

Obstacles to Transatlantic Cooperation

The delegation's meetings in Europe confirmed the impression generated by the events of recent months (indeed it was the impression that lay behind the project's inception) that there has been a serious failure of consultation across the Atlantic on the problems of the Middle East. The delegation's discussions in Europe suggested a number of possible reasons for this situation that are instructive for the future. These reasons are surprisingly symmetrical on the two sides of the ocean. They can be summarized as follows:

- **Internal Divisions**. The impact of the internal divisions in the Bush administration has been noted above. They have made the administration reluctant to consult European (or other) allies intensively about common or complementary policy approaches in the absence of agreed U.S. policies. (This does not mean that run-of-the-mill diplomatic exchanges do not regularly occur, primarily with the State Department, but these do not have the same character or effect as more structured consultations.) Europeans fear that consultations will only occur when U.S. policy is so firmly set that no amount of consultation will be able to change it. On the European side, despite broad similarities of view and policy, all the European governments consulted by the

delegation made the point that differences of approach and emphasis among them made concerted consultation with the United States harder. These differences – for example in terms of relations with Israel, on which the Germans and the French have different approaches, largely for historical reasons – mean that the major European governments find it hard to take a consistent and coherent position in their dialogue with the U.S government and also that the latter may see less reason to believe that a coherent European position that could be of assistance to U.S. policy will emerge in timely fashion.

- **Concern for the Transatlantic Relationship**. On the European side the reason most frequently given for the fact that European leaders have been reticent about airing with senior U.S. leaders the full scope of their reservations about the directions of U.S. policy is that they do not want to put the transatlantic relationship at risk, especially with a new president whose ideas and approaches they do not understand well. By doing so, they fear they could compromise their ability to have any significant input into U.S. policy making, something they value highly. On the U.S. side this concern takes a different form, namely the conviction of many key players in parts of the Bush administration's foreign and security policy apparatus that the transatlantic relationship is not as important as in the past because the Europeans are neither willing nor able to play a decisive role alongside the United States in the war on terror and the campaign to limit and roll back the spread of WMD.[11] This being so, there is little that the U.S. government can gain from intensive transatlantic consultation in advance of U.S. policy decisions.

- **The Slippery Slope.** As a corollary of the last point, Europeans worry that if they cooperate too closely with the United States in the design and implementation of policy towards some of the issues in the region they could find themselves becoming visibly associated with ventures from which they would prefer to be able to stand somewhat aloof. Similarly, U.S. officials are concerned that any obligation to consult continually and intensively with European governments (apart from the somewhat special case of Britain) about common or complementary policies would merely delay timely action and inhibit the clarity of U.S. policy.

- **A Lack of Good Ideas.** From a U.S. perspective, it is not hard to reach the conclusion that European governments are not only lacking in good, or at least politically realistic, ideas for approaching the problems of the Middle East, but that some of their ideas are actually bad ones, derived either from narrow commercial or other interests or on timidity in the face of their domestic opinion. And given that Europeans have tended ultimately to converge on the approaches that the United States has adopted on the major issues (with the partial exception of Iran), that conclusion has some basis in fact. There is indeed an air of despair about much of the conversation about these issues in Europe. The U.S. administration is, however, unwise to assume that this means it has a monopoly on good ideas and to take so little advantage of the deep knowledge of aspects of the region that exists in many places in Europe.

[11] The *locus classicus* for this view is Robert Kagan's article 'Power and Weakness' in *Policy Review* No. 113, June/July 2002.

- **Will It Make Any Difference?** Both U.S. and European officials believe that when push comes to shove, European governments will have little choice but to follow the U.S. lead on the major lines of policy. For this reason, while there is every reason to involve as many European governments as can and wish to help in the implementation of policy, there is less incentive on the U.S. side to make the process of policy formulation a collaborative one or, on the European side, to abandon the possible advantages of being able to take a somewhat differentiated approach on certain issues. But a U.S. failure to try to deal with legitimate European concerns, especially about the post-Saddam Hussein scenario in Iraq, is a recipe for a great deal of friction in the implementation of policy in the coming months.

This may seem a rather stark appraisal. It is fair to note that many European officials are at pains to say that government-to-government relations are working well at present. (Their concern to try to preserve the transatlantic relationship at a time of stress makes such protestations less than fully persuasive.) But while that may be true at a tactical level, European concerns about the directions and tendencies of U.S. policy are without doubt substantial – indeed it is noteworthy that some of the most critical comments the delegation heard were made in London, the capital that on the surface would appear to be the most closely in line with U.S. thinking.

