

## Working Paper

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# New Stimulus or Integration Backlash?

EU Enlargement and Transatlantic Relations

Working papers are papers in the subject area of a Research Unit, which are not officially published by SWP. These papers are either preliminary studies that later become papers published by SWP or papers that are published elsewhere. Your comments are always welcome.

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## Foreword

After enlargement, Europe will not be the same to the outside world. The European Union (EU) welcomed ten countries as new member states on May 1, 2004. What are the effects of this enlargement? The EU runs a complex system of multilevel governance where member states take different opportunities to influence decisions. Voting rights and opportunities to block EU decision making vary from institution to institution (Parliament, Council, Commission, etc.) and policy field to policy field.

Does a bigger number of states increase the power of the EU as an international actor, in particular in international organisations? The relative importance of the EU as a single actor depends largely on the compatibility of the interests of its component parts, i.e. member state governments. Given the short period of sovereignty of most new member states, many of these interests are only now being defined.

The strategic and political impact of enlargement is likely to be stronger than the economic one. Given the comparatively small size of the economies of the new member countries their accession will not change dramatically the EU's foreign economic relations. On the other hand, given their absolute number and the still largely intergovernmental nature of the EU's foreign and security policy the influence of the new members on the EU's foreign and security policy and the political relations with third countries will be substantial.

A first sign of the possible problems ahead became visible during the Iraq crisis when most applicant countries supported the U.S., the UK and several other member states against France, Germany and Belgium, among others. This development indicates a potentially stronger influence of the U.S. within the EU, which is mainly caused by a highly developed feeling of loyalty towards the U.S. in the majority of the eastern member states, notably Poland and the Baltics.

But the 2002–2003 crisis should not be exaggerated. Cleavages within the EU are volatile and crossing. Allies with regard to certain issues might be opponents regarding other issues at any given time. Coalitions change on the same issue at different times. Preferences and interest coalitions depend on domestic power constellations, traditional interests (i.e. the UK interest vector towards transatlantic relations) or financial resources (Poland and Spain remain bound to fight over EU regional aid).

The papers presented here were prepared by the working group entitled "New Stimulus or Integration Backlash? EU Enlargement and Transatlantic Relations." The papers represent the efforts of two meetings, one held in Washington DC in February 2004 at the American Institute for Contemporary German Studies, and the other held in Berlin in June 2004 at the

*Stiftung Wissenschaft und Politik*, the German Institute for International and Security Affairs.

This working group was part of a larger project entitled: “Diverging Views on World Order? Transatlantic Foreign Policy Discourse (TFPD) in a Globalizing World.” The project, under the directorship of Jens van Scherpenberg (SWP), was made possible through a generous grant from the German Marshall Fund of the United States, an American Institution that stimulates the exchange of ideas and promotes cooperation between the United States and Europe in the spirit of the post-war Marshall Plan. The aim of the TFPD, at a time of increasing disjunction in U.S.–E.U. perspectives on world order, is to engage decision-makers and opinion leaders from the United States and Europe in an open exchange of ideas.

The papers reflect the main themes and debates of the working group. In particular, the papers address the uncertain future of transatlantic relations in light of the EU enlargement on May 1, 2004.

Although it is clear that the U.S. supports an ever wider EU, and the stability and security it implies for Europe and the countries on its periphery, it is not so clear that the U.S. supports a deeper, stronger EU that could challenge U.S. preeminence. One of the key issues debated is whether the newly-admitted Central and Eastern European countries, typically pro-Atlanticist, will help bring the EU and the U.S. closer together or create a rift within the EU as “old Europe” and “new Europe” quarrel over foreign and security policies. In these very early stages of the “EU-25” it is very difficult to make any firm predictions regarding the impact of the enlarged EU on transatlantic relations.

What are the operative challenges to the member states and their politico-administrative systems as well as to the EU’s most important external partner, the U.S.? We point to a set of trends emerging from the Brussels EU arenas, which will need to be analysed in terms of their long-term potential effects on national systems as well as on the relationship between the EU and its member states on the one hand, and the U.S. on the other. Of particular relevance are:

- ▶ the re-emergence of flexible bi- and multilateral interest coalitions among the EU-25 leading to a dynamic differentiation of policy ideas and goals, opposing perceptions and views of the idea of transatlanticism in general;
- ▶ the dynamic evolution of new and refined treaty provisions leading—in a typical pattern—to an ever increasing set of communitarised frameworks for policy-making: para-constitutional communitarisation with a growing role for all EU institutions;
- ▶ the subsequent widening of the functional scope of integration: sectoral differentiation concerning an increasing variety of policy fields and thus involving more and more actors;
- ▶ the creation of institutions by subsequent treaty amendments: institutional differentiation, which increases the range of interaction styles among relevant actors in the EU’s and the related international policy cycles;

- ▶ the creation and cross-institutional combination of different kinds of procedures, which provide actors with opportunities to take binding decisions: procedural differentiation, which increases complexity and the need for national and international actors to improve their procedural skills. With majority rule as an acceptable method of decision-making and given the speed of the legislative co-decision procedure, both national actors in the EU and national actors dealing with the EU cannot adopt an attitude of wait and see;
- ▶ the activation of networks and procedural mechanisms which allow a growing set of interest and preference articulators outside the official array of institutions, to participate in EU policy making: actor differentiation which leads to the need to take into account political sensitivities in broader coalition games;
- ▶ the increasing scope and density of legal obligations: also the doubling in size of the *acquis communautaire* from the early 1980s to 2003 indicates both the rise of the para-constitutional set-up as well as the invasion of the legal space of member states.

In view of these trends, does the EU's widening and deepening require governments, parliaments and administrations from both sides of the Atlantic to adapt policy instruments and institutions at the national and transatlantic level?

The papers collected in this volume are the authors' best efforts to provide insight into the complicated relationships within the EU and between the EU and the United States. The analysis and observations provided in these papers are a significant contribution to the understanding of future dynamics in the transatlantic relationship.

As mentioned above, the project would not have been possible without the generous grant from the German Marshall Fund of the United States, for which we would like to express our gratefulness. Our thanks also go to Cathleen Fisher and Jackson Janes of the American Institute for Contemporary German Studies who endorsed the project and made it possible for the first and stimulating meeting to be held in Washington DC. And finally, thanks to the Arbeitskreis Europäische Integration for its sponsorship of this publication.

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**The Outlook for the Relationship  
between the New EU and the U.S.**



# Regeneration or Degeneration? EU Enlargement and the Future of Transatlantic Relations

*Kai-Olaf Lang\**

The interplay of two fundamental changes which has caused much of what has been called a “strategic dissonance” between Europe and the United States: With the end of the Cold War the international constellation that provided the political glue that held together the transatlantic community for more than four decades ceased to exist. The terrorist attacks in New York and Washington—in combination with a U.S. administration rejecting any form of multilateral “constriction”—and the way Americans and Europeans responded to new security challenges have revealed political splits as well as cultural and habitual differences between both sides of the Atlantic.

Both changes, symbolised by the dates 11/9 (fall of the Berlin Wall in 1989) and 9/11 (WTC attacks in 2001), also have a specific European dimension. The break-up of the Soviet Empire was a necessary precondition for initiating the process of (re-)uniting and stabilising the continent. This process which started with Germany’s unification and continued with NATO-expansion has eventually led to the enlargement round of the European Union which was finalised on May 1, 2004, incorporating ten countries mainly from Central and Eastern Europe into the Union. But at a time when enlargement was still in the making, the Iraqi crisis indicated that post-9/11 America and Washington’s interpretation of how to fight international terrorism and how to tackle global risks can be detrimental to Europe’s political cohesion.

This text will focus on the changes of the “European dimension” due to the 11/9–9/11 dynamics and their specific consequences for transatlantic relations. For this purpose, four questions are posed:

- ▶ What has changed and what will change in transatlantic relations due to enlargement?
- ▶ Will these changes cause additional friction for transatlantic relations?
- ▶ Are there also new opportunities, i.e. can EU enlargement contribute to the reconstruction or redefinition of transatlantic relations?
- ▶ What are the preconditions for utilising the positive potential of enlargement for restoring transatlantic relations?

## Enlargement and the permutation of Europe

Enlargement has changed and will change the European Union. The accession of no less than ten new members in 2004 and the prospective membership of at least eight additional countries including Romania, Bulgaria,

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Croatia, Turkey, and the whole “Western Balkans” does not only mark an evolution but also will lead to a thorough reconstruction of the old EU. Given the fact, that “the EU too goes through a metamorphosis every time it expands,”<sup>1</sup> an ever enlarging EU—and that is the Union’s reality for the next decade or so—is bound to steady and fundamental transformation.

How is the EU changing due to enlargement?

- ▶ **Geographic scope:** The Union is becoming bigger in geographic terms and moving closer to regions of real or possible instability. Expanding the EU means that it faces an enlarged periphery and comes in touch with regions of uncertainty. For example, the 2004 enlargement round makes the Union a direct neighbour of the “Western Community of Independent States,” i.e. Ukraine (with a highly confused domestic political situation and the existence of powerful oligarchs, pro-Western foreign policy rhetoric, but rising political and economic dependence on Russia), Belarus (Europe’s last dictatorship), and Moldova (Europe’s poor-house, haunted by the conflict in the separatist province of Transnistria). The EU will border on Russia in the whole Eastern Baltic Sea region, including the Kaliningrad region, which is a Russian enclave full of soft security risks within the enlarged EU. In South East Europe, the fragile post-Yugoslavia will be an adjacent region of the EU.
- ▶ **More actors:** The number of states, that is the basic political actors has increased from 15 to 25. That means, that the complexity of the Union’s decision making processes will rise—unless member states develop a new culture of consensus and compromise or a principal overhaul of the institutional scaffolding takes place. It is rather unlikely or at least uncertain that those mitigating developments will occur. As to consensus, new and old member states tend to push for their own interests rather in a more articulate way than earlier. As for institutional reform, the fate of Europe’s constitutional treaty—which among other things aims at a more efficient decision making—is unpredictable.
- ▶ **Structural diversity:** There is a growing heterogeneity between the member states. The gap between rich and poor countries has become larger and the accession of a multitude of smaller countries having on May 1, 2004 reinforces the differences between “heavyweights” and “lightweights” in terms of population. Diverging levels and characters of agriculture, industry and services in the member states indicate substantial social and economic differences. Contrasting historic experiences and the peculiarities of geography location are responsible for a wider range of foreign and security policy interests in the bigger EU.
- ▶ **Economic dimension:** All in all, the EU becomes poorer, and the internal welfare gap is widening. The GDP per capita in the poorest accession countries of the 2004 group is just one third of the Euro-zone average. This means the caucus of countries with a strong interest in maintain-

<sup>1</sup> Roy H. Ginsberg, *Ten Years of European Union Foreign Policy*. Baptism, Confirmation, Validation, Paper for the The Heinrich Böll Foundation, Washington Office, p. 10, <<http://www.boell.org/docs/TenYearsof%20EuropeanUnionForeignPolicy.pdf>>.

ing financial redistribution, especially regional policy schemes, has increased.

The EU has tried to find responses to these developments.

- ▶ It has launched a debate on a framework for enhancing cooperation with the old and new neighbours. The objective of the so called European Neighbourhood Policy (ENP) is “to share the benefits of an enlarged EU with neighbouring countries in order to contribute to increased stability, security and prosperity of the European Union and its neighbours.”<sup>2</sup>
- ▶ By calling a Convention, the EU has advanced the process “of furthering the objectives of European integration.” According to the EU’s heads of state and governments, the Constitutional Treaty worked out by the Convention is supposed “to bringing our Union closer to its citizens, strengthening our Union’s democratic character, facilitating our Union’s capacity to make decisions, especially after its enlargement, enhancing our Union’s ability to act as a coherent and unified force in the international system, and effectively dealing with the challenges globalisation and interdependence create.”<sup>3</sup>
- ▶ Formulated in 2000, the Lisbon Strategy aims to make the EU the most competitive and knowledge-based economy in the world by 2010.

Of course, the success of these initiatives is still doubtful. The EU’s Neighbourhood Policy might suffer from a lack of resources and incentives for the partner countries as well as the unwillingness or inability of partner governments to press for economic and political reforms in their countries. So far, the Lisbon Strategy has not made substantial progress. Commission President Prodi called for a “radical change” in EU economic policy if it was to succeed in its ambitious goal.<sup>4</sup> And as for the Constitutional Treaty, the bargaining process after the failure of the Brussels summit of December 12–13, 2003 has considerably watered down the document’s original determination to streamline, in particular, EU decision making. Taking into account that one of the main goals of the Treaty was “to ensure that the enlarged Union continues to function in an efficient, transparent and democratic manner”<sup>5</sup> it comes as no surprise that some observers come to a rather pessimistic assessment of the Treaty text as it was agreed on June 18, 2004: “The best that can be said is that the constitutional text reflects the Union of today: a hybrid beast with little sense of

<sup>2</sup> Council Conclusions of 14 June 2004 on the ENP and the Conclusions of the European Council on the ENP of 17/18 June 2004, Luxembourg, June 2004, <[http://europa.eu.int/comm/world/enp/pdf/040614\\_GAERC\\_Conclusion\\_on\\_ENP\\_\(provisional\\_version\).pdf](http://europa.eu.int/comm/world/enp/pdf/040614_GAERC_Conclusion_on_ENP_(provisional_version).pdf)>.

<sup>3</sup> *Thessaloniki European Council 19 and 20 June 2003 Presidency Conclusions*, <[http://ue.eu.int/ueDocs/cms\\_Data/docs/pressData/en/ec/76279.pdf](http://ue.eu.int/ueDocs/cms_Data/docs/pressData/en/ec/76279.pdf)>.

<sup>4</sup> “Prodi: ‘Radical Change’ Needed for EU to Catch U.S.,” *Euobserver*, May 25, 2004, <[www.euobserver.com](http://www.euobserver.com)>.

<sup>5</sup> *The Draft Constitutional Treaty—An Assessment*, The EPC Convention Team, *EPC Issue Paper* No. 5, July 3, 2003, <<http://www.theepc.net/Word/16-A%20constitutional%20treaty.doc>>.

direction.”<sup>6</sup> Moreover, the ratification of the Constitutional Treaty, even in this diluted form, is far from assured.

### **Enlargement and transatlantic relations—new friction?**

Will these changes and challenges cause additional friction in transatlantic relations? Or, on the contrary, is it possible that a bigger EU might create new opportunities, i.e. can EU enlargement contribute to the reconstruction or redefinition of transatlantic relations? Certainly, a number of factors have the capacity to hamper transatlantic cooperation or cause new controversies:

- ▶ First, enlargement could cause new disputes and conflict within the EU on transatlantic relations since enlargement imports several pro-American countries in the Union. An EU split into “Atlanticists” and “Gaulists” will hardly be able to speak with one voice in foreign and security policies. So the risk of enlargement comes from internal fractionalisation in the Union rather than from direct clashes between Europe and the U.S.
- ▶ Second, for the U.S. this offers new opportunities. If a clearer tendency to build different camps or caucuses develops in some areas of strategic importance these factions can be played off against each other—if a U.S. administration is willing to do so. In the short run, tendencies towards convergence and soft harmonisation (“Europeanisation”) of the new members will not materialise.
- ▶ Third, derailment of the Constitutional Treaty (for example during the ratification procedure) could disaggregate Europe. If some of the “friends of the Treaty” decided to go ahead in such a situation, or decided to at least build some sort of “core Europe,” probably many of the Atlanticist EU-members would find themselves in an outer circle of European integration. Hence, a general disruption in Europe due to the failure of the Constitutional Treaty would obstruct the development of the EU’s capability to act in the field of foreign and security policy.
- ▶ Fourth, enlargement can pose a threat to European integration if the accession countries are not able to utilise the possible benefits of membership. This is important because Europe’s internal situation has essential effects for its ability to establish solid international relationships. Without creating a modern and public service and an efficient state apparatus, without fighting corruption and cronyism, without modernising infrastructures, without boosting education and research there is a danger that the accession countries will be passive consumers of membership instead of laboratories of innovation. This might make the Union increasingly busy with itself and with “digesting enlargement.” Some of the older and richer member states would start fighting over (financial) burden sharing and for burden reductions, the new and

<sup>6</sup> Giovanni Grevi, “Light and Shade of a Quasi-Constitution. An Assessment,” *EPC Issue Paper* No. 14, June 3, 2004, <[http://www.theepc.net/TEWN/pdf/1054718699\\_EPC%20Issue%20Paper%2014%20Light%20and%20shade%20of%20a%20quasi-Constitution%20.pdf](http://www.theepc.net/TEWN/pdf/1054718699_EPC%20Issue%20Paper%2014%20Light%20and%20shade%20of%20a%20quasi-Constitution%20.pdf)>.

poorer member states would struggle for the *status quo*. Future enlargement waves to include reform laggards like Romania and Bulgaria will strengthen these tendencies.

Although these risks loom, their consequences for transatlantic relations should not be overestimated.

Europe becoming fractured along the lines of Atlanticism and Gaullism is a scenario which could only be real if there was an ongoing and strong confrontation between the most powerful representatives of both options. But none of the protagonists of European politics is interested in escalating the transatlantic divide in the EU. Moreover, although many of the new member countries are defenders of a close transatlantic relationship, they are keenly aware of their European interests. For example, one of their main foreign policy goals is to upgrade Europe's Neighbourhood policy, since they want closer cooperation with the Eastern and South-Eastern neighbours. That is why the new members are interested in an enhanced Common Foreign and Security Policy and not in an EU which is deadlocked in foreign, security and defence affairs.

This might also reduce the second risk: the new members in particular will discover their European interests. At least the "soft Atlanticists" among them will take a "Europe and America" posture which will make them more cautious in siding with Washington since this could damage their position in Europe and their relations to key EU partners like Germany and France.

As for the third threat, constitutional derailment is a real possibility but it need not necessarily lead to a European schism. Although there are voices calling for a two speed Europe in case the Constitutional Treaty is not ratified, the political elites in all European countries (including those which want to build an ever closer EU) would probably be quite hesitant to push for a split European Union. For example, if a country such as Great Britain were to reject the Treaty many in the pro-constitution-camp would be reluctant to build a new circle of more intensive European integration, since without the UK it would be very difficult to enhance the EU's capabilities in CFSP and ESDP.

Concerning the fourth risk, a process of growing differentiation is going on. Certainly some of the new member countries will have enormous problems to progress with the gradual integration in the common market and the steady socio-economic convergence to the EU average. On the other hand, some of the smaller entrants have flexible and pro-reform economies which could even help to spur economic dynamics in the Union.

### **Enlargement and transatlantic relations—new chances!**

In the light of the real, but limited risks of enlargement the new chances for transatlantic relations related to the accession of new members to the EU may show growing momentum. What are these new opportunities?

