

A Focus For U.S. Foreign Policy: Europe And The G20

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This is an abridged version of The Obama Administration and Multilateralism: Europe Relegated, a policy brief published by FRIDE this week.

George W. Bush frightened the EU's leaders with his unilateralism. Barack Obama has scared them with his multilateralism. Europeans are, of course, meant to love multilateral cooperation – and they still have far more in common with this president than his predecessor.

Yet Obama's vision of international engagement rests on working with rising powers like China and India, rather than palling around with old European friends.

This has been encapsulated in his administration's advocacy for the Group of Twenty (G20) as a forum for dealing with the emerging economic superpowers. Europe is well-represented at the G20, but EU leaders have an uneasy sense they've been downgraded.

When President Obama took office thirteen months ago, he wasn't set on boosting the G20's importance. Senior figures in the new administration had advocated a wide array of multilateral options: their ideas included a stronger UN, a "global NATO", a concert of democracies and "network diplomacy" transcending specific international institutions.

But the administration could not continue without a hierarchy of institutional priorities for too long. It needed to find a framework for coordinating the international response to the still-boiling financial crisis – unlike the G8, this had to fully involve the expanding Asian economies. In this context, the G20 stood out as the focus for American policy.

The US showed its hand last September, announcing prior to the Pittsburgh summit that the G20 would act as the "premier" forum for economic discussions, displacing the G8. The rising powers formally welcomed this choice, but have hardly responded to US efforts to accommodate their interests by embracing American positions on every issue. China has confronted the US in multilateral discussions over climate change and Iran.

Yet 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 rationalize 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 its act in multilateral forums – although exactly how to do this is a matter of dispute. But Europeans also worry that the US has embarked on a radical transformation of the international system without a clear grasp of the consequences.

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). They also note that will be hard for the administration to win Senate approval for new international treaties, potentially undermining its rhetorical commitment to multilateral engagement.

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 in 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 give up 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 main lesson is that neither side has been truly strategic in its approach. The US approach was often ad hoc. European leaders did no better. After last year's G8 summit in Italy, Nicolas Sarkozy began talking about an intermediate G14 – whereas Angela Merkel appeared to believe the G20 was the only option. 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. Herman Van Rompuy also wants a guaranteed invitation.

Last year, the sheer urgency of 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.

This may be a chance for Europe to adopt a more constructive stance. France will hold both the G8 and G20 presidencies in 2011. President Sarkozy should use this opportunity to rationalize all the G-summitry, in consultation with his EU partners – and the US.

President Sarkozy should open up debate on 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 (which makes many developing countries extremely uneasy). France could also forge an agreement clarifying the balance of G20-G8 relations. And it could initiate a dialogue with the US and emerging powers on how the EU can consolidate its presence in the G20 without sacrificing its economic and political interests.

The alternative to transatlantic debate on these issues is more ad hoc cooperation between the US and the rising powers – with the EU a marginalized player, and more often than not a big loser. [A podcast with Richard Gowan talking about Obama's view of Europe is available here.](#)