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A theoretical framework is needed to make sense of a new international order and the place of the transatlantic alliance in it. We focus on three variables: 1) rising multipolarity; 2) the future of multilateralism, and 3) the scope for transatlantic leadership. We argue that systemic theories of international re-

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lations are likely to fail to explain the behaviour of major powers that are focused inward on profound domestic challenges. The study of IR becomes increasingly the study of its parts: individual policies. The US and Europe have capacity to lead in many policy areas, but must focus on reforming multilateral institutions.

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# Multipolarity and Transatlantic Relations: Multilateralism and Leadership in a New International Order

John Peterson, Nathalie Tocci and Riccardo Alcaro\*

Multipolarity

Multilateralism

Leadership

*Some eras call for bold doctrines, new global architecture and 'Present at the Creation' moments. This is not one of those eras. Today, the world is like a cocktail party at which everybody is suffering from indigestion or some other internal ailment...It's not multi-polarity; it's multi-problematicity.*  
(Brooks 2012)

Students of International Relations (IR) live in interesting times. First, there seems little question that power is shifting from established powers to emerging ones. The Western powers that established the institutions of post-World War II global governance and (mostly) successfully entrenched within them their dominance of IR are facing demands to rebalance international institutions to reflect the rise of new powers: particularly, the so-called BRIC (Brazil, Russia, India, and China).<sup>1</sup>

Second, the present era – more accurately, the 20-30 years ahead – provide an unusually clear test case for IR theory. If power is shifting in IR, then contending theories have a coveted opportunity to predict the consequences. The chance comes at a critical time, as it is plausible to conclude that IR theory has had a rough couple of recent decades. None of the leading theories that guided investigation during the Cold War and its immediate aftermath have seen their explanatory power flattered by key international developments.

Realists of all stripes summarily failed to predict or explain the end of the Cold War. Liberal institutionalists enjoyed some days in the sun in the 1990s, when (for example) the Western alliance hung together and was even deepened, strengthened and expanded, despite the demise of the existential Soviet threat. But then that alliance shattered over the war in Iraq. The George W. Bush administration (2001-9) did little or nothing to invest in the US's alliance with Europe in advance of the war; many would argue that it did the opposite. Its post-invasion investments were modest and not enough to heal the rift. Then, the post-2008 global financial crisis triggered a

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<sup>1</sup> An alternative designation is 'BRICS' with the inclusion of South Africa, which we sometimes use in this paper. This designation is often justified by South Africa's emergence as a political leader of an African continent that has taken on a new economic dynamism, not least because a large influx of Chinese investment, and South Africa's inclusion in annual BRICS summits. However, South Africa is, in many respects, still very much a developing - as opposed to 'emerging' - state economically, with a GDP (ranked 27th globally) that is barely one-quarter the size of the closest-ranked BRICS state: India (ranked 10th).

new and unprecedented loss of credibility of Western, liberal capitalism. The crisis was sourced in the West and its after-effects contributed to new and profound doubts about the durability of the most important Western geopolitical project of the 20th century: European integration. The Eurozone crisis has exposed fault lines in the European Union (EU) that make credible claims that the continent is being 'renationalized' (see Kupchan 2012: 151-8). More generally, the notion that the international world is becoming progressively more institutionalized over time seems less secure than it did in the 1990s. The rise, in particular, of China and Russia also puts into question whether it is progressively more 'liberal'.

Arguably, the recent ascent of constructivism as an approach to IR has also done little to burnish the reputation or explanatory power of IR theory. Constructivism remains – for example – *the* dominant approach in the study of EU foreign policy (see Peterson 2012: 219-20). But its proponents often are left arguing that division and disarray in the Common Foreign and Security Policy (CFSP) will diminish as common European interests and identities are 'constructed', if only we are patient enough. And the possibly even more voluminous upsurge in post-positivist or critical theorizing about IR seems to mean that increasingly more theorists eschew explanation or prediction in favour of disputes about semantics and/or overtly polemical work.

Nevertheless, a theoretical framework is needed that offers the promise of clear, testable propositions about the new international order in the making, and – in particular – the place of the transatlantic alliance in it. This paper is particularly concerned with three variables that will be powerful in determining the nature of this order:

- the meaning and implications of multipolarity,
- the near-term future of multilateralism, and
- the scope for transatlantic leadership within global governance architectures.

Our central argument may be stated simply: if all IR theory is, by nature, systemic, then it is likely to fail to generate explanations for the international behaviour of established and rising powers that are mostly focused inward on profound domestic (or 'sub-systemic') challenges. In these circumstances, IR increasingly becomes the sum of its parts: individual policy areas. Patterns of cooperation and competition vary considerably between them. More specifically, US-European relations feature collaboration or conflict – or something in between – depending on the policy area in question. The proliferation of mostly technocratic and atomized policy dialogues and the lack of any *strategic* dialogue between Europe and America puts them on a pathway to, at best, a weak and fragile 'functional partnership' and, at worst, structural drift towards bipolarity (see Toje 2008; Tocci and Alcaro 2012). But both sides face powerful incentives to work together where their interests overlap and, in particular, to find ways to accommodate the demands of rising powers for greater voice and representation in IR. Their relationship and capacity for leadership in the next decades will be determined largely – maybe mostly – by how they coordinate and manage their responses to these demands.

## 1. What Does Multipolarity Mean?

One of us began their very first book by claiming that '[w]hatever its shortcomings, the literature on international relations theory remains one of the richest and most provocative offered by political science as a discipline' (Peterson 1997: 24)<sup>2</sup>. At the time, IR theory seemed to offer a host of alternative perspectives that began with competing assumptions and ended with clear and plausible predictions about what kind of international order would follow that of the Cold War. Nearly two decades on, we would hesitate to describe IR theory as a sub-

<sup>2</sup> This book appeared in its first edition with Edward Elgar in 1993. The view expressed that IR is an approach within the wider discipline of 'political science' is an American view that is often challenged in Europe, where IR commonly is seen as a separate discipline in its own right.

discipline in such favourable terms.

Take security studies as an exemplar. Buzan and Hansen (2009: 272) contend that 'Peace Researchers, Constructivists, Critical Security theorists, Feminists and Post-structuralists have scored deeply in moving the understanding of threat away from purely material calculations towards more social and political understandings'. That the very meaning of security has changed is beyond dispute. Few would lament the passing of the era in the 1980s when the study of IR was dominated by the 'bomb guys' (they were overwhelmingly 'guys') and their focus on nuclear exotica such as throw-weight and mega-tonnage. What is less clear is whether IR theory – now far more dominated by constructivists and post-positivists than (say) in the 1990s – has shed more light than jargon-ridden fog on the nature of security and the evolution of the international order more generally.

