

**Preparing the Institutions for a Common European Foreign and  
Security Policy**

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## Preparing the Institutions for a Common European Foreign and Security Policy

### Introduction

"Today, we have too many institutions and not enough substance,"<sup>1</sup> was how German Minister of Defense Rudolf Scharping characterized Europe's security policy dilemmas at the May 1999 meeting of Western European Union defense and foreign ministers in Bremen. Scharping was referring to the plans under discussion to eliminate the WEU by folding it into the European Union -- a step that France, Germany and most other EU member states favored at the 1996-1997 Intergovernmental Conference, that Britain opposed, and that now has become feasible as a result of evolving British attitudes under Prime Minister Tony Blair. It remains to be seen, however, whether an EU-WEU merger -- assuming it is achieved -- will mark a departure from the past and lead to a genuinely stronger and more autonomous defense capability, or whether it will represent a continuation of the institutional tinkering that has dominated European security affairs for the better part of a decade.

This paper examines the prospects for a new European security identity and capability, focusing on institutional questions. It begins with a review of the background to CFSP, the progress made in the Treaty of Amsterdam, and post-Amsterdam

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<sup>1</sup> Roger Cohen, "Dependent on U.S. Now, Europe Vows Defense Push," *New York Times*, May 12, 1999.

developments with important implications for CFSP. It then examines the unresolved political and practical issues that need to be addressed for Europe to move beyond the Amsterdam result. It concludes with a brief discussion of U.S. attitudes toward the renewed push for a European Defense and Security Identity (ESDI) and the implications this may have for U.S. interests.

### **The Institutions after Amsterdam**

The EC/EU has been developing its foreign policy mechanisms and profile for nearly thirty years, and the rudiments of a security policy for nearly twenty.<sup>2</sup> European Political Cooperation (EPC) goes back to the Hague summit of December 1969, at which the leaders of the then-Six asked their foreign ministers to prepare a report on "political unification." At their London meeting in October 1981, the Community foreign ministers agreed to extend the subject of EPC to "certain important questions bearing on the political aspects of security." EPC was given treaty status in the Single European Act that went into effect in July 1987.

In 1984, at the initiative of France, the subgroup of EC member states that were also members of the WEU took steps to activate and upgrade that organization. Three years later, the WEU adopted the Hague Platform on European Security Interests,

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<sup>2</sup> For background, see Anthony Forster and William Wallace, "Common Foreign and Security Policy: A New Policy or Just a New Name?" in Helen Wallace and William Wallace, eds., *Policy-Making in the European Union*, Oxford, Oxford University Press, 1996, pp. 411-435.

which emphasized the organization's commitment to European integration and drew a connection between the WEU and the EC's evolving external political identity. The Maastricht Treaty replaced EPC with CFSP, formalized a relationship between the newly established EU and the WEU, and stipulated that "the common foreign and security policy shall include all questions related to the security of the Union, including the eventual framing of a common defence policy, which might in turn lead to a common defence" (Article J.4.1). The EU requested the WEU, "which is an integral part of the development of the Union, to elaborate and implement decisions and actions of the Union which have defence implications" (Article J.4.2).

The Maastricht Treaty and the parallel "Declaration on the role of the WEU and its relations with the European Union and with the Atlantic Alliance" were followed by modest but concrete measures to upgrade the operational capabilities of the organization. The seat of the WEU Council and Secretariat was transferred from London to Brussels, effective January 1993. At their December 1991 meeting in Maastricht, the WEU ministers agreed to set up a Planning Cell. Formally established in Brussels on October 1, 1992, the cell became operational in April 1993, staffed by about 40 personnel headed by a general officer. At the June 1991 WEU ministerial, the WEU Council agreed to set up an experimental Center for the Interpretation of Satellite Data. The center began operations at Torrejon, Spain in April

1993, and formally became a WEU body in May 1995.<sup>3</sup>

The Treaty of Amsterdam, which was concluded in June 1997, signed in October of that year, and went into effect on May 1, 1999, continued the process of evolution toward an EU security policy. In specific terms, it:

(a) revises the article on CFSP objectives (J.1.1) in the Maastricht Treaty to include a reference to the "integrity" of the Union and a reference to "external borders," albeit one that is subordinated to language referring to the principles of the UN Charter, the Helsinki Final Act and the Paris Charter (Article 11, Consolidated Version of the Treaty on European Union).

(b) sharpens the language on the circumstances under and procedures by which the member states might adopt a common defense. In place of the vague and open-ended wording in the Maastricht Treaty, it states that the European Council is empowered to decide upon the "progressive framing" of a common defense policy, in which case the member states would have to adopt "such a decision in accordance with their respective constitutional requirements" (Article 17).