Conclusions and Recommendations

The point of departure for any recommendations on the complex of issues addressed in this report is the recognition of several important facts:

- Both the United States and the countries of Western Europe have extensive and legitimate interests in the Middle East. While those interests overlap in many respects, they are not identical and these differences are likely to engender differences of policy approach on some key questions. For example, European countries have a more immediate concern for instability in the region that could prompt more migration, several have a greater dependency on Middle East oil, and many have historic relationships in the region that affect their views of current policy issues.

- The domestic political constellations that must help shape and approve U.S. and European countries' policies towards the region are different. But while there may be elements within the domestic context on both sides – including, on the European side, anti-Semitic groups – that give unquestioning support to the more extreme demands of either the Israelis or the Palestinians, the vast majority of the interest groups involved on both sides of the Atlantic are working for outcomes that fairly reflect the legitimate interests of all the parties to the dispute.
- European governments contain a great deal of expertise and intelligence capability on the Middle East and devote considerable effort to assessing the situation there and maintaining contacts that can be of value to the formulation and implementation of sound U.S. as well as European policy.

- Both the United States and the European countries will, and should, have active policies relating to the Middle East and its problems. Although the United States is more extensively engaged and in many ways has more at stake in the region than European countries, the European governments dispose of substantial assets, financial and human, in support of their policy which, if they were in the service of common or complementary policies among the allies, could be even more productively expended.

- The key Middle East crises cannot be resolved without close U.S.-European cooperation. There may be U.S. policy goals – notably those requiring only the use of military force – that the United States can pursue and implement successfully without the support or participation – and indeed if necessary, against the opposition – of European countries. But this is not true of most of the major elements of U.S. policy, including notably the prosecution of a successful policy of regime change in Iraq. And even if it were, as the war in Afghanistan has most recently shown, the United States does not have either the desire or the political will to do so on a sustained basis. One of the aspects of the U.S. domestic context is that public opinion consistently shows a strong preference for the United States to act internationally in concert with its allies and friends. For most purposes, European governments are the logical choices as the U.S. partners.

- The transatlantic disagreements on Middle East policy are for the most part more about timing, approach and priority than they are about the goals of policy. (Arguably this is not true of Iran, although even there it is not clear that even there is a fundamental difference of objective.) That is not to suggest that the differences are small or easy to bridge. For example, on the Israeli-Palestinian issue, the longstanding difference of approach noted at the outset of this report that relates to the need for Arab negotiating partners whose behavior has made plain their willingness to accept the existence of Israel as permanent and unquestioned remains a major obstacle to common policy approaches. Nevertheless, agreement on the basic contours of the acceptable political resolutions of the principal disputes in the region provides a foundation on which to try to build compatible policy actions.

- If Europe and the United States can present a unified front on key Middle East issues, the chances of success in achieving their goals are considerably increased.

- Middle East issues can no longer, if they ever could, be divorced from other aspects of the transatlantic relationship. On the U.S. side, Americans cannot expect that they can go their own way in the Middle East despite European reservations and then find the Europeans keen to support U.S. policy in other areas of importance to the United States. On the European side, Europeans need to recognize that if they fail to appreciate the U.S. assessment of the threats to the United States after 9/11 and the risks of failing to act decisively against them, other aspects of the relationship will inevitably be affected.

The transatlantic allies must therefore make a substantially greater effort to manage their relations on this important set of issues better. Against this background, we see an urgent need to intensify and make more routine the systematic search for common or at least complementary policies.

Several actions on both sides of the ocean could help achieve this goal.

- On the U.S. side, European officials are quick to note the relatively thin team that is deployed on this central set of problems. At the time of the delegation visit to Europe there was no senior director at the National Security Council specifically assigned to work on the Israeli-Palestinian issue and the principal senior interlocutor for and negotiator with foreign governments on all the Middle East issues at the State Department was serving as the Assistant Secretary, who was also charged with the management of his bureau. This against the background of the persistent divisions within the administration on several of the critical challenges in the region. There is a strong case even in terms of U.S. interests for the president to act to strengthen his team on these issues, possibly by the addition of a special representative of the President and the Secretary of State for the Middle East as a whole, and to emphasize the need to resolve the divergent approaches of the agencies principally involved into an agreed line of policy that can be more consistently pursued than in recent months. European governments would much prefer to deal with a unified and consolidated U.S. policy even if there were aspects of it with which they disagreed, than to face the ambiguities and confusion they have to deal with at present in Washington.