But what light might different IR theories shed on a shift towards multipolarity? Two important points of departure need to be acknowledged before we can answer the question. First, IR theorists traditionally have focused mostly – often exclusively – on the international system of states as their primary source of explanation. Factors at other levels of analysis, such as domestic politics or the international vision of individual leaders, may matter in IR. But they are not considered causal factors. In Kenneth Waltz's (1979) famous phrase, they 'drop out' of any theoretical explanation. The justification is parsimony: the simplest and shortest path to explanation and prediction is the best path. As Moravcsik (2003: 7) insists, all IR theories are 'systemic theories in the strict Waltzian sense'.

Second, it is easy to forget that many IR theorists – and ones of nearly all stripes – only recently contended that the early 21st century was an era of 'unipolar [international] politics' (see Kapstein and Mastanduno 1999; Kissinger, 2001; Ikenberry 2006). Kapstein (1999: 486) spoke for many in claiming that 'no country in modern history has ever held such overwhelming power across so many dimensions' as the United States at the turn of the millennium. The questions of whether the IR academy – dominated by Americans – was subject to a kind of group think and triumphalism or was (for example) neglectful of the immediate post-war period, when the US's relative power seemed even more overwhelming, remain open ones. The more interesting question is how and why theorists differed about the likely longevity of the 'unipolar moment'. Divergences in views mirror timeless theoretical debates about the relative desirability of different configurations of polarity.

Differing assessments of whether or not multipolarity is a recipe for stability is one of the most important questions on which proponents of different types of realism disagree. For Morgenthau (1985), a classic multipolar balance of power was viewed as desirable and, in fact, much preferable to the bipolar order of the Cold War, in which power was balanced only precariously. Unipolarity was, understandably, never on his radar screen as a classical realist who came of age during the bipolarity of the Cold War. But realists writing during the 'unipolar moment' at the turn of the millennium often concluded that 'the American century has just begun' (Kapstein 1999: 486) because 'the evidence to date is fairly clear... other states are not balancing the preponderant power of the United States' (Mastanduno and Kapstein 1999: 10). The assumptions that underlay such conclusions – that American hegemony was, and would remain, viewed globally as benign and unthreatening – seem, in retrospect, remarkably naïve.

In contrast, Waltz (1979) argued that bipolarity was a more stable system than multipolarity. When power is shared relatively widely, Waltz's neorealism predicts that weaker states will seek to balance 'Great Powers' more often than they will bandwagon – or ally – with them. With multiple powers competing for advantage, it becomes harder for lesser powers to gauge the relative power of dominant states. The questions that weaker states must ask themselves – with whom should I be an ally? against whom must I balance? – become more difficult

to answer. Weak states, as well as states that form new poles of power, are thus prone to miscalculation because they face more difficult calculations. Often, they will make choices that make a multipolar system more unstable.

By the same token, neorealism considers unipolarity to be, almost by definition, a fleeting and unstable configuration that is inevitably destined to atrophy. Systemic pressures naturally push weaker powers to seek to balance a hegemonic state by taking any opportunity to act together in opposition to the 'unipole'. The anti-American Iraq War alliance of Germany, France and Russia could be viewed as a case in point.

To add to the mix, Mearsheimer's (2001: 381) 'offensive realism' led him to insist, debatably with insight and before it became accepted wisdom, that 'the international system is not unipolar'. But he sides with Waltz in theorizing that '[w]ar is more likely in multipolarity than bipolarity' because there are more 'potential conflict dyads', imbalances of power are more likely, and miscalculations are more probable (Mearsheimer 2001: 338). He posits that '[b]ipolarity is the power configuration that produces the least amount of fear among the great powers' although – ever-consistent in his doom-mongering and eschewing any nostalgia for the Cold War – 'not a negligible amount [of fear] by any means' (Mearsheimer 2001: 45).

Other IR theorists – including many liberal institutionalists and constructivists – would insist that the very notion of multipolarity fails to reflect the massive interdependence and interconnectivity brought about by globalization. Some prefer the term 'interpolarity', which acknowledges that multipolarity is on the rise but in a context of deep – and deepening – interdependence: the two forces are inter-linked and each conditions the causal significance of the other (Grevi 2009). Still others claim that the emerging system is 'nonpolar', insofar as the declining power of the former single 'pole' (the US) is not being offset by the parallel rise of other poles with comparable military might, economic resources, political leadership, and cultural outreach (Haass 2008). For liberal institutionalists, the absence of any clear shift to multipolarity stems from the enduring character of a liberal order that is undergirded by a network of international institutions. According to this logic, even if 'countries such as China and Russia are not fully embedded in the liberal international order...they nonetheless profit from its existence' (Ikenberry 2011: 8).

Constructivists often go further to argue that the very notion of polarity obscures how interdependence promotes the formation of collective identities between states, to the point where 'international politics today has a Lockean rather than Hobbesian culture' (Wendt 1999: 349). Of course, constructivism is a very broad church. Some of its proponents even deny that constructivism constitutes a theory, as opposed to an approach to studying social change (Onuf 1998: 1) or 'an ontological perspective or meta-theory' (Risse 2008: 158). In fact, Wendt's influential attempt to develop a systemic IR theory of constructivism is disowned by those who argue that it constitutes 'the only true example of this rarefied form of constructivism' (Reus-Smith 2001: 219). Accordingly, Fierke (2007: 174) claims that 'comparing [say] realism and constructivism is like comparing apples and oranges'. Yet, just as apples and oranges are both types of fruit, constructivism – as theory, meta-theory or 'approach' – has become an increasingly frequent tool used by theorists to try to generate explanations and predictions about IR, with decidedly mixed results.

An important question for all IR theorists is whether current and future power shifts will push states to band together in regional groupings that themselves become 'poles'. Empirically, we can demonstrate that regionalism is consolidating around macro-blocs (Buzan and Wæver 2003; Haass 2008; Aspinwall 2009). But the world's most advanced regional bloc – the EU – has obviously fallen on hard times. Meanwhile, systematic forms of inter-regionalism remain embryonic and still do not represent veritable loci of power. For all the talk about the BRICS,

with their summits and plans for a new development bank and an extended use of the Chinese renminbi in their mutual trade, they hardly constitute a cohesive bloc (Emerson 2012). Their economies are widely different and their political systems more so, ranging from China's controlled capitalism to India's (fragile) established democracy, Russia's 'czarist' political system (Kagan 2008: 54) and Brazil and South Africa's consolidating electoral democracies.

More generally, no strand of IR theory seems to stand on strong ground in explaining the current state of regionalism. The realist assumption that the only units that matter in IR are states is challenged by, for example, 'Asia's new multilateralism' (see Calder and Fukuyama 2008; Green and Gill 2009) or the African Union's recent advances in peacekeeping in Somalia and elsewhere. Yet, the logic of liberal institutionalism and constructivism is that regions should have emerged as considerably stronger 'poles' in institutional and ideational terms than they actually have to date.

