

4 YEARS WITH PRESIDENT OBAMA

DEVELOPMENT AND FUTURE PROSPECTS OF TRANSATLANTIC RELATIONS

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SUMMARY

As the American presidential election looms, Europeans are pondering the incumbent president's track record in the sphere of transatlantic relations and finding signs pointing to a certain deterioration in those relations.

Europeans note that the past four years have been marked by the return of a convergence in the opinions being voiced on either side of the Atlantic, both in connection with foreign policy goals and with the values that those goals aim to convey. The unilateralism, the tendency to hegemonise and the preference for coalitions of the willing rather than for traditional alliances, which were such distinctive features of the previous administration, have all disappeared. Under Obama, the United States has veered towards a more multipolar vision of the outside world, which dovetails far better with the concept of a policy tailored to the resources available to it, which after all are not limitless. The United States' gradual loss of clout in the global economy should prompt it to become more selective in its choice of overseas commitments.

At the same time, Europeans note that there has been no letup in American criticism of certain aspects of Europe's political situation. The criticism being levelled at it today is basically not very different from the criticism levelled at it under George W. Bush, which must mean that it transcends political parties and administrations. Americans' complaints are essentially directed at the shareout of the defence burden and at the haltering mechanisms adopted in the governance of the European economy, although in connection with this latter issue Americans are not especially well placed to hold themselves up as a model, as this year draws to a close.

Lastly, Europeans note a redeployment of the resources available to America's foreign and security policy, including in the commercial sphere – a move traditionally referred to as the "pivot". We are already witnessing a decrease in America's military engagement in Europe, matched by an increase on the western Pacific rim. While in the sphere of trade policy, the Americans' attention is currently focused on the establishment of a transpacific partnership (TPP).

The deciding factor between the two candidates is not going to be America's foreign relations, and certainly not its transatlantic relationship. If it were, we could fairly confidently state that the incumbent president would win the election.

“THE EUROPEANS ARE PONDERING THE OUTGOING PRESIDENT'S TRACK RECORD”

But the fact remains that, even if President Obama were to be re-elected, he still would not have a free hand. Public opinion surveys tend to show that the Democrats are highly unlikely to win back the House of Representatives, and that they might even lose their majority in the Senate.

Mr. Romney's remarks on the unfair and artificial nature of the Chinese currency's exchange rate, which has let him to say that he would brand China a "currency manipulator" on his first day in office, as well as on the nature of the support that he is determined to offer Israel, appear to point to stormy times ahead if he wins the election on 6 November – and the shockwaves would not spare transatlantic relations. **It remains to be seen whether, if Mr. Romney is elected, he would succeed in reducing the polarisation that has marked his country's foreign relations since 2001.**

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INTRODUCTION

President Obama's arrival in the White House marked a turning point in transatlantic relations. From the moment he was elected, Barack Obama enjoyed enormous popularity in Europe, where he was acclaimed by 200,000 people in Berlin in 2008. His popularity was due to his stated objectives, which bore a certain resemblance to those which the Europeans had set themselves, including in the foreign policy section of his programme where he was pledged to move in the opposite direction from that taken by the neoconservatives in President George W. Bush's circle. The award of the Nobel peace prize, which some judged premature on account of his lack of a track record, pointed up, if nothing else, at least the confidence that the newly elected president's intentions and ability inspired in the jury.

Obama, who was born in Hawaii, spent part of his youth in Indonesia. He is an admirer of the former Singaporean Prime Minister Lee Kuan Yew, and on a broader level, of the dynamism of those oriental societies that have succeeded in the space of a few decades in dragging hundreds of millions of people out of abject poverty. Some people spoke of his "Asian tropism", arguing that he was intellectually closer to the Pacific area than to Europe, and this sparked a certain amount of concern on this side of the Atlantic, particularly after the failure of the Copenhagen climate conference in December 2008.