- On the European side, there is a need for the governments principally concerned to make a greater effort to harmonize their approaches and to work together in their dialogue with the United States in order to seek complementary policy approaches. The success of the High Representative, Javier Solana, in creating a role for the EU in the Middle East policy process as it affects both the Israeli-Palestinian issue, through the Quartet, and Iran (not to mention Afghanistan) has been considerable. If the major governments could find a way to operate even more by consensus and through a single institutional agency, if not necessarily through a single individual, their impact would be substantially greater. This is, no doubt, a counsel of perfection given the difficulties of making rapid progress towards a common foreign policy. Nevertheless, European governments should have an incentive to act more in harmony towards the region unless they wish to continue in the unsatisfying role of reluctant adjutants to U.S. policy.

- The creation of a new high level contact group or consultative forum on the Middle East such as proved so useful in connection with the Balkans should be urgently considered. Such a forum, which could be based on, but would need to supplement and possibly expand, the existing Quartet (in which, as noted earlier, the principal actors are the U.S. Secretary of State and Mr. Solana), could also be the umbrella under which a more intensive effort could be made towards at least two goals: to achieve common political and intelligence assessments of the region and of the threats it presents to the West as the basis for policy; and to reach an understanding of some worst case possibilities and the range of possible responses to averting or, if necessary, managing them. As always, the membership of such a group on the European side would be controversial. But that problem has been managed in the past and could no doubt be managed again.

The creation of a more intensive government-to-government dialogue on both intelligence/threat assessment and policy must be accompanied by a substantially greater effort on both sides to explain

their policies publicly to the elite and public opinion of the other. There are two important areas where such efforts at mutual information and education are needed.

- **Threat analysis.** Recent polls in six European countries suggest that European publics are well aware of the risks and threats from outside Europe and that their sensitivity to these may be as great as the U.S. sense of vulnerability.[12] European opinion seems, however, not to have considered fully the urgency of some of the threats posed by the proliferation and possible use of WMD, at least as they are understood in the United States, or the policy choices that may be required to deal with them. A primary source of these problems is the Middle East. The United States must do a better job of explaining to European parliaments and publics the nature of the threats and why, in the long run, they are just as much threats to Europe as to the United States. The parallel here would be the successful efforts made by the Reagan Administration to explain to European publics and parliaments the reason for deploying cruise missiles in Europe in the 1980s and why the Soviet development of the SS-20 was such a threat. This was an effective campaign, but it required going public with sensitive intelligence information and the support of key European governments based on their acceptance of the threat analysis underlying U.S. policy. Both elements are needed in this case too.

- **Political realities.** Many Americans do not fully understand the many aspects of the EU's multiple agendas and the different political constituencies to which European countries must be sensitive. European governments should be more assertive and proactive in Washington in explaining European concerns, including the complexities of the EU itself. The growing impact of Muslim immigration on European politics and the geographical reality that the Middle East is literally next door and that, admittedly reluctantly and with little prospect of early action, the EU has accepted Turkey as a candidate for EU membership[13] are important realities. These factors have a profound impact on the European psyche and outlook, but are little understood in Washington, either in the Congress or in the general public. European governments and representatives in Washington should take more effective initiatives to explain the situation.[14] Likewise Europeans have done a poor job of explaining EU policy towards Iran. The details of the proposed trade and cooperation agreement, and indeed its genesis in response to the events of 9/11, are not well understood in Washington and need to be explained better. This may not convince U.S. skeptics that the EU will truly employ strict and serious conditionality towards Iranian behavior. But explaining it will go a long way to tone down the harsh, sometimes strident, comments that greeted its announcement in the United States.

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12 These results, with comparable results from polling in the United States, will be published in September 2002 by the German Marshall Fund and the Chicago Council on Foreign Relations.

13 While many Americans rightly remain skeptical of EU intentions on Turkey, the EU reaction to Turkey's recent passage of important legislation on human rights in early August, which addressed some of the principal political obstacles to actual accession negotiations with Turkey, was swift and positive.

14 A good example was the quick reaction of the German government and German NGOs to the recent charges that Europe was turning anti-Semitic once more. Germany dispatched a number of high level groups for meetings in Washington which were successful in defusing many concerns.

