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The Transatlantic Globalisation Dilemma: How to Retain Power, While Contesting the Principles?*

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The Transatlantic Alliance has played a key role in establishing a world order based on the principles of integrated markets and the free flows of people, goods and money. Now, the long movement towards market liberalisation has stopped, borders are being fortified, national sentiments are on the rise, and globalisation is commonly contested in the political debate in both Europe and the United States. The position of the transatlantic actors was historically founded on the successful implementation of the global framework, so the question arises whether the retreat from globalisation will end their pre-eminence in global affairs. This article sheds light on the recent political and social changes in Europe and in the United States, which have been wavering between partnership and rivalry as they are confronted with global issues beyond their bilateral agendas.

Keywords: transatlantic relations, globalisation, populism, international order

Globalisation has been the leading theme of international relations in the last decades. Linked to the pre-eminence of the Western world, it has been perceived also as an opportunity for other regions to expand economically and politically. Now, the globalisation narrative has lost its bearings and the Atlantic World is showing strong signs of backlash against further integration. The Brexit referendum result and the rise of populist movements are often interpreted as signs of reorientation in the strategies of the global players, as a revolt against globalisation. The projects that meant to symbolise the revival of global integration: TTIP and TPP, which are both networks of megaregional trade agreements, have in fact been rejected.

Public discourse on both sides of the Atlantic is heavily marked by critical views on 'neoliberalism' and 'savage capitalism', automatically associated with globalisation. Imperialism in its cultural and, most of all, economic dimensions is the subject of debate once more, providing an explanation to the extreme inequality in the global and local

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realities. Although the world is still becoming increasingly interconnected, there is a tendency to remain separated from external influence. Emphasis on sovereign powers and narrowly defined national perspectives are symptoms of what Robert Kaplan called the revenge of geography.[1] One of the most striking features of Britain's 'leave' vote and the US presidential elections was geography, reflecting to some extent a regional map of 'winners' and 'losers' in relation to recent social and economic changes. While during the American century 'geography was lost', in the midst of global political ambitions, frontiers and demarcation lines are again becoming the organising principles of political imagination.[2]

By adopting the global governance perspective, this article attempts to trace shifts in global power relations in the aftermath of the recent events: the Russia–Ukraine conflict, Brexit, the rise of the populists movements in Europe and the United States. These changes obviously influence the Euro-Atlantic security environment and the global involvement of the partners, so the standing of the United States and Europe within the contemporary global governance will be stressed. From the transformative period of the 1990s to the recent failures in establishing new global standards, the perception of the global challenges and opportunities among transatlantic allies evolved in both the conceptual dimension and cooperative substance. It will be argued that nowhere was this change more visible than in Poland – a state situated on the dividing lines of great-power politics; a country that was part of the Warsaw Pact a quarter of a century ago, only to join NATO less than a decade later (1999) and the European Union in 2004. The Central European perspective is unique – on the one hand, it indicates how geopolitical determinism can be overcome, yet on the other hand, it warns against the hubris of neglecting geopolitical and social realities. Based on a mix of classical realism, constructivism and a policy-oriented approach, this article analyses the most important challenges in transatlantic involvement in the global affairs. The concepts of 'paradigm shift' (understood as a change from one way of thinking to another) and common strategic and normative interests in transatlantic political discourse will be of central importance to this project.

The leaders of global governance structures – the United States and the member states of the European Union – are showing signs of uncertainty when facing the complexity of the global challenges. But abandoning the globalisation principle, whether instinctively or consciously, means undermining the role of the Atlantic world in the global context as well as questioning the concept of the West in general. The network of Western interests developed throughout the 20th century reached a truly global dimension. The United States' narrative of globalisation was linked organically

[1] R.D. Kaplan, *The Revenge of Geography: What the Map Tells Us About Coming Conflicts and the Battle Against Fate*, New York: Random House, 2012.

[2] N. Smith, 'The Lost Geography of the American Century', *Scottish Geographical Journal*, 1999, Vol. 1, No. 115, pp. 1–18.

to the concept of US primacy.[3] The 'entangling alliance' with Western European powers allowed the United States to position itself as a hegemon that could create and enforce the basic rules of international legitimacy. The significance of transatlantic interests and values traditionally encompassed global ambitions of worldwide modernisation through technological progress, economic integration, and political approximation to Western standards. The deepening integration and, later, the enlargement of the European Union were also put in the context of globalisation and seen as adaptation to the rules of interdependence. Transatlantic dialogue also served as an indispensable requirement for global security and as a guiding platform of global governance. The 'imagined community' of Atlantic nations set a standard of communication and attitudes conducive to constructing an effective and stable international order.[4] They left out the history of Anglo-American antagonism and established cooperation that brought them the status of the most influential players on the global scene. The transatlantic community was an imagined concept, but provided real power based on principles of dialogue and openness. Current developments in the transatlantic sphere put this ideational and political tradition at risk, posing additional questions about the roots and possible consequences of the transatlantic crisis against the background of globalisation.

Globalisation in decline – trends and tendencies

Globalisation has often been portrayed as an overwhelming power, offering unprecedented opportunities but also, on many levels, threatening sovereign states and the international system based on them. As a theme of political debate, globalisation started to be seen as a force that tends to polarise and divide. Anti-global social movements are on the rise, accumulating political capital. There are several indicators of the diminishing role that globalisation is now playing in the political imagination. Its effectiveness in expanding democracy and prosperity is considered insufficient. In the marketplace of ideas, where public institutions such as the media help 'to weed out unfounded, mendacious, or self-serving foreign policy arguments, the notion of globalisation has suffered from the devaluation of its image'.[5] The once celebrated metaphors of the 'global village' or 'network society' have lost their charm in the face of the refugee crisis and growing uncertainty generated by the complexity of political events. But negative associations have their roots not only in political rhetoric, but primarily in the condition of the globalised world.

