Center for Strategic and International Studies ■ Washington, D.C.

March 15, 2007 Volume 13, Number 2

Terms of Engagement: The Euro-Atlantic Partnership at Sixty Simon Serfaty

Old Europe died in August 1914. For a new Europe to be born took time, much of it tragic. When that time came, after two wars waged with dehumanizing brutality, the driving force was not a shared vision of a common future but a common appreciation of shared failures. In March 1957, bidding farewell to a failed past took the form of a modest European Economic Community whose impact could not be imagined until later when, arguably, that community, now a Union, could no longer be ended.

On the eve of the 50th anniversary of the Rome Treaties, Europeans can reflect with much satisfaction over their achievements. They have come a long way, and that way is best measured retroactively: what Europe is relative to what it used to be. There is still a long way to go, though, and the will to proceed will not be rekindled in 2007 without a credible understanding of what "Europe" does, convincing evidence of what it can do, and a renewed vision of what Europe is to become.

In the United States, the process of European integration has never been well understood. But as we approach the 60th anniversary of the Marshall Plan, in June 2007, it is good to remember that Euro-Atlantic solidarity was a central dimension of Europe's commitment to unity, just as the latter was a central feature of the U.S. vision of Europe's future. In encouraging that vision, the U.S. intention was not to impose itself as a model, or to secure a permanent control over a weak continent. Rather, the U.S. intention was to help the Europeans master their past and, literally, reverse the course of their history.

Long past the Cold War, Americans can also reflect, therefore, with much satisfaction over the achievements of the past decades. On a large number of significant issues, U.S. relations with the European Union (EU), now matters more to the United States

than bilateral relations with any EU member. But with such satisfaction also comes a bit of apprehension over what remains to be done, beginning in 2007, to achieve a Euro-Atlantic finality that incorporates new modalities of U.S.-European relations for the organization of coordinated action—common or complementary—in the twice-changed security environment born out of the events of November 9, 1989 in Europe and September 11, 2001 in America.

On both sides of the Atlantic, the past two years provided for a useful moment of reflection during which intra-European, U.S.-EU and Euro-Atlantic relations regained the collegial tone that had been missing during the fierce Euro-Atlantic and intra-European debates of the previous years. There is little room for complacency, however. After this moment of reflection comes an urgent need for action: to renew the institutional core of the Euro-Atlantic partnership, meaning the EU and NATO, and to re-cast Europe and its relations with the United States, as well as NATO and its relations with the EU, into an ever-closer Euro-Atlantic Community that regroups the EU, NATO, and the United States into a cohesive and capable We that integrates substantively and procedurally the separate dialogues that occur within the EU and with the United States, as well as within NATO and with the EU.

MOMENT OF REFLECTION IN EUROPE: THE POLITICAL DIMENSION

As 27 EU heads of state and government celebrate the fiftieth anniversary of their Union, symbolically organized by a Head of Government who lived most of her life in the Soviet-controlled half of a then-divided country, "Europe" looms like a contentious political issue. Too many European citizens, bottom up, feel ambivalent about their union because they disagree over what it is, question what it

Page 2 CSIS

does, neglect what it has achieved, and differ over what they want out of it next.

That such would be the case at a time of high political volatility in each member state reflects and worsens this public ambivalence. Over the past decade there has been too much policy coming out of the Union and too much politics out of its members, and too much talk about new members coming into the Union and too many demands for solidarity imposed on the old members. Still, the moment of reflection sought after France's and the Netherlands' rejection of the constitutional treaty must end lest Europe be overtaken by global trends that it might be unable otherwise to affect, or to which it will otherwise be unable to respond appropriately. That moment will be best closed if the German and Portuguese presidencies that

are co-leading Europe during this fateful year respond to the following principles of democracy, transparency, and solidarity:

First, more must be done to explain the historic achievements of European policies that permitted the rise of the

EU with a decisive assist from the United States. EU leaders must seek the involvement of citizens in an institutional process that still lacks democratic legitimacy. Unlike some of their predecessors, newly elected national leaders will hopefully adopt positive narratives about what the EU institutions do for and with their members, rather than to their countries and in spite of their neighbors. In Brussels and in various national capitals, and for some issues like the euro, services, jobs, or enlargement, mini citizens' conventions organized by party groups represented in the European Parliament should air the people's legitimate concerns over past decisions forthcoming action. The integration of Europe was a process that could only be started by national governments, from the top down; that process, however, can only achieve finality with the consent of European citizens, from the bottom up.

Second, more must also be done to address collectively a new agenda of pressing issues that national governments cannot tackle as effectively on their own, including a new agenda of resource management (like the environment, people, and energy) and homeland security issues. This agenda conditions the citizens' perceptions of their identity, safety, and comfort. Unless they understand the benefits of more integration on these and other traditional economic issues, like job creation, citizens in each member-state will not retain or regain their will for more commitment to, and solidarity within, an ever-closer community. These benefits have not only been poorly explained in recent years. They have been missing as the institutions of "Europe" often failed to deliver what each new initiative was said to promise, and as the citizens thus failed to receive the benefits they had been led to expect. Where expectations were exaggerated, they should now be moderated; where deliverables were neglected, they must now be provided.

