

The Obama administration and multilateralism: Europe relegated

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>> Barack Obama's critics argue that he is a naïve believer in global governance. This is mistaken. When it comes to multilateral diplomacy, the President has proved to be a pragmatist and – suitably for a man with a reputation as a 'calculating' poker player, according to a 2008 article in *The New Yorker* – ready to gamble. In the last year, he has taken a bet that the US can lead a radical reorientation of international cooperation. This is based on three assumptions:

- **The future of international cooperation lies with rising powers** like China and India rather than old allies like the EU. In dealing with the financial crisis, the Obama administration has underlined the need to give the new generation of economic superpowers a significantly increased role in decision-making, disturbing many of America's long-standing allies in Europe.
- **The new great power diplomacy can be formalised** through multilateral frameworks. Obama is hardly the first US leader to emphasise great power diplomacy. But whereas predecessors such as Nixon typically believed that it was best to deal with other big powers bilaterally, Obama has pushed for multilateral cooperation, most obviously through the Group of Twenty (G20). This puts him in the tradition of FDR and George Bush senior.
- **The US can drive international cooperation** in spite of limited domestic support for multilateralism. While Obama has taken bold steps to recalibrate relations with the rising powers, he faces significant constraints at home. With the Senate split on extremely partisan lines, his ability to get the sixty-seven votes required to ratify new treaties is uncertain. The populist tone of broader US political debate, especially

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»»»»» on economic issues, has also complicated the administration's hand – making it all the more striking that it has continued to make revitalising multilateralism one of its major priorities.

How did the administration put together this three-part bet? Is it paying off? As of early 2010, there are concerns that China in particular will reject Obama's offer of a new era of cooperation. Chinese officials stand accused of undermining the Copenhagen summit on climate change and obstructing Security Council efforts to put pressure on Iran. India, Brazil and Russia have also opposed the US on significant issues at the UN. It is too early to say if these set-backs signify the failure of Obama's bet or are merely hiccups.

It is, however, possible and timely to reflect on how Obama's bet emerged – we will see that it was more a matter of evolution than design – and how it affects America's traditional allies, especially in the EU. Has the US really abandoned the European powers that helped sustain multilateral cooperation during the Bush years? What adjustments must they make if they want a chance to remain relevant in the Obama era? And how can the US administration mitigate their worries about its multilateral strategy?

THE RISE OF THE G20

When Barack Obama took office, it was universally assumed that he would break with George W. Bush's legacy and restore America's commitment to multilateralism. But what sort of multilateralism would he embrace? Which institutions would he prioritise, and with which powers would he work closely? Senior figures in the new administration had advocated a wide array of potentially incompatible options: their ideas included a stronger UN, a 'global NATO', a concert of democracies and 'network diplomacy' transcending specific international institutions. The President had written of the need to boost the United Nations, but he had also praised NATO and the EU as important allies.

In its first months in office, the administration adopted a strategy of multilateral engagement *à tous*

azimuts. The President reached out to the EU (and was rewarded with a tedious meeting with the leaders of all 27 members in Prague) while his close adviser Susan Rice began building bridges with developing countries at the UN. The US joined UN human rights talks that the Bush administration had boycotted. Much of this was, as critics sneered, 'multilateralism for its own sake' – but the new administration simply felt it had to signal its seriousness about international cooperation.

The administration could not continue without a hierarchy of institutional priorities for too long. Nor did it have the luxury of theorising about which international mechanisms might work best in all possible worlds. It needed to find a framework for coordinating the international response to the still-boiling financial crisis. There was a shared sense among administration members, whatever their institutional preferences, that this must fully involve emerging economic powers like China and India. In this context, one mechanism stood out as the focus for American policy: the Group of Twenty (G20).

The G20 already had momentum. At the urging of European leaders, President Bush had convened its first heads-of-government summit to discuss the financial crisis in November 2008. Gordon Brown was preparing a sequel for London in April 2009. British officials grumbled that the new administration was initially ill-prepared for this, but Obama was a dominant (if deliberately not too dominant) figure at the London talks.

Although the US announced that it would host the next G20 meeting in Pittsburgh in September, this success did not convince all administration officials that the forum should be their priority. Some had been irritated by the long-winded bickering of other participants, or viewed it as a short-term crisis mechanism that would soon run out of steam.

Nonetheless, there was a growing recognition that serious alternatives were in short supply. The administration was unimpressed by Italy's preparations for the July 2008 meeting of the G8. Italian officials were eager to learn what the US wanted on the agenda – Washington obliged with initiatives

on food security and climate change – but seemed to have little vision of their own. Susan Rice was making significant diplomatic headway at the UN, but its flaws as a decision-making forum remained clear. China and India blocked Western efforts to intervene in the Sri Lankan civil war through the Security Council in the first half of the year, while the General Assembly was bogged down in a rancorous debate over why the UN lacked a central role in the financial crisis.

There were enthusiasts in the administration for at least mooting reforms to the Security Council and the dysfunctional UN Human Rights Council, but

‘Europeans worry that the US has embarked on a radical transformation of the international system without a clear grasp of the consequences’

these options were put on hold (although US officials at least indicated a new level of openness to discussing Security Council reform seriously). Promoting the G20 took priority. The US was also scurrying to reboot its position on climate change in advance of the December 2009 Copenhagen summit. It

opted to push negotiations not only through the UN system and G8 but also the Major Economies Forum (MEF), an adaptation of the Bush administration’s ‘Major Emitters Forum’ that is essentially a variation on the G20.

