

ITALIAN MILITARY CENTRE FOR STRATEGIC STUDIES

**THE INTERNATIONAL ROLE
OF THE EUROPEAN UNION**

edited by
Rosa BALFOUR and Ettore GRECO

CENTRO MILITARE DI STUDI STRATEGICI

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Preface

This volume is the result of a study on the nature, potential development and hypotheses of reform of European foreign policy, carried out by a working group promoted by the *Centro Studi di Politica Internazionale* (CeSPI) and *Istituto Affari Internazionali* (IAI).

The working group, made up of researchers from the two institutes and other specialists – both Italian and foreign – began from ascertaining that studies on the international role of the European Union, which focuses primarily on the Common Foreign and Security Policy (CFSP), were inadequate. In adopting a wide angled approach, the working group considered other Union foreign policies along with that of CFSP – in particular those that come within the pillar of the Community – as well as the impact that policies on justice and internal affairs may have outside the European Union. The various external activities of the European Union – their reciprocal connections, and both the weak and strong points of each – are examined in order to define in what way they contribute in defining the Union as an international protagonist.

Moreover, several seminars were organised to identify the issues to be analysed, with the objective of embracing questions that are more strictly institutional as well as those regarding policies of the Union towards specific countries or regions. The analysis of several case studies served to evaluate the concrete impact of the EU's external initiatives, and the performance of the various bodies of the Union directly involved.

The chapters that make up this volume were completed in the winter of 2001-2002. The last corrections were made in February 2002. The papers, therefore, do not include an analysis of the most recent events. However, we believe that the baselines of the analyses carried out in the various chapters, which focused mostly on the structural elements of CFSP, maintain their validity.

We wish to thank all those who contributed to the publication of this volume: General Bellinzona, Director of *Centro Militare di Studi Strategici* (CeMiSS) until December 2001, who supported and encouraged our project right from the beginning, the CeMiSS itself for having financed this work, all the authors of the volume and Sandra Passariello who was responsible for editing.

Rome, December 2002

Rosa Balfour and Ettore Greco

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Introduction

Evaluating the EU's International Role

by Rosa Balfour (*)

1. Competing explanations of the EU's international performance

After the Laeken summit, held in mid-December 2001 under the Belgian EU presidency, the International Herald Tribune correspondent wrote rather damning comments on the EU's role in international politics: "it is a hard, sometime cruel line that separates the European Union's hopes, or pretensions, in foreign and security policy and the reality of how its members' contradictory interests seem to block the EU from ever becoming a decisive, unitary force in world politics"⁽¹⁾. This type of comment is exemplary of a broader and widespread critique on part of observers as well as of various members of the EU itself, which has descriptive as well as prescriptive dimensions: the EU's presumed inability to act in world politics is measured against the idea that it should be a fundamental player in international affairs, on the one hand, and against the grandiloquent rhetoric with which EU leaders often confront the world. Against this background, the failures of the EU to act globally have littered the newspapers since the start of the 1990s and enriched university libraries with academic interpretations of the reasons behind such failures, in Europe and the US alike.

There is a variety of explanations for the EU's failure to act in global politics. The International Herald Tribune offers a widely accepted thesis of contrasts between the member states over foreign policy as the origin of ineffective international action. Theories about the endurance of power politics, complemented by a history of diverse foreign policy traditions of the member states, certainly provide compelling explanations to the emergence of disunity at the EU level on foreign policy issues, especially at times of crisis. There is no doubt that the performance of the EU's second pillar for Common Foreign

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(1) John Vinocur, "On Both War and Peace, the EU Stands Divided. The Problem: Getting 15 to Speak as One", in *International Herald Tribune*, 17 December 2001.

and Security Policy (CFSP) has revealed many limitations understandable as representing disunity in inter-state behaviour, starting from the dissolution of former Yugoslavia (during which the mismatch between words and deeds became famously apparent), through the 1997 crisis in Albania (tackled through an Italian-led mission), US and UK bombing of Iraq at the start of 1998, the Kosovar crisis in 1998-99 (managed through the Contact Group and followed by NATO intervention), through to the aftermath of the 11 September 2001 terrorist attack against the US, when the EU member states chose not to resort to CFSP.