More must be done to explain the historic achievements of European policies that permitted the rise of the EU with a decisive assist from the United States.

Third, more—much more—must also be done in the United States to explain past gains from, and current need for, the visionary policies that helped transform Europe. America's postwar investment in Europe's future was self-serving no less than it was generous, and Europe's doubts about the

United States will not fade unless America's doubts about Europe cease as well. In 2007, every opportunity should be used to reassert publicly the terms of Euro-Atlantic endearment. For these opportunities to be used well, EU and NATO Heads of State and Government should display a collegial civility, mutual respect, and reciprocal appreciation that has often been missing in recent years, whether at bilateral or institutional meetings.

RE-LAUNCHING THE EU AND DEEPENING THE EU-U.S. PARTNERSHIP

There is little left of Old Europe, but there is still much to be done by, in and for the new Europe. History, as well as geography, gives the 27 EU members a responsibility in completing their Union and extending it in Europe as far as it can go while respecting the will of its people, the identity of its members, and the absorbing capacity of its institutions. How this finality is achieved is clearly not a U.S. responsibility, but it is a vital U.S. interest about which the United States is entitled to express its preferences

A re-launch of the EU institutions

will not suffice without a re-

idea..."Europe" is not only a

matter of facts and a matter of

time, it is also a matter of feelings.

the

European

of

founding

so long as it continues to assert its commitment to the process it helped start after 1945.

—ABOUT THE EU: FIVE NEEDED STEPS...

First, the current draft of the constitutional treaty is no longer operational in its totality. renegotiate another comprehensive document would raise questions of democratic legitimacy for the 18 countries that have approved the draft treaty, and so would attempts to force that document on the two countries that rejected it (and the remaining few that have prudently avoided debating it). It would also take In the meanwhile at least, important core elements of the constitutional treaty can be salvaged some informally and without much deliberation, and others with a new treaty that need not make "constitutional" claims and gain its legitimacy from the Inter-Governmental Conference that might draft it, and the parliamentarian or other constitutionally-mandated national procedures that will ratify it. These include a slimmed down Commission and new voting rules

within the Council, as well as a foreign minister and a revision of the rotating EU presidency. That, rather than the Treaty's illusory Second Coming, should be a main goal of the German and Portuguese presidencies in 2007.

Second, the three EU presidencies held since the French and Dutch

referenda have done much to reduce the sense of a community crisis and even, arguably, that of an institutional stall. Although there is some urgency in attending to the unfinished business of the Union, the European Commission should focus its efforts on specific deliverables that avoid prolonged theological debates among or within member states. Energy is one such issue, and a common EU stance on energy security relative to exporting countries that might be tempted to manipulate supply and prices for political ends is much needed-including the terms of a collective response should supplies to one or more EU member or even neighbor be cut off. Besides energy, immigration is on everyone's mind: in 2007, the EU must also be seen to act on this issue with proposals that citizens can understand and endorse.

Third, specific initiatives with regard to growth, employment and competitiveness should be left to each

member state, until improved political conditions and a sustained economic upturn permit a final turn to community-wide directives whose one-size-fits-all approach may not otherwise be evenly suitable for all. This is especially true during a period of broad political transition that began in Spain in 2004, was confirmed in Germany, Italy and Poland in 2005-2006, and will continue in France, Britain, Belgium and elsewhere in 2007. Given such political volatility, for the EU institutions to take the lead in seeking and imposing reforms is to risk a damaging populist backlash, as shown, for example, with a growing and spreading criticism of the European Central Bank.

With EU members asserting ownership of the reforms they deem both desirable and possible, the national reform action plans sought by the European Commission ought to be managed by officials at the highest levels of government. For its part, the Commission will be most constructive if it coordinates exchanges among its members for selective benchmarking and if it encourages best practices—

with references to distinctive approaches that seek to reconcile a general need for adapting to the demands of globalization with a national predilection for retaining the state's social commitments. At some appropriate time, the deficit requirements

mandated by the Stability and Growth Pact should also be reviewed for greater flexibility and minus the numerical targets, which might also better allow members to put their respective houses in order.

Fourth, the case for flexible integration remains compelling. European integration has always moved at different speeds, creating partial communities within the emerging community—but with an unwritten assumption that every member-state would share ultimately every aspect of EU life even if at first it did not or could not adopt at once all of the *acquis communautaire* and each new EU initiative. Freer trade until it is entirely free, progressive regulatory convergence, increasing cooperation on internal security, gradual entry in the euro zone, and foreign policy convergence are benchmarks to gauge a state's ability to embrace much of the EU order while remaining out of the EU institutions or only joining

Page 4 **CSIS**

The United States and the states

deepest, broadest, most intimate,

complete

the

largest,

global

of Europe form

most

relationship in the world.

and

those institutions one piece at a time, on grounds of capabilities, efficacy, and relevance. That gradual approach is especially relevant for a Union that has more than doubled in size over the past 12 years and now seems divided over further enlargement.