(c) clarifies the relationship between the EU and the WEU, both institutionally and operationally, and opens the door to the integration of the latter into the former, "should the European Council so decide" (Article 17.1).

(d) places the operational capabilities of the WEU at the

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<sup>3</sup> *Western European Union: History, Structures, Prospects*, WEU Press and Information Service, Brussels, June 1995.

disposal of the EU and gives the European Council competence to establish guidelines for WEU action. The phrase "including for matters with defense implications" is added to the existing language giving the European Council authority to define principles and general guidelines for CFSP (Article 13).

(e) specifies the so-called Petersberg tasks -- humanitarian and rescue tasks, peacekeeping tasks and tasks of combat forces in crisis management, including peacemaking -- as matters of CFSP responsibility, thereby implicitly committing the non-WEU member states of the Union (Austria, Denmark, Finland, Ireland and Sweden) to responsibility for tasks previously codified only in WEU agreements (Article 17.2).

(f) introduces a flexibility clause with a "constructive abstention" procedure under which member states may abstain from unanimous decisions on CFSP matters and make a formal statement of intention not to apply a decision that otherwise commits the Union (Article 23.1).

(g) establishes the post of High Representative for the common foreign and security policy, in the form of the Secretary-General of the Council (Article 18.3).

(h) replaces the troika system of representation with a new alignment that includes the presidency country, the High Representative, and the country next in line for the presidency; the Commission (as in the past) is to be "fully associated" in the tasks (Article 18.4).

(i) gives the European Council authority to decide on common

strategies to be implemented by the Union (Article 13).

(j) expands the role of qualified majority voting in CFSP. It is to be used when adopting joint actions, common positions or other decisions on the basis of a common strategy and for adopting decisions implementing a joint action or common position (Article 23.2). QMV is not used, however, for decisions having military or defense implications, and it can be suspended by any state's invoking "important and stated reasons of national policy." The stronger of the weighting provisions of the TOR also is used (62 votes cast by at least ten member states), giving the smaller countries more possibilities to form blocking minorities.

(k) endorses cooperation in the field of armaments (Article 17.1), without, however, impinging upon the blanket exclusion of armaments trade and production from the Treaty of Rome (TOR Article 296/ex-223).

The period since the signing of the Treaty of Amsterdam has seen a number of developments relevant to CFSP that point to further institutional changes, including treaty revision at a post-Amsterdam IGC. They include further development of the "WEU acquis," a major shift in British attitudes regarding the relationship between the WEU, EU and NATO, and short-term measures connected with the immediate crisis in Kosovo.

In November 1997 the Erfurt ministerial of the WEU decided to establish a WEU Military Staff, which became operational in May 1998. It incorporates the previously-established Planning Cell and a WEU Situation Center, with a total staff of just over

60 officers from all three branches and civilian personnel from all ten member countries. Looking toward the eventual merger of the WEU and the EU, the WEU also undertook an audit of the assets and capabilities available for European operations. Welcoming the preliminary results of the audit, the Bremen Declaration noted:

The findings of this audit should help to identify what changes need to be made to ensure that WEU's operational instruments (Military Staff, Military Committee, Satellite Centre, etc.) can make a more effective contribution to the mounting of crisis management missions within the EU framework.

They should also assist nations in identifying areas where national and multinational capabilities need to be strengthened in order to make the conduct of Petersberg operations more effective.<sup>4</sup>

In addition, the WEU somewhat belatedly for the first time was asked by the EU, under Article J.4.2 of the Maastricht Treaty (TEU), to undertake an actual operation to be financed by the EU budget -- the WEU De-mining Assistance Mission in Croatia. This operation began in May 1999, with Sweden acting as the lead nation.

Britain signalled its long-awaited shift on CFSP at the informal European Council meeting in Pörtlach in late October 1998, at which Blair called for "fresh thinking" on European defense cooperation and mentioned different institutional options, including possible full merger of the WEU into the EU.

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<sup>4</sup> WEU Council of Ministers, Bremen Declaration, Bremen, May 10-11, 1999, <http://www.weu.int>.



In early December Blair and French President Chirac issued their pathbreaking "Declaration on European Defense" at their meeting in Saint-Malo. It stated that the EU "must have the capacity for autonomous action, backed up by credible military forces, the means to decide to use them and a readiness to do so in order to respond to international crises."<sup>5</sup> It stressed "full and rapid implementation of the Amsterdam provisions on CFSP," including "the responsibility of the European Council to decide on the progressive framing of a common defense policy in the framework of CFSP." Whereas after Maastricht Britain dragged its feet on implementation of that treaty's in any case vague mandate ("the eventual... which might in time"), it now seems to be moving swiftly to exploit the full possibilities of the more precise Amsterdam mandate.