These types of interpretations that focus pre-eminently on the role of states seem particularly apt for the analysis of the still intergovernmental pillar of the EU's CFSP, laid down at Maastricht at the end of 1991 and which entered into force in November 1993, but they fail to account for those areas of external activity in which the supranational rules of the "Community method" play an important role, albeit with government influence. State-centric analyses, be they of realist or intergovernmentalist matrix, are capable of only partially conceptualising the EC/EU as an international actor, as they forget to account for the ample range of activities that take place within the EC first pillar (such as trade, aid, the economic aspects of CFSP-led initiatives), the proposing role of the European Commission, as well as the influencing role of the European Parliament, whose powers in external relations were increased starting from the 1987 Single European Act, and the regulatory role of the European Court of Justice and the Court of Auditors. In short, focusing on inter-state behaviour fails to account for some of the unique characteristics of the EU, which include a plethora of influencing actors, the use of diverse decision-making methods, the international and transnational policy networks that have emerged, and the incorporation of supranational features.

Institutional perspectives in trying to understand the failings of the EU's external action have focused on the structure of the decision-making process: labyrinthine institutions and the complexities in making decisions, let alone implementing them; the asymmetry between the intergovernmental and Community pillars; the possibility of policies or initiatives being held hostage by "national interest"; all provide explanations for the setbacks in developing effective foreign policies. In this volume, Franco Algieri argues that institutional actors and mechanisms constitute the fundamental variable in limiting the EU as

a global actor, despite its substantial capabilities. Since taking office respectively in 1998 and 1999, External Relations Commissioner Chris Patten and Secretary General for CFSP Javier Solana have repeatedly informed the Council, through joint official and informal reports, of the problems inherent to the decision making process and how they significantly set back any EU external strategy, be it the Stabilisation and Association Process to Southeastern Europe or the development of the EU's conflict prevention and crisis management strategies. Since then, improvements have been reached in the field of Commission external relations activities by rationalising organisation of the Directorate Generals dealing with foreign affairs, by speeding up procedures for disbursement of financial assistance, creating the Europe Aid office for the implementation of the various EU aid projects. And Javier Solana has certainly given CFSP much clout not least by shuttling around the world trying to broker agreements.

Apart from the management problem of implementing external policies, the underlying problems can be summed up in the word consistency, a complex issue to which this volume dedicates a chapter by Antonio Missiroli. The problem of consistency has various dimensions: it regards vertical coordination between the EU and the member states; horizontal overlap and coordination between pillars and the tools at their disposal; and finally across policy fields, for example ensuring that trade policies do not clash or contradict development aid. In addition, the EU also has the problem of overlapping membership to international organisations or groups of its own members, such as in the United Nations Security Council, NATO or the G-8, as well as of cross-organisational coherence, especially when cooperating and sharing the burden with other international organisations, such as with the UN, the OSCE and the Stability Pact in the Balkans.

Finally, others consider that the main reasons for "Euro-paralysis" in the international field should be attributed largely to the EU's lack of a common identity and CFSP's undemocratic nature. "Common policies of the Union do not work because they do not really enjoy genuine legitimacy"⁽²⁾; they are not based on a common identity, interests or a shared sense of purpose. Issues relating to interests, values,

(2) Jan Zielonka, *Explaining Euro-Paralysis. Why Europe is Unable to Act in International Politics*, London, MacMillan, 1998, p. 222.

identity have been opened up and problematised thanks to constructivist approaches⁽³⁾ which tend to understand the EU more as a polity than as an international organisation. But even from a non-constructivist view point comes a call for a clarification of “the source of European foreign, security and defence policy legitimisation”⁽⁴⁾. A greater involvement of the European Parliament in CFSP/ESDP would not only start to address the question of legitimacy, but could also shed some light on the aims and principles of the EU’s international action.