One of the most important reasons why IR theory, which offers broad brush explanations usually based purely on systemic factors, has lost explanatory power is the accelerated tendency for IR to fragment into different policy areas marked by varied constellations of power. This fragmentation was highlighted by Hoffmann (1968; 1970) long before it became obvious. The embryonic reality of IR may well feature different models of power constellation in different arenas. Nonpolarity, as defined above, may prevail in the hard security domain. Here, the decline of the West (and notably of the US) and the rise of the 'rest' is not giving rise to an alternative polarity, given that the military power gap is unlikely to close any time soon. In fact, the combined defence budgets of NATO member states is an inch away from the \$1 trillion mark, while the cumulative military expenditure of Brazil, Russia, India and China still lags a considerable distance behind at around \$270 billion (see table 1).

• Table 1 | Western and BRIC military expenditure (in million USD, 2010 prices)

	1995	2011
NATO	666,038	995,570
USA	399,043	689,591
BRIC countries combined	92,452	296,253

All US figures are for financial year (FY) (1 October-30 September of the stated year)

NATO-12: Belgium, Canada, Denmark, France, Iceland, Italy, Luxembourg, Netherlands, Norway, Portugal, UK, US, Greece, Turkey, Germany, Spain

NATO-28: NATO-12 plus Czech Republic, Hungary, Poland, Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, Slovenia, Albania, Croatia

Source: SIPRI 2012

In the economic domain, however, multipolarity is clearly on the rise (Guerrieri 2010b). Together, the BRIC countries wield significant power. In 2010 their economies amounted to \$11.2 trillion GDP, close to that of the US (\$14.6 trillion) and the EU (\$16.2 trillion) (see table 2). In the environmental domain, the profound interconnectivity between climate change, biodiversity degradation, management of hazardous waste, and food security bolsters the case for inter-polarity, and has induced the EU to seek to strengthen multilateralism. But the disappointing outcomes of climate change conferences in Copenhagen 2009 and Cancun 2010 suggest that unilateralism, *ad hoc* bilateralism (US-China) and inter-regionalism (loose coalitions amongst the 'Global South') best capture reality.

• Table 2 | US, EU and BRIC GDP

GDP in trillion USD, 2010 prices	
USA	14.57
EU 27	16.24
BRIC combined	11.22

Source: World Bank 2012

Finally, in the political-cultural domain, non-polarity is at play. Western notions of human security and ‘responsibility to protect’ (R2P) have entered the lexicon and practice of the United Nations (UN) and transnational civil society (Slaughter 2004; Kaldor 2006; Marchetti 2008; Archibugi 2008). However, the traditional Western focus on individual rights is being challenged by the powerful reaffirmation of group rights (Kymlicka 1995; UN 2007). Moreover, it is accompanied by the rise of complementary norms such as ‘responsibility while protecting’, championed by non-Western actors and meant as a check on the perceived knee-jerk Western tendency to resort to military force in response to alleged human rights abuses. Likewise, while the Arab Spring suggests that democratization continues to advance, its precise shape will likely deviate from liberal models espoused by the West (Heydemann 2012). In addition, alternative forms of non-democratic rule (‘sovereign’ or ‘czarist democracy’ or ‘authoritarian capitalism’) embraced by emerging powers may also be legitimizing non-democratic regimes elsewhere (Gat 2007; Anderson *et al* 2008; Bremmer 2009; Deudney and Ikenberry 2009; Beeson and Bisley 2010).

In short, multipolarity seems to mean very different things in different thematic areas and realms of IR. Even these different ‘realms’ – security, economic, environmental and political-cultural – seem overly broad as levels of analysis if we are to come to grips with the nature of power shifts in IR. More than in previous eras, it seems necessary to drill down to the level of *policy within specific geographical domains*. To illustrate, ‘non-polarity’ may be a useful way to describe the constellation in the hard security domain. But, with Japan and others in Asia still military minnows, the important security constellation in Asia is in the realm of naval power, and it is a bipolar constellation involving China and America that really matters. In the economic realm, the EU (as well as the US) may well be weaker than at any time in recent memory in macroeconomic diplomacy, as played out (say) in the G20. But in the World Trade Organization (WTO) and trade diplomacy, the EU and US still wield disproportionate power merely because of the size of their relatively open markets. In the political-cultural domain, the Arab Spring may well result in different models of societal organization in the Middle East in which group rights are privileged over Western traditions of individual rights. Yet, the tradition – established in the West – of one person, one vote seems likely to endure as a legacy of the revolts against authoritarian rule. Indeed, precisely because of their popularity, mass Islamist parties are emerging as champions of electoral politics in the Arab world.

Again, these are interesting times to be studying IR. It seems clear that we have entered an era in which different policy realms in IR feature very different and diverse power equations. Meanwhile, it is *unclear* that power is as fungible between them as it was during the Cold War. In the roughly forty-five years after 1945, it was perhaps natural that the presence of significant American hard power in Europe could be leveraged in transatlantic economic diplomacy, or that the Soviet Union could secure favourable forward military basing agreements in exchange for economic concessions offered to its east European satellites. In the 2010s, it is far more difficult for the EU – to cite a clear, recent example – to use its formidable economic power to nudge other powers to accept ambitious targets on limiting greenhouse gases. Perhaps it is no coincidence that the ideas of ‘soft’ or ‘smart’ power – which involve trying to combine power resources in different realms of IR (Nye 2008; 2011) – were unknown until the Cold War had passed. More generally, broad brush systemic theoretical accounts risk

neglecting important causal factors and sacrificing more explanation for the sake of parsimony in the present era. Some of the most important nuances and explanatory variables in IR, as we argue below, are contained within states rather than in the IR system.

As such, foreign policy analysis (FPA) is well-equipped to chart the map of our research with more accuracy than systemic theories. As one of us argued after intensive examination of US-EU relations, the inelegance of FPA is outweighed by its analytical capture of the factors – which vary, often enormously, between different policy areas – that drive decision-making (see Peterson *et al* 2005; Peterson 2006). FPA engages in the testing of theoretical propositions about what determines foreign policy. Its focus is on **decision-making** at the sub-systemic level of IR – usually, the individual state and relationships between states and society that shape or determine decisions. Recent work advances our knowledge about, *inter alia*, how foreign policy-makers avoid groupthink when they take decisions collectively (see Schafer and Crichlow 2010); how the internal world of decision-makers' beliefs links to the external world of events (Walker *et al* 2011); and how leaders assert the core of their political identity in making foreign just as much as domestic policy (Dyson 2009). In an era in which most, if not all, major powers are focused inwards, seeking solutions to tenacious domestic problems, interdependence continues to advance, and alliance patterns vary enormously between policy areas, FPA has the potential to explain considerably more than does systemic IR theory. In particular, FPA can help us make sense of very different international, including transatlantic **relationships** (the plural is intentional) in different areas of policy.

## 2. Multilateralism in an Age of Multi-Problematicity

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The global power shift and the emergence of multipolarity warrant a critical reassessment of the existing multilateral system and its potential (or lack thereof) for containing conflict and orientating great power interactions towards cooperation. It is accepted wisdom among students of IR that when major power shifts occur, the potential for conflict increases. Kupchan (2012: 184) insists that '[t]he past makes amply clear that transitions in the balance of power are dangerous historical moments; most of them have been accompanied by considerable bloodshed'. In the present circumstances, a natural prescription – especially for institutionalists and constructivists – is to try to deepen and extend multilateral cooperation so that both emerging and established powers play by clearer and more binding rules.