Fifth, a re-launch of the EU institutions will not suffice without a re-founding of the European idea beyond what it did for Western Europe after World War II, and for much of Eastern Europe after the Cold War. "Europe" is not only a matter of facts and a matter of time, it is also a matter of feelings: To help generate such public feelings, a common European holiday should be instituted on a day that EU citizens can share not only for what it evokes of the past (as does, to an extent, the Robert Schumann Day) but also for what it says of the future (as would, for example, an emphasis

on, say, global warming). In the same vein, a small Euro-tax might also be considered for the explicit purpose of waging a European war on poverty across national or even regional lines, thus reinforcing the sense of solidarity that ought to exist among the citizens of the EU.

Comparable initiatives, variously offered in the past, might include the development of an EU Peace Corps, or the development of a EuroForce for civil protection, which might also be placed in the context of a much needed EU strategy for the management of a hypothetical act of terror at any point within the EU. Convergence of legislative thinking and practices among the members, and between them and the Union. is also needed in order to give national debates the European frame that is currently lacking. Thus some issues could be debated on a single day at the European Parliament and in all member states, with active testimonies of relevant EU officials. Finally, an annual message of the Commission President on the State of the Union should be presented formally to the European Parliament, comparable at first to the yearly Queen's Message in Britain.

...WITH THE UNITED STATES - FIVE ADDITIONAL **PROPOSALS**

For all the differences that exist between the United States and the states of Europe, they form the largest, deepest, broadest, most intimate, and most complete global relationship in the world. As a central part of that relationship, the EU is a very important U.S.

interest if for no other reason than that it is so very important to the states of Europe. For both the United States and the EU there is, therefore, no alternative to working together because working separately each becomes the victim of the other's failings. Existing tests of will and efficacy for additional U.S.-EU cooperation include:

First, in the current political climate failure of the Doha Round of trade negotiations will encourage a further burst of economic nationalism aimed at an allegedly unfair open trade system, within the West as well as between the West and the rest. Even now, on or past the eleventh hour, the United States and the EU must seek to resolve their differences so that they can apply coordinated pressure on significant third countries to adapt their positions for a final agreement.

> raised **Issues** in these alignments in

> negotiations are no longer trade issues only: for the United States and the EU these are also political issues that will help define alliances emerging multipolar security

structure. Beyond Doha, with or without an agreement, the entire range of U.S.-EU commercial relations, as well as all issues of global economic governance, should be addressed with proposals that dare be bold in a moment that invites the sort of bold leadership that was shown after 1945, when the essence of the current system was negotiated by and for half the world. The goal is not for the United States and the EU to negotiate alone a new economic order but to work out their own bilateral relations in ways that can motivate a broader leadership structure with others.

Second, the EU and the United States need to coordinate further their messages on China on the protection of intellectual property rights, state aids, market access, dumping, and more transparency and open financial markets. Nor can trends in defense spending, which are growing at an inordinate pace, be ignored. The shared goal is not to isolate China but to urge it to behave as a full time economic stakeholder in the global marketplace. The global competitive market system will be neither sustainable nor mutually beneficial without globally institutionalized mechanism explicitly designed to protect it—but no such mechanism can emerge without a joint U.S.-EU

effort to that end, including coordinated or parallel but unambiguous advocacy of a quick appreciation of the Chinese and other Asian currencies. With emerging economies now holding nearly two-thirds of all foreign exchange reserve holdings (getting closer to the U.S. position after World War II), these, too, are issues that are no longer economic only, but because of their ramifications affect deeply the sort of international political structure that is likely to emerge during the coming years and decades. Nor can the United States and the EU remain indifferent to changing patterns of technological developments during the coming decades: the hold that the Euro-Atlantic West has had on those developments, and the benefits it has enjoyed, over 800 years may not be sustainable without more determined EU efforts and more government-approved U.S.-EU cooperation in research and development.

Third, whether new mechanisms must be put in place to allow direct consultation between the United States and the EU can be argued. What may be more urgent are new mechanisms within the EU, which would

permit its members to speak with a single voice that will be made more credible if it is articulated with an audible input form the European Parliament. instance, it would be helpful for the European Commission to have a negotiating flexibility akin to the "fast track" authority that the U.S. Congress has given the executive branch on trade matters. Admittedly, such a step would not be easy, given some members' lack of confidence in the Commission over key issues like agriculture, and at a time when the U.S. Congress seems hostile to the renewal of such authority to the executive branch of the U.S. government. But as these issues, including the Common Agricultural Policy, are debated in a broad EU context, intra-European mistrust will hopefully recede; should that not be the case, and agreements within the EU remain beyond reach, specific U.S.-EU agreements will be hard to achieve anyway.

The United States Government takes the EU seriously—often more than it tells its own domestic constituencies. Already, there are over three dozen U.S.-EU agreements and at least 15 regulatory

agreements that produce daily meetings conversations between relevant officials on most issues of concern on either side of the Atlantic. In the future. the U.S. government might issue its statistics with a focus on the EU rather than on (though not in lieu of) But the United States, too, its national members. deserves to be taken seriously by the EU. example, U.S. participation in the opening dinner held for one of the two yearly European summits that conclude each six-month EU presidency would complement usefully the annual summit meetings between the U.S. president and his counterparts from the EU Council and Commission. This procedure could be made operational as early as December 2007, at the close of the upcoming Portuguese presidency.