All these explanations reflect the challenge posed by the existence of the EU to scholars and practitioners of international affairs: in ultimate analysis, evaluating the EU’s international role depends on the type of international animal the EU is understood to be. But before moving on to a discussion of the “nature of the beast”⁽⁵⁾, it is worth reminding ourselves of what the EU does.

The notion itself of “paralysis” of the European Union in international affairs could be contested: it obscures the fields of international affairs in which the EU is a significant player. The end of the Cold War also meant the end of some of the constraints that kept it largely inward looking throughout its first 35 years of integration. Since then the EC/EU has started to lift its eyes towards the rest of the world, has developed extensive relations with most states and regions of the world, has created the Common Foreign and Security Policy and is in the process of adding a defence dimension to it. It has embarked upon its most complex enlargement process contributing to the transition to democracy and stabilisation of ten countries in Central and Eastern Europe, and has launched ambitious projects for external action, with varying degrees of success and impact. Despite its initial failures, some of which are persistent to this date, the EU and its member states are a major security provider in the Western Balkans as well as the most important agent of reconstruction and development. Through the interaction with the wider European region, the EU has proved its magnetic power of attraction, a strong indication of its international presence.

(3) For discussions on the application of constructivism on EU external action, see the chapters by Barbara Lippert and Roberto Menotti in this volume.

(4) Franco Algieri in this volume.

(5) Thomas Risse-Kappen, Exploring the Nature of the Beast: International Relations Theory Meets the European Union”, in *Journal of Common Market Studies*, Vol. 34, No. 1 (March 1996), pp. 53-80.

At a global level, with its 370 million citizens, the EU is the largest and richest trading bloc in the world and, together with its member states, is the largest donor of development aid and provides over 50% of world humanitarian relief. It contributes to around 30% of the IMF and World Bank budgets, compared to the US's contribution of 17%. It also presents itself as a model of integration as a powerful means for the development of regional peace; indeed it encourages regional associations of countries as interlocutors in international relations. Available empirical case studies illustrate that the EC/EU has collected over some time some good points to its record. An early example is provided by the smooth transition from the apartheid regime in South Africa, where the EC, through CFSP's predecessor European Political Cooperation (EPC) "played its part" using the "stick of sanctions (from 1985) and the carrots of aid, electoral monitoring and accession to the Lomé Convention" ⁽⁶⁾. The case studies in this volume illustrate some of the strategies developed by the EU, especially in the wider European region.

2. Actor or what?

Leaving aside the question of how successes or failures should be defined in precise terms, and what yardsticks should be employed for such an exercise ⁽⁷⁾, the problem of how to evaluate the EU as an international actor remains. What to make of the activities developed in the past decade? And how to account for the failures highlighted by numerous observers? There certainly is a gap between rhetoric and reality, between political ambitions to play a global role and the empirical capability to carry out the ambitions, powerfully illustrated by the still not bridged capabilities-expectations gap ⁽⁸⁾.

Perhaps the most extreme case of this paradox can be represented by the Arab-Israeli conflict: whereas the EU provides 60% of total

(6) Christopher Hill, "The EU's Capacity for Conflict Prevention", in *European Foreign Affairs Review*, Vol. 6, No. 3 (Autumn 2001), p. 318.

(7) See Knud Erik Jorgensen, "The European Union's Performance in World Politics: How Should We Measure Success?", in Jan Zielonka (ed.), *Paradoxes of European Foreign Policy*, The Hague, Kluwer Law International, 1998, pp. 87-101.

(8) Christopher Hill, "The Capabilities-Expectations Gap, or Conceptualizing Europe's International Role", in *Journal of Common Market Studies*, Vol. 31, No. 3 (September 1993), pp. 305-328.

assistance to the Palestinian Authority, its voice so far has played little role in helping negotiations between parts, despite repeated appeals from the PLA and from the neighbouring Arab countries.