Multilateralism on a global scale remains dominated by 'old', if not outdated, institutional forums – particularly the United Nations Security Council (UNSC) – whose reform is not imminent. It is difficult to refute Brzezinski's (2012: 76) prediction that 'before long, the heretofore untouchable and almost seventy-year-old UN Security Council system of only five permanent members with exclusive veto rights may become widely viewed as illegitimate'. The same fate may eventually await the WTO. The failure of the Doha round on the liberalization of commerce revealed that, however much the recent admission of China and Russia extends global governance on trade, the less-developed world is united in the view that Western-set global trade rules continue to work against them. Meanwhile, the collapse of Doha is widely-viewed globally as primarily a consequence of a lack of political will in the US and Europe to confront their own domestic – particularly agricultural – economic lobbies to secure the collective gains of a global trade deal.

Conversely, it is possible to cite examples where multilateralism has been adjusted and extended to reflect shifts in international power. G8 meetings have become a prelude to the more significant and representative G20 gatherings. While the West obstinately clings on to its chairs within international financial institutions (IFIs;

hence, the appointments of Christine Lagarde at the International Monetary Fund and Jim Yong Kim at the World Bank in 2011-12), both institutions are in the process of allocating more responsibilities to non-Western economies (Subacchi 2008). What remains unclear is whether these reforms are leading to strengthened multilateralism or are too little, too late, and thus enhance the prospects for weaker (or alternative) multilateral forums (Woods 2010, Guerrieri 2010a).

The deepening and extension of multilateralism requires states that are domestically secure enough to make the political sacrifices necessary to strike grand bargains. But few, if any, of the world's 'poles' seem to be secure internally. Consider, first, the US. Evaluations of the Obama administration's foreign policy have been moderately positive (see Drezner 2011; Brooks 2012; Indyk *et al* 2012). But the damage done to the US economy by the post-2008 recession may require a generation to repair (Reinhart and Rogoff 2009), even if the almost entirely frozen political process in Washington on economic policy can be thawed. Moreover, the US faces a mounting public debt that seriously reduces its room for foreign policy manoeuvre. It may be reduced even further if recent opinion polling on foreign policy in the US signals a permanent shift: no fewer than 90 percent of Americans now think it is more important for the future of the US to resolve pressing problems at home than to address challenges abroad (Chicago Council on Global Affairs 2010).

Meanwhile, the euro crisis has left the EU fighting for its political survival. It has also been hugely costly in its imposition on political attention in Europe, with EU leaders having scant time or attention to devote to other political projects. One recent analysis concludes that 'the impact of the crisis within the Eurozone and its corrosive effect on a broader range of EU external policy activities has arguably become one of the key limiting factors on the EU's international role and status' (Allen and Smith 2012: 162).

And then there is China caught up in a leadership transition at a time an increasingly restive population fumes openly about the Bo Xilai scandal or Chen Guangcheng case, to the point where the question of whether Brzezinski's (2007; 2012) highly-touted 'global political awakening' is penetrating the Middle Kingdom becomes debatable.

There are even signs in Vladimir Putin's domestic political insecurity, revealed by the Pussy Riot case, that it is extending to Russia. Moreover, US diplomatic cables published by Wikileaks highlight how the post-2008 recession caused a dramatic fall in commodity prices and a tightening of credit in Russia to the point where 'a sharp reduction in resources' limited the ability of Putin – as Russian Prime Minister or President – 'to find workable compromises among the Kremlin elite'. Sitting atop an 'unmanageable bureaucracy', it was reported that 'as many as 60 percent of his orders were not being followed' (Chivers 2010, BBC 2010).

As for India, a global poll in 2012 found that only 38 percent of Indians were satisfied with conditions in their country, down from 51 percent the previous year, marking one of the largest drops in national contentment across countries surveyed.<sup>3</sup> A UN human development index report assessing long-term progress on health, education and income ranked India an astonishing 134th in world, behind Sri Lanka, the Philippines and Iraq. Grinding poverty fed communal violence in 2012 that flared between Muslims and indigenous tribal migrants from poor northeast states (UNDP 2011, Yardley 2012).

Around the same time, the fragility of South Africa's one party-dominated democracy was highlighted by the shocking killing – mostly by police – of forty-four miners. One effect was to raise stark doubts about future

<sup>3</sup> 2012 Pew Global Attitudes survey at <http://pewglobal.org>.

investment in the country's most lucrative industry.

The one member of the BRIC that seems domestically most secure – Brazil – is, by many accounts, addicted to a form of state-led capitalism that stunts innovation and fosters cronyism, while its chaotic system of taxation scares off foreign investors (see Pio 2010).

In short, the conditions for a dramatic extension of multilateralism do not presently exist. For one thing, the existing system of global multilateral institutions risks a dramatic loss of legitimacy unless representation within them is adjusted to reflect new constellations of international power. For another, political classes in all major powers are consumed with acute domestic political or economic difficulties that mitigate against grand international bargains. Their foreign policy horizons are narrow, with little or no room for a bold strategic design for reforming the global governance architecture. Inward-looking and insecure, today's great powers are mostly concerned with safeguarding or, alternatively, securing rent-positions. At the risk of oversimplifying a contestable point, foreign policy analysis 'gets at' causal factors within states in today's IR far more than systemic IR theory does.

Brooks' (2012) comment at the outset of this paper has an unavoidable logic, leading to the verdict that 'this is more an age of anxiety than straight-up conflict. Leaders are looking around warily at who might make their problems better and who might make them worse. There are fewer close alliances and fewer sworn enemies. There are more circumstances in which nations are ambiguously attached'. Reaching the same conclusion via a different argument, Shaun Breslin claims that a depolarized world is emerging, characterized by the absence of fixed poles of attraction and repulsion, but rather by shifting and fluid coalitions contingent on time, place and issue area.<sup>4</sup> International institutions – not least the EU and including transatlantic ones - have been revealed as far weaker than institutionalist IR theorists assumed or predicted they would be two decades on from the end of the Cold War, as shown by divisions within the EU over the Eurozone crisis or the UN over Iraq and Syria. In these circumstances, the multilateral system requires renewal rather than extension. It is here, maybe above all, where the West can most plausibly and profitably offer leadership.

### 3. International Leadership: Transformation vs. Conservation

A leading observer of contemporary IR concedes that the greatest challenge of the next decades is 'establishing legitimate authority for concerted international action on behalf of the global community... at a time when old relations of authority are eroding' (Ikenberry 2011: 6). Thus, insofar as the shift towards multipolarity creates a 'crisis', it is one of legitimacy and authority. However – in an illustration of how theoretical paradigms rarely go undefended – Ikenberry (2011: 5) resorts to liberal institutionalist logic to insist that it is a crisis '*within* the old hegemonic organization of liberal order... [it is] *not* a crisis in the deep principles of the order itself. It is a crisis of governance' (emphases in original).