- ▶ Especially in the U.S., there is a widespread view according to which the EU becomes more “inward-looking” by enlargement.<sup>7</sup> This thesis is not confirmed by reality. The argument runs: the Union is busy with itself, has to focus on internal reform, has to “digest” new members, so it will not be able to pay due attention to its external relations or to develop CFSP. Although all these problems do exist, they have not led to an egocentric EU. On the contrary, enlargement has increased the awareness for enhancing CFSP, i.e. has triggered the discussion on the Neighbourhood policy. What is more, strategic and security considerations have boosted the debate on Turkey’s membership. Actually, enlargement makes the EU more “outward-looking”—maybe not in a sense that the EU will assume a strategic thinking that includes a global dimension, but at least concerning the “Wider Neighbourhood” in the East and in the South, including the “Greater Middle East,” the Union will necessarily adopt a perspective which encompasses relations with other parts of the world.
- ▶ Owing to enlargement, balancing and the creation of a European counterweight is no realistic option for CFSP and ESDP. Enlargement and the integration of a number of Atlanticists aiming at “complementarity and/or relative dependence” with the U.S. will have a mitigating impact on hard-core “Europeanists” (traditionally and most clearly embodied by France) leaning “more towards balance and/or independence,”<sup>8</sup> and those aiming at “containing” the U.S. by creating an “anti-hegemonial alternative.” Balancers are interested in creating a strong EU with a well developed capability to act in foreign and security policies. This means that they also have to involve the bandwagoners (above all the UK plus most of the new EU members from Central and Eastern Europe), i.e. to some degree they have to accept their “red lines” (among other things concerning “duplication, de-coupling, discrimination,” or the pre-eminent role of NATO). Otherwise there will be some sort of deadlock, which is not so bad for the bandwagoners, but which poses the risk of stagnation for the balancers. One of the starting points is that both sides are interested in developing ESDP:
  - balancers and “Gaullists” because they are interested in strengthening Europe’s own security and defence capabilities;
  - bandwagoners because their aspiration is to establish a EU which is resourceful and convincing in the field of security and defence, which in the eyes of the U.S. makes Europe an attractive partner (provided it displays loyalty towards Washington).

These long-term goals and deliberations might facilitate the emergence of a new European consensus in transatlantic matters. Among other things, the basic agreements on security and defence in the Constitu-

7 John Van Oudenaren, “The Changing Face of Europe: EU Enlargement and Implications for Transatlantic Relations,” *AICGS Policy Report #6*, 2003, pp. 80 ss.

8 Anand Menon, and Jonathan Lipkin, “European Attitudes towards Transatlantic Relations 2000–2003: An Analytical Survey,” *Notre Europe, Research and European Issues*, No. 26, May 2003, p. 14, <<http://www.notre-europe.asso.fr/fichiers/Etud26-en.pdf>>.

tional process (solidarity clause, fight against terrorism, “structural cooperation”) are signifying that something like an intra-European rapprochement is already taking place.<sup>9</sup>

- ▶ The EU expansion process is challenging or even complicating the strive for deepening European integration. But one of the responses of the Union might be to look for a new “project” behind which the continent could rally and which might give new fuel to the Union’s political engine. The big European crises and controversies at the eve of enlargement—Iraqi conflict, Constitutional Treaty debate, quarrelling about the rules of the stability pact—might act as a catalyst for boosting CFSP as a new unifying project. A stronger CFSP which after enlargement is internally equilibrated and which comprises a strong pro-Atlantic camp would contribute to the restoration of transatlantic relations.

### Preconditions for restoring transatlantic relations?

These three developments, that is the EU’s rising awareness for its direct and indirect neighbourhood, the possible role of CFSP as a new grand “project” of European integration, and the need for finding a new European compromise on how to deal with the U.S. might make it easier to reconstruct transatlantic relations. Of course, this is far from an automatic process. Nevertheless, if both Europeans and Americans regard the rebuilding of transatlantic relations as one of their overarching foreign and security policy priorities the positive potential might materialise. Of course, both sides of the Atlantic have to pay regard to their foreign policy behaviour so that a number of preconditions have to be met.

As for the Europeans:

- ▶ They have to avoid the trap of renewed polarisation and the emergence of antagonising camps on the issue of transatlantic relations.
- ▶ They should look for complementarity and possibilities for practical cooperation with the U.S. rather than aiming at redefining transatlantic relations by searching for a new ideological basis. The Neighbourhood Policy is one important building block.
- ▶ Apart from additional efforts to develop European defence, Europeans have to establish mechanisms which enable them to define mutually accepted priorities, because “the finest armed forces in the world serve little purpose if there is no common view on the crises in which they are to be used. In other words, what the EU has to look at seriously is foreign policy more than military arrangements or capabilities.”<sup>10</sup> The EU’s Security Strategy is no more than a first step on the way to define such common European foreign policy priorities.

<sup>9</sup> Cf. Erich Reiter, “Die Entwicklung der ESVP und der transatlantischen Beziehungen. Die europäische Sicherheitsstrategie wird die transatlantischen Beziehungen bestimmen,” *Strategische Analysen* (Wien: Büro für Sicherheitspolitik, April 2004), p. 20.

<sup>10</sup> Rebuilding, Nicole Gnesotto, *EU-ISS Newsletter* 06, April 2003, <<http://www.iss-eu.org/newsletter/n06e.pdf>>.

With regard to the Americans, it will be of special importance that they eliminate their fundamental ambiguity towards the EU and clarify some basic inconsistencies in their stance towards European integration. Three of these inconsistencies are especially relevant.

1. What kind of Europe does the U.S. prefer? Does Washington back a “Bigger is better”-approach,<sup>11</sup> that is an EU which includes as many members as possible (including for example Turkey, Ukraine, Western Balkan countries and others), an EU which at the same time is fragile and vulnerable to American *divide et impera*, but which lacks a clearly defined interlocutor? Or, will the U.S. prefer a more narrowly-tied EU, which is, efficient and strong, not inflated, but could act as a partner in the struggle for creating international order?
2. What engagement of Europe in its Neighbourhood does America expect? The U.S. calls for a higher profile e.g. in the Eastern Neighbourhood in order to stabilise the new backyard of Europe. But at the same time, there is a fear that this might harm U.S. interests since new spheres of European influence or even something like a “European Monroe doctrine”<sup>12</sup> might emerge.
3. Especially with regard to CFSP and ESDP this question is highly salient: Does the U.S. really want Europeans to develop of an upgraded security and defence identity and according capabilities (in order to act as an active partner for Washington) or is this perceived as a threat to American predominance?

Summing up, enlargement seems to be more a sort of new stimulus than a restriction, it appears to contribute to the regeneration rather than the degeneration of transatlantic relations. Of course, one has to take into account, that enlargement as such is only one of a variety of factors determining transatlantic cooperation. So its impact should not be overestimated.

<sup>11</sup> Simon Serfaty, “The United States and EU Enlargement: Bigger Is Better,” *CSIS Euro-Watch, Issue Brief* No. 2, January 15, 2001, <<http://www.csis.org/europe/eurowatch/1.pdf>>.

<sup>12</sup> Cf. Michael Baun, “EU Neighborhood Policy and Transatlantic Relations: Focus on the ‘Wider Europe’,” p. 9, Paper Prepared for SWP/AICGS Conference “New Stimulus or Integration Backlash? EU Enlargement and Transatlantic Relations,” Berlin, July 4, 2004.

## U.S.-EU Relations after Enlargement

John van Oudenaren\*

Enlargement of the European Union to twenty-five member states on May 1, 2004 was a major step toward fulfillment of the longstanding U.S. foreign policy objective of a Europe “whole and free.” Along with the adoption of the European Constitution, enlargement also diminishes some of the uncertainty that has surrounded the almost open-ended process of widening and deepening that has been underway in Europe since the early 1990s. The point at which Europe will have reached its ultimate borders and resolved all questions about the *finalité* of the integration project is still a way off, but it moved a great deal closer in May and June 2004. This can only be welcomed in Washington, where concern often is expressed about Europe’s perceived inward orientation and its endless preoccupation with internal reform.

How the United States relates to the enlarged EU will depend upon many factors, including U.S. domestic politics, events elsewhere in the world (perhaps above all in Iraq), and how Europe itself evolves. Many in Europe expressed outrage at U.S. Secretary of Defense Donald Rumsfeld’s disparaging contrasts in early 2003 between “new” and “old” Europe and accused the United States of pursuing a deliberate strategy of “disaggregation” toward the Union. However irritating Rumsfeld’s remarks might have been, European concerns about a fundamental shift in U.S. policy probably are overblown. Faced with a difficult situation on the ground in Iraq and intensifying domestic concern about the lack of international support for the invasion, any U.S. administration would have grasped at support from whatever quarter in Europe. That said, American attitudes toward Europe have been changing, as many in the United States have begun to rethink the uncritical support for integration that has characterized U.S. policy since the 1950s.<sup>1</sup>

Enlargement is unlikely to reverse this trend. While some in Washington see the new member states as more “Atlanticist” and pro-United States than the EU-15, this view seems to be fading as an important factor in U.S. thinking about the EU. U.S. observers recognize that public opinion in central and eastern Europe is rapidly converging toward general European norms (as seen, for example, in increased skepticism in Poland about the war in Iraq) and recognize that the policy stances taken by accession

\* Library of Congress.

<sup>1</sup> See, for example, the recent report by the bipartisan Council on Foreign Relations, which concluded that “the time has come to clarify the purposes and benefits of European integration.” Henry A. Kissinger and Lawrence H. Summers, *Renewing the Atlantic Partnership: Report of an Independent Task Force* (New York: Council on Foreign Relations, 2004), p. 14.

country governments and politicians will reflect calculations of national interest, intra-EU bargaining, and domestic political preferences more than attitudes toward the United States.

### **U.S. policy challenges**

Any analysis of medium and long-term U.S. policy toward an enlarged EU must begin with an appreciation of the strategic situation in which the United States finds itself. While much is made in academic circles about American power, the United States is facing major political,

military, and economic challenges that point out the limits of that power. For those actually making policy, the comparison that really matters is that between U.S. capabilities and the number and range of challenges facing the United States, not the abstract and not very meaningful comparison between the capabilities of the United States and the EU or any other power center. Two unfinished wars in Afghanistan and Iraq, responsibility for the reconstruction of Iraq, and unresolved tasks at home and abroad related to homeland security are straining U.S. capabilities on many fronts. Meeting these challenges represents not only a huge financial drain, but a burden on organizational capacities, as perhaps can be seen in such well-publicized failures as the Abu Ghraib prison scandals and in the problems in managing reconstruction in Iraq.

In addition to these immediate challenges, the United States faces a simmering crisis with North Korea and a potential crisis with Iran, both tied to the overall breakdown of the international nuclear non-proliferation regime. The Bush administration has launched major new initiatives with regard to Africa and AIDS, in part out of ideological and political conviction, but also out of concern that long-term problems in the poorest parts of the world eventually will become security threats. Officials such as Rumsfeld also continue to keep a wary eye on China, both with regard to the medium-term possibility of a crisis in the Taiwan Straits and the longer term probability of China's emergence as a "peer competitor" to the United States. On the economic front, most American observers are confident about the fundamental soundness of the American economy, but the picture is marred by large and growing fiscal and current account deficits. The latter problem seems especially intractable, given the absence of rapidly growing aggregate demand in most other parts of the world and the reliance of virtually all the other economic powers on export-led strategies for economic recovery or development.

U.S. policy toward Europe unfolds against this general background. After a few very rocky years, the Bush administration seems to have concluded that squabbling with Europe over a range of issues is counterproductive. It diverts U.S. attention from crucial policy challenges outside Europe that need addressing, damages prospects for obtaining modest but real European contributions to meeting these challenges (e.g., cooperation in Afghanistan, Iraq, or the broader Middle East), and undermines the domestic foreign policy consensus among a public that, while it is becom-

ing increasingly skeptical of Europe and its motives, still tends to believe that there is something wrong with an administration and a policy that cannot get along with traditional NATO allies.

The United States thus has moved to improve the atmosphere in relations with Europe and to resolve particular issues. Examples include compromises on the Galileo satellite navigation system and sharing of passenger name record data, the dropping of the U.S. demand for a UN Security Council resolution exempting peacekeepers from non-signatory states of the Rome Statute from the jurisdiction of the International Criminal Court (ICC), and the overall shift in U.S. policy toward Iraq. On the trade front, the United States is trying to maintain its traditional reputation as a strong upholder of a rule-based system, even though this is extremely difficult given the need for Congressional action to come into compliance with World Trade Organization (WTO) rulings in cases that many U.S. observers believe should not have been filed and that were decided by what they see as problematic rulings.

To the extent that working out these problems has required cooperation on the European side, key European governments (Germany in particular) and the European Commission have played important roles. On the other hand, relations between France and the United States—and Jacques Chirac and George W. Bush personally—show little fundamental improvement. France increasingly is seen in the United States as a revisionist power that is determined to use disputes over particular issues (and the general rubric of “multilateralism”) to try to reshape international power relations in its favor and to the detriment of the United States.<sup>2</sup> To the extent that other countries in Europe and the EU as a whole follow the French lead, either out of conviction or because French assent is needed on certain EU policies, there will be an upper limit on how far transatlantic relations can improve.

### **The EU and regional stability**

Beyond seeking a degree of harmony in the core transatlantic relationship, U.S. policymakers continue to see the EU's most important international role as that of bolstering stability in Europe's immediate neighborhood. Enlargement itself is seen as a stabilizing factor, although one that U.S. officials probably have not done enough to publicly praise. In the Balkans, Washington has welcomed the readiness of the EU to takeover peacekeeping responsibilities from NATO, first in Macedonia and then in Bosnia. Washington also welcomes the pending enlargement of the EU to Bulgaria, Romania (both already NATO members), and Croatia, the longer-term membership perspectives for the other Balkan countries, and the focus of the EU's New Neighborhood policy on the western Newly Independent States (NIS) of Belarus, Ukraine, and Moldova. Policy toward the western

<sup>2</sup> On French use of multilateralism to check U.S. power, see Joachim Krause, “Multilateralism: Behind European Views,” *Washington Quarterly* 27, Spring 2004, esp. pp. 50–52.

NIS could offer special scope for U.S.–EU cooperation, with the United States even following the EU lead, for example with regard to Moldova. It also could become a divisive issue, however, if the United States (unwisely) interjects itself in what could be a sharp intra-EU debate on whether to offer a membership perspective to Ukraine (which by implication would mean a similar perspective for Moldova and possibly a post-Lukashenko Belarus).

Membership for Turkey will be a key determinant of how many in Washington view the credibility of the EU as a stabilizing force in its immediate region. American politicians long have made nuisances of themselves in Europe on this issue, and George Bush was no exception to the pattern. At the June 2004 Istanbul NATO summit, he twice called for the EU to admit Turkey, prompting a public spat with Chirac and private grumbling on the part of many other European leaders. Two points about Bush's remarks are worth noting. First, compared with other U.S. statements on this matter, which tended to focus on Turkey's domestic prospects and its place in Europe, Bush (whether correctly or not) focused on the importance of Turkey as a model for and bridge to the Islamic world, predicting that its joining the EU would be a "crucial advance in relations between the Muslim world and the West."<sup>3</sup> Second, in what might have been (but generally was not) seen as a vote of confidence in the EU, Bush continued to follow the traditional U.S. line on EU membership for Turkey even though, arguably, pressure and support from other European countries in early 2003 was one of the factors in prompting Turkey to deny access to U.S. troops for the invasion of Iraq. To the extent that there may be tensions between EU membership and the U.S.–Turkey bilateral military relationship, Bush seemed to be conceding that the United States was prepared to risk sacrificing some of the latter for the perceived benefits offered by the former.

### Global roles

At its most ambitious, EU regional and neighborhood policy shades into the broader issue of the EU as a global actor and the convergence or lack thereof between U.S. and European policies outside Europe. This is true in the purely geographic sense, where, for example the inclusion of North Africa and the Caucasus in EU neighborhood policy creates a strong overlap between that policy and U.S. policies on counter-terrorism and reform in the "Greater Middle East," and in a functional sense, where the most difficult and demanding missions within Europe (e.g., coping with renewed ethnic Albanian violence in Kosovo) require many of the same skills and capabilities needed for missions outside Europe.

On the issue of the European role outside Europe, the Bush administration has been showing some of the same pragmatism that it has adopted

<sup>3</sup> Joshua Chaffin and Guy Dinsmore, "Bush Calls on European Union to Admit Turkey," *Financial Times*, June 30, 2004.

with regard to other transatlantic issues, albeit with a higher degree of skepticism about the likelihood of quick and substantial positive results. A key test here will be Afghanistan. Washington (or, to be more precise, the Pentagon) wants the International Security Assistance Force (ISAF) to succeed, but not at the price of the United States artificially supplying the forces and the organizational backbone that it did in previous operations in Bosnia and Kosovo. For the Afghanistan operation to be a success, it will have to be a genuinely multilateral—and essentially European—accomplishment. Prospects are at best mixed, however, given the inherent difficulties of the mission and the problem that the NATO secretary general has had in cajoling member states to come up with the equipment and personnel needed for ISAF to fulfill its mission of extending security beyond Kabul and helping to secure the parliamentary and presidential elections.

Iraq remains a divisive issue, both between the United States and key European allies and within Europe. Despite constant urging and criticisms from the Democratic side, the administration does not expect European countries to provide even modest numbers of additional troops to be stationed in Iraq. The United States did press for and achieve, at the Istanbul summit, a NATO commitment to assist with training Iraqi army and security forces, which is useful in its own right and helps Bush give credibility to his claim, politically important in the U.S. domestic context, that alliance divisions over Iraq are in the past. The contributions of central and east European countries such as Hungary, Bulgaria, and above all Poland to the coalition military force in Iraq are appreciated (as are those of key contributors from “old” Europe, notably Italy, Denmark, and the Netherlands), but officials in Washington have few illusions about these forces, which have been heavily subsidized and supported by the United States and which have operated under restrictive rules of engagement that often have left the burden of real fighting to U.S. and British forces.

Some of the tensions over Iraq have been smoothed over by generalities about the need to support the people of Iraq and the usual assertions about the importance of not allowing “failure” as a possibility. The EU as an institution also has some ability to defuse transatlantic differences by helpfully bureaucratizing the Iraq issue with the kinds of statements, agreements, action plans, meetings, and provision of aid, trade, association, and other benefits in which the Union specializes.<sup>4</sup> The differences between the United States and key European countries on this issue are likely to be deep and enduring, however. An objective observer would be hard-pressed to conclude that the government in France and some others in Europe *really* would be sorry to see a catastrophic failure on part of the United States in Iraq, even though this would entail serious security prob-

<sup>4</sup> For the current state of play, see *The European Union and Iraq: A Framework for Engagement*, Communication from the Commission to the Council and the European Parliament, COM(2004) 417 final, Brussels, June 9, 2004.

lems for Europe itself and implies a certain morally ambiguous attitude to losses and casualties among the soldiers of a formal ally.

On the U.S. side, the Iraq experience clearly has been a chastening one, certain to guarantee far more careful planning and thinking about future military interventions of this type. But this does not mean that *European* views will be taken more seriously or that the United States will work harder in the future to enlist the support of, for example, France and Germany for any such intervention. The latter countries are seen in the United States as correct on some points, but fundamentally driven by domestic and intra-European politics and their own ambivalent views about the United States, rather than by any special insights into the problems of “rogue states,” terrorism, or weapons of mass destruction.

More broadly, the United States and the EU are committed to working together to support development and democracy in the Middle East, as reflected in the *EU–U.S. Declaration Supporting Peace, Progress and Reform in the Broader Middle East and in the Mediterranean* concluded at the June 26, 2004 EU–U.S. summit in Ireland. But cooperation in this area has been scaled back from the grandiose levels envisioned in Bush’s November 2003 Whitehall and National Endowment for Democracy speeches—the victim of Abu Ghraib and the further loss of U.S. credibility it engendered, lack of enthusiasm in the Arab world, and disagreements between the United States and Europe regarding both the nature of the problem and possible remedies.<sup>5</sup>

One aspect of the EU–U.S. dialogue on the Middle East, in a sense reflective of the problems encountered in other areas in which the two sides have tried to work together, has been the relative lack of good information and realistic expectations about each side’s “soft power” capabilities. The European Commission tends to exaggerate the size and effectiveness of EU programs, perhaps confusing the volume of plans and programs emanating from Brussels with real capability. Some U.S. analysts tend to accept rather uncritically the Commission view, thereby propagating the notion of the EU as an enormously effective wielder of soft power to which the United States in effect should try to delegate vast responsibilities in return for a voice in or perhaps even a veto over U.S. foreign policy decisions.<sup>6</sup> At the other extreme, some U.S. policy-makers have proceeded as if they have no idea that Europe has a track record under the Barcelona Process and other programs. The reality is somewhere between these two extremes, with room for improved performance and more resources on both the U.S. and European sides.