In the Obama administration's very first year, *Notre Europe* invited ranking personalities to examine the difficulties being encountered by the Atlantic partnership and to offer their views on its future prospects. The result, in March 2010, was a report entitled *Reshaping EU-US Relations: A Concept Paper*. Since then, three events have changed the picture. In late 2010 the Democrats lost control over the House of Representatives and, with it, the ability to implement a large part of their programme, above and beyond the universal health care aspect. The Republican Party, spurred on by its right wing, adopted a combative, systematically critical policy verging on obstructionism, which extended also to the sphere of foreign policy. Second, 2011 saw the start of the political upheavals in the Arab world. And lastly, at the beginning of 2012, the Obama administration announced a review of its foreign policy priorities, which it called a "pivot" and which consisted in redeploying a part of its diplomatic and military resources away from Europe towards the Pacific. Is this the start of American disengagement from the Old World? Were the fears being voiced justified? That is what we shall endeavour to examine below, after first noting that his political objectives and his style meet the Europeans' expectations rather better than those of his predecessor, George W. Bush. This will lead us in counterpoint, however, to highlight the fact that the Obama administration has by no means shelved the critical eye with which the United States has long viewed certain situations in Europe. And finally, we shall attempt to gauge the current and foreseeable impact of the American balancing act between the Atlantic's eastern seaboard and the Pacific's western shores. The Policy Paper will endeavour, above all, to depict the transatlantic relationship as it is viewed by the Americans, the premise being that a renewal of the partnership entails a better understanding of each other's point of view.

“ IS THIS THE START OF AMERICAN DISENGAGEMENT FOR THE OLD WORLD? ”

1. Objectives, values and a style with which the Europeans have been able to identify

1.1. Unilateralism and European values taken away

The unilateralism of Donald Rumsfeld and of George W. Bush, the liberties that they took with the values associated with Western democracies, and their inclination to devise coalitions designed to fit the circumstances, had rocked

European sensitivities and even led to a fracture in European unity at a particularly sensitive moment, because it was a time when an attempt was being made to launch a common foreign and security policy (and indeed the CFSP has never fully recovered from the blow). Defence Secretary Rumsfeld pitted “old Europe” against an alleged “new Europe” and gave his preference to a group of volunteers over the aid unanimously proposed by NATO after 11 September 2001 in accordance with the terms of Article 5 in its charter. The military operation in Iraq in March 2003 had prompted a divorce between European grassroots opinion, which was opposed to the conflict, and some of its leaders (Blair, Aznar, Barroso, Berlusconi), and to a divergence between the latter and the others, with the German federal chancellor and the president of the French Republic heading the list. Certain CIA detainees were being held in secret prisons and could be forcibly handed over to allied countries where the practice of hard questioning did not encounter the same legal obstacles as it did in the United States (“extraordinary renditions”). Obama, however, was one of those rare American politicians who immediately denounced his country’s military operation in Iraq, his position resting on both moral and practical arguments, to the effect that a country’s foreign policy needs to be based on available resources and the United States no longer had them, unless it was prepared to sacrifice the domestic political targets which he was not alone in considering a priority.

1.2. A more multipolar concept of international relations

With Obama, the United States moved towards a more multipolar concept of international relations. The stress was now to be laid on human rights, on the rule-of-law, on civil liberties and on the implementation of democratic procedures wherever possible, as had been the case before the parenthesis of the previous presidency, in a non-partisan spirit shared by Democrats and Republicans alike. That was the thrust of the speech that the American president delivered in Cairo in June 2009. But having said that, the neoconservatives who made up George W. Bush’s circle were equally favourable – verbally at least – to these neo-Wilsonian objectives, possibly because of the progressive movements from which some of them originally hailed. So it was not the philosophical approach that had changed so much as the way in which that approach was implemented, despite the fact that certain short-