The Blair initiative was followed by and lent new significance to various meetings and declarations involving the EU and WEU. The first-ever meeting of EU defense ministers occurred in November 1998 during the Austrian presidency. It was followed in early December by the first-ever meeting between an EU Council president, in this case Austrian Foreign Minister Wolfgang Schüssel, and the NATO Secretary General. At its Vienna session in December, the European Council welcomed the St. Malo developments, endorsed work underway to establish Policy Planning and Early Warning Units in the General Secretariat, and called

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<sup>5</sup> "Declaration on European Defense," Uk-French summit, Saint-Malo, December 3-4, 1998, <http://www.fco.gov.uk>.

upon the Council to develop specific proposals for operationalizing the provisions in the Treaty of Amsterdam regarding closer EU-WEU cooperation, to be examined at the Cologne summit in June 1999.

The Kosovo crisis and turmoil in the EU's own institutions subsequently added a sense of urgency to the preparations for the Cologne decisions. At the Bremen meeting, the WEU defense ministers set an informal 18-month deadline for concrete progress toward a European defense identity, meaning that key decisions could be taken under the French presidency at the end of 2000.<sup>6</sup> Incoming Commission president Romano Prodi told interviewers that a "logical next step" for CFSP would be the creation of an EU army, and suggested that the alternative would be "to be marginalised in the new world history."<sup>7</sup> The UK promptly rejected this suggestion (which Prodi himself said would come about after "years and years and years"), but there seemed little doubt that the debate would continue in the direction Prodi identified. Meeting in Brussels at the end of the month, the EU foreign ministers finalized many of the details concerning the eventual absorption of the WEU into the EU, and indicated that NATO Secretary General Javier Solana would be appointed as the

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<sup>6</sup> Neil Buckley, "Support for EU defence arm grows," *Financial Times*, May 12, 1999.

<sup>7</sup> Peter Norman and Andrew Parker, "Common EU army the 'logical next step'," *Financial Times*, May 10, 1999; see also Emma Bonino, "A single European army," *ibid.*, February 3, 1999.

CFSP High Representative.<sup>8</sup>

### **Challenges and Problems**

Despite the progress made at and since Amsterdam, the EU still faces important institutional challenges and dilemmas as it moves toward developing a stronger security policy. Four specific issues can be identified:

- (1) institutional and organizational issues internal to the EU;
- (2) defining the EU's relationship to NATO;
- (3) addressing the problem of non-congruent EU-NATO memberships and the related problem of divergent mutual security guarantees; and
- (4) the challenge of translating new institutional arrangements into useable military capability.

### *Institutional Reform of the EU*

The EU is not well-suited to managing an effective CFSP, and recent discussions have focused on the need for institutional reforms. Merger with the WEU will bring new capabilities, but also new management and leadership challenges. Potential problems include lack of compatibility and coordination between the first and second pillars, lack of democratic control and potential loss of legitimacy, and redundancy of institutions and positions

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<sup>8</sup> Robert Preston and Peter Norman, "EU ministers back common defence policy," *Financial Times*, June 1, 1999.

leading to a continuation in a new form of the "who speaks for Europe" problem.

As WEU Secretary General Jose Cutileiro argued at the Bremen ministerial, "the simplest argument for passing WEU tasks to the EU is that European security would thus benefit directly from the European Union's considerable clout. Another argument is the value of combining under the same roof the political control and strategic direction of military actions with the powerful non-military instruments the EU can wield."<sup>9</sup> But Cutileiro further observed that "to exploit these political and practical advantages the EU will need to import or create new competencies, strengthen decision-making and find quicker ways to release operational funds from its budget." In other words, the EU will need to strengthen both the first and the second pillars and develop new forms of cooperation involving both.

In the first pillar, the Commission generally has been skeptical about the intergovernmental approach to EPC/CFSP adopted by the member states and has pressed for partial or complete "communitarization" of second pillar matters. In doing so, it has invoked arguments derived from the trade area, where the importance of legal personality and a unified negotiating stance have long been evident. For example, in its report to the Reflection Group prepared for the 1996 IGC the Commission was critical of CFSP and suggested that deletion from the Treaty of

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<sup>9</sup> "Address by Mr. Jose Cutileiro," WEU Council of Ministers Session, Bremen, May 10, 1999.