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[3] The New Transatlantic Agenda, 1995, http://www.eurunion.org/partner/agenda.htm (accessed on 15.06.2016).

[4] R. Steel, *Walter Lippmann and the American Century*, Boston: Little, Brown, 1980; R. Steel, 'Walter Lippmann and the invention of the Atlantic Community', in V. Aubourg, G. Bossuat and G. Scott-Smith (eds), *European Community, Atlantic Community?*, Paris: Soleb, 2008, pp. 28–37.

[5] C. Kaufman, 'Threat inflation and the failure of the marketplace of ideas: The selling of the War in Iraq', *International Security*, 2004, Vol. 29, No. 1, pp. 5–48.

The story of no success: Just after the end of the Cold War analysts created a vision of a new world order. The Kantian idea of perpetual peace, described in the 18th century, was to become reality on the wave of expanding international trade, the spread of democracy and the institutionalisation of international relations. This prospect, however, soon vanished as global affairs were revealed to contain large spheres of disorder fuelled by interconnectedness, interdependence, the communication revolution, and deep social changes. The picture of the globalised world represented in contemporary policy debate definitely stresses the disadvantageous nature of globalisation. Individual observations and feelings resonate with larger political narratives and grievances which, thanks to global communication channels, are no longer local in scope. As a political project, global integration promised peace and prosperity and a powerful mechanism providing better economic and social opportunities for all societies, including the underdeveloped ones. Despite the historical record of the former waves of globalisation, expectations were extremely high, especially in the context of the economy. Free market economic policies, represented by 'the Washington consensus' were believed to serve as a tool of economic development. Today, they are fiercely questioned, equally so in the Global South and Global North. Western societies associate economic globalisation with the trends of outsourcing production and services, transferring jobs overseas, and opening borders for uncontrolled flows of competition. The wealth distribution model has not strengthened the middle class in the West, which has caused anti-globalisation sentiments to be expressed through trade barriers and anti-immigration policies. In his famous paper titled 'U.S. Economic Growth Over?', Robert Gordon foresees the slowing down of the growth pattern from a stable 2 per cent to under 1 per cent.[6]

Neoliberal market-oriented economic policies, which speed up growth in the richest regions, have not managed to bring universal benefits. So the leading case against globalisation is now the yawning gulf between developing and industrialized countries, growing inequalities within all countries, and mass poverty.

In the general public's view, shared in many underdeveloped and, even more often, the most developed countries, 'globalisation' seems to have meant less per capita economic growth. The criticism increased as a result of global recession, which combined the lack of control over global economic processes with unfair income distribution and the social justice crisis.[7]

Globalisation and the attendant concerns for poverty and inequality have captured the public imagination and become the focus of the international discussion, making a case against global integration. As a New York Times columnist notes:

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[6] R.J. Gordon, *Is U.S. Economic Growth Over? Faltering Innovation Confronts the Six Headwinds*, National Bureau of Economic Research Working Paper 18315, 2012.

[7] J.E. Stiglitz, *The Price of Inequality – How Today's Divided Society Endangers our Future*, New York and London: Norton & Company, 2012, p. 142.

'Many people have been borrowing from older narratives of risk and vulnerability while trying to understand the current economy. Oil prices have been slumping, not soaring, but there are significant worries about outsourcing, downsizing and globalisation, along with deep concerns about rising inequality, refugee and immigrant flows, and what has been called secular stagnation of the economy. Political candidates on both the left and the right have been spinning charged and sometimes disruptive narratives about these issues'.[8]

But the 'broken promises' of globalisation are not limited to the economy. Despite interconnectedness, there is a growing sense that intercultural dialogue does not improve understanding. The communication revolution and general integration have helped exacerbate the opportunities for organised crime and terrorist networks. While this aspect of globalisation has long been recognised, it seems that the Western public has just entered a phase of disillusionment about the scale and nature of the globalisation challenges.[9]

Social anxiety mechanism: In the political discourse globalisation has been highly mythologised. As Jan Art Scholte sees it:

> …globalisation is as much ideational as material. Global connectivity entails not only concrete flows (of information, money, people, etc.), but also states of mind. As well as their many tangible links, global relations are constituted through consciousness, imagination, language, meaning, narrative, interpretation, perception, knowledge, poetry, belief. Indeed, globality arguably could not exist materially in the absence of mental orientations that enabled and encouraged it.[10]

People all over the world started to see their reality in the context of global processes, recognising the ways their lives are increasingly affected by global flows and their fates increasingly connected to – even dependent on – the decisions of players in other parts of the world. The complexity of this picture makes it difficult to analyse, so most of the conclusions are superficial and oriented at fuelling emotional reactions.[11] In democratic systems these social anxieties are easily transmuted into electoral choices as well as economic behaviours. As Urlich Beck argues, 'the individual must cope with the uncertainty of the global world by him- or herself. Here individualization is a default outcome of a failure of expert systems to manage risks. … Sustaining

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[8] R.J. Schiller, 'Listen carefully for hints of the next global recession', *New York Times*, 29 April 2016; http://www.nytimes.com/2016/05/01/upshot/listen-carefully-for-signs-of-the-next-global-recession.html?_r=0, (accessed on 13.10.2016).