<sup>5</sup> See “Remarks by the President at the 20th Anniversary of the National Endowment for Democracy,” November 6, 2003; and “Remarks by the President at Whitehall Palace in London,” November 19, 2003.

<sup>6</sup> See, for example, Andrew Moravcsik, “Striking a New Transatlantic Bargain,” *Foreign Affairs* 82, July/August 2003, pp. 74–89.

## Prospects

In view of the likelihood of a close presidential race in the United States, a key question is what effect the election of John Kerry might have on transatlantic relations as well as how a second Bush administration might affect relations. Many U.S. commentators, including from the Democratic side, have been cautioning their European counterparts that even if Kerry is elected, most U.S. policies are likely to remain in place, that fundamental national interests would remain the same, and that therefore U.S.-European relations might not improve all that much. Indeed, in some areas (e.g., possibly more protectionism) they might well deteriorate.

Kerry's style presumably would differ from Bush's, and popular aversion in Europe to Bush rooted in his Texas origins, religious faith, and other characteristics would fade as an irritant in transatlantic relations. On the policy side, however, it is not clear what a new administration might do to meet longstanding European demands. It would not ratify the Kyoto Protocol (although changes in U.S. domestic policy on climate change probably would be made), join the ICC, quickly withdraw from Iraq, or weaken U.S. support for Israel.

An important question would be how much emphasis a Kerry administration might place on Europe in its foreign policy. The Clinton administration was highly Eurocentric, devoting vast amounts of time and energy to such issues as the Balkans, NATO enlargement, CFSP and NATO-EU relations, and even such seemingly secondary issues as holocaust assets. The administration's focus on Europe reflected a mix of factors, including a genuine need to respond to problems that arose in the immediate aftermath of the collapse of communism, the personal interests and backgrounds of the key individuals involved, and, not least, a certain ideology of "enlargement" that vaguely linked the spread of democracy and stability in Europe to worldwide trends in a way that lent global meaning to policy in Europe. The Bush administration came into office less focused on Europe and more committed to fostering relations with large countries such as China, India, and Russia. September 11 of course accentuated the trend away from Europe.

Whether a Kerry administration would revert to a "putting Europe first" mentality is unclear. To the extent that it would, the implications for transatlantic relations would be ambiguous. While European countries might welcome the increased attention and respect for their accomplishments that such a policy would imply, they could well object (as often was the case in the Clinton years) to an American activism focused on doing things in and with Europe at a time when the EU has its own vast policy agenda (making the 2004 enlargement a success; managing the 2007 enlargement; the Lisbon reforms; developing CFSP; the EU budget; and the constitutional ratification process; to name just the most important issues) to which the United States is only marginally relevant.

A Kerry administration also would force a clarification of the issue of anti-Americanism in Europe. Many Europeans claim that they are "anti-

Bush,” not anti-American. Increasingly few U.S. observers believe in this distinction. Even many U.S. critics of the Bush administration and its policies have concluded that “anti-Bushism” has been a means to legitimate, even at the highest policy levels, deep-seated resentments that go back many years and that have historic roots on the left and the right of the political spectrum in most European countries. Awareness of these sentiments in turn has provoked what might be seen as the beginning of a counter-anti-Europeanism in the United States at the popular level.

At the elite and policy-making level, the response seems to be less one of anti-Europeanism than a certain disbelieving fascination with the character of the European debate, for example the vast importance accorded to figures such as Michael Moore and Noam Chomsky, the phenomenon of best-selling books claiming that the Central Intelligence Agency was behind the September 11 attacks, and the proliferation of other bizarre conspiracy theories in European books and newspapers.<sup>7</sup> Viewing this from the other side of the Atlantic raises doubts about the quality of the European public debate (something that Americans are questioning about their own debates and sources of information) and what it might mean for Europe’s ability to forge an effective foreign policy over time.

A re-elected Bush administration almost certainly would give free rein to four more years of anti-Bushism in Europe and, as many U.S. observers have speculated, could further legitimate anti-Americanism in Europe, as it would be hard to deny that the American people had endorsed policies widely rejected in Europe. Bush himself might pursue more moderate policies in a second term (in the manner of Reagan), e.g., with increased focus on Africa, AIDS, and perhaps even a second look at climate change policy. Relations with Europe might be on a more even keel, and focused on specific areas of cooperation where interests overlap. It is hard to see, however, how a re-elected Bush would put Europe at the center of U.S. foreign policy. Thus even under this relatively positive scenario, transatlantic relations are likely to remain rather strained, particularly if they become a factor in the important national elections that will take place in the coming years in Britain, France, Italy, and Germany.

<sup>7</sup> To give just one concrete example: In an otherwise perceptive critique of U.S. policy and society that has gained a certain amount of attention in the United States, the French scholar Emmanuel Todd suggests that were it not for the residual nuclear deterrent of Russia, the United States probably would have attacked Western Europe to head off creation of the Galileo satellite navigation system. See his *After the Empire: The Breakdown of the American Order* (New York: Columbia University Press, 2002).

## **The Reform of ESDP and EU-NATO Cooperation in the Larger EU**



# Euro-Atlantic Enlargement and Its Implications for ESDP

Stefan Fröhlich\*

## Introduction

Enlargement is another proof of the ultimate paradox of the Union: after each failure, in light of challenges of this scale, new ambition arises among its members. For example, after Bosnia and Kosovo, what came was the first open acknowledgement of EU military inadequacies and the launching of the European Security and Defense Policy (ESDP) process at Saint Malo; and after Iraq the Union produced its first Security Strategy, a document which has been widely heralded as a major step forward in forging a more mature security culture within the EU and triggered a new activism in global affairs.<sup>1</sup> The Iraqi crisis has forced the EU to acknowledge that, divided, it is powerless. Finally, the EU's enlargement by 10 new members in May 2004 has also forced it to accept that a Union of 450 million people cannot shut itself off from the rest of the world and certainly needs greater integration of defense efforts and forces.

## Implications for new members

EU and NATO enlargement across formerly socialist Eastern Europe and into the Mediterranean will define the political, security and economic framework of the European region for the next generation and more. The Cold War European 'order' is being replaced by a multilateral order centered on the EU and NATO. For the new EU and NATO members, this development has basically five common implications:

1. Following September 11th, it almost impossible for them to distinguish between domestic and security issues, particularly in the age of international terrorism.

2. There is an ambivalent relationship that these countries have with the NATO-EU combination: all have an absolute preference to entrust security in Europe, and even beyond, to NATO under American leadership. All of them worry that ESDP might be used to exclude the U.S. from Europe. But this deliberate choice goes hand in hand with a clear analysis of developments in the U.S. Thus, if Washington were to change fundamentally its relationship with NATO, the Union's ESDP would remain as a fall-back, an alternative institutionalization of defense that would in their view avoid the worst of all situations: a general re-nationalisation of

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<sup>1</sup> Address by Javier Solana, EU High Representative for Common Foreign and Security Policy to the EP, Brussels, June 18, 2003.

defense. And, if past expansions are any guide, the new members will also grow closer to their neighbors in “old Europe.”

3. There is a link between the EU’s geographic enlargement and a widening of its strategic awareness. The new members have a marked preference for giving priority to relations with the East of the Continent, particularly the Ukraine and Belarus and, of course, Russia, and they will try to convince their partners in the EU to extend CFSP and ESDP both eastwards and westwards.

4. The new members are, theoretically at least, better suited for radical steps in the direction of pooling military capabilities, with an emphasis on specialization, multinational complementarity of forces, and joint procurement projects though they know, of course, that they still need to develop specific capabilities that are essential for meeting new threats, with an emphasis on counter-terrorism. This predisposition of the new member states is due to both their budgetary situations and ongoing military transformation.<sup>2</sup>

5. Most of the new eastern European members, however, will be against majority voting on foreign policy issues, supporting the British focus on sovereignty in this regard. Thus, while certainly putting more pressure on “old Europe” to develop a more efficient ESDP, they will at the same time opt for a more intergovernmental and thus “Atlanticist” European defense organization. Germany and France are already worried that such an attitude could weaken Europe’s ability to act quickly and decisively in a crisis while these countries hesitate to support a small group, particularly if led by France and Germany, setting the agenda in a way that render them less relevant or even marginal in decision-making.<sup>3</sup>

### **Implications of Euro-Atlantic Enlargement for NATO and the EU**

NATO has redefined its role and agenda over the last decade, including the shift from purely collective defense to conflict prevention and crisis management in the age of international terrorism and proliferation of WMD. In October 2003, during their informal gathering in Colorado Springs, NATO defense ministers got a clearer picture of future operational decision-making requirements, including the urgency of pursuing the development of the NATO Response Force and the rest of the transformation agenda approved at the Prague summit.<sup>4</sup>

The U.S. is pushing for a more global role for NATO, with a clear vision of its new global and regional responsibilities and related tasks in the future. For this reason Washington also supports the idea of NATO and EU enlargement being parallel and closely interrelated processes, suggesting

<sup>2</sup> Sabine Auger (ed.), *Enlarging the Euro-Atlantic Space: Problems and Prospects for Northeastern and Southeastern Europe* (Washington, DC: Woodrow Wilson International Center, 2003).

<sup>3</sup> Martin Koopmann, Hans Stark, “Quel avenir? Relations franco-allemandes et PESD,” *DGAP-Analyse*, Nr. 27 (Berlin, Januar 2004).

<sup>4</sup> Jeffrey Simon, “Partnership for Peace: Charting a Course for a New Era,” *Strategic Forum*, 206, March/April 2004, 6 p.

that an enlarged EU automatically will be forced to gain a broader (geo-) strategic perspective beyond its new periphery which is compatible with NATO's new role. That is why in Prague (until 1999 it held a minimalist position on that question) the U.S. welcomed the accession of Romania and Bulgaria to NATO. Washington wants and needs bases and political allies in an enlarged EU, such as in Central Asia or in the Middle East, to fight what has become a symbol and metaphor for the new perils looming on the horizon: international terrorism. Bulgaria closes the land bridge between Hungary and Turkey, letting NATO reach out into the Black Sea and Caspian basin, Romania has become an important ally in Afghanistan with a strategic base in the Black Sea. In recent years, the new members have done everything possible to cooperate with the military alliance, participating in peace-keeping missions in Bosnia, Kosovo and—as mentioned—even Afghanistan.

The fundamental problem with this overall direction is that today, the Alliance from a European perspective, might serve a non-European purpose, that of “force multiplier” and “toolbox” for supporting U.S. military interventions outside Europe.<sup>5</sup> Many in Washington are understandably attracted to this seemingly useful transformation of NATO. This change contains a fundamental flaw as NATO might become an organization that no longer provides for Europe's security, but instead requires Europeans to serve as auxiliaries in distant enterprises of questionable benefit to Europe. In other words, as the U.S. is a global power, a clash between America's needs and Europe's interests is almost inevitable. Iraq was merely the first instance. On the other hand, the region from the Baltic to the Black Sea is simply not troublesome enough to retain more importance for Washington than for Brussels. That said, it becomes clear that the EU must put in place a number of structural reforms to achieve its new strategic ambitions. The Alliance is no longer an instrument for European defense integration but a mechanism to integrate American power into Europe.

The EU has three options: (1) it can think beyond NATO and accept that its capabilities already far exceed its self-confidence; a “Europuissance” able to maintain Continental stability, participate successfully in peace-keeping operations and project power into regions proximate to Europe is well within Europe's grasp; (2) it can admit that it wants to maintain NATO so that the Americans will pay a large share of Europe's security costs; this is the classic problem of welfare dependency; or (3) it opts for another kind of burden-sharing in a true transatlantic partnership that keeps NATO alive. Such a partnership can come about only when Europe becomes more autonomous and more responsible for the conduct of operations as a truly “European pillar” within NATO and when the U.S. sees in Europe a partner worthy of respect.

None of the duties related to the first option requires the global air and sea lift capabilities or the bombardment capabilities on the scale of

<sup>5</sup> Wayne Merry, “Therapy's End. Thinking beyond NATO,” *The National Interest*, Winter 2003/2004, pp. 43–50.

America's military establishment. What they do require is European self-confidence and a willingness to proceed without always looking over the shoulder for instructions from the U.S. This would truly be some kind of emancipation from Washington. The problem here is the missing transatlantic link/platform in those cases where American and European interests clearly conjoin, as in fighting international terrorism.

The second option is unthinkable in the post-Cold-war period as the reality stands in sharp contrast. Europe has a larger population than America, a total economy of comparable size, a modern industrial and technological base often very competitive with America's, and a vast wealth of relevant military and political experience. The notion that, somehow, Europe is "not ready" for security independence in either form is nonsense.

The third option requires the same kind of European overhaul in strategic thinking, but is the best guarantee to secure the platform for a transatlantic liaison. Both the first and the third options, however, have at least four implications for a new European Security Strategy.

### **Towards a stronger Europe—The new European Security Strategy**

1. The EU so far has been careful not to establish explicit geographical limitations on the implementation of ESDP.<sup>6</sup> There were some rather vague indicators pointing to a geographical focus on crisis management around Europe's borders. These included the immediate motivating factor behind the Cologne and Helsinki Council decisions to establish a European rapid-reaction capacity, the Kosovo crisis, as well as U.S. demands for Europe to take a greater share of responsibility for stability in its own region. In other words, nascent planning for the EU force was focusing on areas closest to current EU territory. Another concern was the sensitive issue of the potential use of NATO assets in EU-led crisis management operations. Finally, to a large extent, European public opinion was another factor shaping any neighborhood orientation of the EU.

The ambition of the new strategy document, however, is much broader than establishing crisis-management capabilities.<sup>7</sup> The aim was to draft a comprehensive security strategy. The strategic analysis is driven by threats, an aspect never addressed as such by the EU before. The document identifies three major threats: international terrorism, the proliferation of WMD, and failing states. In such an environment, the EU recognizes that the traditional line of defense—the state's borders—has become a thing of the past. The first line of defense now often lies abroad.

This certainly implies that the EU, after enlargement, needs clarification on its geostrategic ambitions.<sup>8</sup> The EU's more global ambitions will auto-

<sup>6</sup> Hans-Georg Ehrhart, "What Model for CFSP," *Chaillot Paper*, 55 (Paris, October 2002).

<sup>7</sup> Jean-Yves Haine, "Idealism and Power: The New EU Security Strategy," in: *Current History*, 103, 671, March 2004, pp. 107–112.

<sup>8</sup> François Heisbourg, "Europe's Strategic Ambitions: The Limits of Ambiguity," *Survival*, 42, 2, Summer 2000, pp. 5–15.

matically force it to define more clearly its vital zones of interest within a global NATO as well as in an enlarged EU.<sup>9</sup> Current EU language does not provide even the slightest guidelines as to the vision of the world in which European forces could be called upon to operate. How broad should be the geographical area in which the EU should be able to take a lead role? Should it essentially be able to conduct operations close to the European territory, borrowing NATO assets (CJTF concept)? Or should the European Reaction Force also give the EU the ability to operate further from home as a significant partner within NATO/U.S. led-coalitions, as in the Gulf War or in possible conflict scenarios in the Middle East or Northern Africa, in the Caucasus or Central Asia? Finally, what about interventions undertaken without an explicit Security Council mandate like the Kosovo war?<sup>10</sup>

Answering these questions is not an easy task in a community with so different actors involved: While the UK, France and Italy have been present in almost every major collective peace-keeping or peace-enforcement mission during the last decade, the neutral or, more precisely, 'non-allied' countries have not regularly participated in peace-enforcement operations. And of course, answering in the affirmative does not imply that the corresponding task has to be automatically assumed by EU members. Similarly, all humanitarian contingencies or all peace-keeping operations mandated by the UN do not necessarily call for EU participation.

The differences between the two ends of this spectrum however are narrowing. There is a tendency towards broader European coalitions in what is today called 'robust peacekeeping' as in the Balkans. The non-allied states are present in the Kosovo Force (KFOR), which is hardly a traditional peacekeeping force. By the time of the 1999 Kosovo air war, most European NATO members were participating in combat operations, notably in strike missions (including the UK, France, the Netherlands, Italy and even Germany) though there was no clear and specific mandate from the Security Council. But even as the center of gravity is moving towards greater, not lesser (as the U.S. is often suggesting) acceptance of the use of military force, it is still important, in order to limit future misunderstandings—let's say in case of a serious war in the Gulf or in Central Asia—that the EU partners are clear as to what is, at least potentially, the scope of each of the three Petersberg tasks. Or, if they cannot agree, they should know at least the areas and extent of divergence, since such disagreements do not exclude the existence of a core area of agreement. If such an agreement wouldn't exist, at least implicitly, the EU could not have realized—despite all remaining weaknesses—the progress that it has already achieved.

2. Closely related to this question, of course, is the issue of setting priorities as to the type of force-projection operation the EU members wish to be able to contribute to.<sup>11</sup> This is one of those areas in which the begin-

<sup>9</sup> Andrew Pierre, *Coalitions Building and Maintenance. Gulf War, Kosovo, Afghanistan* (Washington, DC 2002).

<sup>10</sup> Doug Bereuter, "NATO and the EU Security Strategy," *Oxford Journal on Good Governance*, 1, 1, May 2004, pp. 21–28.

<sup>11</sup> Jolyon Howorth, "The European Security Conundrum: Prospects for ESDP after

nings of an answer has been provided by the “headline goal” without having put openly the question as to what the European capability should be primarily tailored to do.

In 2002, European military forces intervened to restore and maintain peace in Afghanistan, Rwanda, Sierra Leone, Ivory Coast, Kuwait, Iraq, Georgia, Tajikistan, Bosnia, Kosovo, and Macedonia. In 2003, significant deployments were dispatched individually in Congo. A total of nearly 100,000 troops were deployed abroad. Yet, in a majority of cases, these deployments have been dependent on external sources for transport, support, and protection. The capacity for autonomous action remains severely constrained. Progress has been made on capabilities and infrastructure but the process has encountered structural obstacles, the first and best known being the level of military expenditure.

The EU has nearly 1.5 million men under arms, and the member countries spend approximately 160 billion Euros annually for defense. Yet the EU does not have the means to deploy these troops. Barely more than 10 percent of these forces are rapidly deployable. At Helsinki in 1999, a “Headline Goal” was adopted: to put at the EU’s disposal forces capable of carrying out rapid deployment missions, including the most demanding, in operations up to army corps level—that is, 50,000 to 60,000 troops. This military-size objective definitely seems overambitious. It is also ill-tailored to cope with the rising strategic demands of the 21st century. Not least for this reason, Europeans are about to launch a new “Headline Goal” for 2010 and have cleared the road for imaginative solutions to meet the challenge.

The EU’s new ambition also has serious implications at the operational level. Implicit planning assumptions envisage a virtual geographical radius for EU military crisis-management up to approximately 2,500 miles from Brussels. With an enlarged Union, the potential radius stretches as far as 6,200 miles from Brussels. This has consequences in terms of projecting and sustaining forces. The EU security strategy provides the EU with a new framework that demands more rapid deployability, more flexible units and more combined forces.

This implies the transformation of European military forces. The revolution in military technologies has dramatically changed the way American forces now operate; the effects of this transformation have been obvious in the recent conflicts in Afghanistan and Iraq. Europe cannot rival the scale and speed of these developments and for the most part, reform efforts remain painfully slow and disordered but the transformation of its own forces is nonetheless a precondition to an effective European Security Strategy.