Rome of Article 116 (which required the member states to cooperate so as to coordinate their own measures within international organizations with those of the Community) and its replacement by the second pillar mechanisms was in fact a step backward.<sup>10</sup> It is important to note, however, that even in those areas of foreign policy for which the Commission does have competence, it has not organized itself very effectively. The Santer Commission divided regional responsibilities among four commissioners -- Leon Brittan, Hans van den Broek, Manuel Marin and Joao de Deus Pinheiro -- while a fifth (Emma Bonino) was responsible for the European Community Humanitarian Office (ECHO). However understandable in terms of the personalities, member states involved, and the compartmented way in which the EU relates to the various regions of the world, this was not a sound basis on which to support a stronger Commission role in CFSP.

Prodi is likely to consolidate some Commission external responsibilities, thereby creating a powerful commissioner as a counterpart to the High Representative. The "Declaration on the Organization and Functioning of the Commission" adopted by the member states in connection with the Amsterdam Treaty notes the intention of the Commission to reorganize itself and "in particular the desirability of bringing external relations under the responsibility of a Vice-President." The fact that the Commission president now plays a direct role in selecting his

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<sup>10</sup> *Intergovernmental Conference 1996: Commission Report for the Reflection Group*, Luxembourg, Office for Official Publications of the European Communities, 1995, p. 59.

team and that he has a mandate to issue "political guidance" (Article 219) to the Commission may also contribute to greater Commission coherence on external issues. The danger, of course, may be that of conflicts between Prodi and a powerful vice-president or between the latter and the High Representative.

The Commission will need to make other adjustments in its *modus operandi*, particularly as the EU budget is called upon to support CFSP operations. Of the programs and offices singled out in the Committee of Independent Experts report that led to the mass resignation of the Santer Commission, several -- ECHO, the MED programs, and nuclear safety assistance for central and eastern Europe -- were external.<sup>11</sup> The Commission faces a huge managerial task in gaining control over the aid and technical assistance programs that were thrust upon it in the 1990s, and that will loom large in Balkan reconstruction, pre-accession policy, and policy toward Russia, Ukraine, and the Mediterranean. Closer to home, incorporation of the West European Armaments Organization (WEAO) into the structures of the EU will create both opportunities and new frustrations for the Commission as it seeks to relate EU competition, industrial, technology, trade and other policies to an arms industry that continues to enjoy exemption from virtually all provisions of the Treaty of Rome.

The role of the European Parliament will also evolve. The EP was stymied in its efforts to achieve in the Treaty of Amsterdam

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<sup>11</sup> Committee of Independent Experts, *First Report on Allegations regarding Fraud, Mismanagement and Nepotism in the European Commission*, March 15, 1999.

a greater CFSP role. The presidency is required to consult the parliament on the main aspects and basic choices of CFSP and to keep it informed of CFSP developments, but formally the EP has no real oversight role for the second pillar. As a practical matter, the new EP can be expected to press for such a role, especially after its March 1999 show of strength against the Commission and given the huge budgetary implications of future CFSP tasks, e.g., postwar reconstruction in the Balkans. The budget will give the parliament leverage over the non-military aspects of CFSP, and could shade over into defense issues over time. The TEU stipulates that operational expenditure for CFSP shall be charged to the budget of the European Communities, except for "such expenditure arising from operations having military or defense implications," which is to be charged to the member states. This provision may well need to be amended or interpreted liberally to facilitate funding of Petersberg-task responsibilities by the Community budget.

Assuming the parliament does come to play a greater CFSP role, a key question will be whether it is able to make "responsible" contributions to foreign policy (along the traditional lines of the U.S. Congress) or whether it will simply use foreign policy as part of its ongoing efforts to expand its own powers. There is some danger that the parliament's forays into foreign policy could consist primarily of ad hoc actions on trade, environmental and consumer affairs (e.g., aircraft engine hush-kits; hormone-treated beef) that tie the Commission's hands

and strain relations with key allies. More likely, MEPs will press for a greater say in CFSP on broader and more political grounds, arguing the need for democratic control, transparency, and voter legitimation. EP involvement in human rights issues as an aspect of CFSP already points in this direction.

In the second pillar changes will be even more fundamental. Key questions include how powerful and effective the High Representative for CFSP will be, how he will relate to the Commission and the Presidency, the resources upon which he will be able to draw for defense and foreign policy planning and external representation, and how closely he will be supervised by or will otherwise interact with Council bodies such as the Political Committee (Article 25) and COREPER. A discussion paper prepared by the German foreign ministry for the informal meeting of EU foreign ministers held in March 1999 sketched out the detailed requirements for giving the EU a "capacity for action backed up by credible military capabilities and appropriate decision-making bodies."<sup>12</sup> Its proposals included having EU defense ministers join the foreign ministers at regular Council meetings; establishing a permanent body of EU-member state representatives with political and military expertise (British Foreign Secretary Robin Cook has proposed a permanent committee of deputy political directors from EU foreign ministries, to be based in Brussels, to help shape the political side of CFSP);

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<sup>12</sup> Peter Norman, "Bonn spurs debate over EU security," *Financial Times*, March 15, 1999.



establishing an EU committee of military representatives;  
establishing a military staff with a capability for analysis and strategic planning and with its own sources of intelligence; and developing other EU resources, such as a satellite center and an institute for security studies.