[9] J. Der Derian, 'Global events, national security, and virtual theory', *Millennium: Journal of International Studies*, 2001, Vol. 3, No. 30, pp. 669–690.

[10] J.A. Scholte, 'Foreword', in M. Kornprobst, V. Pouliot, N. Shah and R. Zaiotti (eds), *Methapors of Globalisation. Mirrors, Magicians and Mutinies*, London: Palgrave McMillian, 2008, p. 1.

[11] J. Jasper, 'Emotions and the microfoundations of politics: Rethinking ends and means', in S. Clarke, P. Hoggett and S. Thompson (eds), *Emotion, Politics and Society*, New York: Palgrave, 2006; D. Jacobi, A. Freyberg-Inan, *Human Beings in International Relations*, Cambridge: Cambridge University Press, 2015.

an individual self of integrity in world risk society is indeed a tragic affair'.[12] It has been proven that recessions tend to begin when newly popular narratives reduce individuals' entrepreneurship and consumerist motivations.

Public anxiety plays a major role in the security domain and in changing security strategies. Fundamental theories of international relations are based on the notion of fear and uncertainty over the other actors' intentions. Henry Morgenthau, Kenneth Waltz and John Mearsheimer have developed entire theoretical constructs that deal with politics through the lens of fear, demonstrating how emotional states influence global decision-making processes.[13] Many threats are described by academics and media as amorphous and thus inscrutable. The public do not know their enemies, do not know where they are, and cannot define the threats they present. As Richard Dearlove explains: 'the paradox of the national security policy is that nation-states have lost their exclusive grip of their own security at a time when the private citizens are assailed by increased fears for their own security and demand a more enhanced safety from the state. Nation-states have been much safer from large-scale violence, however there exists a strong sense of anxiety about the lack of security in the face of multiplicity of threats'.[14]

Christopher Coker observes that anxiety has transformed the transatlantic political landscape by influencing the strategic evolution of the North Atlantic Treaty Organization. Considered a pillar of Atlantic World leadership and global balance, NATO evolved from an organisation predicated on deterrence to one concerned with reactive risk management. The pattern of this evolution involved taking part in the global war on terror – not addressing a specific terrorist movement but terrorism as a security phenomenon – and moving further from collective defence towards collective security.[15] Instead of concentrating on threat management, the Alliance was reoriented towards risk management; it was 'no longer trying to provide security for its members, but trying to manage insecurity'.[16] In an attempt to address global security challenges, NATO has been rewriting its role in the face of a very broad range of issues, which it has had little capacity to control. So the crisis of the main security provider for the Euro-Atlantic sphere has been partially caused by the adaptation of the globalisation narrative and

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[12] U. Beck, 'Living in the world risk society', *Economy and Society*, 2006, Vol. 3, No. 35, p. 336; U. Beck, *World Risk Society*, Cambridge: Polity Press, 1999.

[13] See: J.J. Mearsheimer, *The Tragedy of Great Power Politics*, New York: W.W. Norton, 2001; J.J. Mearsheimer, *Why Leaders Lie*, New York: Oxford UP, 2011; K.N. Waltz, *Theory of International Politics*, Boston: McGraw Hill, 1979.

[14] R. Dearlove, 'National security and public anxiety: Our changing perceptions', in L.K. Johnson (ed.), *Oxford Handbook of National Security Intelligence*, Oxford: Oxford University Press, 2010, p. 33.

[15] S.R. Sloan, *NATO, the European Union, and the Atlantic Community*, Lanham etc.: Rowman and Littlefield, 2003.

[16] Ch. Coker, *Does a Transatlantic Strategy Exist?*, IES Autumn Lecture Series "The Future of European Geostrategy", 2014, https://www.youtube.com/watch?v=3nkD39Ww9zg (accessed on 13.10.2016); Ch. Coker, 'NATO as a postmodern alliance', in S.P. Ramet, C. Ingerbritsen (eds), *Coming in from the Cold: Changes in US-European Interactions since 1980*, Lanham etc.: Rowman and Littlefield Publishers, 2001, pp. 16–30.

by defining its scope in very vague terms, which are reflected in anxious reactions to global threats. In this shape the Alliance could neither fully react to the international reality, nor transform it. Globalisation obviously has rendered political and social processes more disaggregated and unpredictable, but these features of vulnerability are often amplified tactically and used as tools of political struggle or justification for projects that are impossible to carry out.

Techno-pessimism: in the visions popularised at the end of the 20th century, globalisation was identified with modernisation. Global production and distribution of goods was easily associated with the newest achievements of the high-tech industry and presented as an engine for economic development. Technology, especially information and communication technologies, has been seen as a tool to promote social change, opening up new areas for civic participation and protest. And indeed online platforms, mobile telephones and other information technologies are widely used all around the globe by people to voice their opinions, define their political identities, and change their life situations. Twitter, Facebook, Instagram, and Google have all been cited as important components in social revolutions, including those in Tunisia, Egypt, Iceland, Spain, and the global Occupy movement. The change has been profound, transforming the way international activism works and power relations evolve. Nevertheless, a growing number of analysts diminish the effects of the technical revolution and its impact on shaping a global future. Paul Krugman notes that the fruits of the technological revolutions were rather 'fun than fundamental', Sherry Turkle comments on communication technologies using moral panic narratives.[17] The techno-pessimistic sentiment fits into the general frames of globalisation's decline. Trust in technology – once seen as the solution to global problems – has eroded also for purely economic reasons. The main controversy is that technological growth changed the underlying structure of the economy, influencing the link between value creation and job creation. In effect people are displaced by machines, the labour force is under increasing pressure, with shrinkage of jobs in many sectors and a growth of jobs assured only in personal services and technology. Some of the forecasts predict that better industrial automation and other forms of technological advancement will create a situation in which a minority of the labour force – around 15 per cent – will have a standard of living equivalent to today's majority.[18]