The Euro-Atlantic community needs an institutional mechanism through which all EU and NATO members can discuss and devise common or complementary policies for common or shared goals. Fourth, a barrier-free Transatlantic Market, which has been previously proposed by some in the European Parliament and the U.S. Congress, as well as by leading experts and corporate leaders on both sides of the Atlantic, must be completed. In 2007, the

two sides should begin to single out the critical non-tariff barriers to transatlantic trade and investment, and pick a target date—say, 2015—for their removal, which will help establish the non-partisan legitimacy of this goal. Also on the EU and U.S.-EU agenda of desirable deliverables as intermediate targets for priority goals are advances in developing an integrated European capital market, ever closer relations between the ECB and the Fed, steps toward accounting equivalency, and fuller convergence of regulatory practices. In each of these areas, there is plenty for the EU to do, and much for the United States to contribute—and vice versa.

Closer to us, however, nothing that the United States does might better serve the tone and substance of its relations with the EU than a commitment to putting its own economic house in order—including reducing its budget deficit and current accounts deficit so as to relieve pressure on the euro, even as the EU assumes its part of the bargain by taking the measures needed to overcome its own structural obstacles to robust and sustainable growth.

Page 6 CSIS

Commitment

Iraq world.

to

adopting a new Strategic Concept

will be a significant step for

reasserting the allies' interest in

renewing their consensus in the

post-Cold War, post-9/11, post-

drafting

Fifth, in 2007, the fiftieth anniversary year of the Rome Treaty and the sixtieth anniversary of the Marshall Plan offer an historic opportunity to sign a new Euro-Atlantic Partnership Declaration designed to elevate the partnership from a community of concerns, converging compatible values, overlapping interests into a community of action for cooperation on behalf of global prosperity and security. For such a Declaration to be signed during the German presidency would add symbol to the substance and additional legitimacy would be gained if the Declaration is developed in consultation with the European Parliament and the U.S. Congress. However, the EU-U.S. partnership must not be celebrated at the expense of European countries that are members of NATO but are not yet EU members. All European countries that are in at least one of these two institutions should sign such a Euro-Atlantic

Partnership Declaration, along with Canada as well as the United States, with the understanding that future members of either institution will also be invited to sign upon gaining membership.

A vital part of the visionary legacy inherited from the second half of the twentieth century is a Euro-Atlantic community of 32 EU and/or NATO

countries, which must now be organized to address the changed conditions within each of these two institutions in the context of the demanding challenges of the twenty-first century. This Euro-Atlantic community needs an institutional mechanism through which all EU and NATO members can discuss and devise common or complementary policies for common or shared goals—with the added participation from the EU, as is currently the case in the G-8, and, ultimately, that of NATO too. That Forum would at least begin to reduce the artificial divisions that separate the EU and NATO, as well as their members, and help define a collective Euro-Atlantic "We" ready to assume its responsibilities from within as well as relative to the world without. This, to repeat, would not be an EU-NATO Forum but a Forum of EU-NATO members, plus the EU itself and with the participation of NATO too, at whatever levels are deemed appropriate by the states. Such a Forum would permit its members to transcend trivial theological debates over the respective competencies of either institution for the management of issues that require economic, political, and security action and no longer lend themselves, therefore, to a clear definition of those competencies. The consultation that would ensue would not always be conducive to a consensus, but it would at least guarantee that consensus would not be a prerequisite to consultation.*

TRANSFORMING NATO AND BUILDING A NATO-EU PARTNERSHIP

For the past decade, the North Atlantic Treaty Organization (NATO), as we came to know it during the Cold War, has been transformed beyond recognition. Yet, many fear that the Alliance itself has gone astray, torn between an America whose power has lost the legitimacy it once held among its allies, and a Europe whose states are losing the credibility

and

they once had in the United States. To restore the public's commitment to the Alliance will also require a re-founding of the Atlantic idea, not only as a matter of facts (including a strategy that gives it coherence, as well as capabilities that give it efficacy) but also as

a matter of feelings (which reinforce the will to endorse that strategy, as well as contribute to and use those capabilities).

—ABOUT NATO: FIVE MORE STEPS...

First, the Alliance needs a new Strategic Concept that relies but expands on the Comprehensive Political Guidance endorsed in Riga, Latvia, in November 2006. Such a new Strategic Concept ought to be adopted by a date certain—say, the spring of 2009 for the sixtieth anniversary of the Washington Treaty. That will not be an easy document to draft by that or any other date. But the very commitment to doing so will be a significant step for reasserting the allies' interest in renewing their consensus in the post-Cold War, post-9/11, post-Iraq world. A new Strategic Concept would recognize the global breadth of NATO operations, as

*

^{*} This specific suggestion is developed at greater length, including a specific comprehensive agenda, in Franklin D. Kramer and Simon Serfaty, "Recasting the Euro-Atlantic Partnership" (February 1, 2007).

well as emphasize the global scope of the new threats and their interdisciplinary nature, including energy and health threats. It would also address the internal dynamics of the Alliance, force structure, network centric operations, and the nexus between civilian and military capabilities within NATO, as well as with the EU.