The US showed its hand in September, announcing immediately prior to the Pittsburgh summit that the G20 would act as the ‘premier’ forum for economic discussions, displacing the G8. It is rumoured that the administration had only consulted with its European partners in a peremptory fashion on this transition. This claim cannot currently be verified, but there was nonetheless a widespread view that the US manoeuvre had left the Europeans looking diminished. There was also some irritation among non-G20 countries that the Pittsburgh summit overshadowed the UN General Assembly meeting –

although President Obama’s appearance in New York (during which he chaired a heads-of-government meeting of the Security Council on nuclear proliferation) was a success.

The Pittsburgh meeting arguably represented the high-watermark of the administration’s multilateral diplomacy to date. Thereafter, the US and other powers became increasingly bogged down in preparations for the Copenhagen summit. The fact that the Copenhagen talks culminated in a closed-door session involving Obama and his counterparts from China, India, South Africa and Brazil compounded the sense of rapidly declining European influence.

Yet this much-analysed conversation seems to have come together by coincidence: the President had worked alongside Angela Merkel, Gordon Brown and Nicolas Sarkozy attempting to persuade the Chinese to make a deal. The ad hoc nature of decision-making in Denmark symbolises the administration’s overall approach to multilateralism. It has been guided by a genuine philosophy of engagement. But how this has been implemented has often been shaped by a mixture of necessity, chance and opportunism.

EUROPE’S DILEMMA

As we have noted, rising powers like China and India have not responded to US efforts to accommodate their interests in the G20 by embracing American positions on every issue. But for many serious and senior US officials and foreign policy thinkers, the single greatest problem in the G20 is the sheer number of Europeans in the club. Some have asked whether the EU needs a dose of ‘tough love’ from Washington and other capitals to persuade it to rationalise its presence in multilateral negotiations. President Obama’s decision not to attend the regular EU-US summit in May 2010 looks like just that.

It is hard to find serious-minded European officials who do not agree (in private) that the EU needs to sharpen up its act in multilateral forums; although exactly how to do this is a matter of dispute. But



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Rather like Lewis Carroll's White Queen, they complain, the Obama administration foresees 'jam tomorrow' (i.e. a new era of international cooperation) but has yet to receive much 'jam today' (i.e. Chinese support on climate change or Iran). Given the huge political obstacles in Washington DC to the approval of new international treaties, they worry that the administration will not be able to implement future agreements, weakening the credibility of its political commitment to multilateralism. Perhaps most galling for Europeans is the suspicion that the US has made a high-odds bet on reforming multilateralism, but Washington is largely gambling with European assets.

The US may be taking a risk in promoting the G20, but it has done so in a way that asserts its claim to leadership, and reduced European influence as the price for doing so. One of the main decisions at the Pittsburgh summit was to reallocate some European voting rights at the International Monetary Fund to emerging economies – but the US did not propose to surrender its own unrivalled power in the IMF. Here was a win-win gamble for Obama.

American analysts are unsympathetic. The EU still has greater voting weight in the IMF than its share of the global economy justifies. There is a hard-headed mood in Washington: accommodating the rising powers is a necessity, and European leaders cannot detach themselves from that. Yet it is worth both US and European policy-makers seeing what lessons they can learn from how they have handled the G20's ascent.

The over-arching lesson is surely that neither side has been truly strategic in its approach to the process. We have noted that the US approach was often ad hoc. Yet European leaders were equally unstrategic. There was poor coordination between the UK and Italy over hosting the G20 and G8 in the first half of 2009 (some European officials were briefing against the Italians' efforts). After the G8 summit, Nicolas Sarkozy began talking about the

need for an intermediate G14, whereas Angela Merkel appeared to believe the G20 was now the only viable option. Since then, Eurogroup president Jean-Claude Juncker has put up a rearguard action in defence of the old G7, although he also wants a seat in the G20. A clear EU vision on the future of these forums remains absent.

This was probably inevitable last year: the sheer urgency of the financial crisis precluded deep thinking on international architecture on both sides of the Atlantic. Now that this urgency is passing – and, for all its faults, the G20 is seen as having mitigated the crisis – Western leaders need to consider what an effective strategy for consolidating last year's reforms and planning new ones would look like. What are the terms on which Europe or the US should cede power in international institutions? Can this be managed in a way that reduces institutional instability and maximises the West's leverage?

France will hold both the G8 and G20 presidencies in 2011. President Sarkozy should use this opportunity to rationalise international negotiations, and the EU's contribution to them – an important sequel to President Obama's bet on radical reform. Preparing for this should be a starting-point for better-tempered transatlantic cooperation on multilateral affairs. The US and Europe should discuss questions including whether the G20 could develop a role in security issues (a popular topic in Washington) and how it relates to the UN system (a source of neuralgia in New York). The alternative to transatlantic debate on these issues is more ad hoc cooperation between the US and the rising powers – with the EU a marginalised player, and more often than not a big loser.

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