“ THE UNITED STATES IS ALLEGED TO HAVE TURNED ITS BACK ON THE “ATATURK” VISION OF POLITICAL AND ECONOMIC DEVELOPMENT”

comings were still apparent (failure to shut down the detention centre in Guantanamo, for instance). The day after he entered the White House, the new American president put a stop to all involvement on the part of his country’s intelligence services in actions that failed to exclude recourse to the use of torture. His speech in Cairo may be interpreted, with the benefit of hindsight, as the Americans’ go-ahead to the Arab Spring, to the revolutions that put paid to decades of authoritarian regimes. The reception afforded by the new administration to parties of Islamic inspiration in North Africa and in the Middle East after their electoral success has been compared to President Carter’s attitude

when he withdrew his country’s support from the shah’s regime, thus facilitating the ayatollahs’ rise to power. In other words, democracy is seen first and foremost as an expression of the law of the majority, even when that fails to dovetail with the values which are, or should be, closely associated with it such as freedom, equality for women, tolerance, minorities’ rights and a degree at least of State secularism. The United States is alleged to have turned its back once again on the “Ataturk” vision of political and economic development. The support that it has afforded the Arab Spring movements does not seem to have done it much good, however, because it is as unpopular in the Muslim world today as it ever was under the previous presidency.

1.3. Environment, immigration and health care: guidelines favoured by the Europeans

The major guidelines laid down in Obama the candidate’s programme in the spheres of the environment, of immigration and of health care also met with a favourable reception in Europe. The Europeans were grateful to the new president for recognising the reality of the challenges facing the environment, even though in practice he has not proved capable of implementing the most important measures contained in that part of his programme, in particular those dealing with the creation of emissions trading (“cap and trade”). Yet a decisive blow to the most important plans nurtured by the current administration in the struggle against global warming could come from the discovery and development of major shale gas fields. Having said that, 10% of the electricity consumed in the United

States in 2012 comes from renewable sources, just as Obama the candidate had promised, and in accordance with the new standards applicable by all states, average fuel consumption per vehicle must be cut by half before 2025.

It has not been possible to approve the major law on immigration announced by Obama, but on 15 August this year the government did resort to its executive prerogatives to adopt a measure in favour of young illegal immigrants (Deferred Action for Childhood Arrivals) which, while not granting them permanent resident status, will nonetheless allow them to look forward to a more serene future in the United States.

The establishment of a health care system covering all American citizens had been one of the Democratic Party's priority goals since the 1930s. President Obama has successfully implemented it, although not without a struggle and probably to the detriment of other major reforms in his programme, which had to be postponed when the Democrats lost control over the House of Representatives.

2. Continuity in American criticism of certain European situations

This new convergence on objectives and values, however, did not mean, in the Obama administration's eyes, that the United States was about to shelve the critical eye with which it views certain situations in Europe, nor that it was going to refrain from reviewing its foreign policy priorities. The main thrust of its criticism has been levelled at the unequal sharing of the defence burden and at the European economy, which it considers to be anaemic and thus a millstone around the neck of economic recovery at the global level. The priority review resulted in the formulation, early this year, of the "pivot" concept.

“ THIS NEW CONVERGENCE DID NOT MEAN THAT THE UNITED STATES WAS ABOUT TO SHELVE THE CRITICAL EYE WITH WHICH IT VIEWS CERTAIN SITUATIONS IN EUROPE ”

2.1. An unequal sharing of defence burden

Where security is concerned, the figures are there for all to see. The United States' defence budget accounts for fully half of the entire world's spending on defence. The United States funds NATO's expenditure to the tune of 77% today, while that figure stood at only 66% at the end of the Cold War. American military funding as a proportion of GDP represents, on average, fully three times more than the military funding earmarked by the alliance's European members. Among the European members of NATO, only four countries - the United Kingdom, Greece, Albania and France - still spend more than 2% of their GDP on their Armed Forces. And in the Americans' eyes, European defence policy suffers not only from a global dearth of resources but also from fragmentation, from a lack of integration, which means that what resources are available are far from being used in the most rational way possible.