Clearly, the commitment of several of the BRIC to 'deep liberal principles' and, by extension, an international order for which they provide a foundation is questionable. At the same time, it is undeniable that the age's most pressing international problems – nuclear proliferation, international terrorism, economic stagnation, global warming and so on – demand not only new kinds of collective governance but also leadership to give it political impulse. Whether we accept Ikenberry's account or not, the West can secure its leadership status in any future international order only if it provides such an impulse. Yet, its leadership capacity will atrophy if Europe

<sup>4</sup> Remarks by Shaun Breslin at the Transworld Kick-Off Conference on The West and the BRICS: The Challenge of Global Governance, Rome, 20 April 2012.

and America seek to lead using traditional means and methods.

In a rapidly changing environment, a 'status quo leadership' aimed mainly at preserving the existing institutional architecture and distribution of power is no longer politically viable. Assertive leadership that seeks to impose solutions cooked up in Washington or European capitals – or between them – will in most cases prove less effective than participatory and inclusive governance. Solving the 'crisis of governance' means providing new opportunities for the involvement of various types and constellations of actors in different policy sectors.

What is needed is 'transformational leadership' (Burns 1978), capable of driving and shaping, not dictating, the reform of global governance. Simply put, transformational leadership seeks transformation, often of institutions or rules. Leadership that seeks reform is a more sophisticated exercise than leadership that merely seeks to get others to play by accepted rules in the pursuit of long-established goals. It implies enhanced capacities not only of norm- and agenda-setting, but also – perhaps above all – of coalition- and institution-building.

The question of how to exert such transformational leadership is complicated. The 'smart power' notion that combines hard and soft power (Nye 2008) provides a useful, but admittedly vague guiding principle whose implementation may take quite different forms in various policy fields. But its essence is combining the hard power of coercion or resource allocation with the soft power of persuasion and authority. The US and Europe possess different kinds of hard power: the former is capable of more coercion and the latter has resources – in the form of trade privileges or aid – that make powerful collective action possible on issues of mutual concern, such as Iran, North Korea or counter-terrorism. It is, arguably, the need to combine such hard power with the power to persuade that is most taxing for the transatlantic partners. Both must, first, coax collective action out of their highly compartmentalized governmental structures. Second, they must – ideally – combine resources and agree on divisions of labour (see Lindstrom 2005). Third, they must make the case for international action to publics whose appetite for international activism is, by recent measures, declining.

Moreover, the effective use of soft power involves persuasion beyond the realm of other governments. As Nye (2011: 159) argues, '[t]wo great power shifts are occurring this century: a power transition among states and a power diffusion away from states to nonstate actors'. Firms, non-governmental organizations, and international organizations increasingly must be brought on board for international governance to be truly collective, let alone effective in many policy areas (see Tocci 2011b).

A major obstacle to collective, transatlantic, transformational leadership is the very limited ability of the EU to act as a true strategic partner to the US. The result is that Brussels both remains dependent on Washington to lead and at the same time resents its dependence: '[t]he limited autonomy granted to the EU by the member states debilitates the Union strategically by encouraging reactive policy-making. This in turn amplifies the impact – and need – of American influence' (Toje 2008: 144). One consequence is that, Europe itself often acts as an emerging power: jealous of its independence, sensitive about its dignity, and determined to make its own mark on the world without slavishly following an American agenda. And agreement on ends does not preclude conflict on means as revealed by the cases of Iran, Israel-Palestine and Turkey.

The need for a more internationally active – as opposed to reactive – EU in order for the West to exert true collective leadership probably goes without saying. Yet, if we are to make sense of the emerging international order, we must focus on how it alters the system of incentives faced by all major powers, including Europe. The question of whether one outcome of the Eurozone crisis, eventually, will be a more integrated Europe in which EU member states accept that one consequence of shifting international power and relative European decline is that they must delegate more to a more autonomous EU becomes increasingly salient. Even if that happens,

however, a more primordial question for IR is whether the US and EU will react to altered incentives by seeking to upgrade, modernize and strengthen their alliance, or become independent poles in the new international order, or something in between.

#### 4. The West: Still Pals or just 'Poles'?

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A recent and perceptive study of transatlantic relations argues that 'the shift from a unipolar to bipolar West was sparked by the events of 1998-2004', particularly the war in Iraq (Toje 2008: 145). The claim again highlights the need to consider what system of incentives the near-term evolution of the international system will give the US and Europe in terms of how they manage their relationship with one another. Are the US and Europe destined to remain – or become – individual poles, as opposed to natural and customary allies?

As points of departure for answering this question, both the EU and the US face two interrelated challenges. First, and regardless of their lingering advantage in the military security realm, is the general decline of their hard power: their resources to support it are diminishing relative to that of other actors. Second, exerting soft power is complicated by the waning credibility of Western actors' normative reputation (Tocci 2008; Kupchan 2012). As a result, Europe and America face a fundamental choice: whether to prioritize transatlantic consensus over their respective global governance agendas and partnerships with other actors, or vice versa. Even where transatlantic consensus is ranked first, the benefit of a strengthened transatlantic partnership may be offset by the costs that ensue when a declining West is viewed as 'ganging up' against the rest. Where instead the EU and the US, separately, seek participatory leadership by forging partnerships with others, the bonds tying them together may inadvertently erode.

The context within which such choices will be made features residual forces that still push American and Europe to ally with one another, even if most have weakened over time. One is their shared commitment to basic values: the rule of law, freedom of expression, basic human rights and free elections. Much the credibility of the US commitment to such values came under question in the prosecution of a 'War on Terror'. However, the election of Barack Obama and his administration's eventual support for the Arab spring and opposition to the suspension of the Geneva Convention on the definition of torture have partly re-established American credibility, particularly in Europe (albeit far less so in the Arab world).

Another is the force of culture. Demographic change in the US makes American society less ethnically European with each year that passes. The 2010 US census revealed that the Hispanic population surpassed fifty million for the first time and accounted for more than half of America's population increase since the turn of the century (Ceaser 2011). Still, it remains the case that around two-thirds of Americans still have their ethnic roots in Europe (Lundestad 2008: 10).

NATO remains by far the most powerful and integrated military alliance in the world, despite uncertainty about its strategic purpose and growing imbalances between its members' military capabilities. The security component of other regional organizations, such as the Shanghai Cooperation Organization (SCO), the Collective Security Treaty Organization (CSTO), or the African Union (AU) pales in comparison. Whatever operational disputes emerged during the 2011 NATO action in Libya, Operation Unified Protector succeeded in preventing a bloodbath and showed that the West's ability to deploy hard power in times of political crisis is unmatched. Also unmatched is the degree of loyalty that NATO is still capable of inspiring. The operation in Afghanistan bears testimony. Most political commentators have focused on the cleavages between the allies' priorities and military assets. What they have often neglected is the fact that basically all NATO members kept thousands of soldiers in a far away country for over ten years in the face of rapidly declining popular support.