Some of these proposed bodies will be taken over from the WEU following merger with the Union and will be placed under the authority of the High Representative. But integrating these mechanisms could prove to be a challenge. The exclusively civilian culture of the EU will need to adjust to the administration of even a small military bureaucracy. Moreover, the CFSP provisions of the TEU are replete with constructive abstention and opt-out provisions, which will increase the frequency with which EU institutions are involved in implementing decisions actively supported by only subsets of member states. None of these problems are insurmountable, but they could slow decision-making and undermine the effectiveness of CFSP action.

### *The NATO-EU Relationship*

At the institutional level, the question of EU relations with NATO remains fundamentally unresolved. The negotiation of the Maastricht Treaty was marked by tensions among the EU member states and between the EU and the United States over NATO's future role in Europe. The Bush Administration suspected France of leading an effort to marginalize NATO and replace it with a

competing ESDI, and reacted with diplomatic pressure (the Bartholomew demarche). Disillusioned by Europe's performance in the former Yugoslavia, France subsequently pulled back from its position on NATO, while the United States under President Clinton came to embrace ESDI, at least superficially.

At the January 1994 Brussels summit, the NATO heads of state and government welcomed the entry into force of the Maastricht Treaty and, responding to the WEU's designation as the putative defense arm of the EU, welcomed the developing cooperation between NATO and the WEU. They further declared NATO's readiness "to make collective assets of the Alliance available, on the basis of consultations in the North Atlantic Council, for WEU operations undertaken by the European Allies in pursuit of their Common Foreign and Security Policy."<sup>13</sup> To operationalize the provision of NATO assets to the WEU, the United States proposed and the alliance subsequently adopted the concept of Combined Joint Task Forces (CJTF).<sup>14</sup> The June 1996 Berlin North Atlantic Council affirmed the "development of the European Security and Defence Identity within the Alliance" and pledged that the "Alliance will support the development of the ESDI within NATO by conducting at the request of and in coordination with the WEU, military planning and exercises for illustrative WEU missions

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<sup>13</sup> *NATO Press Communiqué M-1(94)3*, Declaration of the Heads of State and Government, Ministerial Meeting of the North Atlantic Council, Brussels, January 11, 1994.

<sup>14</sup> See Jeffrey Simon and Sean Kay, "The New NATO," in Ronald Tiersky, ed., *Europe Today*, Boulder, Rowman and Littlefield, 1999, pp. 369-399.

identified by the WEU."<sup>15</sup>

With the WEU now most likely set to disappear, NATO must define itself more directly in relation to the EU. It began to do so in its April 1999 Washington decisions, which declared NATO's readiness "to define and adopt the necessary arrangements for ready access by the European Union to the collective assets and capabilities of the Alliance, for operations in which the Alliance as a whole is not engaged militarily as an Alliance." The North Atlantic Council now is tasked with finding ways to provide assured EU access to NATO planning capabilities, ensure the availability to the EU of pre-identified capabilities and common assets, identify a range of European command options for EU-led operations, and further adapt NATO's defense planning system to incorporating more comprehensively NATO forces into EU-led operations.

But how this will work in practice is as yet unclear. It is not as if a large body of successful NATO-WEU experience, as envisioned in the Brussels and Berlin documents, can be transferred directly to the NATO-EU realm. The details of NATO-WEU cooperation were never fully worked out in theory let alone applied in practice. An opportunity to use the WEU in a relatively non-stressful environment was missed in early 1997, when an Italian-led multilateral stabilization force for Albania (with contingents from Italy, France, Greece, Spain, Romania,

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<sup>15</sup> *Final Communique*, NAC-1(96)63, Ministerial Meeting of the North Atlantic Council, Berlin, June 3, 1996.

Austria and Denmark) was formed under UN and OSCE (Organization for Security and Cooperation in Europe) mandates, with no link to NATO, the EU or the WEU. France and the United States have differed over CJTF command arrangements, and these differences will if anything carry over with renewed vehemence into the NATO-EU realm. The United States insists on a unified command structure for all operations, including for WEU-led (and, in future, presumably EU-led) operations using NATO assets, with a role for the Supreme Allied Commander Europe (SACEUR). France has insisted that for WEU-led operations the command structure should bypass the NATO command and lead directly to the WEU (and, in future, presumably the EU).