Europe must shoulder its responsibilities and stop being a "consumer of security", a free rider on the back of America's security policy, in order to become an active producer of this collective asset. The current crisis, however, would tend to suggest that it will be reviewing its military expenditure in a downward direction. The military campaign in Libya which led to the fall of Colonel Al-Qadhafi has proven that fact very clearly. The French and the British took command of the operation, which suited the American reluctance to take a front-row seat, but despite the geographical proximity of their adversary's troops, they very soon found themselves having to appeal for American aid to compensate for their logistical shortcomings in terms of communications, of intelligence and of in-flight refuelling in particular. And that episode cannot help but bring to mind the situation observed in the Balkans almost twenty years ago.

The cut in European funding and the American forces' looming redeployment could well undermine one of the alliance's economic and political very *raison d'être*, namely "interoperability" among the defence resources contributed by each of the treaty's signatories.

2.2. A European economy considered to be anaemic

The Americans also find fault with the Europeans for their economy's lack of dynamism and reactivity, which prevents them from playing the driving role that they should be playing in a world where development depends to a great extent on increased trade. There is a clear disparity between the budget measures and the measures designed to clean up financial institutions adopted by the United States since 2008, and the timidity of those put in place in Europe. The analysis of the origins of the crisis, and thus of the remedies required to tackle it, is not the same on either side of the Atlantic. In the Americans' view, the crisis is due first and foremost to a sudden increase in the propensity to save, which has partly been the result of a credit crunch, as the latter has made it difficult to refinance the existing debt: the behaviour of private individuals, businesses and local communities has been lastingly disrupted by this ("deleveraging": the debtor, finding himself in a position in which he cannot refinance his debt,

“ EUROPEAN ATTITUDES ARE GENERALLY BASED ON AN EXCESSIVELY STATIC AND ACCOUNTING APPROACH TO THE ECONOMY ”

must start saving, and the resulting increase in the propensity to save translates into a reduction in demand). To counter this sudden shrinkage in demand, the federal government has put in place a \$787 billion stimulus package, in other words a plan worth 4% of GDP (for the sake of comparison, under Franklin Roosevelt's New Deal, no stimulus package ever accounted for more than 1.5% of American national output in any one year), while the major banks, prodded to resume their lending activities as soon as possible, have been enjoined to clean up their balance sheets without delay. Thus Citigroup alone has written off debts worth \$143 billion, whereas not a single bank in the euro zone has written off the equivalent of more than \$30 billion from its balance sheets. In the

United States, the Dodd-Frank act has put an end to over thirty years of financial deregulation. In the Americans' eyes, European attitudes are generally based on an excessively static and accounting approach to the economy, raising the spectres of Hoover and Mellon, or of Brüning and Salazar. How, they ask themselves, can one deprive oneself of the resources provided by budgetary intervention on the state's part, on account of an alleged risk of inflation, when unemployment is hovering around the 10% mark? They forcefully remind us that the federal government's accounts got back on track in the late 1990s, when the American economy was close to full employment – indeed, so much so that an extension into the future of the prevailing trend at the time even prompted people to suggest that the federal debt might disappear altogether (and that, incidentally, would have caused a few problems in the proper functioning of the money markets).

2.3. Lack of understanding of the European crises

Nor has the euro crisis, in multiplying people's uncertainties and thus the reasons for their not committing to expenditure (precautionary saving), helped to make the European economy any more dynamic. The Obama administration has not been exactly surprised by the difficulties that Europe's leaders are encountering in their attempts to tackle the crisis, in view of the restrictive nature of the tools in their arsenal.

Where the sovereign debt crisis is concerned, the Obama administration has not understood how it can have taken the Europeans so long to address the problem posed by servicing the Greek debt and to resort to some of the tools that had been tried and tested in the United States, starting with a reform of the European Central Bank designed to allow it become a genuine lender of last resort. That only became a reality, at long last, at the beginning of September 2012, and even then it still had strings attached.