3. Most important, the EU’s willingness to become more autonomous and more responsible needs clarification in two ways:

First, this willingness has brought about unnecessary difficulties with Washington. The analysis of the new European Security Strategy may in

September 11, 2001,” *Policy Paper No. 1* (Notre Europe, March 2002). Available at: <<http://www.notre-europe.asso.fr>>.

many ways sound familiar—compare the U.S. National Security Strategy of September 2002—but, if the security threats are similar, their management is not. In the EU’s view, addressing these threats cannot be limited to military force. While not excluding it, the Union intends to take a broader approach, combining political, economic, and civil with military strategies in a multilateral framework (UN). And without excluding the use of force, it clearly rejects a strategy of “preemptive strikes.”

The concept of “pre-emptive strikes” is controversial partly because the U.S. administration has elevated it to the status of a doctrine, instead of an option available to all governments in extreme circumstances. Moreover, definitional issues have exacerbated the controversy. Anyway, the challenge is identifying which cases truly require pre-emptive strikes, and which cases may even justify preventive war. A prerequisite to that is identifying the principles (“necessity” and “proportionality”) under which such strikes may be carried out.<sup>12</sup>

Second, the EU needs to change the delicate balance between flexibility and legitimacy when it comes to decision making. Waiting for the lowest-common-denominator decision in a Union of 25 members could lead to paralysis and inaction. This explains why Europeans have agreed that a group of countries could deepen their cooperation in defense of the EC. Permanent structured cooperation opens the way for role specialization, asset pooling, common procurements, and ultimately an effective rationalization of defense efforts throughout the Union. If Europeans develop this common will, there should be also the possibility of implementing horizontal specialization among members whereby respective niche capabilities could become collective assets for the EU—a point closely related to the issue of transatlantic command structures.

This also implies that Washington accept changes. Since the EU has already undertaken autonomous operations and is likely to increase them, it should be able to plan them. A permanent planning cell at the Union level that will have a better understanding of forces at its disposal is unavoidable. This is part of an effort of constructive duplication, also unavoidable. The main point here is that a stronger Europe means a stronger NATO. The EU now has a general framework to think strategically. And precisely because Europe is on the verge of becoming a more responsible strategic actor, prospects for a more balanced and constructive transatlantic partnership and a reinvigoration of NATO are real.

<sup>12</sup> Stefan Fröhlich, “Völkerrecht und der präventive Einsatz von militärischer Gewalt—Die Auswirkungen des Irak-Krieges,” *Gesellschaft, Wirtschaft, Politik*, 1, 2004, pp. 107–130.

## **Together Apart: ESDP, CFSP, and a New Transatlantic Security Compact**

Roy H. Ginsberg\*

The European Security and Defense Policy (ESDP) does not loom large as a single response to tectonic shifts in international security. Yet it is critical to the credibility and effectiveness of the Common Foreign and Security Policy (CFSP), which reflects in turn the overall thrust of the EU *to matter more* in international politics at a time when the world needs European contributions to fostering international peace and security. ESDP is the “steel” strand needed to complete the tapestry of a new *transatlantic security compact* formally linking the EU and NATO so that each *together and apart* can give back security to a needy world.

ESDP is engulfed by the politics of change and of money. It is affected by enlargement, modest economic growth, disarray in fiscal policy, new security threats, strained transatlantic ties, the worsening situation in the Levant, and divisions within Europe and across the Atlantic over Iraq. Despite the many interlocking variables that affect ESDP in ways positive, negative, or unforeseen, the EU objective to “matter” in international security—to play not just pay—is an *article of faith*. There is strong support in principle (but not enough in practice) among European publics.

This paper focuses on the breathtaking growth of and issues in the EU-NATO interface since 1999. It is at this nexus that ESDP will bloom or wilt and NATO will remain *transatlantic* or evolve into something else. If commitment and resources can be found and sustained—a new transatlantic security compact ought to be cultivated as a concept now so that it can take shape as soon as a final bargain can be struck.

NATO and the EU are not governmental equals. NATO remains primarily a collective self-defense in an integrated command. It is involved in a transformation to make it leaner and more flexible and efficient in a drastically different international security setting. NATO is primarily about hard power, but it is also a political organization for its members, associated states, and aspirants to promote democracy; and it keeps North Americans and Europeans tied to complementary interests and values. However, NATO does not exist in relationship to its members’ broader common foreign and security policies (Hunter: 2002), whereas the EU does. NATO has never developed mechanisms for conducting foreign policy or civilian crisis management.

The EU is an economic superpower which is developing common foreign and security policies. The EU is good at projecting soft power abroad, but in former Yugoslavia it encountered the limits of how far a civilian

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power can go to broker peace and convoy aid in a zone of war.<sup>1</sup> The EU now wants to extend its influence in the international political economy to international politics and security. In doing so, it is fumbling to borrow hard power instruments from NATO—and develop some of its own. It is willing to “talk the talk” of having military capability but not yet “walk the walk” to pay the costs. The gap between “talk and walk” is a drag on EU credibility in Europe ... and in the National Security Council.

The EU member states can raise defense expenditures and conduct reforms to gain savings in order to reduce shortfalls in capabilities relative to what they say they need. The EU needs air/sea lift, rapid deployment, transport docks, communications equipment, intelligence gathering satellites, aircraft, and precision guided weapons, among other capabilities. Interoperability is more serious now since Kosovo when divergent military capabilities were exposed. NATO’s 1999 Defense Capabilities Initiative (DCI) was devised to improve allied defense capabilities in surveillance, precision-guided weapons, suppression of enemy air defenses, interoperability, and command, control, and documentation. Its success is related to the EU’s own quest for capabilities. The more the EU improves its capabilities, the more it meets the needs of its own Rapid Reaction Force (RRF), NATO’s Response Force (NRF), and DCI.

Can ESDP serve two masters effectively? NATO is in transformation and ESDP is in construction. The key is to help both enhance common and global security. As NATO transforms and the EU engages in international security—in Macedonia (FYROM), Democratic Republic of Congo (DRC), and Bosnia and Herzegovina (BiH) or by developing antiterrorism/antiproliferation strategies—another key question is whether, without entering into a *zero sum game*, the two can do more effectively together what each would otherwise need to do alone. Each body does some things well.

*De facto*, NATO and the EU have been two sides of the same coin for fifty years—each providing security to the common or associated membership, but in different ways. A transatlantic security compact would provide *de jure* recognition of the EU–NATO interface. Now, as the EU extends the process of integration from civilian diplomacy to international security—and as NATO struggles to transform itself to address post-9-11 and post-Iraq security concerns—the two bodies are engaged in a *dance for the future*.

For fifty years, the EU has imported and consumed security from NATO. Now the EU wants to give back security to the world by developing some of its own security assets autonomously from but also linked with NATO to conduct Petersburg Tasks. It is neither in the EU nor U.S. interest for the EU to continue to face the *paradox* of being the world’s largest and richest bloc of states with enormous influence in international commerce and diplomacy and unable to act in defense of its own values and interests. The U.S. has pressed the Europeans to take on a larger share of the burden of security for years. NATO and the U.S. should help. After all, NATO’s trans-

<sup>1</sup> Roy H. Ginsberg, *The European Union in International Politics: Baptism by Fire* (Lanham: Rowman and Littlefield, 2001); Roy H. Ginsberg, *United States–European Union Political Relations in the Bush Administration*, Sixth ECSA World Conference, Brussels, December 2002.

formation requires the cooperation of its European members. It is possible to reform NATO to take on new tasks in the areas of terrorism and WMD proliferation while working cooperatively with the EU. It is also possible to develop the EU militarily so that it can strengthen the European contribution to NATO capabilities while engaging in its own security operations. If pockets of opposition to autonomy for ESDP remain at the Pentagon or on Capitol Hill, they spring from a misplaced understanding of what the EU is and is trying to do.

The EU and the U.S./NATO need to play according to the rules of a *positive sum game*. They will need national players who can adapt to tectonic changes in international security without undermining one security body at the expense of the other. A transatlantic security compact would provide the framework within which the two sides of the Atlantic finally come to terms with providing security for each other based on complementary interests and then enhancing security beyond. The dance partners can stumble over each other and fall. They could become 'wallflowers' and either sit out the dance or chat socially on the margins of the dance floor. Or they could keep dancing until they get each step right. In instances of operations far from the immediate (European) dance floor, NATO/U.S. will take the lead. In instances of operations in or near to the European neighborhood or areas farther afield at the request of the UN and with NATO assets, the EU might take the lead with either NATO, France, Britain, or Germany serving as operational headquarters.

In the end, NATO's transformation and the EU's quest to provide security require interinstitutional cooperation. Just as the EU itself has been built on a series of nuanced compromises to craft CFSP/ESDP, so too must NATO and the EU engage in the practices of nuance essential to any successful and flexible partnership, whether the partners dance together, alone, or with others. The players have to *finesse* divergent views over the issue of ESDP autonomy so that there is scope for action by all. NATO reforms are still embryonic. ESDP is just five years old. The U.S. will want to constructively engage the Europeans as they develop ESDP.

For forty years, the EU and NATO have had very little to do with each other even though each was a security provider for many of the same states. However, since the birth of the ESDP in 1999 the EU-NATO interface has become an unexpected growth area of transatlantic cooperation. The deeper and wider the interface becomes, the more a transatlantic security compact is likely to materialize as it would build on what already has been agreed upon and put into practice. The large institutional overlap in the memberships of the EU and NATO helps grease the axles of cooperation. It was in 1998 at Saint Malo that France and Britain called on the EU to have the capacity to undertake autonomous military action backed by credible military force. From that springboard has grown a new NATO-EU relationship. For example, in 1999 and 2000:

- ▶ the EU announced the Headline Goal for the RRF designed to allow the EU to take military action when NATO as a whole is not engaged (by 2003 it was to create a corps strength force deployable within 60 days

- and sustainable for at least one year with appropriate air/naval elements);
- ▶ the EU established ESDP institutions—the Political and Security Committee (PSC) which consists of ambassadors; Military Committee (EUMC) which consists of Chiefs of Defense advised by the EU Military Staff (EUMS); Situation Center; Policy Unit; and High Representative for CFSP;
- ▶ NATO endorsed St. Malo and agreed in principle to EU access to NATO assets and capabilities; and
- ▶ the EU Defense Ministers met for the first time and EU-NATO established working groups to discuss exchange of classified information/intelligence, capability goals, security and intelligence, and modalities for EU access to NATO assets/capabilities.

Interinstitutional links were codified and inaugurated in 2001 and 2002:

- ▶ the EU and NATO began holding joint ambassadorial meetings (three per year) and ministerial meetings (once per EU presidency) and regular meetings of the North Atlantic Council (NAC), PSC, and the EU High Representative);
- ▶ the NATO Secretary-General briefed the EU General Affairs Council on NATO policy for the first time and EU Secretary General attended the NATO Summit;
- ▶ the NATO and EU Secretaries-General worked closely together to ensure the ceasefire in FYROM held; and
- ▶ the EU and NATO drafted a final accord on the modalities governing EU use of NATO assets/capabilities (Berlin plus arrangements) in Petersburg actions when NATO as a whole does not wish to be engaged.

NATO–EU relations (and ESDP military and police deployments) in 2003 were in overdrive:

- ▶ the EU and NATO finalized the Berlin plus arrangements which paved the way for EU military deployments using NATO assets/capabilities;
- ▶ the EU deployed its first ever police mission (EUPM) to BiH as a follow-on to the UN’s International Policy Task Force;
- ▶ the EU deployed its first ever Petersburg military operation (Concordia) to FYROM at the request of Skopje based on Berlin plus arrangements, as a follow-on to NATO’s Operation Allied Harmony;
- ▶ the EU agreed to deploy its second police mission (Operation Proxima) to FYROM at the request of Skopje which followed the conclusion of Operation Concordia in December;
- ▶ the EU deployed its first ever autonomous military force (Operation Artemis) to the DRC under French command but not under the Berlin plus; Artemis was mandated by UN Resolution 1484 (2003);
- ▶ the EU’s first strategic security doctrine was released, extending EU security and “good governance” to areas around Europe; practicing better and earlier conflict prevention; and fostering “effective multilateralism;”

- ▶ the EU and NATO conducted a joint crisis management exercise based on Berlin plus;
- ▶ the EU and NATO Foreign Ministers further committed their organizations to cooperation/coordination with regard to terrorism and WMD;
- ▶ the EU and NATO agreed to a concerted approach to security/stability in the Western Balkans as a basis of cooperation in BiH where, by the end of 2004, the EU is expected to succeed NATO's Stabilization Force (SFOR); and
- ▶ the EU proposed the creation of a small EU planning cell with civilian and military components in the EUMS, to enhance the capacity of the EUMS to conduct early warning and situation assessments and strategic planning. The EU invited NATO to establish a liaison arrangement at the EUMS.

EU shortcomings in capabilities are no secret. Early Petersburg actions appear to be driving home the need to increase capabilities. Failure would undermine the legitimacy, integrity, and effectiveness of European integration at home and abroad. There are still many areas in international security where Europeans are making important contributions that by extension either contribute to ESDP capabilities over the long term or are germane to global security dilemmas—terrorism and proliferation. European troops under NATO command in Afghanistan, Iraq, and Kosovo bring their experience and training back to the EU for use in ESDP operations.

With regard to proliferation and ballistic missiles, the EU has adopted export controls to stem the flow of WMD, which is of enormous importance to transatlantic cooperation given the common threat WMD pose. In 2003 the EU published its strategy for governing nonproliferation policy. The EU decided to insert into treaties with nonmembers a clause on WMD that enables the EU to issue sanctions if the signatory does not fulfill its international obligations. The U.S. and EU signed in 2003 a joint statement on nonproliferation, expected to result in closer coordination on multilateral export control regimes. Although unhappy with the EU policy of engagement with Iran, the U.S. works closely with the EU and the member states to coordinate pressure on Iran to bring its nuclear program in compliance with IAEA regulations. Although the EU has influence in Tehran, it also needs to pressure the U.S. to assuage Iranian security concerns.<sup>2</sup>

With regard to terrorism, the EU-wide common search and arrest warrant (expected to enter into force in 2004) is a major instrument in hastening, simplifying, and depoliticizing extradition proceedings. The more the EU can curtail terrorist/criminal activities, the better for the U.S. policy on terrorism. Following the Madrid bombings in March 2004, the EU appointed Gijs de Vries as its first counterterrorist coordinator.

Bensahel<sup>3</sup> is concerned with the question of the extent to which counterterrorism cooperation should be pursued through NATO, the EU, or individual member governments. She is skeptical thus far of NATO's re-

<sup>2</sup> Gustav Lindstrom and Burkard Schmitt, *Fighting Proliferation—European Perspectives* (Paris: ISS, 2003).

<sup>3</sup> Nora Bensahel, *The Counterterror Coalitions* (Santa Monica: Rand, 2003).

orientation with regard to the challenge of global terrorism as a core mission. EU policy is limited in terms of intelligence and military capabilities, but JHA initiatives, such as the common arrest warrant, strengthening Europol, and harmonization of policy on financial crimes are expected to “matter” in the struggle against terrorism. Benshael concludes that the U.S. should pursue military and intelligence cooperation on a bilateral basis—since national governments are the key players—and pursue financial and law enforcement cooperation with the EU which adds value to national initiatives. The EU is uniquely positioned to coordinate its members’ efforts, analyze data, and identify emerging European trends.

Students of ESDP will miss the trees for the forest if they do not embed ESDP in the wider set of hard and soft power security issues, within and around the EU and NATO. ESDP is an essential but not the only EU contribution to international security. It is best conceived as a response to regional conflict and conflict prevention. Other areas of the EU—CFSP, JHA, and Pillar One—address WMD and terrorism alongside the national governments who are still sovereign in and publicly accountable for these areas.

Capabilities and duplication are the two most important front-burner issues that require resolution if the ESDP–NATO interface is to work with the confidence of the partners and as a prelude to a transatlantic security compact. Strains over ESDP can be significantly eased if the EU and NATO iron out differences over their respective rapid force plans. Howorth<sup>4</sup> challenges as wrong those who see (a) NRF as a plot to destroy the ESDP, and the RRF as a plot to destroy NATO; and (b) NRF as a European contribution to U.S. capabilities, and the RRF as a U.S./NATO contribution to EU capabilities. He concludes that the basic strategic interests of the U.S. and EU are generally compatible. The problem is about methods. By mid-2004, the EU was moving toward adoption of a new Headline Goal to rivet by 2010 on adopting such capabilities as long distance strategic lift by air and sea and interoperable communications.

Howorth<sup>5</sup> is not certain the politics of NRF–RRF coordination can be made to work. Will the NRF and the RRF draw on the same pool or different pools of resources? Given limited EU defense resources and difficulties in knitting together the RRF, we may assume that the RRF and NRF will draw on the same pool. NRF may very well skim off the best units in the EU, leaving the EU with the less skilled units for the RRF. The lessons of the Iraq war will no doubt impact the rationale and use of the NRF.

The U.S. is concerned about the inefficient use of resources, inconsistencies, and misunderstandings that may well occur if the EU duplicates NATO assets and capabilities, particularly planning structures.<sup>6</sup> The Pentagon is concerned that some members in the EU may think they could meet the military capabilities needed to operationalize the RRF without facing the more expensive requirements required by DCI. Despite Pentagon

<sup>4</sup> Jolyon Howorth, “ESDP and NATO: Wedlock or Deadlock,” *Cooperation and Conflict: Journal of the Nordic International Studies Association*, 38, 3, 2003, pp. 235–254.

<sup>5</sup> *Ibid.*

<sup>6</sup> Robert E. Hunter, *European Security and Defense Policy* (Santa Monica: Rand, 2002).

Cassandras who fret over ESDP duplication of NATO assets, many analysts agree that the U.S./NATO need to accept the inevitability of some necessary duplication.<sup>7</sup> However, not all capabilities merit duplication. Desirable duplication extends to an increase in NATO and EU capacity for strategic airlift, and thus the Airbus 400M project is a worthwhile duplication if future EU troops and personnel are to have lift capability to conduct Petersburg Tasks. The same goes for increasing European air-refueling capacity. Undesirable duplications include the creation of completely separate military planning and intelligence staffs that do not coordinate with each other; and the pursuit of separate satellite imagery operations if not carefully coordinated.

Two issues of concern to the U.S. materialized in 2003 entailing the scope for EU autonomous action. The first was the EU decision to set up its own small planning cell to provide joint capacity to plan and conduct operations when NATO is not involved and without recourse to NATO assets/capabilities. This generated American discomfort over the cell's purpose, location, and autonomy. However, following NATO-EU consultations in December 2003, NATO determined that the EU cell was designed neither to set up a completely new and autonomous structure nor to duplicate NATO planning capabilities. The second issue of concern was Operation Artemis which was not based on Berlin plus. The U.S. reiterated its preference for a three-tiered decision making process before either organization takes military action: first, NATO, would examine whether or not it wishes to field a mission; second, the EU, should it decide to take action, uses NATO assets; and third, the EU would decide to take action autonomously with NATO assets. It remains to be seen if the three-tiered preference of the U.S. will prevail, but it is the early planning stage that generates the most U.S. discomfort.

The EU cannot have capabilities without a viable competitive defense industry with adequate funding for research and development to increase capabilities for NATO and EU missions. The EU members should hasten cooperation on defense procurement in order to reduce wasteful duplication. National defense industries are too small and fragmented to reap economies of scale. The U.S. could help by loosening some of its export controls for these purposes. There have been some major defense industry mergers and groups of EU member firms and governments are cooperating in different commercial and operational projects. EU plans are underway in 2004 to establish a new intergovernmental European Defense Agency to improve military capabilities in crisis management, promote armaments cooperation, and contribute to R&D. Such coordination could help to avoid duplication that inhibits interoperability.