Contingency planning should also involve specific outside groups (think tanks and universities) in the United States and NATO/EU countries with specialist knowledge, access to relevant national and EU agencies, and the ability to reach across constituencies and borders. A Euro-Atlantic Council of Experts might gather relevant EU and U.S. officials (and EU-U.S.-NATO officials for security issues) to follow up on those discussions, and act as an early warning system.

Second, assuming a viable Strategic Concept to guide it, NATO must have the tools needed to fulfill its missions and commitments. The widening imbalance between NATO goals and purposes, on the one hand, and its capabilities, on the other,

must be bridged, within NATO, as well as between its More specifically, the NATO Response members. Force (NRF), which was launched in Prague in November 2002, and was declared operational in Riga in November 2006, must receive the additional commitments needed in areas where it is most underresourced for effective action, assuming a consensus that would permit its use. Additional commitments should also be made for a better coordination of Operation Forces, to improve interoperability for future NATO missions. Shortfalls in high-end capabilities needed for NATO to respond to its new global vocation must be redressed, including strategic airlift, sealift, and air-to-air refueling aircraft.

Calls for increases in European defense budgets are unlikely to be borne out, but this does not mean that they should not be issued—not by the United States, however, but by EU countries that now assume the largest share of defense spending in Europe, including Britain and France. In the meantime, core European members must remain focused on spending more effectively, including ways to pool resources through new or reinforced mechanisms such as the European

Defense Agency (EDA). The European allies cannot complain of America's leadership if they do not show a willingness to accept a larger share of the burdens associated with leadership, and they cannot complain of a U.S. reluctance to rely on NATO if they are unwilling to produce necessary forces for NATO action. But conversely, Americans cannot complain of Europe's contributions to the military efforts without associating Europe to its decisions.

Third, now that NATO has indeed gone global in terms of what it does, the idea of global NATO partnerships offers some advantages in terms of facilitating future political consultation and military cooperation with nations, like Japan, Australia, South Korea, and New Zealand, that share many of the values and interests of NATO members and have shown themselves willing to

contribute to NATO operations. However, formal partnership arrangements will be difficult and possibly counterproductive because they could lessen the collective defense focus of the alliance and even create a misleading perception that NATO has become so global it has little

local relevance. In addition, formal NATO partnership arrangements outside the Euro-Atlantic area would likely raise allegations of encirclement—in Russia, China, and elsewhere—and lead to difficult political questions about what other nations might also claim such partnership arrangements—including, for example, Israel or Pakistan. The time may come for formalizing partnerships of this nature, but not now.

Fourth, for NATO-26 to be made more efficient some reforms of its current procedures are needed, not only in decision-making, but also in budgetary and other terms. The consensus rule remains desirable and should not be touched, recognizing that "consensus" means a good faith effort to reach agreement and attend to the interests and concerns of others. As a legacy of the debate over Iraq, a new NATO civility should be understood as a shared expectation of deeper consultation before decisions are made by the United States, balanced by the understanding that NATO members willing and able to participate in new missions would face a loyal opposition in the North Atlantic Council: constructive abstention should not extend to disruptive obstruction. The philosophy of

Page 8 CSIS

The primary significance of Article

5 commitments should be made

an explicit part of the new

Strategic Concept.

alliances, as opposed to the philosophy of coalitions, is clear: Alliance members deserve a right of consultation, after which, absent an agreement, some of them may exercise their right of first refusal though none would be expected to rely on a right of veto.

Fifth, even as NATO is transformed for out-of-area expeditionary operations, with its most difficult test set in Afghanistan, its members cannot overlook their defining mission, which has to do with collective self-defense in Europe. Too much emphasis on out-of-area missions, for which NATO remains poorly prepared as a provider of stability, will affect NATO's ability to

fulfill its core missions in Europe, for which it would become insufficiently prepared as a provider of security. In other words, even as NATO cannot afford to fail its test of efficacy in Afghanistan, where rising violence

is causing more alienation, it must also address a no less significant test of will in Europe, where the new NATO members must continue to feel protected from their most ambitious neighbor and their most historically unstable region. More specifically, it remains important for NATO forces to remain involved in Kosovo to ensure stability prior to and after a final settlement has been agreed. More generally, the levels of U.S. troops in Europe should not shrink further without a full NATO review of the consequences of any such decision. And the primary significance of Article 5 commitments should be made an explicit part of the new Strategic Concept recommended for the NATO anniversary in 2009.

IS BIGGER BETTER?