Where the financial crisis is concerned, the Obama administration has pointed out that the stress tests to which Europe's financial institutions have been subjected have not proven credible. Nor has the United States been convinced by all of the financial regulation and supervision measures proposed by the EU at the G-8 and G-20 summits.

In the Americans' view, the European crisis has dealt a fresh blow to the idea that the Europeans have of their mechanisms for governance, which they tend to see as the precursors of future mechanisms for global governance.

The United States already held greater reservations than the Europeans regarding issues of sovereignty, and the handling of the European crisis cannot have served to change their minds on that score.

2.4. An American uncertainty referred to as “fiscal cliff”

At the same time, the Americans themselves are facing major uncertainty due to the state of their federal public finances, an uncertainty generally referred to as the “fiscal cliff”: the American economy is in danger, in the short term, of going over the top of this cliff. The mere threat that such an event might occur already has a deflationist impact *per se*, in the sense that it prompts players to save, and naturally, due to trade flows, that situation has repercussions on the United States’ partners, with Europe heading the list. The unemployment rate in America would be one percentage point less (6.8% instead of 7.8%) if that threat were not there. So what is the problem? The problem is that the Obama administration had to raise the public debt ceiling in order to be able to fund its budget, and its plan to raise the ceiling met with fierce resistance from the Republican Party in Congress. The hike was eventually approved at the last minute, but in order to win that approval the administration was forced to agree to a two-step plan, with the second step only coming into force if the first step failed. The plan’s aim is to put federal public finances back on track by acting on both revenue and spending. It was put together by an *ad hoc* commission comprising representatives from both parties, on the understanding that, in the event no agreement was reached, a predetermined programme of equally predetermined budget cuts and tax hikes would be implemented. This point has now been reached because the commission found it impossible to reach agreement on the measures for recommendation within the deadlines demanded of it. Now, this predetermined programme provides for increases in taxes and cuts in expenditure equivalent to 5% of the United States’ GDP. Tax cuts adopted under the George W. Bush administration are not going to be renewed at the end of this year, nor is the suspension of the payroll tax promoted by Barack Obama himself. And an extension on the duration of the dole, also decided on by the incumbent, is due to expire on the same date, namely 31 December. A compulsory tax known as the Alternative Minimum Tax, which was initially due to be levied only on the higher income brackets, is now going to hit 30 million middle-class Americans. Fees paid to doctors in the context of the Medicare programme (health care for the aged) are going to be cut by almost 30%. The budget cuts are to be implemented as of 15 January 2013 and the first sector to be hit is military expenditure (50% of overall spending cuts). The measures as a whole will represent an annual reduction of \$600 billion, in other words \$6.1 trillion over a ten-year period.

3. To what extent has it already been possible to observe a balancing act in America’s engagement between the Atlantic’s eastern seaboard and the Pacific’s western shores?

3.1. A new American strategy: the “pivot”

The new American strategy, the “pivot” devised early this year, clearly rests on the differential between growth rates in Asia and in Europe that underlies a reconfiguration of the world’s economic map (the OECD countries will only account for 40% of world output by 2025, as opposed to 55% in 2000, while Asia’s share will move up from 24% to 38% over the same period of time). But it can be explained also by the persistence of security problems in Asia, which are clearly going to turn it into an area of strategic instability, an area far more dangerous for the United States over the next few decades than Europe. Below we list, albeit not in any particular order, some of the arguments which relate to one or other of these issues and which have been used to justify this strategic change of course:

“ THE PIVOT RESTS ON THE DIFFERENTIAL BETWEEN GROWTH RATES IN ASIA AND IN EUROPE THAT UNDERLIES A RECONFIGURATION OF THE WORLD’S ECONOMIC MAP ”