<sup>7</sup> Kori Schake, "Constructive Duplication: Reducing EU Reliance on U.S. Military Assets," *Working Paper* (London: Center for European Reform, 2002); Missirololi in: Gustav Lindstrom (ed.), *Shift or Rift: Assessing U.S.-EU Relations after Iraq* (Paris: ISS, 2003); Robert E. Hunter, *European Security and Defense Policy* (Santa Monica: Rand, 2002).

Schmitt<sup>8</sup> has concluded that even without ESDP/CFSP, the Europeans have to “dare a quantum leap” in armaments cooperation to maintain a defense industrial base and armed forces capable of engaging in Petersburg Tasks. There is clearly a momentum to address the shortcomings in capabilities. The more ESDP prompts spending on capabilities needed for EU headline goals, the more American defense contractors grow concerned over the potential for lost sales to European competitors. The ESDP–NATO interface also extends to the highly charged political economy of defense industry competition across the Atlantic. It is here that the principal players need to carefully *choreograph* a dance that includes as many partners on a single dance floor, recognizing that some may have to sit out one or two dances while others continue. There will be winners and losers among defense contractors. A transatlantic security compact would provide some political cover for the inevitability of economic competition.

The U.S. is best advised to approach threats to international peace and security by flexible means linked to the range of civilian and military instruments and capabilities available to major national and multilateral players across all phases of conflict. At the same time, the U.S. and the EU have to work with each other to avoid a scenario in which a future autonomous Petersburg action goes awry and the EU ends up requesting U.S./NATO involvement. The U.S. should continue to press the EU for clarity with regard to the U.S. preference for a three-tiered decision-making process that allows for NATO, in relation to EU–NATO coordination mechanisms, to first consider a response to a security situation before the EU pursues either Berlin plus or autonomous action. The sooner the EU and NATO can work out modalities in which each knows what the other is doing in planning to address a security situation the better. There is no substitute for political will and leadership to make ESDP and its interface with NATO work.

The U.S. should embrace ESDP as the security link between NATO and the EU. It has been what the U.S. has been demanding for decades: more burden-sharing. There will be some overlap in NATO and ESDP military capabilities. The U.S. should live with that and work closely with the Europeans to avoid “unnecessary” duplication, recognizing that from time to time there will be a need to agree to disagree.

The rationale for a new transatlantic security compact is based on the broad objective to manage the NATO–EU security relations together apart so that there is a framework of expectations and modalities that draw on comparative advantages and encourage partners to more effectively address security dilemmas. A hierarchical transatlantic division of labor that pigeon-holes the U.S. to do high end security tasks and the EU the lower end Petersburg tasks is not advantageous in enabling the partners together to address new security threats. The U.S. and EU have no partner of scale other than each other to help solve global problems too big for any

<sup>8</sup> Burkard Schmitt, *Armaments Cooperation in Europe* (Paris: ISS, 2003).

one to handle alone. Neither NATO nor the EU alone is sufficient to address new security threats in and out of area.

ESDP is the final strand needed to complete the tapestry of a new transatlantic security. The sooner the EU begins to reduce some of the transatlantic military capabilities gaps, the more likely what the EU does in international security will resonate in Washington and create conditions for more balance across the North Atlantic. The more the EU responds to changes in international security, the more it will influence reassessment of U.S. security policy. The EU needs political will and resources to make ESDP work to its advantage—and to NATO's—which in turn the U.S. ought to encourage. The U.S. Administration has to learn that to have allies and partners in bad times, it needs to be fully engaged with them in good times. It needs to find and keep the right balance between good bilateral relations with EU members with good bilateral relations with the EU. The U.S. has often underestimated EU putative power. It has focused too much on the trees at the expense of the forest.

A compact based on interests will likely endure longer than one based on values alone. The former is more tangible and enduring; the latter may be of a more amorphous nature, subject to changing times, interpretations, and emphases. The U.S. and EU should not neglect the stewardship of the transatlantic relationship. That is why a new transatlantic compact as a concept ought to be advanced now so that it can take shape sooner than later. In anticipation of completing the CFSP, policy planners ought to give serious thought to the logic of a transatlantic security compact to formally link the EU and NATO as closely associated but different security organizations. Only together apart can the EU and NATO address and manage security close to home and much farther away.

## **The Impact of the CEE Countries' Relationship with the U.S. on the CFSP**



## Enlarging CFSP/ESDP: The Central Europeans between the EU and NATO

Antonio Missiroli\*

The enlargement of the European Community/Union has been for decades, and still is, a quintessential security policy: a security policy by other means, so to speak, and a security policy in its own right. By other means, because peacefully extending the Union's norms, rules, opportunities and constraints to the applicants has made and will make instability and conflict in the wider European region much less likely. And it is a security policy in its own right, too, because the entrants have brought and will bring in interests and skills that broaden the scope of the common external policies—inside as well as outside the specific remit of the common foreign and security policy (CFSP).

The current enlargement, however, is nothing like the previous ones. It is fundamentally different in size, scope, and character. Going from an EU of 15 member states to one of 25 will mean an increase of population of 20 percent but an increase in GDP of only a few points, coupled with an increase of 'small' members from the current 10 to 19 (including 11 with a population of 5 million or less). The expected accession of Bulgaria and Romania in 2007 will further deepen this trend, whereas the still uncertain accession of Turkey (whenever that may happen) represents an even more radical challenge for the current EU system. In other words, the fifth enlargement of the EC/EU—German unification is not counted as one—is likely to change quite radically the institutions, the policies, even the nature of the Union.

The *internal* (especially institutional and budgetary) implications of all that are already at the centre of the present debate: the proceedings of the European Convention and the ensuing Intergovernmental Conference (IGC) have showed it quite clearly. But to what extent, and exactly how, will this enlargement affect the way in which the EU projects itself *externally*? In other words, what common foreign, security and defence policy (normally referred to as CFSP/ESDP) will the enlarged Union end up with?

Needless to say, answering such questions entails a strong element of guesswork, because actual membership may alter the expectations, the priorities and, ultimately, the behaviour of the former applicants. To a certain extent, the fact that membership became ever closer *already* altered their attitude and influenced their foreign policy decisions. Moreover, in a Union of 25 or more members, alliances and coalitions may easily shift according to the contingencies and the issues at stake. What can be assessed at this stage, therefore, is only what priorities, preferences, general attitudes and specific interests the current applicants are likely to

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bring into the present Union of 15. What happens after day one of accession is bound to remain a guessing game.

### Attitudes towards CFSP/ESDP

On the whole, enlarging (for the EU-15) or incorporating (for the acceding 10) the CFSP legal *acquis* hardly raised any problems, primarily as a consequence of its declaratory nature, the limited domestic adjustments it required, and the substantial lack of budgetary burdens for either side. In other words, the 'conditionality' that the EU applies with remarkable success to other policy areas played no significant direct role in this field, although it certainly had played one—since the Balladur Pact of 1994 (the first 'Stability Pact' proper)—on issues related to the treatment of national minorities, that often were also bilateral issues between candidates. In this respect, unsurprisingly, negotiating Schengen proved slightly trickier than negotiating CFSP.<sup>1</sup>

As for the European Security and Defence Policy (ESDP)—which basically covers civilian and military crisis management, is founded on the so-called 'Petersberg tasks' now enshrined in Art. 17 of the EU Treaty, but does not entail any legal *acquis* to incorporate into national legislation—all applicants from Central Europe reacted late and defensively to its launch in 1999. They hardly understood its rationale and, above all, feared that it could undermine NATO's internal cohesion and, more generally, drive the Americans out of Europe. Some of the applicants also suspected that involvement in ESDP might come as an alternative to future NATO membership or, worse, as a consolation prize for not being admitted into the Alliance (which was, instead, their main security policy goal). Conversely, for those candidates who were already NATO members, the key issue was notably the establishment of a clearly defined relationship with the Alliance whereby all relevant decisions would be taken at 15 + 6 (EU members plus other European allies), as a Polish non-paper famously demanded in February 2000.

In many ways and with varying emphasis, Budapest, Prague and above all Warsaw considered ESDP acceptable only as European Security and Defence Identity (ESDI) within or under the supervision of NATO. Furthermore, they did not appreciate the EU's initial approach, whereby they were simply included in the broader category of 'third countries', together with fellow non-allied candidates and such countries as Russia or Ukraine. Over time, however, their attitudes have evolved towards a warmer acceptance of ESDP on the condition that it turns into a positive-sum (rather than zero-sum) game between the Union and the Alliance. 'Atlanticist' reservations—such as Poland's—were toned down: the fear of potentially even higher hurdles to overcome on the road to accession—the Headline Goal set in December 1999 in Helsinki being initially seen as just another one—

<sup>1</sup> For an overview of the negotiations on CFSP-related matters cf. Antonio Missiroli, "EU Enlargement and CFSP/ESDP," *European Integration*, 25, 2003, pp. 1–16.

prompted a more constructive attitude on the applicants' side. Some residual ambivalence over the implications of ESDP is still there, however, and resurfaced dramatically on the occasion of the Iraq crisis in early 2003 [see below]—but it is not an exclusive trait of the Central Europeans.

### The military dimension: Missions and resources

In spite of their relatively short record of freedom of action (and, for some, of sheer independence) on the international scene, over the past few years all 8/10 Central European EU applicants have been increasingly engaged in peace support operations, mostly—but not exclusively—in the Western Balkans. That applies to IFOR/SFOR since 1996 (all involved), Operation 'Alba' in 1997 (Romania and Slovenia), and KFOR since 1999 (all but Latvia and Romania). As a rule, they have done so as modular components of bigger multinational units and under foreign command. Much as the contributions have been limited in absolute numbers and restricted in their functions, they have proved the willingness and ability of the applicants to participate and perform in Art. 17-type peace support operations. In late November 2000 the candidates also committed forces and capabilities to the so-called 'Headline Goal-plus', adding a few more at the Capabilities Improvement Conference held in November 2001. More recently, they have pledged to contribute also to NATO's Response Force as well as to the EU's "battle-groups" for UN missions—the relevant units being mostly (and inevitably) "double-hatted."

What is worth noting<sup>2</sup> is that in most acceding countries participation in NATO-led or EU-led missions is seen as a driving factor towards some sort of *role specialisation*. Such specialisation, of course, is about making virtue out of necessity: financial, technical and human resources are scarce and have to be channelled to and focused on viable objectives. This is all the more important since all the countries under consideration are in the process of overhauling and modernising their military forces: some had to get rid of over-manned and top-heavy force structures inherited from Warsaw Pact times (Bulgaria, Romania, and to a lesser extent Slovakia) while others, with a more recent record of national independence, had to set up credible forces almost from scratch (Slovenia and the Baltic states). Of the Central European EU applicants, in 2003 only the Czech Republic, Bulgaria and Romania met the target (set by NATO as an indicative benchmark) of 2 percent of GDP for expenditure on defence, while Poland, Lithuania and Slovakia almost attained it and Hungary and Slovenia were the laggards, but all pledged to increase spending in the years to come. Yet here, too, the picture is no different among the current EU member States.

<sup>2</sup> On all these issues see Michael Quinlan, "ESDP and EU Enlargement," in Esther Brimmer (ed.), *The EU's Search for a Strategic Role: ESDP and Its Implications for Transatlantic Relations*, Center for Transatlantic Relations, SAIS, Washington, DC 2002, pp. 23–34; Missiroli, *EU Enlargement ...*; and Timothy Edmunds, "NATO and Its New Members," *Survival*, XLV, 3, 2003, pp. 145–166.

Finally, similar constraints (and opportunities) apply to the new members' defence *procurement policy* proper. While most countries are still substituting or upgrading old equipment from the Soviet era, the need to become more interoperable with NATO allies and EU partners is putting additional pressure on public budgets and decision-makers. What is worth noting here, too, is that some evolution has occurred throughout Central Europe. Whilst in the late 1990s, tenders were almost regularly won by American firms (partly as a side-effect of the candidates' willingness to gain Washington's support in their bids for NATO membership), lately at least some officials seem to have adopted a slightly more balanced attitude. As a result, European companies seem to have more chances now, partly due to the prospect of EU membership but partly also to the offset programmes they may be able to offer.

### Approaches to European Security

Representatives of the 10 acceding countries were first involved in the proceedings of the Convention on the Future of Europe (late February 2002/mid-July 2003) as simple "observers." Then, in the ensuing Intergovernmental Conference (October 2003/June 2004), they have been endowed with voting rights as fully-fledged members. In both fora, one of their main worries has been that of *participation on an equal footing* or, seen differently, *non-exclusion* from common policies and decision-making bodies. Their concerns over a "two-tier" EU were probably made more acute by a series of institutional and/or political initiatives taken by some older member states, such as the push for "enhanced cooperation" on defence and military matters (currently ruled out by the Nice Treaty) and the abolition of the rotational presidency of the Union. In the end, however, a satisfactory compromise was reached and made it possible, in June 2004, to deliver the EU's Constitutional Treaty. Yet the issue of equal treatment (inside common institutions) and equal opportunities (to join common policies) holds extremely important for the newcomers, has an important bearing on CFSP/ESDP—if one considers the possible shape of and accession criteria to the fledgling armaments agency and/or "permanent structured cooperation" on defence—and is bound to remain on the front burner long after enlargement.

Another important issue is the *scope and outreach* of CFSP/ESDP. For historical as well as geographical reasons, none of the countries under consideration has significant overseas interests or extensions (with the exception of sizeable and often very vocal ethnic/national communities in the U.S.), let alone a colonial past. Nor do they have a commercial and diplomatic outreach comparable to that of most current member States. As opposed to previous enlargements, therefore, the forthcoming one will not entail a significant widening of the geographical horizons of the Union's external policies.

All applicants/newcomers, however, have a strong interest in the formulation of those external policies of the enlarged Union that might affect

their immediate vicinity. After all, some of them will become the new external frontier of the EU. The permeability and safety of the Eastern borders and all common “direct neighbourhood” policies will become vital interests and presumably shape their behaviour on CFSP and other relevant issues. The condition of national minorities, cross-border trade, visa regulations, energy and environmental issues, Balkan stability, relations especially with Belarus, Ukraine (a central Polish worry), but also Moldova (a key Romanian priority) and, of course, Russia will be cases in point—as they have already been, albeit marginally and indirectly, in the accession negotiations.<sup>3</sup> It remains to be seen whether, in doing so, they will try to formulate policies for and on behalf of the EU as a whole, or just try to influence existing ones in order to meet their own demands. As for the rest, however, the applicants’ conduct on CFSP and ESDP is likely to be mainly passive and reactive: they are likely to align themselves with the prevailing consensus among the old members on matters of secondary importance to them, and possibly to look at ways to increase their bargaining power inside the Union.

Last but by no means least comes the issue of *NATO and transatlantic relations*. As already mentioned above, all 10 candidates from Central Europe pushed and keep pushing for a clear understanding (and a more or less explicit hierarchy) between the Alliance and the Union: they do not want to be forced to choose between Washington and Brussels (as synonym for the EU) on security matters. This explains why they welcomed with warmth and also relief the so-called ‘Berlin-plus’ agreement sealed by the EU and NATO in mid-December 2002, after almost three years of difficult negotiations, as well as the deal on planning for crisis management reached in December 2003. Per se, their markedly ‘Atlanticist’ orientation—as abundantly proved also by opinion polls—will add next to nothing to the overall spectrum of existing positions among the current EU members. After accession, however, it may slightly tip the internal balance of the Union in that direction, although, once again, actual membership may change the perception of national interests and shape new loyalties. Furthermore, there are various shades of ‘Atlanticism’ also among the EU newcomers, with Poland and the Baltic States on top, Hungary, the Czech Republic and Slovakia somewhere in the middle, and Slovenia at the bottom. Interestingly, such shades often match the intensity of anti-Russian sentiments, as also proved—a *contrario*—by the general inclinations of Malta and especially Cyprus, where the blend is rather different.

Of course the decision, adopted by the Atlantic Council at its Prague summit in November 2002, to invite seven more Central European countries to join the Alliance by April 2004 reinforced their ‘NATO-first’ approach, at least in the short term. This is obviously all the more true of

<sup>3</sup> See Anatol Lieven, Dmitri Trenin (eds.), *Ambivalent Neighbors: The EU, NATO and the Price of Membership*, Washington, DC: Carnegie Endowment for International Peace, 2003; Roland Dannreuther (ed.), *European Union Foreign and Security Policy: Towards a Neighbourhood Strategy* (London–New York: Routledge, 2004). Cf. also Dov Lynch, *Russia Faces Europe*, Chaillot Paper no. 60 (Paris: EU Institute for Security Studies, 2003).

Bulgaria and Romania, who have just entered NATO but will join the EU only later. Once in and the realities of membership apparent, however, their attitude may shift towards a more balanced assessment of priorities and goals, considering also that the EU (as opposed to NATO) is a 'multi-level' political system in which bargaining for trade-offs and package deals occurs across the entire policy board: between single market norms and agricultural quotas as much as between structural aid and ESDP operations, let alone the overall institutional and budgetary issues. On top of that, frictions may emerge between the EU and the U.S. in trade matters, or even at the bilateral level (as shown e.g. by the recent Polish-American dispute over visa regulations), which may alter the perception of national interests in the new member states and induce a partial rebalancing of strategic orientations.

### The Iraq Crisis—and after

The events of early 2003, on the occasion of the infamous transatlantic and intra-European dispute over Iraq, can be seen as textbook-like evidence of all this. In fact, all the Central European countries basically sided with the U.S. against what they considered as a Franco-German attempt to rally the EU (or just speak on its behalf) *against* the Americans and split NATO. Much as their respective public opinions sounded more skeptical vis-à-vis the reasons for waging war on Iraq, the heads of State and government of the EU newcomers joined in the exercise of "op-ed diplomacy" that displayed European divisions in the international press. Europeans appeared divided also within the UN Security Council, with Germany siding with France (and Russia), Spain and Bulgaria with Britain. This dramatic split<sup>4</sup> was followed by Poland's decision to fight the Iraq war as only other actual European "belligerent" country alongside the UK (Denmark was technically one too). Once the war was over, a Polish contingent took direct military control of a limited region in South-Central Iraq, albeit with some assistance from NATO's SHAPE and financial support from Washington. Finally, most of the acceding countries criticised (albeit not too vocally) the joint initiative by France, Germany, Belgium and Luxembourg to set up separate military headquarters for EU-led operations—the so-called "Tervuren" blueprint—that further animated the intra-European debate between April and September 2003.

Interestingly, however, the 2003 crisis over Iraq did not prevent the EU15 + 10 to work well together in the Balkans: almost all current and future member States, in fact, actively participated in the first two peace support operations led by the EU, namely the police mission in Bosnia and Herzegovina (EUPM) and 'Concordia' in the Former Yugoslav Republic of Macedonia (FYROM), the first ever EU military operation broadly conducted within the 'Berlin-plus' framework.

<sup>4</sup> Cf. all the relevant documents in Antonio Missiroli (comp.), "From Copenhagen to Brussels: European Defence—Core Documents," Vol. IV, *Chaillot Paper* no. 67 (Paris: EU Institute for Security Studies, 2003), pp. 343 ss.

Since 2003, the intra-European rift has been somewhat mended, displaying also a better understanding among Western Europeans, as proven by the deals jointly drafted by France, Germany and Britain on ESDP (the headquarters for EU-led operations, the initial shape of the EU armaments agency, the mutual assistance clause and the ‘structured cooperation’ article + protocol in the draft constitutional treaty), and mostly welcomed by all the acceding countries.<sup>5</sup> Paradoxically, however, notably the signature of the framework agreements on security and military cooperation between the EU and NATO ahead of the two enlargements may have deprived the Central European newcomers of a crucial strategic asset in the internal EU game. Indeed, there now seems to be less political capital to make from adopting a staunchly pro-American stance inside the Union (whereas there still is some inside the Alliance). As a result, the acceding countries may rather come to look at the UK as their partner of reference in CFSP/ESDP matters and/or whenever intra-EU cleavages tend to replicate the 2003 Iraq divide—as it happened in mid-June 2004 over the choice of the new President of the European Commission, when the EU-25 split along similar lines to those created by the war against Saddam Hussein.