There need not be any ambiguity about the facts of enlargement: whether for NATO or the EU, it worked. For either of these institutions to close the door on further enlargement permanently would waste or at least dilute its influence. NATO can provide institutional coverage for some of the European states that still stand at the margin of the EU but legitimately claim the Euro-Atlantic identity also found through NATO. That is especially true in the Balkans but also in some of the former Soviet Republics where the ghosts of Europe and Russia's history are still sighted. In Riga, the NATO decision to open the door for early membership to Macedonia, Albania and Croatia, and to

envision membership for Serbia, Bosnia-Herzegovina and Montenegro, as well as Ukraine and Georgia, balanced the delays that can be expected before these countries acquire EU membership.

First, Turkey is a pivot state and its ongoing negotiations for EU membership are crucial not only for the future of the EU but also for that of the transatlantic partnership. Predictably, these will be contentious and long, but the temptation to end the negotiations must be resisted, however irresistible it may be at times. For the EU to say No to Turkey, or for Turkey to say No to the EU, would be fraught with

consequences for all, especially if such an outcome were to occur abruptly and without alternative plans for association. However, while it is appropriate for the United States to state its preferences

about a key ally of vital strategic importance to all NATO members, Turkey's membership in the Union is not America's business and perceptions of U.S. interference are disruptive. In the end, only the EU members can set the boundaries of their Union, not only how far it goes but how much it does.

Second, with prospects for further EU membership dim for other "neighborhoods" in Europe, especially pending resolution of the Turkish application, the transformational power of the European Neighborhood Policy (ENP), recently strengthened with additional funding commitments, is real and must not be minimized. Promises to open EU markets to nonmembers' exports, release EU assistance for the more needy non-members, and extend other forms of privileged relations with states that respond to basic humanitarian norms still provide enough political leverage to encourage genuine economic institutional reforms, as well as credible political practices within these countries. Finally, the prospects of regional economic areas regrouping some non-EU countries and linking them with neighboring EU members are significant and should be emphasized.

Membership is not everything, however, and applicant countries have the responsibility to implement the terms of their Association Agreements with the EU not only because it may be a path to membership over time but also because it is a chosen path to reform and

NATO and EU members need to

make clear their growing concerns

about Russia's course at home and

relative to its neighbors.

renewal in the meantime. Observer status in the Committee of Permanent Representatives or even ad hoc participation in Councils of Ministers on issues for which they have particular relevance or interest should also be considered to reinforce the sense of institutional identity to neighboring countries that are not members, either not yet or not any time soon.

Third, NATO and EU members need to think hard on how to create an interaction with Russia that avoids encouraging paranoia while making clear their growing concerns about Russia's course at home and relative to its neighbors. More and better coordination between the EU and the United States—a Euro-Atlantic Ostpolitik—would help avoid a wedge within Europe and between the two sides of the Atlantic over Russia's status and role in and beyond Europe. NATO will continue to be the body that protects the security

of all its members without doing damage to its neighbors and partners. With neither NATO membership an option for Russia nor EU membership an option for the United States, G-8 is the body best suited for an "integrated" Euro-Atlantic

approach to this country—meaning one that involves both Americans and Canadians, together with key European nations and Japan, in Russia's presence. In this context, the next G-8 meeting in June 2007 stands as an important moment, one year before Russia's presidential election. At the very least, Russia should have signed the Energy Charter Treaty by the time of the next G-8 Summit, and EU countries that are not yet members of the International Energy Agency should join it at the earliest possible time.

Fourth, elsewhere in Europe there are many other specific areas for U.S.-EU cooperation, including a coordinated effort designed to prepare Ukraine for NATO membership, active and open support for Georgia's territorial integrity and stability; strong joint diplomatic signals of disapproval toward the current regime in Belarus, coordinated action in energy security, and, broadly, more reliance on integrated packages that combine EU and bilateral aid, including bilateral aid from the United States.

Outside Europe, cooperation between the United States and the EU is necessary but it will rarely be sufficient. Depending on the place, the time, and the issue U.S.-EU cooperation must therefore be reinforced by engaging other multilateral institutions, including the G-8 (for example, to address jointly the threat of vulnerable sources of weapons of mass destruction), but also the G-20, the World Bank, and the International Monetary Fund, as well as the OECD and the OSCE (the only institution where are found all NATO and EU members, together with European nonmembers of either institution). The United States and the EU should work together to improve the UN's capabilities-in addition to reforming its structuresto handle larger peacekeeping and peacemaking contingencies. Complementarity of action extends beyond the Euro-Atlantic partnership: globally, too, all states and all institutions that aim at common goals can pool their resources and influence to act on the multitude of issues about which they have compatible

> interests, notwithstanding their likely differences over other about which objectives might not converge yet because of a continued clash

> in interests.

Fifth, the EU should be able to dialogue with the United States with a single coherent voice. There is now too much confusion from one EU body to the other, from the EU to its individual members, as well as between them. That there will be no such voice when EU member states disagree is understood. On issues of economic governance, Europe can often be an obstacle to flexibility as the single EU "voice" heard by its non-European partners is or can be readily muted by the many voices emanating from the leading national capitals. On foreign and security policy issues, there is no common voice, and Europe is still, at best, a work in progress. But that no European voice can be heard even when there is agreement needs to be corrected, within the EU as well as between the EU and the United States. Only when the EU succeeds in addressing the United States with a collective will and a common voice, will the EU be able to play a role in the world that is commensurate with its power, interests, and saliency. The goal is not for a European voice to articulate what America wants, but for America to understand what Europe wants, so that either and both can proceed along paths that remain parallel even when they are not common.