- nuclear proliferation in Asia (India, Pakistan, North Korea);
- the danger that Japan may reconsider its commitment to pacifism enshrined in Article 9 in its Constitution;
- the growth of American economic interests in Asia (in terms of trade and investment; at this juncture China has become the third largest market for American exports: its purchase of American goods and services has shot up by 53% since 2007);
- the cut in the American defence budget (a planned cut of \$480 billion over the next ten years, in other words some \$48 billion a year) pegged to the end of hostilities in Iraq and in Afghanistan;
- the fact that 50% of world maritime trade now moves through the South China Sea;
- China's questioning of the dollar's role in a future international monetary system;
- the rise to power of a new leadership in the Chinese Communist Party this autumn;
- the rapid growth of military budgets in the region (the London-based International Institute for Strategic Studies estimates that military expenditure in Asia is about to overtake military expenditure in Europe).

3.2. Modifying the American forces deployment

There are numerous latent territorial clashes between the countries on the western Pacific rim. The disputed islands, most often located in the East China Sea or in the South China Sea, are surrounded by vast, exclusive economic areas that represent the real bone of contention in these clashes, which could degenerate into open conflict at any moment. The areas in question are often points left pending when peace treaties were drawn up at the end of World War II or of the colonial wars, at a time when trade and the development of submarine resources did not have the importance that they have today. The American authorities are taking great care to avoid using Cold War language or to talk about containment along John Foster Dulles lines, yet it is very much a matter of finding a new balance in the face of China's growing power.

“THE PIVOT IS LINKED PRIMARILY TO SECURITY AND TRADE POLICY”

Europe at this juncture has the appearance of a relatively pacified continent where security issues no longer have the same urgency that they did before the fall of the Berlin Wall. The resumption of a closer and more trusting relationship with Russia (known as the “reset”) made it possible to sign a new START treaty on nuclear disarmament with Moscow in 2010. The Russians have now been brought in on talks over the establishment of anti-missile shields in Europe, even if those talks have not made a great deal of progress.

The “pivot”, as we have seen, is linked primarily to situations in the field of security and trade policy.

One-fourth of the American forces still stationed in Germany is due to return home, and the American defence secretary has announced that 60% of his country's warships, including six squadrons with aircraft carriers, are going to be stationed in the Asia-Pacific region in 2020. The United States is going to open a military base in Australia and to step up its relations with countries such as Vietnam and the Philippines, which are concerned by the emergence of China as a regional power. The manner in which the campaign in Libya was conducted, as discussed above, shows that the United States is not seeking a driver's seat role in the clashes in which Europe has the advantage of proximity, although we should probably exclude the Israeli-Palestinian conflict from that list. It is easy to imagine that, in the American administration's multipolar vision of the world, Africa - both North Africa and sub-Saharan Africa - have greater relevance for Europe's foreign and security policy than for that of the United States. And lastly, the war games which American strategists are currently playing do not envision preparing for new hostilities in Europe. The so-called Air-Land Battle strategy developed in the 1980s was clearly designed to counter a Soviet push in central Europe targeting Western Europe. The strategy being devised today, known as the Air-Sea Battle strategy, on the other hand, is clearly directed against a different adversary because it identifies that adversary as a foe bent on preventing access to a given theatre of operations and having the capacity to inflict heavy losses in the event insufficient preventive measures are adopted.

3.3. Redefining the American economic relations

In the commercial sphere, the United States backs the plan to set up a transpacific partnership (TPP), in other words a broad free-trade area in the Asia-Pacific region. China is not hostile to such a plan on principle, but if it does subscribe to it one day, it is going to have to reckon with measures designed to ensure that state-owned enterprises do not enjoy undue benefits, and it is not going to find that an easy thing to do. Nor is China the only major Asian economy remaining on the side lines of these negotiations. Neither Indonesia, nor Japan, nor yet South Korea have felt the need to join in, at least not for the time being. The negotiations were supposed to be concluded in September, which did not happen: the deadline has had to be moved forward to the month of December. Launched by Brunei, Chile, New Zealand and Singapore, the negotiations now embrace nine countries, including the United States which has taken on a steering role, Australia, Vietnam and Malaysia. And these countries are due to be joined by Mexico and Canada in December. The TPP has the makings of an advanced regional trade agreement in the sense that it addresses various new areas such as the environment, working conditions, the protection of intellectual property and services linked to information technology.