Given that the primary sources of transatlantic divergence lie in different approaches to process and approach, it is perhaps not surprising that our most important conclusions and recommendations relate to the process by which policy is formulated and presented. We do however offer a number of conclusions and recommendations on the substance of the issues addressed here:

- **The Israeli-Palestinian Question.** The U.S. government should commit and stick to a process in which the different components of its policy – the 'reform,' security, humanitarian, and political settlement tracks – are pursued in parallel, with clear milestones and benchmarks for each track to be met by both the Palestinians and the Israelis. This elaboration of the president's June speech, if constructed in consultation with European governments and based on a set of actions that took account of the interests of both sides, should be a program which European governments could undertake to support. It could become the basis for a clear and agreed division of labor between the United States and European governments. It should also be a basis on which the United States and the allies could jointly solicit the support and engagement of other governments in the region. If the humanitarian situation in the Palestinian areas further deteriorates, the allies should give high priority to contributing to a strong and swift international response.

- **Iraq.** The U.S. government should make every effort, through the UN Secretary General and the Security Council, to launch the UNMOVIC inspection process in an attempt to bring Iraq into demonstrated compliance with its obligations on WMD and, if that should fail, establishing the legitimacy of a recourse to military force. The White House should make plain that actions or statements that cast doubt on the U.S. commitment to this effort, such as recent statements by some senior officials, do not represent U.S. policy. European governments should, after consultation with the United States on the precise way in which the UN processes would be carried through, including reasonable timetables and milestones for progress, commit publicly to supporting the use of military force to resolve the question of Iraqi non-compliance if the UN inspection process is not successful in doing so. Few actions would do so much to restore the credibility of European policy in the eyes of skeptics in Washington. And the U.S. and major European governments should immediately embark on a confidential, intensive dialogue about the options for a post-Saddam political scenario in Iraq, the requirements for an international force to manage the process, and their respective contributions to building a stable new political situation in Iraq.

- **Iran.** The U.S. government should, within the parameters of the Iran-Libya Sanctions Act and the strength of Congressional support for it, move back towards a policy of careful and conditional engagement with Iran and encourage the EU to continue on its current approach, with close U.S.-European cooperation on intelligence assessments on the evolution of Iranian policies towards WMD, human rights and support for terrorism.
- **Regional Development**. The United States and the EU should jointly develop a strategy to support the implementation of policies based on the Arab Human Development Report in all the major countries of the region. This strategy could usefully emphasize, in line with the report's conclusions, the issue of good governance and the damage that corruption is doing to the interests of both the countries in the region, not least Iran, Iraq and Saudi Arabia, and the

West.[15] This should involve discussions with the Saudis and Egyptians, in particular. The goal should be to move the assistance and other policies of both the United States and European governments towards explicitly supporting the priorities of the report and regional governments which move towards its implementation.

Finally, we conclude that there is an urgent need on both sides of the Atlantic to ensure that the different components of Middle East policy fit together into a coherent whole in terms of both substance and timing. While there has been much discussion in both Washington and European capitals on the question of 'Jerusalem first or Baghdad first?', the reality is that both sets of problems will have to be pursued simultaneously, with neither receiving priority. It therefore behooves the governments, by means of the enhanced consultative process recommended above, to assess and understand as best can be done the likely interactions, for good or ill, of the different possible sequences of action and to undertake contingency planning related to these interactions.

[15] The development of an anti-corruption, pro-good governance agenda for all the countries in the region could have a strong catalytic effect in enhancing the appeal of Western policies to Arab publics since it would make plainer than has been the case for some time that those policies are aligned with the interests of the peoples of the region.

Members of the Atlantic Council/German Marshall Fund Delegation

Rita Hauser is a member of the President's Foreign Intelligence Advisory Board, of counsel to the New York law firm Stroock, Stroock & Lavan, chair of the International Peace Academy and a director of RAND and the Atlantic Council of the United States. She is also a member of numerous boards in the United States, Europe, and the Middle East.

J. Robinson West is chairman of the Petroleum Finance Company, a trustee of the German Marshall Fund of the United States and a former senior official of the Defense and Interior Departments.

Marc C. Ginsberg is CEO of Northstar Equity Group in Washington D.C. He was formerly U.S. ambassador to Morocco (1993-8) and deputy senior advisor to the President for Middle East affairs (1980-1).

Geoffrey Kemp is director, Regional Strategic Programs at the Nixon Center and a former special assistant to the President for national security affairs (1981-5).

Craig Kennedy is president of the German Marshall Fund of the United States.

Christopher J. Makins is president of the Atlantic Council of the United States.

James Steinberg is vice president and director, Foreign Policy Studies, at the Brookings Institution. He was formerly deputy national security advisor to President Clinton and director of the Policy Planning Staff at the Department of State.