Understanding what kind of international player the EU is, inevitably leads to the more general question of what the EU is as an entity or polity. Evaluations of foreign policy outputs will be conditioned by the view one takes of the EU: according to the lens one uses to understand what the EU is, a question around which there is much academic debate and little consensus, answers to what the EU does will vary significantly. Analysts have tried to use models derived from international relations theory to understand what type of international actor the EU may be, though with limited success⁽⁹⁾. The EU has been variously described as an “economic might, political dwarf and military worm”, as global “actor”, “player” or just “talker”⁽¹⁰⁾, or, from a more inward looking point of view, as a “rapidly growing child who does not know where it starts or ends”⁽¹¹⁾.

For the purpose of this project, we have identified two levels of analysis. The first refers to what the EU is: its structure, its decision-making processes, the influences in producing policy. The second refers to what the EU does, analysed through the use of selected case studies. Although we do not aspire to provide answers to problems that theorists are constantly debating, we have attempted to put together, in a policy-oriented fashion, what Sjöstedt, in the first conceptualisation of the EU as an international actor, considers as the “diagnostic” and “environmental” approaches. While the first investigates the “properties” of the EU, the second is more concerned with how the EU produces an impact on the outside world⁽¹²⁾, although, as emerges from the contributions to this volume, the two approaches are inevitably intertwined.

(9) For an recent overview of theoretical approaches to the EU as an international actor, see Brian White, *Understanding European Foreign Policy*, Basingstoke and New York, Palgrave, 2001.

(10) Wolfgang Wessels, “Die Europäische Union als Ordnungsfaktor”, in Karl Kaiser und Hans-Peter Schwarz, Bonn, Nomos, 2000, pp. 575-590.

(11) Dominique Moïsi, “Dreaming of Europe”, in *Foreign Policy*, No. 115 (Summer 1999), pp. 44-59.

(12) Gunnar Sjöstedt, *The External Role of the European Community*, Westmead, Farnborough, Hampshire, Saxon House, 1977.

The heart of the problem in understanding the EU's international role lies in the fact that there is no straightforward way to evaluate the EU as an actor. If the EU is less than a state but more than an international organisation, there is no available reference with which to compare its status. Furthermore, it is misleading to place the EU on a sort of continuum between an international organisation and a state, given that its evolutionary trajectory may not necessarily follow a federalist teleology. In fact, the Maastricht and Schengen opt-outs, the institutionalisation of enhanced cooperation at Amsterdam, and the need for greater flexibility once the EU enlarges, all complicate a federalist future, making the case for the conceptualisation of a *sui generis* structure all the more compelling. Just the pace of change works against any static theory on the nature of the EU: from the Single European Act onwards, the EC/EU and its members have had little breathing space between discussing, negotiating, approving and ratifying new treaties⁽¹³⁾. Conceptualising the EU would require a theoretical and political challenge to the historical predominance of the state, considered as the main lens for academic enquiry, but also as the central unit for political action.

In a seminal article in 1989-1990, David Allen and Michael Smith introduced the notion of "presence" as a contrasting concept to "actor-ness", which is based on a realist state-centric view of unitary actors. It was viewed that an analysis of the EU as an international actor did not account for its internal divisions, contradictory outputs, or even for the lack of outputs altogether. According to Allen and Smith, "Western Europe is neither a fully-fledged state-like actor nor a purely dependent phenomenon in the contemporary international arena. Rather it is a variable and multi-dimensional presence, which plays an active role in some areas of international interaction and a less active one in others"⁽¹⁴⁾.

(13) The Single European Act was concluded in 1987. Since then the EC/EU has closed three more intergovernmental conferences leading to the Treaty on the European Union in 1991, the Treaty of Amsterdam in 1997, the Treaty of Nice in 2000 and is due to start in 2002 its first convention for the preparation of the next intergovernmental conference scheduled to produce a new treaty or constitution in 2003-4.