Page 10 **CSIS**

For the United States and the EU,

as well as for NATO and the EU.

the question is not what one can

do for the other, but what each

can do with the other.

...AND WITH AND BEYOND THE NEIGHBORS - FIVE FINAL SUGGESTIONS

It should be clear that NATO's future, and the future lof NATO-EU relations, will not be ensured or defined by what is said around meeting tables by their members but by what is done by those institutions on the ground. For the United States and the EU, as well as for NATO and the EU, the question is not what one can do for the other, but what each can do with the other—the United States with the EU, the EU with NATO, and NATO with the EU and the United States.

First, Afghanistan presents not only a test for NATO, but also a test for the EU commitment to providing the non-military tools needed to proceed with the country's reconstruction (and hence, the rehabilitation

of the state and reconciliation among its communities) while NATO strives to provide security for the whole country. Relative to each other, the United States and the states of Europe, as well as NATO and the EU, face a test of will namely, the confirmation of their respective interest in reinforcing

their partnership—which is also a test of efficacy namely, the availability of capabilities needed to demonstrate the relevance of that partnership to pressing issues of shared concern. With regard to the latter, it is especially imperative for the NATO allies to give NATO whatever forces are needed in Afghanistan, and give those forces whatever flexibility is needed by their military leaders to fulfill the missions for which they are given responsibility. A war that started with the first-ever invocation of NATO's Article 5, which pledges its members to collective defense, cannot be lost: This is the most serious test faced by NATO since the 1999 Kosovo war, and it has potentially greater long-term implications. The survival of NATO depends on its success on the ground. But in turn, success on the ground depends on the efficacy of non-military missions of reconstruction and rehabilitation that represent the EU's own challenge in that country.

Second, the terms of the emerging security normalcy are unmistakable: however necessary the military dimension of any mission may be, it is not sufficient which is to say that a capacity for stabilization and

reconstruction (S&R) is of no lesser importance to ending a war than coercion is central to waging and winning it. To that end, cooperation with civilians is a key element of these types of missions, and the NATO Secretary General should be explicitly authorized to develop a civilian capacity for NATO, which would keep its NRF separate from any S&R force because of a clear need to maintain the Response Force's high intensity capability.

Given NATO's limitations in these areas, however, and given, too, the reluctance of some allies to see NATO assume direct non-military operational functions, such S&R missions will be best pursued in cooperation with the EU, as part of a new Stabilization and Reconstruction Initiative (SRI) that should also be developed and presented by the time of the next NATO

> summit at the latest. encroachment, let neither neglected nor wasted

where and when they are most needed. Nor is this to say that some past S&R efforts undertaken since the Cold War have not shown positive results. But it is to say that S&R demands likely to be faced in coming years and decades are such as to demand a more comprehensive approach—an adjustment that would present some parallels with decisions made after 1945 when the initial bilateral approach to the reconstruction of Europe gave way to a multilateral approach that proved to be a lot more effective and expeditious. Whenever possible, other multilateral institutions should also be associated to such NATO-EU efforts, including especially the United Nations for larger peacekeeping and peacemaking contingencies that demand contributions by a larger number of non-EU, non-NATO countries for legitimacy as well as for capabilities and relevant resources. In this context, the

Third, whether, and if so how and when, the EU will develop a common security and defense policy can be argued by the EU members, but it is one question that cannot leave the United States indifferent. Organized

draft UN/NATO declaration is a constructive step that

should effectively be put into practice.

point is not to have NATO alone leadership, in an area that best defines the EU role in the world, but to ensure that the supplemental capabilities that each institution can bring are

as a union, Europe is a power in the world but it is still not a world power. It is important, therefore, for the EU to gain the political cohesion and acquire the military capabilities needed to play a role that would be commensurate with its interests and responsibilities. EU members should at least aim to increase their defense expenditures to keep up with inflation. Emphasis should be placed on procurement and research and development, including minimum targets for national budgets in each of these areas, as well as cross-border cooperation, including the development of so-called niche capabilities.

The European Defense Agency can be an effective tool for coordination, but in an enlarged Union the lead may have to be assumed by a few members with key capabilities and expertise. As with NATO,

The test of Euro-Atlantic finality is a test of will for and in each of the countries that comprise this community or hope to join it.

EU Defense Ministers should have their own "interministerial" and the 27 EU Defense Ministers should develop a Joint Strategic Concept at the earliest possible time, to be ultimately coordinated with the new NATO Strategic Concept. As has been proposed by some experts, the High Authority could also have a deputy for defense issues, who might be the EU representative at such meetings—including EU and NATO inter-ministerials.