The Kosovo crisis may further complicate efforts to develop the NATO-EU connection. On the EU side, it may intensify the search for separable command arrangements, while the United States may become even more cautious than in the past about loss of control over NATO assets. The military operations planned and run by SACEUR in Mons and the NAC in Brussels have resulted in well-publicized strains with the Department of Defense and the Joint Chiefs of Staff in Washington.<sup>16</sup> If the U.S. military leadership has such difficulty with a *NATO-led* operation commanded by an American general, it may well become even more leery of even tangential involvement with EU-led operations that it does not control.

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<sup>16</sup> Steven Lee Myers and Eric Schmitt, "War's Conduct Creates Tension Among Chiefs," *New York Times*, May 30, 1999.

More fundamentally, the United States and its European allies may differ over the character and conduct of the so-called non-Article 5 missions for which EU leadership is thought to be appropriate. From 1991-1995 there was a general consensus in the West that NATO was not an appropriate body for such missions, but the experience in Bosnia with IFOR and SFOR changed this perspective. The perceived success of NATO bombing and U.S. diplomacy in producing the Dayton accords and the initial implementation success gave the U.S. administration a renewed appetite for a general expansion of NATO's roles and missions, as was evident in the pre-Washington summit discussions of a new NATO strategy. Bosnia also helped with the NATO enlargement process by seeming to neutralize Russian opposition and, as the IISS perhaps somewhat prematurely phrased it, "confirm[ing] NATO's supremacy as the principal defence and security actor in Europe, leaving the UN, OSCE, the EU and the WEU far behind."<sup>17</sup>

What effect the Kosovo debacle will have on these changes is still unclear. It may cause the United States to retreat into the more cautious thinking of earlier in the decade. If this does not occur, some in the United States may be reluctant to give up the "only game in town" designation unofficially ascribed to NATO in 1996-1999. For now, however, the task of dividing military missions neatly into Petersberg tasks and Article 5 missions seems a bit irrelevant to the main tasks at hand, given the debate among member states about the introduction of ground

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<sup>17</sup> *Strategic Survey 1998/99*, London, Oxford, 1999, p. 31.

troops into Kosovo for essentially humanitarian and peacekeeping purposes under hostile, permissive, and "semi-permissive" conditions.

### *Membership Issues and Security Guarantees*

Non-congruency of membership originally was seen as having certain advantages for the development of a European security identity. One of the reasons France chose to revive the WEU in the early 1980s was that it did not include the two EC member states most reluctant to discuss security in EPC, Denmark and Greece. But diversity of membership has long since become more of a problem than an opportunity. Diversity decreased in the late 1980s and early 1990s as several EC and NATO members joined the WEU, but has since been on the rise. Austria, Finland and Sweden joined the EU in 1995 but not NATO; the Czech Republic, Hungary and Poland joined NATO in 1999, well before they are expected to accede to the EU. At issue are three categories of countries: (a) EU members that are not WEU members; (b) EU members that are not NATO members; and (a) NATO members that are not members of the EU. Some of the questions raised by non-congruency are matters of timing that will solve themselves as (almost) everybody joins (almost) everything, but Turkey and possibly other cases will be more problematic.

As NATO member countries, Iceland, Norway and Turkey became Associate Members of the WEU in 1992 (a status also gained by the Czech Republic, Hungary and Poland in 1999). If the WEU is

absorbed by the EU, Turkey -- whose relations with the EU are already strained -- stands to lose the special status that associate membership implies. Turkish reticence on this issue was much in evidence at the April 1999 NATO summit and explains the cautionary language contained in the final communiqué.<sup>18</sup>

Merging the WEU with the EU also could complicate the situation of those EU member countries that are not also members of the WEU. The Saint Malo declaration states that "the collective defence commitments to which member states subscribe [set out in Article 5 of the Washington Treaty, Article V of the Brussels Treaty] must be maintained," but it is silent on the situation of those states that do not subscribe to either or both of these commitments. These countries are already WEU Observers, and they took a large step toward de facto WEU membership by signing on to the Petersberg tasks in the Treaty of Amsterdam. But incorporation of Article V of the Brussels Treaty into the TEU would present a more direct assault on these countries' neutrality -- one that presumably could be managed through the kind of variable geometry that has been used with regard to EMU, Schengen, and the Social Protocol, but that would cost political capital and have domestic political repercussions. An alternative is to forgo incorporation of the Article V language of the Brussels Treaty into the EU *acquis*, but this raises other problems, notably that of unequal security statuses in what

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<sup>18</sup> "An Alliance for the 21st Century," Washington Summit Communiqué, <http://www.nato.int/docu/pr/1999/p99-064e.htm>.

otherwise purports to be a political union (discussed below).