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[17] See: F. Erixon, B. Weigel, *The Innovation Illusion: How So Little Is Created By So Many Working So Hard*, New Haven: Yale University Press, 2016; S. Turkle, *Alone Together: Why We Expect More from Technology and Less from Each Other*, New York: Basic Books Press, 2011; S. Turkle, 'The tethered/untethered self', in J. Katz (ed.), *Handbook of Mobile Communication Studies*, Cambridge: MIT Press, 2008.

[18] T. Cowen, *Average Is Over: powering America Beyond the Age of the Great Stagnation*, New York: Dutton, 2013; C.B. Frey, M. Osborne, *The Future of Employment: How Susceptible Are Jobs to Computerisation?*, Oxford: Oxford Martin School, 2013, Programme on the Impacts of Future Technology and Programme on Technology and Employment, Oxford University, 17 September; http://www.oxfordmartin.ox.ac.uk/downloads/academic/The_Future_ of_Employment.pdf (accessed on 12.09.2016).

Economic historians read the record of technological disruption as temporary losses more than offset by long-term gains, but the scale and nature of the ongoing technological revolution can change the historical pattern and make the current trend likely to continue. As Market Watch declares: 'Certainly, globalisation has had its moment and could already be in decline, steadily replaced by its successor: a new age driven by advanced robotics, artificial intelligence and additive manufacturing. These technologies stand to dramatically lower the costs of production as they become more prevalent throughout the manufacturing process'.[19] The nature of the new industrial revolution of the world of automated manufacturing, 3-D printing, and artificial intelligence limits the demand for cheap labour and therefore provides fewer opportunities for the developing world. The promoted economic model, which traditionally considered technology to be at the heart of global economic growth, comes into question.

The century that was announced as 'technotronic', 'post-industrial' or 'knowledge-based', suddenly seems to have turned in the direction of more traditional economic and social solutions instead of projecting the technology-driven renaissance. Even the classic framework of Schumpeter's creative destruction, which served as the engine of capitalist development in economic strategies in the United States and in the European Union, is under critique as evolutionary progress continues to demonstrate its drawbacks.[20]

Technology is one of the expressions of social, cultural and political relations so this reluctance towards using it as a tool for reaching civilizational objectives is a meaningful fact – especially with regard to the economies of the United States and Northern Europe, which had gained their competitive edge through technology in the past. Transatlantic history demonstrates this primacy in many ways: industrial revolutions that transformed the global economy originated in Great Britain and in the United States; the Internet, the most influential invention of the last century, was developed as part of a US–European scientific project; the Pentagon remains the major sponsor of technological research in the world; and Silicon Valley still retains the status of a global innovation icon. The United States and the European Union enjoy the most globally significant bilateral trade and investment relationship, which is reflected in the number of goods, people and capital transferred between the regions, but also in the amount of exchanged data. The transatlantic submarine cable route has the biggest capacity in the world, where data flows between the US and Europe are 50 per cent higher than the US–Asia route and almost double the data flows between the US and Latin America.[21] The value of the transatlantic connection can be

[19] Market Watch, *Why This Era of Globalisation is Coming to an End?*, 7 June 2016, http://www.marketwatch.com/story/why-this-era-of-globalisation-is-coming-to-an-end-2016-06-07 (accessed on 12.09.2016).

[20] J. Schumpeter, *Capitalism, Socialism and Democracy*, New York: Harper, 1942; P. Krugman, 'Creative destruction Yada Yada', *The New York Times*, 16 June 2014, http://krugman.blogs.nytimes.com/2014/06/16/creative-destruction-yadayada (accessed on 22.06.2014); C. Schubert, 'How to evaluate creative destruction: Reconstructing Schumpeter's approach', *Cambridge Journal of Economics*, 2013, Vol. 2, No. 37, pp. 227–250.

[21] Telegeography, *Global Bandwidth Research Service Executive Summary*, 2013, p. 3.

measured in economic as well as in technological terms as both partners have been pioneers in these processes. It is also probable that as soon as a new groundbreaking innovation, such as the Internet of Things, is implemented, the transatlantic public will embrace and celebrate the scale of the opportunity. Technology constitutes an important mechanism of economy and is a part of geopolitics as well as social reality. Therefore, a pessimistic attitude towards techno-science has many dimensions and gives insight into the general human condition. In this context Martin Heidegger's interpretation of technology may be conclusive – he sees technology not as a skill or practice but rather as a vision, a perspective that changes the way things are comprehended. In his essay 'The Age of the World Picture' Heidegger maintains that in ancient Greece the word techné was not used as an indication of the act of creation or as 'a means to an end', but rather as a lens showing reality in a certain light, opening new ways of understanding the world.[22] Techné is linked to possibilities (it 'brings-something-forth into presence') and knowledge enabling the expansion of man's rational power. Following this pattern of thinking, the current disappointments with technology bode far more seriously, not only depriving transatlantic societies of their desire for new gadgets, but also influencing their perception of how the world works.