Meanwhile, the framework for exchanges between the US and EU – the New Transatlantic Agenda (NTA) – shows both the limits to and potential of transatlantic cooperation. The NTA illustrates that it is impossible to engineer ‘partnership’ institutionally (see Peterson and Steffenson 2009). It also exposes the US-EU relationship as an asymmetric one that is usually dominated by Washington (see Toje 2008). Still, the NTA has spawned substantial, if mostly low-key policy cooperation in areas such as homeland security, competition policy, the western Balkans and Afghanistan (see Peterson *et al* 2005). It also means that ‘a system of transatlantic governance’ (Slaughter 2004: 44) exists at the core of increasingly global networks of regulators, judges and legislators in specific areas of policy.

Above all, the NTA has helped the transatlantic relationship keep pace with the emergence over time of Brussels as a political capital. Any suggestion that we reify the EU in our analysis neglects the system of incentives that a multipolar international order presents to EU member states. It also ignores the reality that the Brussels-Washington ‘channel’ in transatlantic relations has made steady gains in importance over past decades and over any others, including NATO and those between Washington and national European capitals (including London and Berlin). US officials concerned with individual policy sectors or areas of the world are exceptions to the rule about American ignorance of or disinterest in the EU (see below). To illustrate, analysts of the politics of Iran’s nuclear programme concede that ‘[t]he Europeans have been the unsung heroes in pressing Iran with their embargo on the import of Iranian oil’ (Middle East Institute 2012). The embargo caused genuine pain (especially) to southern EU member states already in serious economic difficulties. But it also ratcheted up the pressure on Teheran – by, for better or worse, posing genuine economic hardship on Iran – in a way that made the West seem like a collective.

Meanwhile, economists and trade specialists regularly acknowledge transatlantic economic interdependence and the importance of the Union both as the world’s largest trading power and by far America’s most important economic partner (see Hamilton and Quinlan 2011). Even while highlighting the fundamental asymmetry of the transatlantic relationship in strategic terms, Asle Toje (2008: 144) notes that ‘American decision-makers do take the European Union very seriously in matters of trade and economy’. An exemplary instance was the 2011 NTA summit that yielded an agreement to create a bilateral High Level Working on Jobs and Growth to tackle a wide-ranging and ambitious economic policy agenda. Its interim report in June 2012 concluded that ‘a comprehensive agreement that addresses a broad range of bilateral trade and investment policies as well as issues of common concern with respect to third countries would, if achievable, provide the most significant benefit of the various options we have considered’<sup>5</sup>. Officials on both sides speculated that the eventual result might well be a full-blown US-EU free trade agreement.

Hence, the institutions that bind the West together actually appear relatively robust. Moreover, new forces in the emerging international order can be interpreted, plausibly, as pushing the West towards each other. One is the rise of China. The Obama administration’s ‘Asian pivot’ signalled a fundamental and logical shift in America’s geopolitical focus towards Asia and away from Europe. But both Washington and European national capitals – not least Brussels – share an interest in encouraging Beijing to settle disputes with other Asian capitals over islands and territory in the region peacefully and, above all, to become a responsible international economic actor.

Another is Russia’s emergence as a ‘pole’. European reliance on Russian energy supplies makes confrontation a

<sup>5</sup> *Interim Report from the Co-Chairs EU-U.S. High Level Working Group on Jobs and Growth*, 19 June 2012, [http://trade.ec.europa.eu/doclib/docs/2012/june/tradoc\\_149557.pdf](http://trade.ec.europa.eu/doclib/docs/2012/june/tradoc_149557.pdf).

decidedly unappealing option for most EU member states, which are naturally inclined to seek some form of sustainable *modus vivendi* with their difficult neighbour (David et al. 2013). The US has no such concerns and is therefore less restrained in criticizing Moscow for its poor human rights record or taking steps, such as signalling that Georgia and Ukraine might become NATO members, as the Bush administration recklessly did provoking deep resentment in the Kremlin (and in part of Europe as well). Yet, the US has its own interest in engaging Russia in ways that make it a responsible geopolitical player in its near abroad and something like a normal trading power now that it is a member of the WTO.

Still another, if less obvious, source of common transatlantic cause is the rise of India. The incentives for the US and Europe jointly to encourage New Delhi to be a help and not a hindrance on all things 'AfPak' (Afghanistan and Pakistan) are clear. Only slightly less so is shared motivation to prod India – a country where trade ministers are garlanded when they return home from a WTO summit after scuppering a deal – into a state that wields its economic power in ways that are not cynical and self-centred, as well as to develop its way out of its grinding poverty.

This said, forces are at work that strain the West as an alliance. There is no question that Europe – leaving aside the euro crisis – has slid down the list of American geopolitical priorities. The EU and Europe more generally remain underappreciated allies in Washington. The discourse of today's Republican party often finds a convenient epithet for Obama's economic policies by describing them as 'European'. Consider Mitt Romney's contentions that Obama 'takes his cues from the Social Democrats of Europe' in turning America into a 'European-style welfare state and entitlement society', or Newt Gingrich's that the President's goal was a 'European socialist state'.<sup>6</sup> The Eurozone crisis, the intense interpenetration of the US and EU in each other's economies, and the widespread claim that America's post-2008 economic recovery was stymied in large part by developments in Europe meant that the charges – in the hard-fought election campaign of 2012 – had the potential to hit home with many US voters.

A broader question is whether the US and Europe are drifting apart in their views of what constitutes the 'good society' of the 21st century. The euro crisis exposed not just the pathologies of a currency union without a system of fiscal transfer; it also exposed the pressures of globalization that bear down on the European welfare state. Yet, the actions of key players in the crisis – particularly the European Central Bank (ECB) – revealed how deeply rooted is commitment to the European model.

Meanwhile, the post-2008 recession hit the US economy hard and put into question its ability to sustain a permanently upwardly mobile middle class amidst rising inequality and stubborn unemployment. To their credit, the best US scholars take an international perspective on America's domestic failings. To take one example, Sachs (2012) notes very little difference between Democrats and Republicans in terms of their view of the role of the state: Paul Ryan's (as Romney's Vice-Presidential candidate) budgetary proposals called for public budget outlays of 19.7 percent of GDP in 2016 and 19.5 percent in 2020. Meanwhile, the Obama administration proposed 19.1 percent in 2016 and 19.7 percent in 2020. Total US government revenues (that is, federal, state and local governments) stand at about 32 percent of GDP in the US. In the EU, the comparable figure is 44 percent. It is higher – about 50 percent – in northern Europe: Germany, the Netherlands, Denmark, Finland, Norway and Sweden. As Sachs (2012) notes, this latter group received outstanding value from its tax revenues. Compared to the US, that means:

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<sup>6</sup> Quoted in Parker and Gabriel 2012; Mardell 2012. See also the profile of Romney's choice as Republican Vice-Presidential candidate: Lizza 2012.