Last but not least, some disillusionment over Iraq seems to have emerged even in the Central European countries, especially since the spring of 2004. The Polish President Aleksander Kwasniewski complained openly about having been “duped” over the WMD threat, and the number of troops and countries actively engaged on the ground has hardly increased since the summer of 2003. Even their call for NATO to be comprehensively involved on the ground in Iraq can be read both ways: as just more evidence of their deep-rooted ‘Atlanticism’, but also as an indirect demand for a less unilateral approach to post-war reconstruction and peace-building in the region.

## Two enlargements, many challenges

The current enlargements of NATO and the EU have been completed exactly at the same time, between late April and early May 2004. As a result, NATO now counts 26 members and the EU 25, 19 of which are in common. With the EU accession of Bulgaria and Romania, the latter will rise to 21, with Croatia and possibly FYROM waiting in the wings of both organisations. In organisational terms, the most obvious benefit will be the increased -overlapping membership. The most obvious cost will be the increasing complexity of consensual decision-making within each organisation. A strategic gain, in other words, may be offset by a functional loss. It is not by accident that both organisations are seriously thinking of making their decision-making procedures and operational structures more flexible—whatever that may end up meaning.

Furthermore, the EU and the NATO that the Central European applicants have just entered are very different organisations from those they set

5 Cf. the relevant documents in Missiroli (comp.), “From Copenhagen,” pp. 283 ss., 445 ss.

out to join a decade ago. Over the past years, in fact, they have both become moving targets. The Union has acquired a more ambitious foreign and security policy—including a specific defence dimension—and is gradually becoming a single-currency area. Diplomacies, armies and currencies (however 'pooled') are quintessential features of national sovereignty, well beyond the constraints and opportunities of a protected free trade area and a single market, and most of the EU entrants have a strong national identity and (re)gained their full national independence only a few years ago. This combination may occasionally create attrition, misperceptions and backlashes in their future relations with Brussels, although most Central European countries tend to see multilateral organisations as the most appropriate framework for the defence of their 'national' interests.<sup>6</sup> What is clear, however, is that some disillusionment has emerged also over the EU, as the worrying low turnout at the elections for the first post-enlargement European Parliament on 13 June 2004 dramatically showed,<sup>7</sup> along with the success of populist parties—indeed no exclusive feature of the new member states, but particularly striking in Poland.

For its part, the Alliance has first gone to (limited) war in Kosovo, then refrained from making full use of those Art. 5 guarantees that have long been seen as its main *raison d'être*—lately, in particular by the new entrants—and is now planning to take over a more global role, in Afghanistan and possibly elsewhere. Instead of serving two distinct and separate purposes—economic prosperity vs. hard security—the EU and NATO have increasingly come to cover the same tasks in the same geographical area, while CFSP/ESDP lies exactly at the functional juncture of the two organisations. The paradox is that, for the newcomers, the Alliance and the Union have definitely served two parallel (albeit mutually compatible and even reinforcing) goals. NATO has helped them feel more secure and protected, reform their security sector and modernise their armies. The EU has provided them with the necessary legal framework and financial assistance for reforming their economies and societies. And both have given them, at last, a sense of belonging and being back into the Western *and* European fold. This is why, sometimes, they seem to have a hard time grasping the nature and scope of certain transatlantic and/or intra-European disputes.<sup>8</sup>

<sup>6</sup> See Heather Grabbe, "The Constellations of Europe: How Enlargement Will Transform the EU," *CER Pamphlet* (London, April 2004).

<sup>7</sup> In all eight Central European countries turnout was well below the average in the old EU15 (28 vs. 47 percent). Only in Lithuania, mainly thanks to the presidential elections held on the same day, did it attain 46 percent, followed by Latvia (41.2) and Hungary (38.5)—while Slovakia (16.6 percent) recorded the lowest turnout throughout the Union, followed by Poland (20.4).

<sup>8</sup> See Pal Dunay, "Boxes: Why CFSP and ESDP Do Not Matter Much to EU Candidate Countries," *RSC Policy Paper No. 01/5* (S. Domenico di Fiesole, EUI, 2001); Paul Luif (ed.), "Security in Central and Eastern Europe: Problems, Perceptions, Policies," *Laxenburg Papers no. 12* (Vienna 2001); and Franciszek Draus, "L'Europe élargie peut-elle être un acteur international influent? Les PECO et les finalités politiques de l'intégration européenne," *Etudes et Recherches No. 32* (Paris: Notre Europe, February 2004).

Finally, some remarks on *the EU proper*. A few years from now the current EU enlargement process will be completed—with the possible (and sizeable) exception of Turkey, and with a big question mark over the Western Balkans, whose States are officially considered as “potential candidates.” By then, in fact, enlarging the Union further will have become a completely different ball game. As a security policy ‘by other means’, in fact, enlargement has been effective only inasmuch as it could exercise some strict ‘conditionality’: if eventual EU membership is not in play, managing relations with neighbouring countries may become much trickier. On the one hand, shutting the Union’s door once and for all may foster feelings of exclusion on its immediate periphery and trigger instability across EU borders. If only for this reason, most of the new members—as opposed to most of the old ones—are in favour of keeping that door wide open. On the other hand, a certain enlargement fatigue may ensue after the current wave of entrants and postpone or even hamper any future re-opening.

Moreover, the Union—unlike the Alliance—cannot blur the distinction between membership and simple association or partnership, as it successfully happened with NATO’s Partnership for Peace programme. Joining the EU is a complex, lengthy and often painful process of mainly domestic adjustment that requires a high level of acceptance on both sides and cannot be undertaken with and through half-measures. While applicants consider the EU as both a vehicle for change and an end-goal, the EU basically sets incentives for reform and rewards success. Yet if the big prize of full membership is not on offer (as it cannot be, in the absence of reform and success), incentives and rewards do not work—thus creating a potential ‘catch 22’ situation in certain parts of the Balkans and Eastern Europe.

Finally, keeping the door constantly open to possible new entrants ultimately makes the definition of a common security and especially foreign policy ‘in its own right’ a bit elusive. Even leaving aside the thorny issue of Turkish accession, will policy towards, say, Ukraine, Israel or Morocco be determined primarily by a perspective of membership (however far) or by more normal bilateral relations (however friendly)? And what is going to be the link between the EU’s policy towards its immediate geographical neighbourhood—the newly approved Security Strategy drafted by the High Representative for CFSP, Javier Solana, speaks of a ring of “well-governed” countries<sup>9</sup>—and such global challenges as the terrorist threat, the promotion of human rights, climate change or the spread of infectious diseases? Much as some progress has recently been made on counter-proliferation, immigration controls, and the political ‘basket’ of EU relations with Southern Mediterranean neighbours, there still is a long way to go towards a well-rounded and fully coherent CFSP.

European integration has often proceeded by virtue of open-ended commitments and ambivalent formulations, ‘constructive ambiguity’ being the (mostly unspoken) name of the game. Even the current enlargement

<sup>9</sup> Cf. “A Secure Europe in a Better World,” EU Security Strategy, released at the European Council held in Brussels, December 12–13, 2003 (also in Missiroli, “From Copenhagen,” pp. 160 ss., 324 ss.).

has started out in a similar way and is now coming to a relatively happy end. From now on, however, addressing the issue of the foreseeable borders of the enlarged Union—and NATO too, for that matter—may prove crucial for the credibility and effectiveness of its external action as well as for its own future security.<sup>10</sup>

**10** See Jan Zielonka (ed.), *Europe Unbound: Enlarging and Reshaping the Boundaries of the European Union* (London–New York: Routledge, 2002); Judy Batt et al., “Partners and Neighbours: A CFSP for a Wider Europe,” *Chaillot Paper* No. 64 (Paris: EU Institute for Security Studies, 2003); and William Wallace, “Looking after the Neighbourhood: Responsibilities for the EU-25,” *Policy Paper* No. 4 (Paris: Notre Europe, July 2003).

## CEE and the End of the CFSP

Robin Shepherd\*

Consider the following three episodes involving the Central and East European (CEE) accession countries and the European Union. Early last year, just prior to the invasion of Iraq, all eight of the (soon to be) new members of the European Union signed letters giving their explicit support to the further continuance of the trans-Atlantic relationship and to U.S. objections to Saddam Hussein's refusal to comply with United Nations (UN) resolutions. That explicit support for the United States also carried with it the implicit rejection of Franco-German-led opposition to the Bush administration's Iraq policy. Secondly, consider the fiasco at last December's European Union summit. Poland, it will be recalled, along with Spain, successfully led opposition to Franco-German efforts to revise the Nice Treaty of 2000 and cut Poland's voting powers in key EU institutions. Finally, note the shambolic turnout in the June 2004 European Parliamentary elections. In Poland turnout was barely more than 20 percent. In the Czech Republic it was less than 30 percent. In Slovakia it was less than 17 percent. Overall, turnout in the CEE countries was roughly half of what it was in the older members of the European Union. What do these three episodes tell us about the relationship between the CEE countries, the United States and the Common Foreign and Security Policy (CFSP), and about the CFSP itself?

Episode one needs more qualification than it is usually given. The eight CEE leaders signing up to the letters of support for the United States did so in the absence of popular approval. Public opposition to the Iraq war ranged between 60 and 80 percent across all of the countries of the region. The fall of the Spanish government following the Madrid bombing and the subsequent *volte-face* on Iraq by the new government provides one clear example of how careful we need to be in drawing hard and fast conclusions about a nation's foreign policy inclinations based solely on the attitude of the government of the day. That said, however, it is also true that voters rarely make foreign policy their top priority in deciding for whom to vote. Neither, in talking to opinion pollsters, do they express their views on foreign policy in the context of actually being responsible for national security. Because the public is usually more concerned with domestic issues such as jobs, wages, hospitals and pensions, national elites may have something of a free hand on foreign policy initiatives, at least up until the time when the body bags start coming home in large numbers. The fact that there was strong public opposition to the Iraq war in all eight countries of the region does not therefore, in itself, detract from the

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significance of the support offered by the governments. It seems sensible to conclude that the ease with which the United States was able to garner monolithic support from all eight of the EU accession countries (plus Bulgaria and Romania, staunch allies who hope to join the EU in 2007) does say something significant about the way in which the former communist countries' elites view the trans-Atlantic relationship. Broadly, their stance suggested that they view that relationship as highly important to them and to their strategic interests. The point is reinforced with the recognition that the CEE states knew full well that they were going to make enemies by their actions in Paris and Berlin. The letters were not presented to these countries in the form of a cost free deal. By way of further qualification it also seems reasonable to acknowledge that the firmness of the support for the United States in the region appears to be at least partly proportional to the country in question's proximity to Russia. The rise of aggressive nationalists in Russia's December parliamentary elections, combined with the de-facto end of the "democratic experiment" in Russia which the conduct of those elections heralded, cannot be viewed with equanimity by governments sitting in Tallinn, Riga, Vilnius or Warsaw, though it may be seen as less threatening in Ljubljana. The security guarantee offered by the trans-Atlantic relationship is something that most, though not necessarily all, of these countries have good reasons to value. The overall lesson to be taken from the signing of the two letters, mindful of the qualifications cited above, remains that the accession of the CEE eight does indeed add a new, pro-Atlanticist dynamic into the EU policy forum.

The second and third episodes, appear at first sight to have nothing to do with foreign policy. In reality, they provide evidence that the CFSP is now dead and buried as a viable policy initiative.

In December last year, Poland refused to compromise on a new European "constitution" though it did make concessions at the EU summit on June 17-18, 2004. The point, however, is that Poland in both cases showed that it could, if it wished, stop the Franco-German locomotive in its tracks. In the first instance it chose to do precisely that. In the second, it chose (under pressure of course) not to stop the train but to help alter its direction. Since CFSP requires unanimity among nations to become viable, the machinations over the constitution provide a useful illustration of the enormous difficulty France and Germany will have in shaping a European foreign policy in their own image, something which in current circumstances is clearly a great bonus for the United States. The letters of early 2003 showed that the CEE eight were talking a different political language from some of the more powerful, older members of the EU. The wrangling over the constitution showed that at least for the most important country among the CEE eight, Poland, they were strong enough to make a real difference to outcomes in the European policy domain. Broadening the point, the accession of the CEE eight effectively entrenched the notion of a Europe of shifting alliances in which the old Franco-German double act is no longer sufficient to win the day. It takes Europe further away from not

closer towards the kind of unified alliance of nation states which is the true pre-requisite to a meaningful foreign policy from the European Union.

This brings us around to the last episode referred to above and helps us complete the picture.

The abysmal turnout at the European Parliamentary elections, especially in the CEE eight, showed for all to see that the people of Europe understand their priorities and loyalties at the national not the pan-European level. Even those who did bother to turn out and vote used the occasion to protest against domestic governments or to register their opposition to the whole concept of a European Union. The elections to the European Parliament in June 2004 provided final proof that there is no shared European political identity, no sense of collective togetherness, no European "Demos."

In so far as concerns were raised in Washington last year that the expanded European Union may one day emerge as a rival power bloc to the United States, recognition of the significance of this reality should help to calm nerves. Indeed, those commentators suggesting it was now in America's interests to see a "disaggregation" of the European Union could not have been more mistaken. The expansion of the European Union ensures that the core, shared identity necessary to serve as a foundation for a Europe united enough to play a major role in world affairs is certain not to emerge. In reality, there was no indication that it would have emerged in the absence of expansion. But expansion both literally and figuratively greatly magnifies the nature and reality of what the European Union really is and what it really is not. In short, expansion means dilution.

It is worth dwelling on this point. Discussion of the future (or lack of one) for the CFSP is all but pointless in the absence of a thorough appreciation of the core problem of identity formation in the European Union. Do architects elaborate plans for magnificent new buildings without considering the kind of ground on which their masterpiece is to be constructed? If not, then why do political commentators believe they can sensibly discuss political policy making without first looking closely at the basis on which that policy is to be constructed?

The limits of what could be achieved in terms of European foreign policy making are defined by the political identity of Europe and more specifically by the fact that that no serious sort of political identity exists beyond the boundaries of the nation state. Of course, the EU can (and frequently does) make play over the fact that its members often vote together on foreign policy questions at the UN. But the CFSP does not become a serious proposition just because EU members can agree on policy towards the Comoros Islands, say, or the fate of penguins in the Arctic regions of Canada! With three neutral countries and one non-aligned country among its members, the EU cannot even agree on a viable mutual self-defence arrangement whereby all EU members will guarantee to use force to protect their fellow members in the event of armed attack. On the

serious issues, Europe simply lacks the wherewithal to produce meaningful foreign policy initiatives. To be sure, European Union countries can sometimes agree on major issues of global concern such as Iran's nuclear power programme or the broad need for a two state solution to the Israeli-Palestinian conflict. But the fact that nations agree on this or that foreign policy issue in no way means that their foreign policy is *common* in any sense which is different from the way in which European nations sometimes agreed on foreign policy issues before the European Union came into existence.

With all this in mind, the significance of the accession of the eight former communist CEE countries to the European Union on May 1, 2004 appears to be two-fold. Firstly, it is true that the United States can expect a more friendly reception in the east of the continent than in some parts of the west. Quite apart from the security concerns of the CEE eight over Russia, anti-Americanism is not a feature of political life in these countries in the same way that it is in some countries in the west of Europe. With the anti-capitalist Left having been thoroughly discredited, especially among the opinion forming classes in the CEE countries, there is no significant ideological energy to fuel anti-American sentiment. There are, of course, people and politicians who dislike the United States. But their anti-Americanism is unable to hook into a significant strain of political thinking. It is desultory and disorganised. The second lesson is the more significant. The accession of the CEE eight (plus Malta and Cyprus) gives us a much clearer picture of the kind of European Union we are going to be dealing with. The sheer size of the new, 25 nation club will lead to a sobering up process in which those European idealists who genuinely, though usually quietly, have been pushing for the construction of a European superstate will have to step aside. This does not mean they will do so immediately. Franco-German efforts to unify corporate tax rates across the European Union provide one recent example of the way in which the "euro-enthusiasts" will keep trying to promote their cause. But the fact that those efforts failed so spectacularly (even the European Commission called them "a lot of hot air") is just one of the first indications of the way things are going to develop in Europe. The Common Foreign and Security Policy will go the same way, and the expansion of the European Union on May 1 makes that a certainty.

**Wider Europe:  
New Frameworks and Instruments for  
Dealing with the EU's New Neighbors**



# EU Neighborhood Policy and Transatlantic Relations: Focus on “Wider Europe”

Michael Baum\*

## Introduction

This paper examines the implications of European Neighborhood Policy (ENP)<sup>1</sup> for U.S. interests and transatlantic relations. Its main focus is Eastern Europe, especially Belarus, Ukraine, and Moldova, and the term “Wider Europe” is used mainly in reference to these three countries and Russia. After briefly discussing U.S. interests in Wider Europe, the paper examines some possible areas of U.S.–EU collaboration and conflict in the region. It concludes with a brief comparison of Wider Europe with other neighborhood regions from the perspective of transatlantic relations.

## U.S. interests in Wider Europe

U.S. interests in Wider Europe are determined by America’s general national security and economic interests and informed by its basic democratic values.<sup>2</sup> In particular, they are shaped by the broader contexts of the post-9/11 “war on terrorism” and geo-strategic relations with Russia. While Europe has become less strategically important for the U.S. since the end of the Cold War and especially 9/11, the U.S. still has significant interests in Eastern Europe. These include:

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**1** ENP aims at creating a “ring of well-governed” and friendly countries around the eastern, southeastern, and southern peripheries of the enlarged EU. It offers partner countries the opportunity to develop a “privileged relationship” with the EU that rewards them—through greater access to the Single Market, enhanced political dialogue, participation in some EU programs, and increased EU financial and technical assistance—for progress in adopting EU values and standards. The key ENP documents are European Commission, “Wider Europe-Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours,” Communication from the Commission to the Council and the European Parliament, Brussels: March 11, 2003, COM(2003) 104 final; and “European Neighbourhood Policy: Strategy Paper,” Communication from the Commission, Brussels: May 12, 2004.

**2** Except where otherwise noted, the information on U.S. policy in the next two sections comes from the following official sources: U.S. State Department, “Background Note: Belarus,” November 2003; “Background Notes: Moldova,” February 2004; “Ukraine’s Future and U.S. Interests,” Steven Pifer, Deputy Assistant Secretary for European and Eurasian Affairs, Testimony Before the House International Relations Committee, Subcommittee on Europe, Washington, DC, May 12, 2004; “The Administration’s Priorities for Europe,” A. Elizabeth Jones, Assistant Secretary for European and Eurasian Affairs, Testimony Before the House International Relations Committee, Subcommittee on Europe, Washington, DC, March 3, 2004.