The flip side of the neutrality issue is that of possible "back door" security guarantees for countries that join the EU but that do not become members of NATO (including, for the moment, Austria, Finland, and Sweden). It is too early to tell how many future EU members might fall into this category, but the three Baltic countries are obvious possibilities. If the EU and WEU are merged and these countries join the EU, the issue of implicit security guarantees from the United States to them via fellow EU member states may arise.

The membership issue is closely linked to that of mutual security guarantees. The non-congruence of EU, NATO and WEU membership means that some parts of the EU have a different security status than others, while some non-EU member countries, i.e., Norway and Turkey, have the same security status as that of the eleven EU members that are members of NATO. Since the entry into force of the Maastricht Treaty, the EU has purported to be a political union that accords to the citizens of all its member states a common European citizenship. In the event of an invasion of Finland or Austria, there would be a conflict between the legalistic fact of NATO and WEU non-membership and the obvious requirement that the Union respond to an attack on itself and its own citizens.

European observers have long recognized the contradiction inherent in a political union consisting of states with different security obligations vis-a-vis each other. As a French analyst



has written, in the long run "Europe's political union, in parallel with its monetary union, requires the reciprocal engagement of all the EU member-states to defend each other collectively, with or without the United States."<sup>19</sup> After Maastricht, various ideas were put forward to deal with this problem. A high-level study group convened by Commissioner Hans van den Broek suggested in late 1994 that the EU work towards incorporation of Article 5-type guarantees in the EU's founding treaties: "[P]rogress towards a common defence would centre on the insertion in the Treaties, say by the year 2000, of a mutual assistance commitment binding on all members of the EU; this in turn would entail the achievement of full congruence by that date between WEU and EU membership, as a prelude to merger."<sup>20</sup> In the Reflection Group that prepared the groundwork for the intergovernmental conference, several government representatives proposed that the IGC examine "the possibility of including in the revised Treaty a provision on mutual assistance for the defence of the external borders of the Union."<sup>21</sup> Separately, France and Germany jointly proposed inclusion of a "political solidarity clause" in the TEU.<sup>22</sup> In the end, the only result was

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<sup>19</sup> Nicole Gnesotto, "Common European Defence and Transatlantic Relations," *Survival*, v. 38, no. 1 (Spring) 1996, p. 29.

<sup>20</sup> High-Level Group of Experts on the CFSP, *European Security Policy Towards 2000: Ways and Means to Establish Genuine Credibility: First Report*, Brussels, December 19, 1994.

<sup>21</sup> *Reflection Group's Report*, Brussels, December 5, 1995.

<sup>22</sup> "Guidelines Adopted at the Franco-German Seminar of Foreign Ministers," Freiburg-am-Brigsau, February 27, 1996.

the weak references to integrity and external borders inserted into the list of CFSP objectives. The solidarity pledged in the NATO and WEU treaties thus goes far beyond anything found in the EU treaties, even though the level of integration in the EU is deeper and more comprehensive.

Developing a CFSP with genuine defense component may require the adoption of more direct solidarity language in the TEU, but this in turn will complicate the problem of non-congruent memberships. For now this issue is being finessed by stressing that CFSP and ESDI are geared exclusively toward non-Article 5 contingencies, but this may not prove tenable over the long-term, particularly if NATO begins to fade and the U.S. commitment to Europe is called into question.

### *Military Capability*

Translating institutional and political change into military power will require Europe to spend more, more effectively, and on different things. European defense budgets have been declining in real terms since the end of the cold war and remain under pressure from a combination of slow economic growth, ageing populations and high welfare costs, and the macroeconomic strictures of the Growth and Stability Pact. The IISS calculates that NATO European countries budgeted some \$40 billion for equipment in 1998, compared with \$80 billion in the United States. European spending on defense R&D is approximately \$10

billion, compared with \$36 billion for the United States.<sup>23</sup> As the UK has shown in its July 1998 Strategic Defense Review, European militaries can achieve savings by reorganizing logistics and procurement, closing redundant facilities, and introducing more competition in the procurement process. But such reforms may be politically difficult to achieve (witness the problems over privatization of defense industries and France and over conscription in Germany) and under the best of circumstances it will take time to realize savings.