- Lower poverty rates;
- Greater social mobility;
- Better job training;
- Longer life expectancy;
- Lower greenhouse emissions;
- Higher reported life satisfaction.

In other words, there is a progressive agenda for the US to emulate that would improve American performance on all of these measures. What would be required to sell it to Americans would be a sea change in US domestic politics. But it is not unimaginable that some future US political class – under pressure to preserve the basic integrity of American society in the face of the rising power of other ‘poles’ – might decide that there is a lot America could learn from Europe.

Other less tangible but still powerful forces also push towards drift in the transatlantic alliance and perhaps even fracture. One is a basic lack of American understanding of how Europe is organized politically. Even thoughtful US scholars such as Kupchan (2012: 153) misinterpret the EU by concluding (for example) that the failure of the Union’s Constitutional Treaty led ‘instead [to] drafting a dramatically scaled-down version known as the Lisbon Treaty’. By any account, Lisbon is mostly identical to the Constitutional Treaty without its constitutional trappings about the EU flag, anthem, and so on. Kupchan (2012: 153) is on far stronger ground in arguing that ‘[t]he problem is that Europe’s institutions and its politics are on divergent paths; its institutions are getting more European and its politics more national’.

Thinking longer term, it is perhaps more germane to the future of transatlantic relations to imagine that the real problem will be that European *policy* – including foreign policy – will become more EU-based in the decades to come while the Union struggles to command legitimacy, attention and understanding in the US. On the latter point, no opinion poll to our knowledge has ever shown that a majority of Americans have even *heard* of the EU. Meanwhile, recent PEW data show that in the percentage of Americans who think that Europe is the most important area of the world to the US fell from 50 percent in 1993 to 37 percent in 2011. Those judging that Asia is most important rose from 31 percent to 47 percent (PEW 2011).

Another force pushing the transatlantic partners apart is divergence on basic beliefs and evidence that Europeans have become considerably more like each other than like Americans. Jeremy Rifkin (2004: 21) notes that, according to the World Values Survey, most Europeans, Canadians and Japanese believe that there can never be absolute guidelines between what is good and evil. By contrast, most Americans – a deeply religious people – believe there are such guidelines, and that they apply to everyone. As an experienced European diplomat puts it, ‘[i]f you are trying to form a common transatlantic view of what sort of world we want to live in and how we can achieve it, it is hard to believe that these differences are of little consequence’ (Patten 2006: 13).

More generally, two basic conditions must be met if the US and Europe are to realize a scenario of *enduring* – as opposed to merely functional – partnership. One is that they must start to engage in a truly strategic dialogue. Over time, the growing importance of the US-EU channel has acted both to depoliticize and diffuse the transatlantic relationship. The proliferation of US-EU dialogues, which are mostly dominated by technocrats, has

...diminished the importance of hierarchical dependencies, including the EU-US summits considered generally as the most prestigious forum for cooperation at the highest political level...officials at lower levels of the transatlantic network

(desk officers, heads of units, directors) have become protagonists of transatlantic relations and play a more central role in the process in comparison to their political masters (Pawlak 2011: 71).

As such, the most exhaustive analysis to date of the NTA process bemoans its almost complete lack of 'strategic priority setting'. It urges an end to bilateral summits that approve laundry lists of so-called 'deliverables' and the start of a 'rolling agenda of more generalized and strategic objectives that can be revisited and updated periodically' (Peterson *et al* 2005: 6). The US-EU relationship needs to create space not only for debates about broad geostrategic objectives, but agreements that match means to ends in ways that incorporate a sensible division of labour to meet them.

Constructing a truly strategic partnership need not work at cross-purposes with the goal of rebalancing and reforming multilateral institutions. In fact, a collective effort on this front is unimaginable in the absence of agreement to adopt it as a **strategy** for managing the rise of multipolarity. Put simply, the drift towards a bipolar West will be checked only if the present mode of US-EU engagement receives more political direction based on genuine strategic reflection.

A second condition flows from the first: the US and EU need to commit themselves publicly to redressing the legitimacy deficit of leading multilateral institutions. It costs the West huge amounts of political capital when, say, the US insists that the President of the World Bank must be an American or the EU's stance on UNSC reform is defined by a petty internal dispute between Italy and Germany. In the broad scheme of IR, '[t]he transatlantic partners continue to share the same basic interests and belief systems – easily overlooked to be sure – until confronted with actors that do not share them' (Toje 2008: 149).<sup>7</sup> As a remedy for such discord, Europe and America need to work collectively to make room at the top tables of international diplomacy for rising powers whose interests and beliefs are not presently Western ones, and may never be. Kupchan's (2012: 190) injunction that '[c]learing the way for a more inclusive global order entails recognizing that there is no single form of responsible government: the West does not have a monopoly on the political institutions and practices that enable countries to promote the welfare of their citizens' has inescapable logic.

Difficult as it may be, the West remains well placed to lead in the reform of global governance. First it retains a position of comparative advantage within multilateral structures, being well placed to reform them to make them more inclusive while acting in line with its underlying interests and values. Second, the West's experience in multilateral governance both within Europe and across the Atlantic remains unparalleled, granting the EU and the US additional advantages when pressing for the reform of global multilateral structures. Renouncing outdated rent positions certainly implies a reduced ability to control governance mechanisms – for instance in the IFIs – and therefore a diminished influence. But such short-term costs are likely to be offset by the long-term benefits that would accrue to the US and the EU from a managed transition towards an inclusive global governance architecture. Demands for international institutional changes cannot be defied, ignored or postponed forever, and the West has much to gain if it gives direction to the process.

A central question in the context of an international order in which power is shifting is whether a new transatlantic bargain is possible. If so, it requires a clear-headed understanding of the barriers that need to be surmounted in order to strike such a bargain. It seems clear that, for the foreseeable future, 'European states will continue to accept – even require – American leadership in defining the ends to which policies are to be directed. The EU is set to exercise ever more autonomy in pursuing these goals – often with other means than those favoured by

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<sup>7</sup> An illustrative example is divergent views of Hezbollah, a militant Lebanese Shia group. While the US and Israel consider it an Iranian-backed terrorist group, the EU treats it as a legitimate social and political Lebanese movement. See Kulish 2012.

the United States' (Toje 2008: 146). At the same time, Europe has made progress in developing an inclusive style of diplomacy in ways that contain lessons for Americans. Toje (2008: 144) judges that '[c]omplaints regarding the sometimes alienating and contemptuous manner in which the US treats its European allies are, all too often, valid'. Patten (2006: 22-6) grumbles that:

Even as a senior foreign official dealing with the US administration, you are aware of your role as a tributary: however courteous your hosts, you come as a subordinate bearing goodwill and hoping to depart with a blessing on your endeavours. ... American officials have a tendency to declare their policy and negotiate about it afterward, creating all sorts of problems for their partners.

In short, the transatlantic partnership in the 2010s and beyond requires, perhaps above all, two changes: a more integrated EU that is capable of collective action and a US that exhibits the kind of 'humble' leadership to which George W. Bush supposedly committed himself.

