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Leaders to Watch 8

In a time of terror attacks and market uncertainty, the pressure rises on the people in the corner offices. Here are 11 to watch in 2005.

U.S. POLITICS

A Matter of History	1
Bush and Blair may yet enter the	
ranks of such greats as Roosevelt and	
Churchill, depending on what the secret	
memos say. By Sir Martin Gilbert	
The Dight Ctff	4

is not about to cede global leadership.

GLOBAL POLITICS

Behind Bush's Back	14
By isolating America, the president	
opened the door for rivals to steal some	

of its	natural influence: just look at
	China is cozying up to Europe.
By M	ichael Hirsh

It the Crossroads	2	-
he higher the U.S. deficits rise, t	the	
reater the risks. By Robert E. Rul	hin	

Blair Clones 32
Eastern Europe's new social democrats have a familiar-sounding pitch.

Blair looks a lot better to the Americans than to the Brits. By Tony Judt

An Israeli Intifada	.40
Sharon has plenty of enemies, inside	

to both the U.S. and to the Palestinians.

By Gilles Kepel

The Mini Monarchs

The Mini Monarchs

These small states on the fringe of the Arab world offer a glimpse of potential change. By Saad Eddin Ibrahim

COVER CREDIT: (CLOCKWISE FROM TOP LEFT) GLOBE PHOTOS, CORBIS, HULTON ARCHIVE—GETTY IMAGES, CHARLES OMMANNEY—CONTACT FOR NEWSWEEK; PHOTO ILLUSTRATION BY STEVE WALKOWIAK FOR NEWSWEEK



DREAMING: Some in Brussels hoped Barroso would emerge as a new Monnet A second constraint is democracy. It is difficult to lead when opponents might call at any time for a referendum, which in the EU feeds angry polemics that benefit the extreme Euroskeptics. The new draft EU Constitution provides modest reforms—a little majority voting here, more parliamentary oversight

there—that could have been achieved without hoopla. But because European leaders hyped a new Constitution with a capital C, even those like Tony Blair and Jacques Chirac who oppose a referendum were trapped into granting the public a vote. Euroskeptics like Laurent Fabius on the French left have seized the opportunity to go on the attack. And all this is a warm-up for the coming debate over Turkish membership.

A final difficulty is diplomacy. In debating the U.S. Constitution, Alexander Hamilton observed that unity at home facilitates leadership abroad—at least where military force is involved. European countries are deeply divided, and not only over relations with the United States. Chancellor Gerhard Schröder of Germany recently launched a hopeless campaign for a U.N. Security Council veto. France's President Chirac, having alienated most of

It's the Job, Stupid

THOSE IN BRUSSELS WHO DREAM that their new leader will be a powerful figure in the mold of Jean Monnet or Jacques Delors were thrilled, for a time, with José Manuel Barroso. The new president stood down the Germans and French in appointing key commissioners, and looked poised to shape the Commission, the governing cabinet of Europe, in his own way. But when his choice of a papal philosopher as commissioner of Justice and Home Affairs ran into fierce opposition and created a constitutional crisis, the Brussels cognoscenti began attacking Barroso's judgment, as they did those of his predecessors Jacques Santer and Romano Prodi.

Truth be told, the problem with recent EU presidents is not their savvy. It's the job. Since the Maastricht Treaty of 1992 set Europe on course to become a tighter political and economic union, member states led by France and Germany have, in fact, eroded the role of the Commission and its president, who used to be at the center of the EU. They have divided its powers between the Council, an assembly of national leaders that is favored by France for new EU tasks, and the Parliament, favored by Germany and others for the established ones. The Commission's role is shrinking; morale in its headquarters is sinking.

Today, effective EU leadership must come not from Brussels but from the national capitals, especially Paris, London and Berlin. And leading Europe is more difficult than ever, as the original six members have expanded to 25. The old core states, led by France and Germany, are almost alone in advocating cooperation in areas like social, fiscal and tax policy—as well as continued agricultural subsidies. Countries that joined in the 1970s and 1980s, such as Spain, Portugal and Ireland, are positively inclined toward Europe, but will soon be squabbling with the 10 new and more skeptical members to the east over the budget. Germany and Scandinavia are less willing to pay to make it work.

EUROPE: The power of its capital is slipping, but that doesn't mean the continent can't exercise global leadership. BY ANDREW MORAVCSIK

the Western world, is conducting a policy of alliances with Germany and Russia more appropriate to Bismarckian Europe than the 21st century. Blair is hamstrung by controversial commitments to President George W. Bush, while the Tory opposition wanders in the wasteland of Euroskepticism.

Under these circumstances, the best hope the Old Continent has to assert leadership may be beyond any one leader. Europe has always worked best when it "muddles through"-reconciling national interests and building consensus outside the limelight. Over decades, incremental decisions have added up to revolutionary change. Europe has consolidated the single market and established the single currency. It has emerged as a power equal to the United States in world trade, and even greater in peacekeeping (100,000 troops stationed abroad), foreign aid (70 percent of global spending) and leading international organizations (which it basically controls). In most countries, Europe is as attractive a political model as the United States, or more so. And, above all, it has stabilized a region by enlarging to 25 members, and is now gingerly approaching Turkey. Americans have a tendency to conclude from Brussels squabbles that the EU is stagnating, even withering, and miss the fact that this is the most successful experiment in international cooperation in world history. It does not need a new Monnet, architect of the original EU, to be a model for world leadership.

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