European political leaders sometimes intimate that the painful choices posed by defense economics can be sidestepped by achieving greater European defense cooperation -- implicitly or explicitly directed against the United States. But such cooperation is unlikely to solve and may even exacerbate some resource problems. As Michael O'Hanlon has pointed out, the actual imbalance in transatlantic defense trade is often exaggerated -- large in percentage but rather modest in absolute terms (in 1984-1994, the United States exported about \$4 billion in arms per year to Europe while importing about \$1 billion; the \$3 billion gap represents about 10 percent of European procurement) -- and cannot in itself account for low European defense budgets.<sup>24</sup> Moreover, as the same author points out, industrial imperatives sometimes push European countries in the

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<sup>23</sup> IISS, *The Military Balance 1998/1999*, London, Oxford University Press, 1999, p. 33.

<sup>24</sup> "Transforming NATO: The Role of European Forces," *Survival*, n. 39, n. 3 (1997), p. 12.

direction of spending on sophisticated big-ticket items (electronics and aeronautics) and to neglect more mundane capabilities such as sea lift and theater logistics (not to mention munitions).

Despite these cautionary factors, there are signs of a possible upturn in defense spending and improved efficiencies. At the May 1999 WEU ministerial, some member states raised the possibility of "convergence criteria" for defense spending aimed at increasing capabilities and closing gaps with the United States.<sup>25</sup> Business analysts are predicting rising procurement outlays.<sup>26</sup> A number of major weapons systems, including new fighter aircraft, missiles and helicopters, have completed or are nearing completion of development and are entering production. From the NATO side, the Defense Capabilities Initiative launched at the 1999 Washington summit could prove helpful by focusing on deployability and mobility of forces, sustainability and logistics and interoperability, working through the Multinational Joint Logistics Center and other mechanisms.

On balance, however, Western Europe faces a long, uphill struggle to upgrade its defense capabilities. Adding a defense component to the EU will provide much-needed political momentum to this process. The European Council and Council of Ministers sessions of defense and foreign ministers could be useful venues

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<sup>25</sup> Neil Buckley, "Support for EU defence arm grows," *Financial Times*, May 12, 1999.

<sup>26</sup> Bertrand Benoit, "Defence industry prepares for new battles," *Financial Times*, April 30, 1999.

for negotiating collective commitments to increased defense efforts -- along the lines of the peer review sessions that already exist for employment and other policies or perhaps even the stronger provisions that apply to EMU. Governments also will be well-placed to comprehensively assess burdens arising from Petersberg military tasks, non-defense foreign tasks, and NATO defense commitments. There is, however, some danger that bringing defense into the EU will add another issue to an already overcrowded agenda of distributional issues that includes enlargement, CAP reform, and the costs of transitioning to EMU by the cohesion countries.

#### **U.S. Role and Interests**

The Bush administration was suspicious of EU involvement in security affairs, but it was not responsible for U.S. foreign policy long enough into the post-cold war era to shape a coherent approach to CFSP and ESDI. The Clinton administration has been more enthusiastic about CFSP, but if anything more enamored of NATO than its predecessor and for that reason may be less prepared for a severe test -- should one arise -- that would pit the primacy of NATO against European aspirations for CFSP. Secretary of State Madeleine Albright has endorsed the recent progress in the EU toward strengthening CFSP, but she has called for avoiding what she termed "the Three Ds: decoupling,

duplication, and discrimination."<sup>27</sup> In view of the administration's deep emotional attachment to NATO, it is difficult to know whether Albright and other officials genuinely fear the consequences of the "three Ds" or whether they have raised these issues as a way of trying to turn aside an unwelcome challenge to NATO.

Whatever the motivation, the United States could be in for disappointments as CFSP develops. Preparing the EU for a genuine security role almost inevitably will entail at least a measure of decoupling, duplication and discrimination. CFSP decisions on all but Article 5 issues (and in time possibly on these issues as well) will be subject to European Council guidelines before being taken to NATO -- decoupling under Albright's definition. The EU will seek to duplicate at least some assets for which its current reliance on NATO and the United States is greatest. (Were this not the case, it would be hard to understand the very point of developing an EU CFSP.) And discrimination -- particularly a loss of status for Turkey -- will occur, although its effects perhaps can be mitigated by other means.

The United States and the EU thus could be headed for differences as the EU moves to implement the Cologne decisions. Such differences might damage U.S. interests in Europe in the short-term, but they also could contribute to starting a long-overdue debate in the United States about foreign policy

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<sup>27</sup> Madeleine K. Albright, "The right balance will secure Nato's future," *Financial Times*, December 7, 1998.

priorities and interests, and in particular about a policy that in recent years has placed inordinate emphasis on NATO to the detriment of policy toward other parts of the world. If this occurs, CFSP will have made an important contribution not only to European but to American security as well.