Global governance crisis: Economic and political processes reshaped the global power landscape in the course of the last 50 years – the rise of China and India, the fall of the Berlin Wall in 1989, the intensity of European integration after the 1992 Maastricht Treaty. Global relations have been undergoing far-reaching and fast-paced transformations. This and a number of other features fundamentally changing the nature of the international environment gave rise to the question of how global relations should be regulated. As a result, the concept of global governance went from an unknown to a central theme in the study of international relations within only the last two decades of the 20th century. The transatlantic partnership played a vital function in shaping the frames of global governance and in establishing its key institutions. Throughout most of the 20th century, the shape of the world was designed, to a great extent, by the United States and Great Britain – the two most prominent global powers. The pillar of modern multilateralism – The United Nations Charter – was created on the basis of democratic rule and involved a wide range of participants. However, the UN system had limited opportunities of growth in the Cold War political realities dominated by geopolitics. When the Cold War was over, the efforts were doubled to develop institutional governing bodies funded on relatively open and multilateral grounds. Inter-state and non-governmental organisations as well as private initiatives established for a variety of purposes proliferated at all levels, changing profoundly the way in which economic and social processes are mediated. As a result of globalisation, a transnational space has appeared between the level of the international system and

[22] M. Heidegger, *Age of the World Picture. In Question Concerning Technology and Other Essays*, New York and London: Garland Publishing Inc, 1977, pp. 30–34.

the level of the state. This new space covers the activities, processes and cross-border phenomena derived both from inside the country and from international interaction. But the expansion of multilateralism does not mean that its major historical ambition has been accomplished – the international state of anarchy has not been transformed into a society of states. Instead, it produced a clash between the ambitions and realities of nation states and the egalitarian logic of multilateralism. Financial crises brought a major change in global economic governance. The G7/G8 has been displaced by the G20 as the principal policy forum or 'steering committee' in the structure of global governance. The G20 Summits have reinvigorated global cooperation, pushing the International Monetary Fund to centre-stage with approximately USD 1 trillion of new resources. In the view of some commentators the global governance efforts undertaken for crisis management have brought about a remarkable change towards increased coordination.

Jeffry Frieden noted: 'Supranational agencies, such as the International Monetary Fund (IMF) and the European Union (EU), have managed trillions of dollars in debt workouts in ways previously administered almost exclusively by national governments (or, at times, among private agents). The Bank for International Settlements has supervised a level of financial regulatory harmonisation that would have been unthinkable thirty years ago. There have been increasingly serious discussions about the provision of regional, or even international, lender of last resort facilities by supranational organisations ranging from the ECB (which already does this, in practice if not in theory) to the IMF'.[23]

Although the financial crisis offered a powerful argument in favour of a new economic global governance, the outcomes have not been judged unanimously. While one analyst celebrated the density of global governance created in reaction to the crisis, another sustained that the fundamental assumptions of the last two decades about the retreat of the state and the rise of the market's dominance over governments has been put into question. It is evident that the crisis significantly eroded international trust in the US-led financial system, but this criticism has not helped to develop alternative solutions. Many have raised their concerns about the liberal capitalism model, the increase of economic nationalism intertwined with initiatives of international cooperation. In effect, the global governance system as a provider of global stability has been called into question in the public debate on the West. Surprisingly, the scenario of both transatlantic partners coming together and cooperating in order to balance the greater involvement of the rising powers has not been introduced. Instead, both parties of the alliance have found themselves in an identity crisis that took their attention away from the global governance scene. The United States is struggling to defend its

[23] J. Frieden, 'Global economic governance after the crisis', *Perspektiven der Wirtschaftspolitik*, No. 13, 2012, http://scholar.harvard.edu/files/jfrieden/files/jf_on_global_governance_after_the_crisis.pdf (accessed on 12.11.2016).

status of the world's largest economy; however, this is being done using national rather than global tools. The planned networks of mega-regional trade agreements – TTIP and TPP – were not only intended to be a means of economic gains but also to confirm the United States' role as a global rule-setter. Now, this project may not materialise, not only because of the complexity of the negotiations, but also because of the strategic reorientation in American foreign policy.

The European Union is trying to adapt its ideals to the realities of the migration crisis and the withdrawal of its powerful member – the United Kingdom. The individual conditions of the transatlantic partners overshadow common relations. The primacy of geopolitics in international affairs, which was questioned vigorously at the beginning of the 21st century, is back in debate. From Russia's invasion of Crimea to China's growing assertiveness in East Asia – current affairs suggest that global governance and its underlying requirement for collective action may have been sidelined by geopolitical tensions. The crisis that touched the European Union and the United States raised concerns about the ability of the Atlantic World to retain its leading role in global affairs. The willingness to get involved in global affairs is closely connected with self-perception, which can be easily illustrated by the EU's strategic evolution. The first sentence of the European Security Strategy of 2003 stated: 'Europe has never been so prosperous, so secure nor so free', while the document from the 2016 begins with the phrase, 'The purpose, even existence, of our Union is being questioned'.[24] The attitude towards global governance seems to be a uniting and, at the same time, a dividing factor of this relation. It is uniting because as the most powerful regions, the transatlantic partners are automatically involved in the ongoing decision-making processes shaping governance trajectories. While its societies are demonstrating an increasing reluctance to explore further opportunities of the global system, it seems that the power position of the transatlantic partners strongly depends on their involvement in global affairs. The implications of global integration are sharply contested in political debate, yet reliance on global realities is a tested way to build wealth and influence.