(14) David Allen and Michael Smith, "Western Europe's Presence in the Contemporary International Arena", *The Future of European Political Cooperation. Essays on Theory and*

The usefulness of this concept is that it reflects the varying degree of engagement of the EU in international politics. Indeed, as the chapters in this volume will show, the EU emerges as a different “beast” according to the field in which it is acting. While in trade the EU has the legal mandate to negotiate as a single actor (but not necessarily unitary, given the influences of the member states protecting their national interests), in CFSP it resembles “inter-state behaviour with essentially the member states acting jointly”⁽¹⁵⁾. Also, “it responds to some of the frequently noted features of the contemporary international arena: the disaggregation of power and activity, the interpenetration and overlapping of issue areas, and the need for adaptability and creativity on the part of those participating”⁽¹⁶⁾.

However, the notion of presence does have some limitations. Allen and Smith consider the notion of presence as applicable to other entities of international politics, such as people, institutions and ideas. While this concept finds a way out of the realist “actorness” trap, it does not explain why and how the EU differs from an idea such as “peace” or another institution such as the OSCE. It allows the EU to maintain its ambiguity with regard to its status, and lowers expectations of foreign policy behaviour, but it does not account for its external policies, its magnetic strength, and the specific model of integration it provides. In terms of its international impact, the EU is clearly more than the sum of its member states and is a key player in many areas of contemporary world politics.

Despite the fact that the debate between presence and actorness derives from a state-centric debate, it might be worth recovering the term “actor”, for want of a better word, stripped of its most realist and normative elements, to describe the EU’s relationship with the world. It is highly debateable whether states themselves manage to fulfil the criteria of unitarity, capability, autonomy and impact on world affairs that “actorness” entails; most states certainly do not. But Sjöstedt’s offers

Segue nota

Practice, edited by Martin Holland, London: MacMillan, 1991, p. 97. The article was first published in *Review of International Studies*, Vol. 16, No. 1 (January 1990), pp. 19-38.

(15) Brian White, *Understanding European Foreign Policy*, cit.

(16) David Allen and Michael Smith, “Western Europe’s Presence in the Contemporary International Arena”, cit., pp. 97-98.

a more modest concept of “actorness”, whereby the structural prerequisites for the EU to be defined as an actor are a commitment to shared values and interests, the existence of autonomous decision-making structures, and the capabilities to carry out intentions⁽¹⁷⁾.

However problematically, it can be argued that these three prerequisites are in place. The notion of shared values and interests is probably the most complex prerequisite of all, as it leads to the question of EU identity. Nevertheless, the EU has stated some of its foreign policy objectives, albeit in the vaguest possible way, in the common provision for CFSP in the Treaty on the European Union. Art. 11 of the TEU (ex Art. J.1) states that the objectives of CFSP include:

“to preserve peace and strengthen international security, in accordance with the principles of the United Nations Charter, as well as the principles of the Helsinki Final Act and the objectives of the Paris Charter, including those on external borders; to promote international cooperation; to develop and consolidate democracy and the rule of law, and respect for human rights and fundamental freedoms”.

Even if these principles do not necessarily provide a blueprint for EU external action, they do illustrate the basis upon of which foreign policy should be conducted. The enlargement process, for example, has produced a set of guiding principles which have also been reproduced in external relations with other countries. On the basis of the 1993 Copenhagen criteria elaborated in the context of enlargement⁽¹⁸⁾, the EU has developed a “common security conception” with regard to the Mediterranean providing an “ideological cohesion”⁽¹⁹⁾ on long-term objectives that otherwise was unlikely to come about. Similar principles are included in the Conventions with the Afro-Caribbean and Pacific (ACP) countries, and since 1995 the “human rights clause” is included in all agreements with third countries, except for sectoral agreements. The problem is that the member states have not built upon the 1991 principles to elaborate further what the EU should

(17) Gunnar Sjöstedt, *The External Role of the European Community*, cit.

(18) The political criteria identified at Copenhagen include the “stability of institutions guaranteeing democracy, the rule of law, human rights, and respect for and protection of minorities”. See European Commission, *Agenda 2000. For a Stronger and Wider Union*, COM(97) 2000 final, 15 July 1997, Luxembourg, Office of Official Publications of the European Communities, 1997.