- ▶ *Political stability.* Stable and effective governments are necessary to prevent the Eastern European countries from becoming political “black holes” that could become havens for terrorist groups or supporters of “rogue” regimes. Political instability and governmental ineffectiveness also contribute to the problem of transnational organized crime that could have negative security consequences for the U.S., especially in the areas of money laundering and the trafficking of persons, arms, and drugs. Resolution of the “frozen” conflict in the separatist Transnistria region of Moldova is a particular concern.
- ▶ *A politically independent Ukraine.* An independent Ukraine that is increasingly westward oriented and integrated into European and Euro-Atlantic institutions is a key element of U.S. strategy for preventing the reassertion of Russian dominance in the region. It is also a potentially significant global security partner of the U.S. Ukraine has supplied troops for the Afghanistan and Iraq operations, and could play a larger role in international peacekeeping activities in support of U.S. and NATO objectives in the future. It could also become an important U.S. ally within international organizations such as the UN and OSCE, and potentially NATO.
- ▶ *Economic access.* Economic development and prosperity will not only underpin the political stability of these countries, but also create trade and investment opportunities for American companies and entrepreneurs. The U.S. is keen to integrate these countries, particularly Ukraine, into the WTO and maintain access for American economic actors to these developing markets.
- ▶ *Democracy and human rights.* The spread of democracy, the rule of law, and respect for human rights are important bases of political legitimacy and stability. Democratic governments are also more likely to be friendly and cooperative partners of the U.S. Support for democratic values is also part of the American identity and self-image, and thus are promoted by the U.S. for their own sake.

## Russia

Russia is obviously a key country in the region with a large impact on U.S. interests in Wider Europe. The U.S. favors Russia's continued democratic development and the further development of its economic resources and potential, from which the U.S. hopes to benefit as a major trade and economic partner. The U.S. is also anxious to secure Russia's continued collaboration in the “war on terrorism” and its cooperation in international organizations such as the UN. With regard to Wider Europe, the U.S. has demanded that Moscow respect the sovereignty and territorial integrity of its neighbors in the former Soviet space, arguing that good relations with Russia and integration into Euro-Atlantic institutions are not incompatible goals for these countries. A primary U.S. interest, therefore, is to prevent Russia from reasserting a dominant role in Eastern Europe.

## The U.S. role in Wider Europe

In view of these interests, how can the U.S. contribute to the building of Wider Europe? First off, it must be said that the U.S. generally supports the ENP initiative and views it as largely congruent with American interests in the region. The U.S. supports the increased integration of the Eastern European countries into European and Euro-Atlantic institutions, believing this will promote stability, prosperity, and security in the region. U.S. policy is thus consistent with historical American support for European integration and, more recently, the EU’s eastern and southeastern enlargement.

With the U.S. security and strategic focus directed elsewhere, mainly the “Greater Middle East” and Central Asia, Washington is willing to let the EU take the lead in promoting stability and security in Wider Europe. It also recognizes that the EU’s geographical proximity and economic weight make it the dominant player and natural leader in this region, at least in terms of the transatlantic partnership. However, the U.S. is not willing to delegate full responsibility to the EU for relations with this part of Europe, and it wants to retain an important influence and role. In other words, the U.S. wants to be an active partner of the EU in Wider Europe. Key areas of current and possible future U.S.–EU collaboration include:

### Belarus

Both the U.S. and EU have condemned the political repression and non-democratic practices of the Belarus government and exerted pressure for reform. In March 2004, a joint U.S.–EU mission visited Minsk and expressed “deep concern over the deteriorating democratic situation in the country,” and noted “with regret that Belarus has failed conspicuously to make progress towards its OSCE commitments [on human rights and democracy] and thereby realizing an improvement in its relations with the European Union and the United States.”<sup>3</sup> In April 2004, the U.S. and EU jointly introduced a resolution to the UN Human Rights Commission calling on the government of Belarus to undertake political and human rights reforms.<sup>4</sup>

The U.S. policy of “selective engagement” with Belarus, which limits the access of government authorities to U.S. government officials at the Assistant Secretary level and below and restricts U.S. assistance to the Belarus government, basically supports the EU’s own “step-by-step” approach to relations, in place since 1999, whereby political and economic sanctions

<sup>3</sup> U.S. State Department, “U.S., EU Undertake Joint Mission to Belarus,” Press statement released on March 19, 2004.

<sup>4</sup> U.S. State Department, “U.S., EU Call on Belarus to Respect Human Rights of its Citizens,” Press release and text of statement by Ambassador Richard Williamson, Head of U.S. Delegation to UN Human Rights Commission, April 15., 2004

will only be gradually lifted upon the fulfillment of political reform benchmarks set by the OSCE.<sup>5</sup>

### **Moldova**

The U.S. and EU have both supported the efforts of the Moldovan government to peacefully resolve the “frozen” Transnistria conflict in cooperation with Russia, Ukraine, and the OSCE. In February 2003, responding to an EU initiative, the U.S. and EU jointly announced the imposition of travel restrictions on senior leaders from the Transnistria region. The U.S. has also pressed Russia to remove large stocks of weapons from the disputed region, fearing that these could fall into the hands of terrorist groups or unfriendly regimes.

In contrast to Belarus, the U.S. has taken more of a leading role on the Transnistria issue, owing to the EU's lack of military capabilities and greater U.S. credibility in dealing with Russia on security issues. The high level of U.S. engagement in Moldova, stemming mainly from post-9/11 concerns about terrorism, is reflected in the fact that the last four OSCE ambassadors to Moldova have been Americans. By contrast, the European Commission does not yet have an official presence in the country, instead maintaining a single Delegation office for Ukraine, Moldova, and Belarus in Kiev.

### **Civil society and democracy**

The U.S. is a major supporter of building democracy and civil society in the Eastern European states. Together with the EU and other European governments and multilateral organizations, it has pressed all countries in the region to ensure free and fair elections. It has also provided considerable financial aid and technical advice for the promotion of democracy and civil society, through such bilateral programs as the Freedom Support Act (FSA) and funds from a variety of other government agencies and programs. U.S. assistance has also supported such objectives as improved healthcare, law enforcement, nuclear safety, educational exchanges, agricultural reform, and the transition to a market economy. U.S. support for democracy and civil society, as well as social and economic development more broadly, can only reinforce EU efforts in the same direction, and ultimately assist in the building of Wider Europe.

### **Military security**

As a military superpower and the leading country in NATO, the U.S. is in a strong position to assist the Eastern European states on military and security issues. The U.S. aims at drawing these states increasingly into the

<sup>5</sup> U.S. State Department, “Background Note: Belarus,” November 2003; European Commission, “The EU's Relations with Belarus: Overview,” DG External Relations website, February 2003, <[http://europa.eu.int/comm/external\\_relations/belarus/intro/index.htm](http://europa.eu.int/comm/external_relations/belarus/intro/index.htm)>.

NATO framework, initially through the Partnership for Peace (PfP) program (of which all are members) but eventually perhaps full membership. NATO and Ukraine have signed (in July 1997) the “Charter on a Distinctive Partnership,” which provides, among other things, for dialogue about the requirements of membership. The U.S. also provides Ukraine with assistance in restructuring its military in ways that will allow it to play a greater role in regional and global peacekeeping activities, including increased inter-operability with U.S. and NATO forces. Similar military-to-military cooperation exists with Moldova, and could be extended to a democratically reformed Belarus in the future.

Through assistance provided by the Cooperative Threat Reduction (CTR) program since the mid-1990s, the U.S. has helped the governments of Ukraine and Belarus transfer Soviet-era nuclear weapons to Russia and eliminate other WMD threats (although CTR assistance to Belarus was suspended in 1997 because of its poor human rights and democracy performance). The future establishment of U.S. military bases in NATO member countries in Eastern and Southeastern Europe could also enlarge the U.S. role in providing security for this part of Europe.

### **Russia**

The U.S. goal of preventing the reassertion of Russian dominance in Eastern Europe and discouraging Russian intervention in the sovereign affairs of neighboring countries in the former Soviet space can only benefit the EU’s efforts in Wider Europe, including the establishment of peaceful and cooperative relations with Russia.

### **Potential conflicts**

While there is fertile ground for greater collaboration between the U.S. and EU in Wider Europe, ENP also poses a number of possible challenges for the U.S. Among the potential areas of friction are:

### **Trade and economic relations**

In principle, the U.S. should benefit economically from the integration of Eastern European countries in to the EU economic area. The increased economic stability and prosperity that results should create new opportunities for American exporters and investors. What is worrisome, however, is the possibility that the establishment of “privileged” economic relations between the EU and neighboring countries could have discriminatory effects for U.S. economic interests. The U.S. could attempt to offset these through special bilateral trade and investment deals with these countries, similar to the ones it signed with the central and Eastern European countries in the 1990s, but it is an open question whether the EU might use its leverage with partner countries to discourage such arrangements.

Ultimately, the U.S. must be concerned that ENP does not evolve into something like an EU Monroe Doctrine leading to the creation of a zone of influence from which the U.S. is at least partially excluded, both economically and politically. While this outcome is unlikely, it cannot be totally ignored. The exact nature of the "privileged relationships" to be created by ENP and the proposed European Neighborhood Agreements remains to be determined, but the content of these agreements will have to be scrutinized carefully to ensure that they are consistent with WTO principles and not unfairly harmful to U.S. economic and political interests.

### **Russia**

The U.S. has tended to be tougher than Europe on Russia in the past, the result of greater geographical distance and great power rivalry. The fundamental bases of their relations with Russia are different. While the U.S. views Russia mainly as a potential geo-strategic partner or rival on the global stage, the EU views it as a valuable economic partner and source of energy, and as a potential stabilizing or destabilizing factor in Wider Europe region. While both the U.S. and EU are pursuing a policy of cooperation and partnership with Russia, it is not inconceivable that the EU's desire for a closer relationship with Russia within the European neighborhood could conflict with a more hard-line and strategically-oriented American view.

Conflicting views on Russia could also embroil the U.S. in internal EU politics. Enlargement has added a group of new member states that remain highly suspicious of Russia and wary of developing too close of a relationship with their former dominator. This could result in divisions within the EU over policy towards Russia, with the new member states generally favoring a tougher stance than older member states such as Germany and France. As the Iraq conflict has shown, the new member states are also generally more Atlanticist in orientation, partly because they view close ties to the U.S., and its hard security capabilities, as the best guarantee against the possible resurgence of Russian power in the future. Divisions over Russia policy, therefore, could draw the U.S. into internal EU politics, or invite U.S. efforts to exploit them, thus generating increased tensions in transatlantic relations.

### **EU Enlargement**

In a similar vein, tensions in U.S.-EU relations could emerge from U.S. pressure on the EU to do more to integrate Eastern European countries into the Euro-Atlantic zone. ENP has been conceived in part as a means of deflecting further applications for EU membership from neighboring countries. In presenting the Commission's ENP "Strategy Paper" in May 2004, Enlargement Commissioner Günter Verheugen warned against a new debate on Europe's borders, declaring: "it is obvious that for a relatively long time to come, the western border of the former Soviet

Union will be the eastern border of the European Union, with the exception of the Baltic countries, which are members of the EU.” He emphasized: “Membership is not on our agenda for these [neighborhood] countries. Full stop”.<sup>6</sup>

However, it is possible that down the road the U.S. could press the EU to give the Eastern European countries, particularly Ukraine, a firmer prospect of membership, to ensure their inclusion in the Euro-Atlantic zone and overlap with eventual NATO membership. This would be consistent with past U.S. pressure on the EU to include the central and Eastern European states and Turkey. While this pressure was often deeply resented by the EU, it served U.S. objectives by expanding the Euro-Atlantic zone and bringing into the EU a group of largely pro-American countries.

Any U.S. pressure for further enlargement would no doubt meet with strong resistance from the EU. However, it would also coincide with the views of some member states, especially Poland, which for its own economic and security reasons has been pushing for a more open EU eastern policy. Further eastward enlargement is clearly not in the cards for the foreseeable future, but it could eventually emerge as an issue that divides the EU and invites U.S. involvement in internal EU politics.

### **Beyond Wider Europe: ENP and other neighborhood regions**

The analysis in this paper does not necessarily extend to other regions of the EU neighborhood that are addressed by ENP. These regions pose quite different problems stemming from their different geographical proximity to Europe, cultures, economic and political conditions, strategic settings, and relations with the EU and U.S. In these regions, especially the Middle East and southern Caucasus, the U.S. is a much more important actor because of its strategic interests and military power.

The Wider Europe model is perhaps most relevant to northern Africa (especially Morocco, Algeria, and Tunisia), because of the region’s geographical proximity to Europe, close economic and social ties with some EU countries, and immigration and migration patterns linking it to Europe. Other than Eastern Europe, it is with this region that the EU probably has the best chance to build the dense network of common ties and shared spaces that will allow it to export stability and prosperity. Except perhaps through greater NATO involvement and the extension of PfP-type arrangements to these countries, the U.S. role in this region is likely to remain secondary.

In the southern Caucasus, despite the proclaimed EU ambitions of Georgia, Armenia, and Azerbaijan and their membership in Euro-Atlantic and European multilateral organizations (OSCE, Council of Europe, PfP), the dominant powers are the U.S. and Russia. In fact, the U.S. has pressed the EU to play more of a role in the southern Caucasus, and to include this

<sup>6</sup> Euractiv.com, May 13, 2004.

region in its developing neighborhood strategy.<sup>7</sup> A growing EU presence in this region would create new opportunities for U.S.-EU collaboration in promoting stability and security.

The Middle East presents a different picture altogether, because of the dominant strategic and military role of the U.S., and the central role played by the Israeli-Palestinian conflict and now, of course, Iraq. In this region of the European neighborhood, there is real potential for conflict between ENP and U.S. strategic objectives in the "war on terrorism," despite the numerous recent suggestions that U.S.-EU collaboration in the "Greater Middle East" could be a means of rebuilding the transatlantic partnership.

Of course, EU policy towards all of these regions of its new neighborhood, as well as its overall capacity and standing as a strategic actor, will be greatly affected by its decision whether or not to accept Turkey as a member. Turkish membership would move the EU's external borders to the southern Caucasus and Middle East regions, making them even more direct neighbors of the EU. It would give the EU increased access to, and clout in, these regions and the Islamic world, including Central Asia. While Turkish accession would no doubt raise all sorts of difficult political and institutional problems for the EU internally, it would clearly enhance its external strategic role and importance.

## Conclusion

Despite potential areas of conflict, U.S. and EU interests in Wider Europe are largely congruent, and it is in the U.S. interest that ENP succeeds in its goal of stabilizing this region and integrating its countries into the EU zone of stability, security, democracy, and prosperity. The U.S. would face mainly negative consequences from the failure of this policy and growing instability in this region. For this reason, the U.S. should actively support ENP, coordinating its policies with the EU when possible, and pursuing "parallel but not conflicting policies" when it is not.<sup>8</sup> However, the U.S. must also ensure that its specific economic and political interests in the region are protected as the construction of Wider Europe proceeds. The same conclusions and recommendations may also be applied to U.S.-EU cooperation in other regions of the EU neighborhood, but the different situations and political dynamics in these regions ensure that transatlantic cooperation will be more difficult and the potential for conflict higher.

<sup>7</sup> U.S. State Department, "The Administration's Priorities for Europe," A. Elizabeth Jones, Assistant Secretary for European and Eurasian Affairs, Testimony Before the House International Relations Committee, Subcommittee on Europe, Washington, DC, March 3, 2004.

<sup>8</sup> John van Oudenaren, "The Changing Face of Europe: EU Enlargement and Transatlantic Relations," *AICGS Policy Report #6*, Washington, DC: AICGS, 2003, p. 83.

# NATO–EU Partnership in Transforming the Eastern Neighborhood?

Marek Menkiszak\*

## Introduction

On March 29th 2004 seven states of Central and Eastern Europe<sup>1</sup> (Estonia, Latvia, Lithuania, Slovakia, Slovenia, Romania and Bulgaria) joined NATO. Four weeks later on May 1st, the EU enlarged to include ten new member states, including eight from CEE region (Estonia, Latvia, Lithuania, Poland, Czech Republic, Slovakia, Hungary, Slovenia). Double enlargement of core European structures to include Central and Eastern Europe is a real revolution in political, economic and strategic terms which eradicates artificial division of the Cold War past and brings much closer the perspective for European unity based on democracy and free markets.

These historic events create a challenge: the necessity for development of frameworks of cooperation with those European countries to the East and South, which remain outside these structures, which are not yet able or not willing to join it.<sup>2</sup>

This brief paper is an attempt to draw attention to the problem. On the basis of lessons learned from the processes of eastern enlargements and development of new frameworks for cooperation with both NATO and EU neighbors and partners, it advocates for closer cooperation between the two structures. Such a cooperation, based on common goals and use of parallel instruments, is one of the preconditions for successful democratic transformation and stabilization of Eastern Neighborhood.<sup>3</sup>

## The Role of the accession process in transition—the example of Central and Eastern Europe

The perspective of both NATO and EU membership had powerful effect on CEE countries. It has been a long road since they regained sovereignty in 1989/90 until they achieved full membership in these structures (for some of them this process is still incomplete). The prospect for full membership,

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**1** For the purpose of this article the term “Central and Eastern Europe” means the group of states formerly belonging to the Soviet block plus the three Baltic states, the situation of which is clearly different from the rest of post-Soviet states.

**2** Namely: Serbia and Montenegro, Bosnia-Herzegovina, FYR Macedonia and Albania in the South and Ukraine, Moldova, Belarus, Russia as well as Georgia, Armenia and Azerbaijan in the East; Romania, Bulgaria, Croatia and Turkey are excluded because they are recognized as EU candidates.

**3** For the purpose of this article the term “Eastern Neighborhood” refers to the following area: Western NIS (Ukraine, Belarus, Moldova), Russia, South Caucasus (Georgia, Armenia, Azerbaijan) following current EU vocabulary.

present in European Agreements and later during accession negotiations on one hand, and the Partnership for Peace (informally), the Study on Enlargement and later the Membership Action Plan (formally) on the other hand—created strong incentives. It was needed for the process of—often painful—legal, political, economic and military compliance with EU/NATO standards.

The stabilizing effect of these processes is beyond doubt. It has consolidated fresh democratic institutions and helped enforce proper civilian control over military and security structures. In some cases it also clearly mitigated inter-state disputes. An especially striking example is the case of Romania and Hungary, who concluded an interstate treaty in 1997, ending a long period of tension.<sup>4</sup>

What is worth noting is the comparable or common criteria for membership in EU and NATO. In the EU case we have, in general, the Copenhagen Criteria which were defined in 1993<sup>5</sup> and the famous article 49 of the Treaty on European Union. Therefore *any European State which respects the principles of the Union* (liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law) *may apply to become a member.*<sup>6</sup> In more detailed and practical terms conditions are present in the *acquis*, which needs to be adopted by the candidate countries. This “open door” policy is repeated in numerous EU statements.<sup>7</sup>

In case of NATO we have the famous article 10 of the Washington Treaty, which allows Allies *to invite any other European State in a position to further the principles of this Treaty* (freedom, common heritage and civilization founded on the principles of democracy, individual liberty and the rule of law; promotion of stability and well-being; collective defense, preservation of peace and security) *and to contribute to the security of North Atlantic area to accede to this Treaty.*<sup>8</sup> The New Alliance's Strategic Concept of 1999 defines common values as: democracy, human rights and the rule of law.<sup>9</sup> *De facto* conditions for accession—in the form of “issues for discussion”—are defined in more details in Study on NATO Enlargement (1995) and MAP (1999), in the latter in five blocks of issues (political and economic, defense/military,

<sup>4</sup> The main source of tension in this case used to be the large (some 2 million) Hungarian minority in Transylvania, which advocated for more cultural rights.

<sup>5</sup> I.e. respecting principles of democracy, human rights and the rights of national minorities; proper functioning of free market economy; ability of candidate country to fulfill its obligations connected with membership, including political and economic union as well as ability of the EU itself to accept new members. Cf. *Copenhagen European Council Presidency Conclusions*, June 21–22, 1993.

<sup>6</sup> Cf. Art. 49 TEU.

<sup>7</sup> One of the latest is European Commission communication on Wider Europe of March 2003.

<sup>8</sup> *North Atlantic Treaty*, Washington April 4th 1949, Preamble and Art. 10.