The role model effect – the normative power of the Transatlantic Alliance.

The Atlantic world has long been seen in developing countries as a reference point in their ambitions and strategies. The globalisation of culture has produced images of wealth and lifestyles that have appealed to societies on every continent. The American international strategy has often been called imperialistic and European political choices have not always been understood in other parts of the world; however,

[24] *A Secure Europe in a Better World. European Security Strategy*, 12 December 2003, https://www.consilium.europa.eu/uedocs/cmsUpload/78367.pdf (accessed on 1.12.2016), p. 1; *Shared Vision, Common Action: A Stronger Europe. A Global Strategy for the European Union's Foreign and Security Policy*, 2016, https://eeas.europa.eu/top_stories/pdf/eugs_review_web.pdf (accessed on 1.12.2016), p. 3.

in terms of civilizational standards the transatlantic model has still created a pattern to follow. The major change in this area was brought about by China and Asia's rise as major economic powers which then entered into rivalry with the United States. China's effectiveness not only in producing economic growth but also in influencing the world culturally and politically provided proof of the existence of an alternative model of development for the first time in modern history. Additionally the capability to manage conflict – a cornerstone of the transatlantic partnership – has been questioned in light of the recent turmoil. Global recession, the refugee crisis, the rise of populism – these problems are complex and multidimensional, so it is difficult for political actors to demonstrate that they are able to provide quick solutions for them.

The belief that the United States and the European Union are able to shape globalisation processes and steer them in a desired direction has been seriously undermined. The echoes of this situation may be found in international responses to American and European initiatives but feature most prominently on the internal transatlantic scene. The European Union has lost its power to broaden horizons as well as to foster the enthusiasm and determination necessary to discover them. The political evolution of Central European countries makes a good case study to confirm this. Only 20 years ago, joining Western political institutions was considered a milestone of historical change in post-Soviet republics, such as Poland or Hungary. It allowed these societies to become part of a world to which they felt they had always belonged. Milan Kundera described this condition of the Slavic soul coining the term 'kidnapped Occident' with reference to a 'piece of the Latin West which has fallen under Russian domination … [and] which lies geographically in the Centre, culturally in the West and politically in the East'.[25] The revival of the countries perceived as the European periphery – Poland, Hungary, the Czech Republic, Slovakia, and Bulgaria, strengthened not only their own societies but also demonstrated the transformative power of the European Union and provided legitimacy for the leading role of the transatlantic alliance in the global arena.

Supporting Eastern European countries, their efforts aimed at offsetting their historical burden, was an impressive accomplishment of the transatlantic partners, proving the strength of cooperation on the international stage as well as the ability to link values with interests. In 2014, when Poland celebrated the 25th anniversary of its partially-free elections of 1989, the 15th anniversary of its membership of NATO and the 10th anniversary of its membership of the European Union, it was hailed as a rare case of a country that managed to break the vicious cycle of history. *The Economist* announced a new Golden Age, stating that: 'For the first time in half a millennium, Poland is thriving'.[26] Mitchell A. Orenstein opened his *Foreign Affairs* analysis with

[25] M. Kundera, 'The tragedy of Central Europe', *New York Review of Books*, 26 April 1984, pp. 33–38.

[26] 'The Second Jagiellonian Age', *The Economist*, 26 June 2014, http://www.economist.com/news/special-report/21604684-first-time-half-millennium-poland-thriving-says-vendeline-von-bredow (accessed on 4.07.2016).

the line: 'Anyone who knows Polish history cannot help but marvel at the country's emergence from the ashes of its traumatic past'.[27]

Two years later, international media headlines regarding Central European countries changed their tone dramatically. A *Foreign Affairs* columnist asked if we are witnessing 'Polish Democracy's Final Days?',[28] while *Financial Times* analyses stated: 'Poland, for so long one of the brightest stars in the democratic central and eastern European firmament after the end of communism in 1989, is now among the countries hurtling fastest in retreat'.[29] Hungarian Prime Minister Viktor Orban declared that he 'wants to abandon liberal democracy in favour of an "illiberal state"'.[30] It seems that backed by powerful majorities, both countries have been moving away from the well-established EU norms. The case of Eastern Europe creates an interesting point of reference for the diagnosis of transatlantic relations. The message of the European Union has lost its appeal in the version passed down by the national political elites, who use the EU as a tool in their every-day power games, often to justify unpopular policies. European ideas are intermediated and, in this case, the medium distorts the message.

The sudden reorientation of the CEE actors adds a new layer to the overall European Union crisis and demonstrates the erosion of trust in European/Western norms. It can also be a self-fulfilling prophecy. The European project has recently reached a critical point. A new Euroscepticism is on the rise, serving the agenda of populist or even extremist parties and the general tendency of 'renationalising Europe.' Populist extremist movements, such as the Front National in France, the Sweden Democrats and the Austrian Freedom Party, have gained substantial and durable levels of support, even in some of the most economically secure and highly educated parts of the continent. The nature of the eurozone's problems proved to be chronic, causing the weakening of the liberal democratic ethos in leading member countries. Foreign policy failures regarding the Middle Eastern and Ukrainian crises have led societies to question the capacity of the institutional framework of the European Union.