(19) See the chapter by Roberto Aliboni in this volume.

do, where, and how. Aliboni argues in this volume that while the member states are increasingly cohesive of the long-term objectives of the Euro-Mediterranean Partnership, more often than not contested by the southern partners, they are vaguer about the short-term and immediate contingencies. In fact, Aliboni illustrates what seems to be a paradox of Common Strategies developed in the CFSP pillar: they serve to better coordinate the foreign policies of the member states and to make them consistent with EC objectives (vertical consistency), but they freeze such cohesion on “higher”, long-term issues without addressing effectively short-term needs⁽²⁰⁾.

The autonomy of decision-making structures also raises problems, in that they are partly autonomous and partly dependent on the member states or intertwined with national decision-making structures, reflecting the mixed nature of the EU. This said, it does have the decision-making structure to mobilise its capabilities through a mix of supranationalism and intergovernmentalism. The EU and its member states do have a comprehensive “tool kit” to resort to; as Missiroli argues, with ESDP becoming a constitutive part of CFSP, it “virtually completed the gamut of policy instruments at the disposal of the EU as an international actor”. Among the range of tools, the EU can use traditional diplomatic measures, now performed also by the HR/SG⁽²¹⁾, send special representatives to conflict areas, administer a foreign city, such as in the case of Bosnian Mostar, send election monitors, use its trade and aid capabilities over a spectrum based on conditionality that goes from offering incentives to threatening punishment, the resort to sanctions⁽²²⁾.

Bretherton and Vogler, however, warn that internal qualities per se are not sufficient: it is the complex interplay between the EU’s pre-

(20) Missiroli too discusses the relative utility of Common Strategies, which have come under attack by Solana himself. In the case of the Balkans, it is significant that policy-makers considered that the Stabilisation and Association Process managed largely by the Commission was sufficient and that an additional Common Strategy for the region would not have added much value to the strategies already in place.

(21) On the role of the High Representative for CFSP, see the chapter by Raffaella Circelli in this volume.

(22) On the Union’s foreign policy tools, see Karen E. Smith, “The Instruments of European Union Foreign Policy”, in Jan Zielonka (ed.), *Paradoxes of European Foreign Policy*, cit., pp. 67-85.

sence, which is felt globally, and its capacity for action that determine the nature of the EU as an international actor. In addition, action occurs within a pattern of constraints and opportunities, where external as well as internal determinants play a role too, as the capabilities-expectations gap illustrates⁽²³⁾. In this volume, special attention has been devoted to the role of the United States, considered a major external influencing factor to EU action or inaction.

3. The structure and aims of the project

The aim of this project is to draw some conclusions on the international activities of the European Union through the examination of some of the policies it has developed over the past years. The approach adopted is essentially inductive rather than deductive, examining the outputs, the structures and the influences producing those outputs to reach some generalisations about the type of role the EU plays or can play. This nonetheless requires an indicative conceptual framework as a guide through the trees, which is informed by the relevant academic literature on the subject.

The first conceptual framework regards the subject matter of the project: the external action of the EU. For the purposes of this project, we have preferred to adopt a broad definition of the EU's external action to include the variety of influences and structures that contribute to the creation (or to the undermining) of its initiatives. This definition as "a system of external relations"⁽²⁴⁾ with multiple interests, objectives, policy making centres and decision making structures allows for the inclusion of the role of the member states, central not only to the EU's CFSP and ESDP but also in the definition of foreign policy objectives and priorities (parts I and III of this volume), the activities that fall under the category of EC "external relations", and the external dimension of all three pillars (discussed in part II). Ginsberg has further developed this approach and has conceptualised a "European Foreign Policy" to include the international and European contexts in

(23) Charlotte Bretherton and John Vogler, *The European Union as a Global Actor*, London: Routledge, 1999.

(24) This conceptualisation is adapted from Christopher Hill, "The Capabilities-Expectations Gap, or Conceptualizing Europe's International Role", cit.

which the EU operates, the variety of inputs into the policy-making, from states to values, the hybrid institutional and decision-making structures of the three pillars, and the outputs in terms of foreign policy production⁽²⁵⁾.