<sup>9</sup> The Alliance's Strategic Concept approved by the Heads of State and Government participating in the Meeting of the North Atlantic Council, Washington, April 23–24, 1999.

resource, security and legal).<sup>10</sup> NATO's "open door" policy has also been reiterated in numerous statements.<sup>11</sup>

The instruments in use by the EU and NATO to support the accession process are different (the European Agreement's institutions and other forms of dialogue plus financial instruments like PHARE vs. The MAP mechanism preceded by mechanisms of PFP/PARP as well as intensified dialogue on the question of NATO membership) but still we may find them complementary or reinforcing.<sup>12</sup>

### **Reaching further to the East: Policy towards Eastern Neighbors in new frameworks**

Already since the mid 90s we were witnessing the development and enhancement of cooperation formulas directed (but not exclusively) at the Eastern Neighbors of today's NATO/EU. New institutional frameworks were created. In 1994 NATO initiated the Partnership for Peace program (January) and later the Planning and Review Process under PFP (December)—important tools of practical military cooperation and transfer of standards.<sup>13</sup> In the same year, the EU and major EN states signed Partnership and Cooperation Agreements—basic legal arrangements establishing institutions of political dialogue and rules of economic cooperation.<sup>14</sup>

New steps forward followed. NATO established a privileged partnership with Russia under the Permanent Joint Council scheme (Founding Act of May 1997)<sup>15</sup> and with Ukraine under the NATO-Ukraine Commission scheme (Charter on Distinctive Partnership of July 1997).<sup>16</sup> It was supplemented by NACC/EAPC reform (May 1997)<sup>17</sup> and PFP/PARP enhancements

**10** Study on NATO Enlargement issued by the Heads of State and Government participating in the Meeting of the North Atlantic Council, Brussels, September 3, 1995; Membership Action Plan approved by the Heads of State and Government participating in the Meeting of the North Atlantic Council, Washington, April 23–24, 1999.

**11** One of the latest is declaration issued by the Heads of State and Governments during the NATO Prague Summit in November 2002.

**12** The bottom line of most of these mechanisms is to transfer of Western norms and standards to the partner countries, helping—some of them at least—to achieve a level of adjustment enabling them to cooperate closely with the respective organizations or even join them.

**13** Its aims were described in: *Partnership for Peace: Framework Document*, Brussels, January 10, 1994; *Partnership for Peace: Invitation Document*, Brussels, January 10, 1994.

**14** In 1994 a PCA was signed with Ukraine (May) and Russia (June); other states followed later: Moldova (November 1994), Georgia, Armenia and Azerbaijan (December 1995); a PCA with Belarus was signed in March 1995 but has never entered into force for obvious reasons of major violations of principles of democracy and rule of law since 1996.

**15** *Founding Act on Mutual Relations, Cooperation and Security between NATO and the Russian Federation*, Paris, May 27, 1997.

**16** Charter on a Distinctive Partnership between the North Atlantic Treaty Organization and Ukraine, Madrid, July 9, 1997.

**17** Meaning transforming North Atlantic Cooperation Council (established December 1991) to the Euro-Atlantic Partnership Council. Cf. *Basic Document of the Euro-Atlantic Partnership Council*, Sintra, May 30, 1997.

(1997 and 1999)<sup>18</sup> as well as the Operational Capabilities Commitments initiative (1999).<sup>19</sup>

On the EU side, it entered into PCAs with most EN states in 1997/98,<sup>20</sup> and adopted strategies towards Russia (June 1999) and Ukraine (December 1999)<sup>21</sup> and later initiated special dialogues (energy, security and Common European Economic Space) with Russia (fall 2000–spring 2001).<sup>22</sup>

There was visible growth of activity under both structures' policies vs. Eastern Neighbors since 2002. It was clearly connected with enlargements and major shifts in EU and NATO borders. In NATO there was a new formula for NATO–Russia relations: the NATO–Russia Council was initiated in May 2002,<sup>23</sup> and a new instrument for NATO–Ukraine relations: the Action Plan mechanism (with Annual Target Plans) was adopted in November 2002.<sup>24</sup> Other Prague summit decisions (November 2002) included partnership reform (including Partnership Action Plans mechanisms started with PAP against Terrorism; Individual Partnership Action Plans mechanism devised first of all for partners from Southern Caucasus and Central Asia).<sup>25</sup>

The EU developed some new ideas: the Neighbourhood Policy concept and Wider Europe concept—merged into Wider Europe–Neighbourhood (presented in Commission Communication of March 2003)<sup>26</sup> were soon followed by the Neighbourhood Instrument proposal<sup>27</sup> concerning financial arrangements (communication of July 2003). At beginning of 2004 and especially in Spring of 2004 intensive dialogue on drafting Action Plans with Ukraine and Moldova began.<sup>28</sup> Finally, a European Neighbourhood

**18** *Towards a Partnership for the 21st Century. The Enhanced and More Operational Partnership.* Report by the Political Military Steering Committee on Partnership for Peace, document (with 4 appendices) presented at the NATO Washington Summit April 23–24, 1999.

**19** OCC was described in one of the aforementioned appendices to the PMSC report.

**20** The PCA with Russia entered into force in December 1997, with Ukraine: in March 1998; with Moldova: July 1998; Azerbaijan, Armenia and Georgia: July 1999.

**21** *Common Strategy of the European Union on Russia*, Cologne, June 4, 1999; *Common Strategy of the European Union on Ukraine*, Helsinki, December 11, 1999.

**22** Energy dialogue and security dialogue with Russia has been initiated by the EU at the EU–Russia summit in Paris, October 2000 while CEES initiative was raised by European Commission president Romano Prodi at the Moscow summit of May 2001.

**23** *NATO–Russia Relations: A New Quality—Declaration* by Heads of State and Government of NATO Member States and the Russian Federation, Rome, May 28, 2002.

**24** *NATO–Ukraine Action Plan*, Prague, November 22, 2002; Annual Target Plan 2003 has been adopted simultaneously.

**25** *Prague Summit Declaration issued by the Heads of State and Government participating in the meeting of the North Atlantic Council*, Prague, November 21–22. It invited especially states of Central Asia and the Caucasus to use the IPAP instrument; Partnership Action Plan against Terrorism, Prague, November 22, 2002; *Report on the Comprehensive Review of the Euro-Atlantic Partnership Council and Partnership for Peace*, Prague, November 21, 2002.

**26** *Wider Europe–Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours*, Communication from the Commission to the Council and the European Parliament, Brussels, March 11, 2003.

**27** *Paving the way for a New Neighbourhood Instrument*, Communication from the Commission to the Council and the European Parliament, Brussels, July 1, 2003.

**28** AP with Moldova has been agreed upon at the end of June 2004.

Policy strategy paper was published in May 2004 by the European Commission.<sup>29</sup> Other changes were also on track. A new institution, the Permanent Partnership Council was created with Russia (decision adopted in May 2003, implemented in April 2004). In addition, dialogue on an Action Plan for development for EU–Russia “common spaces” and a debate on policy towards the Southern Caucasus started<sup>30</sup>). The Council of the EU decided at the end of June 2004 to include the South Caucasus states in the European Neighbourhood Policy framework.<sup>31</sup>

There are certain important features of these processes:

- ▶ **parallelism:** Comparative analysis of development of the framework of relations with EN states leads to a conclusion that these processes were and are in many respect parallel in time.<sup>32</sup>
- ▶ **informal influences:** Both processes seem to be mutually reinforcing. Despite the lack of formal coordination there are clear similarities both in form and substance. This especially the case with **Action Plan** mechanisms initiated by both structures. They constitute detailed lists of tasks attributed to groups of issues. Another type of influence is connected with the partners’ policies towards the two structures, i.e. certain Russian pressure on the EU to adopt institutional arrangements which resemble NATO–Russia formulas.<sup>33</sup>
- ▶ **growing level of engagement:** We can trace a tendency for establishing more “intrusive” (in positive sense) instruments of cooperation both in NATO and the EU. A good example, again, are the EU Action Plans under ENP and NATO’s Action Plan/ATP with Ukraine as well as the IPAP mechanism with certain other partners (especially Georgia and Azerbaijan). These plans are developed in an interactive dialogue with partners, with clear asymmetry of obligations (a large majority of commitments are on the partner’s side), leading to planned adoption of norms and standards by the respective partner states. In addition, the necessary review mechanisms are established. The plans are in fact instruments of a (voluntarily) managed process of enforcement of deep internal reforms in partner countries that conform to EU/NATO standards.
- ▶ **overlapping specific transformation tasks:** The perceived, in a simplified manner, “division of labor” between NATO and EU (NATO deals with defense and defense-related political questions; the EU deals with economics and relevant political questions) is no longer the case. On the one hand we can see growing EU security dialogue with EN states (especially with Russia and Ukraine) and the possibility to participate in EU-

<sup>29</sup> European Neighbourhood Policy Strategy Paper, Communication from the Commission to the Council and the European Parliament, Brussels, May 12th 2004.

<sup>30</sup> An EU special representative to this region was appointed in July 2003 and European Parliament recommendations were adopted in February 2004.

<sup>31</sup> Cf. GAERC Conclusions, Luxembourg, June 14, 2004.

<sup>32</sup> “Breakthroughs” happened especially in 1994; 1999 and since 2002.

<sup>33</sup> It was especially the case between Fall 2002 and Spring 2003 as reported by some EU officers.

led operations (Seville arrangements of June 2002 with Russia and Ukraine)<sup>34</sup>; long-haul air transport; civil emergency interventions and the struggle against terrorism. On the other hand there are growing non-military (political, legal, economic) tasks in the NATO dialogue with EN states (see Ukraine's AP and ATPs 2003, 2004 or IPAP modalities).<sup>35</sup>

- ▶ **similar expectations of some EN states:** Ukraine, Georgia and (in less concrete manner) Azerbaijan expressed their wish to join both NATO and EU in the future. Armenia also expressing its desire for future integration with the EU. This creates the common problem of "managing the expectations" of these countries.

### **NATO/U.S. and EU transformation of Eastern Neighborhood—basis for partnership**

When we compare references in NATO, U.S. and EU political statements to goals of their policies towards EN we can easily find similarities, which proves there is a *commonality of basic values and goals* in relations with EN. They can be defined as building "Europe whole and free"; the projection of democracy and stability; and creating a stable and friendly neighborhood.<sup>36</sup> Therefore the U.S., NATO, and the EU clearly have a common purpose.

<sup>34</sup> Arrangements for Consultation and Cooperation between the European Union and Russia on Crisis Management, European Council Presidency Conclusions, Annex IV, Seville, June 21–22, 2002. Similar documents have been adopted towards Ukraine and Canada. It is worth noting that a comparable document has been agreed on between NATO and Russia; Political Aspects of a Generic Concept of Joint NATO-Russia Peacekeeping Operations, Brussels, September 20, 2002.

<sup>35</sup> IPAP modalities include, among others, issues of: strengthening democratic institutions, human rights, minority issues, fight against corruption, fight against organized crime etc.; Cf. Modalities for the Individual Partnership Action Plan (IPAP), Brussels, April 7, 2002; NATO-Ukraine ATP 2003 includes, among others, aims to: enhance freedom of speech and diversified ownership of the media; implementation of the law on the judicial system; pass an effective anti-money laundering law; prepare draft municipal code; implement minimal wage per hour; reform pension system; improve mechanism of corporate governance; improve bankruptcy procedures; etc. Cf. NATO-Ukraine 2003 Target Plan in the Framework of the NATO-Ukraine Action Plan; Prague, November 22, 2002 (published March 24, 2003); 2004 ATP follows suit.

<sup>36</sup> Cf. for example: *The Alliance's Strategic Concept*, op.cit.; *Wider Europe—Neighbourhood...*, op.cit.; U.S. President George W. Bush declared in Warsaw in June 2001: "All nations should understand that there is no conflict between membership in NATO and membership in the European Union. My nation welcomes the consolidation of European unity, and the stability it brings. We welcome a greater role for the EU in European security, properly integrated with NATO. We welcome the incentive for reform that the hope of EU membership creates. We welcome a Europe that is truly united, truly democratic, and truly diverse — a collection of peoples and nations bound together in purpose and respect, and faithful to their own roots. The most basic commitments of NATO and the European Union are similar: democracy, free markets, and common security. And all in Europe and America understand the central lesson of the century past. When Europe and America are divided, history tends to tragedy. When Europe and America are partners, no trouble or tyranny can stand against us..."; speech at the Warsaw University, Warsaw, June 15, 2001. Just recently NATO Secretary General Jaap de Hoop Scheffer declared in Zagreb: "...Both the European Union and

There is growth of engagement with EN states (including Eastern Europe and Southern Caucasus) in recent time as demonstrated by the numerous documents, declarations, complementary or reinforcing instruments and formulas, visits etc. The signs of readiness for engagement in conflict resolution in the EN area are particularly significant (it is particularly the case of EU and its statements on Moldova and Southern Caucasus). It proves that the EU, the U.S. and NATO are *willing to shape actively the situation in the EN* (including in the security situation) which is understandable given the geographic proximity and transnational threats. It is clear however that their level of engagement in particular states and spheres can vary.

**NATO-EU dialogue and cooperation has grown in recent years and even more so in the past several months.** The conclusion of long-awaited arrangements between the two structures (Berlin Plus arrangements of December 2002 followed by the Information Security Agreement of March 2003) opens a new chapter of—previously sometimes tense—relations between these structures. NATO and the EU carry on a regular and more and more intensive dialogue (including meetings of NAC and PSC). Development of this partnership is among the top issues on the NATO Istanbul Summit agenda.

Both NATO and the EU have a common need to devise policy for individual EN countries.

**Ukraine**—A European country of strategic importance is facing political decisions crucial for its future. Free and fair presidential elections in Fall 2004 are a precondition for deepening cooperation for both NATO and the EU. Kiev is valuable partner in military cooperation and prospective energy projects. There is a need to find a way to send incentives powerful enough to keep the country on its pro-European track without compromising NATO and EU standards.

**Belarus** still fails to fulfill basic standards of democracy and rule of law; it lacks a proper market economy. Western influence in the country is minimal. Certain past differences in NATO/U.S. and EU policies towards the country have had an adverse effect.<sup>37</sup> Democratic Europe cannot however remain indifferent to the situation in the country in the heart of continent. The need for more policy coordination, such as that provided by the March 2004 EU-U.S. mission to Minsk, is clear.

*NATO increased their membership significantly this year. With that enlargement of our two major institutions, we made enormous progress towards a longstanding, strategic goal of NATO: to help create a Europe that is free, undivided, and united in peace, democracy and common values..."* Speech by NATO Secretary General Jaap de Hoop Scheffer before the Croatian Parliament, Zagreb May 26, 2004.

<sup>37</sup> In past few years one can observe that the U.S. preferred a strategy of sanctions and denial over a more flexible strategy of "selective engagement" by the EU. Recently we can see more policy coordination between the two.

**Moldova** is a place of unresolved, frozen conflict at the doors of NATO and the EU. The Transnistrian separatist entity is a source of cross-border threats in the “soft security” sphere. It requires immediate decisive engagement of both the EU and NATO. Only concerted action, especially with regard to Russia's involvement, can increase the possibility for breaking the deadlock.

**Russia** has recently seemed to drift away from basic European standards in the political and, partly, the economic spheres. Its foreign policy is more and more assertive, especially in its close neighborhood and this has become a source of common concern for the U.S./NATO and EU. On the other hand Russia is a very important partner of the EU and NATO and there is a need to find opportunities for enhanced pragmatic cooperation with Moscow which will create incentives for it to return to a pro-European course.

**Southern Caucasus: Georgia, Armenia and Azerbaijan** is important especially in terms of energy and security. Unresolved frozen conflicts and deep internal problems in this strategically important area require a concerted approach and more engagement from the NATO and the EU side. Stabilization and democratic institution building seem to be common basic goals.

### What should we (NATO, EU) do together?

- ▶ **Put relations with the EN high on the agenda of the NATO–EU dialogue.** Developing cooperation for transformation partner states in Eastern Europe and Southern Caucasus should be discussed to clarify intentions, objectives and instruments, in a word: strategy. It will help to avoid unnecessary duplication in support as well as possible contradictory initiatives. Bilateral consultations between interested member states would also be beneficial.
- ▶ **Compare and possibly consult specific tasks under Action Plans** to avoid possible conflicting objectives or obligations. Individual EN countries should bear much responsibility for identify conflicting objectives or obligations. This is especially relevant for Ukraine and Moldova, and soon will be for Georgia and Azerbaijan. Exchanging information on dialogue (including development of institutions) with particular states would be helpful, especially in the case of Russia. These dialogues should be conducted in an informal way so that it will not require the creation of additional institutions.
- ▶ If dialogue develops well enough parties could consider issuing **common policy statements** concerning important issues of their dialogue with particular EN states or groups of states or important problems. Such formal moves could be a means to convey important political messages stressing solidarity and the engagement of Western commu-

nity. Meetings of NAC–PSC or NATO Secretary General–EU High Representative for CFSP could serve as fora for such statements. Issues that could be the subject of such statements include, for example, the presidential elections in Ukraine, the Transnistrian conflict in Moldova or internal developments in Georgia.

- ▶ The highest and most important form of possible NATO–EU cooperation would be **peace support operations**. The existing Berlin plus arrangements could be used to this end. It would be especially important to carry out an EU-led operation in Moldova (Transnistria) using NATO assets (of course properly prepared politically and technically in a broad consultation with interested parties). Future possible operations (EU-led, NATO-led or NATO-Russia) in the EN area could take place in Abkhazia and Nagorno-Karabakh

The EU and NATO share a common purpose in their relations with EN states and will develop similar or complementary instruments of cooperation with those countries. There is a large potential for their fruitful cooperation serving the fundamental goal of making Europe more stable and prosperous.

## Abbreviations

BiH	Bosna i Hercegovina (Bosnia and Herzegovina)
CEE	Central and East European
CEES	Central and East European States
CFSP	Common Foreign and Security Policy
CJTF	Combined Joint Task Forces
CTR	Cooperative Threat Reduction
DCI	Defense Capabilities Initiative
DRC	Democratic Republic of Congo
EAPC	Euro-Atlantic Partnership Council
ENP	European Neighbourhood Policy
ESDI	European Security and Defence Identity
ESDP	European Security and Defence Policy
EU	European Union
EUMC	EU Military Committee
EUMS	EU Military Staff
EUPM	EU Police Mission
FSA	Freedom Support Act
FYR	Former Yugoslav Republic
FYROM	Former Yugoslav Republic of Macedonia
GAERC	General Affairs and External Relations Council
GDP	Gross Domestic Product
ICC	International Criminal Court
IGC	Intergovernmental Conference
IPAP	Individual Partnership Action Plan
ISAF	International Security Assistance Force
ISS	Institute for Security Studies
JHA	Justice and Home Affairs
KFOR	Kosovo Force
MAP	Membership Action Plan
NAC	North Atlantic Council
NACC	North Atlantic Cooperation Council
NATO	North Atlantic Treaty Organization
NIS	Newly Independent States
NRF	NATO Response Force
OCC	Operational Capabilities Commitments
OSCE	Organization for Security and Cooperation in Europe
PARP	Planning and Review Process
PCA	Partnership and Co-operation Agreement
PfP	Partnership for Peace
PHARE	Pologne/Hongrie: Assistance à la Restructuration Économique (Poland/Hungary Assistance and Recovery Program)
PMSC	Political-Military Steering Committee
PSC	Political and Security Committee
R&D	Research and Development
RRF	Rapid Reaction Force
SFOR	Stabilization Force
TEU	Treaty on the European Union
TFPD	Transatlantic Foreign Policy Discourse
UN	United Nations
WMD	Weapons of Mass Destruction
WTC	World Trade Center
WTO	World Trade Organization