Fourth, maturity in NATO-EU relations will require a commitment to developing mechanisms that settle both institutions into the Euro-Atlantic community inherited from, and enlarged since, the Cold War. NATO must take the EU seriously, as well as, conversely, NATO the EU. For example, the NATO secretary-general should hold bi-monthly meetings with his EU counterpart to share information and co-ordinate policy on issues such as counter-terrorism. Single events are not predictable, but the broad consequences of these events can be anticipated and planned accordingly by both institutions and their members. At a time of considerable volatility, joint contingency planning on a wide range of issues is essential-major terrorist attacks, natural disasters, severe energy shortages, territorial conflicts, and more (or worse)—and NATO's military capabilities in strengthening homeland security should be integrated into a wider strategy as a valuable complement to the civilian assets of the EU. Their conclusions and findings could be communicated to their "Situation Centers" to assess and discuss follow up action and operations.

Fifth, the United States and other NATO members, as well as the 27 EU countries with one another, respond to different concerns and aspirations in the Middle East. These differences may create distinct priorities and vulnerabilities that often stand in the way of common policies. Yet, on the whole, differences within the EU, as well as between the EU and the United States or within NATO, have been getting

smaller because of a growing awareness that coordinated Euro-Atlantic initiatives are more likely to succeed than policies that emphasize the interests of one or several EU or NATO countries exclusive of the others. That such would be

the case is a matter of sheer interests. No region in the world is more important, but also more volatile—more disruptive, dangerous, unstable, expensive, and intrusive; indeed, for the next several decades, no other region will offer the same potential for exporting chaos and war on a global scale. Because of this unusual combination—vital significance and explosive potential—it is there that the Euro-Atlantic partnership will meet its most demanding test, but it is also there that the partnership can least afford to fail that test.

On the eve of significant political changes in the United States and Europe, the test of Euro-Atlantic finality is a test of will for and in each of the countries that comprise this community or hope to join it. But on the eve of the tremendous economic, societal, and security challenges that await these countries, this is also a test of efficacy and vision that will demand the same sense of urgency and the same sort of bold and sustained leadership as was shown 60 years ago when both the United States and the states of Europe reversed the course of their respective history to recast their relations with one another as well as with the world.

Simon Serfaty holds the Zbigniew Brzezinski Chair at CSIS and is a senior adviser in the CSIS Europe Program.

This paper draws on discussions held in 2006 by two separate working groups composed of leading American and European experts on the EU, NATO, and transatlantic relations. It also develops conclusions reached at an earlier Think Tank Summit convened by the author at the Wye Plantation in spring 2005. The author is thankful for the many substantive contributions made by the members of each of these groups, as well as by the many ideas contributed by other research institutions on either side of the Atlantic. This work also gained greatly from contributions made by Derek Mix, who coordinated this project and participated actively in the development of this paper. Thanks, too, are offered to the European Commission for its generous support in launching this project and convening many of these meetings, and to the German Marshall Fund of the United States and other leading contributors to the CSIS Europe Program.

Related CSIS publications from 2004—2007 include:

Recasting the Euro-Atlantic Partnership, by Franklin D. Kramer and Simon Serfaty, CSIS Initiative for a Renewed Transatlantic Partnership, February 1, 2007.

Transforming NATO (...Again), Julianne Smith, Principal Author, CSIS Primer for the 2006 NATO Summit, November 2006.

The NATO Riga Summit: A Renewed Commitment to Transformation, by Simon Serfaty, CSIS Initiative for a Renewed Transatlantic Partnership, October 2, 2006.

Moment of Reflection, Commitment to Action, by Simon Serfaty, CSIS Initiative for a Renewed Transatlantic Partnership, August 1, 2006.

Visions of the Atlantic Alliance: The United States, the European Union, and NATO, Simon Serfaty, ed. (Washington, DC: CSIS Press, 2005).

European Defense Integration: Bridging the Gap Between Strategy and Capabilities, Michèle Flournoy and Julianne Smith, Lead Investigators, CSIS Initiative for a Renewed Transatlantic Partnership, October 2005.

The United States, the European Union, and NATO: After the Cold War and Beyond Iraq, by Simon Serfaty, CSIS Think Tank Summit Report and Conclusions, June 15, 2005.

Shock Therapy, by Robin Niblett, CSIS Euro-Focus, vol. 11, no. 2, June 3, 2005.

Test of Will, Tests of Efficacy, Robin Niblett, ed., CSIS Initiative for a Renewed Transatlantic Partnership, February 2005.

Vital Partnership: Half After Bush, Memorandum to the President, by Simon Serfaty, CSIS Initiative for a Renewed Transatlantic Partnership, November 3, 2004.

A New Deal in U.S.-EU-NATO Relations, by Simon Serfaty, CSIS Initiative for a Renewed Transatlantic Partnership, July 21, 2004.

Purpose and Commitment, by Simon Serfaty, CSIS Euro-Focus, vol. 10, no. 2, June 1, 2004.

CSIS is a private, tax-exempt institution focusing on international policy issues. Its research is nonpartisan and nonproprietary. CSIS does not take specific policy positions; accordingly, all views, positions, and conclusions expressed in this publication should be understood to be solely those of the author(s). © 2007 by the Center for Strategic and International Studies.