## Conclusion

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The shift towards multipolarity makes the international system more complex and nuanced. Perhaps only now, in retrospect, does the Cold War reveal its highly anomalous bipolar simplicity. We have argued that systemic IR theory, and its preoccupation (some would say obsession) with parsimony can lead us to miss how much the real world of IR has fragmented into different realms that feature different constellations of power. Moreover, we find strong evidence that what drives foreign policies in the 2010s is far less the quest for geopolitical advantage than the internal needs of states in economic or social distress or regimes that feel insecure. In these circumstances, studying IR effectively often requires focusing on the lowest common denominator of foreign policy: decision-making in particular areas of policy and their domestic drivers.

Against this backdrop, relations between the US and Europe are – in important respects - a sort of microcosm of IR in a multipolar world. Increasingly, both transatlantic and international relations boil down to the sum of their parts – individual policies – because each tends to feature its own patterns of alliance, rivalry and polarity. We have seen how decentralized US-EU exchanges have become and how little high-level political attention they receive. The obvious disparity between European power on economic vs. military or geostrategic issues has been highlighted. But we need to narrow our focus even further to individual policy questions to appreciate the variable balance of power between the US and Europe on, say, North Africa vs. North Korea, counterterrorism vs. counterfeit software, or AIDS vs. Iran/Israel.

We have considered the likely future of transatlantic relations. Much about the emerging international order will push Europe and America closer to one another, but forces also exist that are likely to provoke new divisions. Yet, the system of incentives that the rise of multipolarity brings with it features the potential for common statecraft to help manage peacefully the shifting of international tectonic plates. In our view, steering the transition to multipolarity is the most general and powerful source of mutual magnetism between the two pillars of the West. Three specific tasks have the potential for considerable pay-off towards this end.

One is the transformation of what is now a mostly technocratic and fragmented US-EU dialogue into a strategic one. Revealingly, the one time in recent years when EU officials were able to claim that an NTA summit would feature truly 'strategic' discussions was in late 2011 when the Eurozone crisis reached a peak (or, at least, one of them) (Vincenti 2011). Of course, international summitry will always be driven and sometimes consumed by the latest crisis to a considerable extent. And it might seem odd to suggest that the EU might be capable of engaging in debates and agreements about broad international strategy anytime soon, when the Eurozone is

in crisis and politics in Europe are being 'renationalized'.

But, again, we must consider what incentives the new international order brings with it. If we lift our gaze and look towards mid-century, we might well conclude that the political and cultural legacy of (by then) one hundred years of integration and the high degree of economic interconnectedness that spans the European continent will take on new meaning in a new international context. That context will feature new challengers and challenges to European power that may well push EU states closer to one another even more powerfully than they push them towards closer cooperation with Washington. However, once capable of a strategic dialogue with the US, and despite inevitable differences of view with Washington on major issues in IR, the EU may be in a position to provide genuine leadership towards a more inclusive, consensual and less imperious kind of statecraft. Specifically, statecraft that follows from transatlantic strategic dialogue might well embrace Brzezinski's (2012: 132) injunction to *expand* the West, a task which directly implicates the EU since:

... the Europe of today is still unfinished business. And it will remain so until the West in a strategically sober and prudent fashion embraces Turkey on more equal terms and engages Russia politically as well as economically. Such an expanded West can help anchor the stability of an evolving Eurasia, as well as revitalize its own historical legacy.

A second task may seem subsumed within the broader objective of creating a truly strategic US-EU dialogue, but it is also a self-standing one. Economic cooperation is an area particularly ripe for a new bilateral bargain that could then be exported to the multilateral level. There is sufficient 'low-hanging fruit' in the form of economic gains for both sides, particularly in a climate of stubborn economic stagnation, to justify an ambitious US-EU economic cooperation agreement. Such an agreement could then lead naturally to a genuinely strategic discussion about a common US-European approach to reinvigorating the multilateral trade agenda. The freezing of this agenda post-Doha and the persistence of the global recession lower the political costs of seeking to give it fresh impulse by forging ahead bilaterally.

A third task with clear pay-off is a common effort to rebalance the representation of the non-Western world in leading multilateral institutions. We have argued that most international institutions remain weak. Many are set to lose their legitimacy unless emerging powers achieve greater voice and ownership. We have also argued that the current era is a poor candidate for the building of new international institutions or the extension of the current global architecture of international cooperation. Yet, it is a strong one for reform and renewal of actually existing multilateralism.

As a final point, when we consider the implications of a shift to multipolarity for transatlantic or international relations more generally, we are inevitably confronted with forces that bear down on states and are powerful determinants of their behaviour. We do not – and could not – wish to argue that systemic factors do not matter in influencing or even determining foreign policy choices. To be clear, our argument is that they bear down on states in very particular ways in specific areas of policy. Thus, most systemic IR theories simplify to the point of caricature. We are reminded of Keohane's (1993) post-Cold War admonition that 'when we use our weak theories to generate predictions about the future, we must be humble, since during the last several years we have failed to anticipate major changes in world politics'. Our own humble view is that much about the current global order is best understood through analysis of the real stuff of international politics – actual policies and decision-making. Close analysis of what drives them makes it possible to generate explanations and even predictions, despite how very hazardous the business of prediction has become.

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## THE PROJECT

In an era of global flux, emerging powers and growing interconnectedness, transatlantic relations appear to have lost their bearings. As the international system fragments into different constellations of state and non-state powers across different policy domains, the US and the EU can no longer claim exclusive leadership in global governance. Traditional paradigms to understand the transatlantic relationship are thus wanting. A new approach is needed to pinpoint the direction transatlantic relations are taking. TRANSWORLD provides such an approach by a) ascertaining, differentiating among four policy domains (economic, security, environment, and human rights/democracy), whether transatlantic relations are drifting apart, adapting along an ad hoc cooperation-based pattern, or evolving into a different but resilient special partnership; b) assessing the role of a re-defined transatlantic relationship in the global governance architecture; c) providing tested policy recommendations on how the US and the EU could best cooperate to enhance the viability, effectiveness, and accountability of governance structures.

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Many ascribe the first steps in developing a strategy for multipolarity in international relations to Russia as well. Indeed, this claim has some merit. At the same time, it was emphasized that China and Russia are switching to a new form of mutual relations and that such is not directed against any other countries. Hopes then arose that the UN would play an important role in establishing a new international order, and developing countries and the Non-Aligned Movement were named as important forces contributing to the formation of a multipolar world. Keywords: transatlantic partnership; security; neorealism; neoliberalism; constructivism; multipolarity; global governance. JEL Classification: C01. INTRODUCTION. The transatlantic partnership is considered to be the most important alliance in international relations. Despite the fact that there are cases when EU and US have problems engaging with each other, they share fundamental values such as democracy and capitalism but also strategic interests to an extent not matched by any other global partners in the world. In the context of the shift to a multipolar world, the transatlantic relations appear to be vital in managing international interdependence.