The ASEAN economic community - inspired by the European Economic Community - which was supposed to become a reality in the next three years, could be the first victim of the tension sparked by territorial claims in the South China Sea.

The "pivot" certainly is not going to make life any easier for the United Kingdom, which has always defended its special relationship with the United States and which is finding it increasingly difficult to identify with the positions adopted by the European Union.

The transatlantic relationship is going to lose its predominance both on account of its relative loss of economic clout and on account of the growing gap between its two members. Nor will it be able to claim, any more than the United States could on its own, to carry crucial weight when it comes to defining the ground rules for the new world order. The composition and modus operandi of the major international organisations do not yet reflect this new reality, and that is doubtless the primary reason why their reform is very much on the agenda.

“ THE TRANSATLANTIC
RELATIONSHIP IS GOING TO LOSE
ITS PREDOMINANCE ”

CONCLUSION

The United States' foreign relations, and its transatlantic ties in particular, are going to be affected by the 6 November election because the political polarisation in the country no longer excludes the foreign policy sphere. On the other hand, foreign policy is not going to play a major part in the track record chalked up by President Obama on which the electorate is going to issue judgement, unless of course a new conflict breaks out in the Middle East between now and then. The unemployment rate - there are three million more unemployed today than there were at the time of the previous presidential election in 2008 - and the price of gasoline at the pump are factors that are going to carry far greater weight. The outgoing president's supporters may regret this state of affairs, because the opinion polls suggest that he has a huge lead over his adversary when it comes to judging their respective ability to conduct the United States' relations with the rest of the world.

The date of the presidential election in America is probably one of the parameters being taken into consideration by the Israeli strategists tasked with examining the plan to attack nuclear installations in Iran. Readers may recall the massive offensive against the Gaza Strip launched only days before the new president took office, not to mention the snub that the Israeli Government inflicted on him when he called for a halt to the construction of settlements

in the Occupied Territories. Neither his condemnation of the second Gulf war nor his support for the Arab Spring uprisings have been considered by the Israeli Right as constituting moves in the direction of the Jewish state's interests. Unlike the majority of his predecessors, Obama does not come across as an unconditional supporter of Israel, a fact that has not escaped the notice of his rival Mitt Romney, who has hastened to visit the country. It is likely that under a Romney presidency the United States would show less hesitation in playing a leading role in a pre-emptive war against Iran (in compliance with Israeli demands) along the lines of the operation that it launched on Iraq in March 2003. The Republican Party today pays greater heed than the Democratic Party to the positions adopted by the AIPAC (American Israeli Public Affairs Committee). On a general level, the Republicans' return to the White House could well lead to a more heavy-handed and more interventionist foreign policy with greater hegemonic bent.

Moreover, Mr Romney's election could also prompt another destabilising effect, this time in the sphere of trade. The incumbent's adversary has pledged, in the event of his election, to ensure, the very day after he takes office, that China is recognised as a currency manipulator intervening on the currency market in an effort to keep its currency at an artificially low rate of exchange.

Whoever emerges the winner on the night of 6 to 7 November, the Republicans appear to be well placed to hang on to their majority in the House of Representatives, and we cannot rule out the possibility that they may also overturn the Democratic majority in the Senate. If the incumbent is re-elected, that will mean that his room for manoeuvre will continue to be as narrow as it has been since 2010 both in the foreign policy and in other spheres.

On the same theme...

THE CASE FOR RENEWING TRANSATLANTIC CAPITALISM

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