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We will move west in some ways, with someone who has himself been a transatlantic figure, Karl Kaiser, who is now an adjunct professor at Harvard University after having been for a very long time the director of the German Institute for International Affairs. He will address the issue of transatlantic relations.

Karl Kaiser, Harvard University, former Director of the German Council on Foreign Relations

I will make three points, and I will start with a personal remark. When I moved to the US in 2003, I was very much struck by the fact that by then Europe had disappeared from the public discourse, from the radar screen of intellectuals, from congressional thinking, in a long process that started with the fall of the Wall. Europe was gone. Where is it now? It is back, but it is a very strangely twisted Europe. It is a Europe in crisis, and people do not at all take note of the fact that it also has lots of achievements. It has something to do with the fact that people do not read French, German, or Italian papers, but they read English papers, and in English papers for the last five years you have constant debate about the pending collapse of the Euro, about the British exit that is being threatened, etc., so no wonder. However, it is a very dangerous perception, because it misleads public opinion and potentially misleads politicians.

My second point follows up Jim Hoagland's. Europeans have insufficiently taken note of the fact that there has been a paradigm shift in America's way of looking outside and dealing with the problems of the world, and the Libya crisis was the crucial point, a point of structural importance. It was a point at which Obama made clear that America is no longer automatically available to be on the forefront of dealing with a crisis. It will be there to help allies and others, as happened during the Libya crisis; indeed without American help I think the intervention would have failed in its purpose.

However, we are facing a very different kind of America, and it has a great deal to do with domestic circumstances, the fatigue of the last two wars, the gridlock of the system, the disappearance of bipartisanship, the polarisation of the system; so the America of the past is no longer exactly the same anymore. There is second consequence which is very important for the Europeans. The Libyan crisis has shown, and it was a wake-up call, how insufficiently Europe was prepared to deal with a world in which America is no longer exactly as available as it was before. Europe was not exactly a free-rider of American security policy, because it was not free. Europe after all has the second largest defence budget in the world and has more soldiers than the US; in fact the defence budget of Europe is more than that of the BRIC countries put together. It was not free, but the assumption in Europe was that the major problems were taken care of by America. That is no longer true, and that has to be translated into European action, a review, pooling and sharing, spending the money better than in the past.

That brings me to my last point, which is of fundamental importance, and that is the rebalancing toward Asia-Pacific. It is the most important shift in American strategy since the end of the Cold War, though its consequences will take time to materialise; but it is there, and it is in the interest of Europe, because we are looking at an Asia where the incidence of conflict is rising. It reminds me of the late 19th-early 20th century Europe – rising economic power, increasing armament, almost an arms race, rising chauvinism, incapacity to deal with the problems of the past, no institutions to mediate, and territorial conflicts. It is the perfect concoction to cause conflict, so it is in the interest of Europe that America rebalances.

However, it means that America partially withdraws; the 300,000 troops that once were in Europe are gone, 40,000 may be left, but the problems will remain for America right next to Europe, as we all know, so it will take time. Nevertheless, the process is taking place, and Europe has to ask itself whether it should rebalance together. That means that Europe has to give up its purely commercial strategy toward Asia, and to rethink its own role, hopefully as a mediating and supporting role. Finally, it means that Europe and America have to rethink the nature of their mutual



relationship. The Transatlantic Trade and Investment Partnership is geopolitically a very important process, because it means, besides liberalising what is left to liberalise, redefining the rules of the system which regulate those areas that are unregulated; after all, almost 50% of the world's GNP will define them and hopefully it will work in the liberal tradition. Secondly, it means that Europe and America will have to rethink what will become of NATO when it withdraws from Afghanistan, and that is an unsolved question of fundamental importance.