The narrative of the 2016 presidential election in the United States adds another layer to the overall picture confirming the growing appeal of the nationalist strain in the transatlantic dialogue. The social divide in the United States was illustrated in a campaign that turned out to be the most brutal in recent history, with its outcome providing a change in the country's leadership and governing ideology. Both candidates, Donald Trump and Hillary Clinton, suffered from a high number of negative electorate

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[27] M.A. Oreinstein, 'Poland. From tragedy to triumph', *Foreign Affairs*, 2014, No. 93, p. 23.

[28] D.R., Kelemen, M. A. Oreinstein, 'Europe's autocracy problem Polish democracy's final days?', *Foreign Affairs*, 7 January 2016, http://www.foreignaffairs.com/articles/poland/2016-01-07/europes-autocracy--problem (accessed on 20.10.2016).

[29] 'Poland's public image takes another beating', *Financial Times*, 18 July 2016, https://www.ft.com/content/73b3b278-4a80-11e6-b387-64ab0a67014c (accessed on 13.10.2016).

[30] M. Synon, 'Hungarian PM vows to end liberal democracy', *Breitbart*, 31 July 2014, http://www.breitbart.com/london/2014/07/31/hungarian-prime-minister-wants-democratic-but-illiberal-society (accessed on 12.10.2016).

(53 per cent and 46 per cent respectively declaring that their choice is a vote against the opponent rather than a voice pro candidate), which suggests that voters did not feel that their worldviews were being represented and the public fiercely engaged in the political debate.[31] The results show that the country is divided not so much along ideological but rather economic lines. The result of the election is explained mostly in economic terms, despite the fact that the current overall status of the US economy is stable. Growth in 2016 came in at 1.7 per cent, which is low compared to historical standards, but it seems that seven years after the financial crisis, the US economy has rebounded. Data confirms that view: output has surpassed its pre-crisis peak by 10 per cent, economic growth is projected to continue at an annual pace of about 2 per cent in 2017, unemployment has gone down to its pre-crisis levels, fiscal sustainability has been largely restored and corporate profits are in balance.[32]

The anger and frustration which accompanied the election process were caused by the fact that in the United States, growth remains unequally distributed across socioeconomic groups. Between 1979 and 2007, the average income of the bottom 99 per cent of US families grew by 18.9 per cent. The average income of the top 1 per cent grew over 10 times as much – by 200.5 per cent.[33] In consequence, the most powerful economy in the world has produced an army of citizens who feel left behind and started to turn their frustration into political expression. They engaged in the populism spectacle Richard Hofstadter called 'pathology of democracy'[34] in the 1960s. Donald Trump's inflammatory rhetoric won over rural, small-town and working class white voters without college education, in comparison to Clinton's more racially mixed and more highly educated urban voters. Culture and emotions are equally relevant – voting has long been considered an act of rebellion or contestation, so the 2016 election result had its roots in the cultural fundaments of the nation. It demonstrates the major gaps in Republican and Democratic support depending on social class, on ethnic and racial identity, and on geography and paint a grim picture of American unity.

As a representative figure, Donald Trump symbolises more than just social fears; he himself is also an incarnation of public desires that reach far beyond America, as documented by Fareed Zakaria: 'During the 1980s, when I would visit India – where I grew up – most Indians were fascinated by the United States. Their interest, I have to confess, was not in the important power players in Washington or the great intellectuals in Cambridge. People would often ask me about Donald Trump. He was the very symbol of the United States – brassy, rich, and modern. He symbolised the feeling that if you

[31] Pew Research Center, *Voters' General Election Preferences*, 18 August 2016, http://www.people-press.org/2016/08/18/1-voters-general-election-preferences (accessed on 13.12.2016).

[32] *OECD Economic Surveys: United States*, June 2016, https://www.oecd.org/eco/surveys/United-States-2016-overview.pdfm (accessed on 13.10.2016).

[33] E. Sommeiller, M. Price, E. Wazeter, *Income Inequality in the U.S. by State, Metropolitan Area, and County*, Economic Policy Institute, 16 June 2016, p. 2.

[34] R. Hofstadter, *The Paranoid Style in American Politics: And Other Essays*, New York: Vintage Books, 1965; R. Hofstadter, *Anti-Intellectualism in American Life*, New York: Vintage Books, 1963, pp. 408–420.

wanted to find the biggest and largest anything, you had to look to America'.[35] This account offers insight into the emotional background of the 2016 election process – a factor that apparently led to the result. And although Zakaria admits that Indians, even back in 2008, were already 'obsessed by their own vulgar real estate billionaires', the image of power and wealth captured in this story keeps its wide-reach appeal.

In many commentaries regarding the 2016 elections, a picture of the losers versus the winners of globalisation has been drawn, which suggests another dimension of the ideational and political reorientation within the transatlantic community.[36] Political discourse in the EU Member States as well as in the United States is imbued with signs of disappointment with the promises of globalisation that have not been fulfilled. At a time when the dominant self-identification point, based on the global economic and European integration success, is no longer in effect, several other leading narratives of the Western world also seem to be in danger – Western values can no longer be considered universal and the structure of the international order is being described in increasingly vague terms. Furthermore, the ideational structure of the alliance seems no longer to be instinctively recognizable by the partners.

The transatlantic community has long been established on the basis of both interests and values that were seen as binding the two shores of the Atlantic. A commitment to liberal democracy, individual human rights, free market capitalism as well as strong societal connections and a common cultural heritage proved to be effective in the efforts of making these two parts of the world the most influential and prosperous ones. But these very foundations of the alliance are now being questioned as the Western version of capitalism is no longer considered the right path for economic stability and human rights are not crossing all cultural barriers. Americans and Europeans seem to realise that their proposals have failed when confronted with the global market of ideas.

Social studies of transatlantic relations indicate that a variation in identity and values influences perceptions of interests and policy orientation.[37] So the sphere of values should not only be seen as the abstract source of political philosophy, but rather as a concrete factor determining social actions[38]. Values determine the ways in which people make sense of their lives, the visions of the world they accept, and the social

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[35] F. Zakaria, *The Rise of the Rest*, Blog Entry. 18 July 2008, https://fareedzakaria.com/2008/05/12/the-rise-of-the-rest (accessed on 12.06.2016).

[36] S. Greenberg, N. Zdunkewicz, *Winning the Battle of Economic Ideas in 2016*, Roosevelt Institute, 4 May 2016, http://www.democracycorps.com/attachments/article/1030/Dcor_RTR%20April%20Web%20Survey_Memo_5.4.2016_RELEASE.pdf (accessed on 12.09.2016).

[37] N. Abercrombie, S. Hill, B.S. Turner, *The dominant ideology thesis*, London: George Allen and Unwin, 1980.

[38] See: I. Manners, 'Normative power Europe: A contradiction in terms?', *JCMS: Journal of Common Market Studies*, 2002, Vol. 40, No. 2, pp. 235–258; N. Tocci, *Profiling Normative Foreign Policy: The European Union and its Global Partners*, CEPS Working Document No. 279, 2007; N. Tocci, I. Manner, 'Comparing normatively in foreign policy: China, India, the EU, the US and Russia', in N. Tocci, *Who is a normative foreign policy actor? The European Union and its Global Partners*, Brussels: CEPS, 2008.

practices they undertake. Thanks to studies of values evolving within the sphere of transatlantic relations, we can illustrate the changing patterns of interests that constitute the core of transatlantic relations. It seems that, after over half a century of cooperation, both parties of the dialogue have developed a self-assuring strategy in which values serve as a leading instrument to shape the discourse and influence the outside world. Rather than being discussed and resolved, transatlantic conflicts and tensions are often just covered by the traditional ritual of bringing common values to the discussion table.

Since partners on both shores of the Atlantic Ocean are experiencing an identity crisis, it is in vain to expect that they will continue to recognise a common ground of values. The common identity is in danger and this can easily influence the sphere of common interests. It is, however, too early to state that the partners are already in the phase of structural separation – the drifting apart case scenario proposed by Tocci and Alcaro.

An interesting explanatory frame for the evolution of the transatlantic sphere is provided by Dani Rodrik's hypothesis of the 'inescapable political trilemma' of globalisation.[39] In his view, global market integration is leading to the erosion of democracy within the traditional framework of the nation state or the dissolution of the nation state. Policymakers have a limited choice between several options – a fully sovereign, fully democratic state model; the deep economic integration model which has a side effect in the form of the 'golden straitjacket'; and deep economic integration with respect for democratic politics, which results in a 'global federation'. The natural consequence of the progress of international economic integration is the narrowing of the policy domain of nation states and the increase of global federalism. Rodrik says that an outcome in which societies are globally integrated, completely sovereign, and democratic is unrealistic.

In the transatlantic sphere, the consequences of the global 'trilemma' have surfaced in the form of populist movements expressing resistance towards further integration. The nation state is experiencing its moment of revival at the expense of further economic and political integration. Concerns over national democratic sovereignty stand behind the fierce controversy over free-trade agreements, TTIP, and the European fiscal Union. The low transparency of the global governance processes and the limited role of directly democratically legitimised representatives in the negotiations of the global commons resulted in a growing trust deficit and the inability to transform technocratic processes into political visions. The transatlantic public focuses more on the risks and uncertainties brought about by the high degree of integration than on the profits that have been gained.

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[39] D. Rodrik, 'How far will international economic integration go?', *Journal of Economic Perspectives*, 2000, No. 14, pp. 177–186.

The Atlantic community lacks the language, an appealing metaphor to describe the current state of international relations. The transformation of the international setting needs ideological synthesis and simplification necessary for the development of political visions. Public views are fragmented and chaotic in the absence of a narrative frame, a concept that could explain the world in accessible, if not familiar, terms. It seems that in the period of globalisation in decline, the alliance has lost its normative power: Western civilizational patterns have been rejected by many global actors, democracy and capitalism are being questioned. In search of the prospective sources of power, the transatlantic world needs to acknowledge limits of the ideas that were at the forefront of its power tools throughout the 20th century. Consumerism, economic growth, technologic race and other neoliberal practices have been questioned by the populist movements, gathering people disappointed with the outcomes of modernity. These political trends, however, representing a response to the complexity of the modern world, question at the same time the Western civilizational dominance. In the face of unresolved international crises, terrorist threats, strategic rivalry, growing internal opposition, both the United States and the EU Member States are giving up its role in building new global governance structures. Diverging national interests, difficulties with the practical implementation of agreements and lack of trust impede attempts to build new forms of a geopolitical consensus, which in consequence diminishes the importance of the partners in the global power networks. The discourse about the shape of globalisation, its strengths and weaknesses has stopped but the process itself is thriving – ever-increasing streams of information, people, money, and goods are moving around the globe at a fast pace. Recent political shifts, involving a more isolationist and nationalist approach is sometimes presented as a turn from idealism to realism. However, no international strategy could be more realistic under these circumstances than the global one.