While part I deals specifically with the structures, processes and capabilities of CFSP, the other authors have been encouraged to take a more “holistic” approach to the analysis of their policy field. This choice reflects the range of political, diplomatic, economic and aid-related tools and strategies that the EU is able to mobilise to support its external policies from all three pillars, as well as the activities of the member states under different hats (EU, NATO, bilaterally or coalitions of EU member states). In order to analyse the range of instruments at the EU’s disposal, the selection of case studies is based on the degree of engagement of the EU with the area concerned: simply put, the more developed and institutionalised the relations of the Union with the area, the richer and more diversified the strategies and policies adopted.

The second reason to privilege a “holistic” approach is that it reflects a post Cold War understanding of the international environment. The EU is operating in a complex and rapidly changing international context which is experiencing an expansion of threats and risks that fall under the “security” definition: from state collapse and ethnic conflict to non military issues such as refugee flows, environmental degradation, human rights abuse, international crime, terrorism. Responses to such issues requires the capability to resort to a wide range of tools, which the EU can mobilise with greater ease than any other state actor or international organisation. As the Commission itself put it, with regard to conflict prevention:

“The list of EU instruments directly or indirectly relevant to the prevention of conflict is long: development co-operation and external assistance, economic co-operation and trade policy instruments, humanitarian aid, social and environmental policies, diplomatic instruments such as political dialogue and mediation, as well as economic or

(25) Roy H. Ginsberg, “Conceptualizing the European Union as an International Actor: Narrowing the Theoretical Capability-Expectations Gap”, in *Journal of Common Market Studies*, Vol. 37, No. 3 (September 1999), pp. 429-454.

other sanctions, and ultimately the new instruments of ESDP (including information gathering for anticipating potential conflicts situations and monitoring international agreements)”⁽²⁶⁾.

Many of these tools fall under the remit of the first pillar, where the Community method prevails, even if per se not immune to internal conflict, and where the EU has the power to exercise its formidable economic and now, with the euro, financial might. Yet, even in this field, as Gros points out, the EU member states have proved modest in resorting to the economic and financial tools it clearly possesses: at the multilateral level, its influencing power in international financial institutions such as the IMF is disproportionately low vis-à-vis the size of its contributions, especially if compared to the influence exercised by the US. At a regional level, the EU has so far proved a “reluctant hegemon” in using the euro as a financial stabilising tool in the broader context of political objectives of regional stability. Following this analysis, Gros advocates the use of “eurosation” for the EU’s near abroad using the example of Turkey as a case point.

The use of economic first pillar tools aiding foreign policy objectives feeds into the debate over how to bridge the institutional pillar structure created at Maastricht and to overcome the ensuing policy fragmentation and incoherence. The complex issue of cross-pillarisation is discussed in this volume by Missiroli, who examines recent efforts made by the Commission and the Council in the field of crisis management – an increasingly important objective of EU external action -, and by Ferruccio Pastore, who analyses among other things inter-pillar coordination between CFSP and Justice and Home Affairs to bridge the dichotomy between internal and external security. In the wake of September 11, this field has become of paramount importance for the international fight against terrorism. In the third pillar context, the EU has approved or accelerated the approval of sets of measures that range from strengthening institutional coordination in the field of anti-terrorism, strengthening and extending Europol (European Police Office) and its competences, creating networks of

(26) European Commission, *Communication from the Commission on Conflict Prevention*, COM(2001) 211 final, Brussels, 11 April 2001 (europa.eu.int/comm/external_relations/cfsp/news/com2001_211_en.pdf).

the head of member states' security and information agencies, strengthening and harmonising the member states' laws relevant to the fight against terrorism, for example by speeding up the agreement and planned date for entry into force of the European arrest warrant. Pastore argues that "Europe's complex reaction with respect to prevention and law enforcement makes its response at the diplomatic-military level and, more generally, regarding so-called external security, look particularly weak". It can be argued that the external consequences of creating "an area of freedom, security and justice"⁽²⁷⁾ make the EU a distinctive international actor in the fight against terrorism, in particular, but also in related international crime.

Finally, the holistic approach allows for some normative speculation to which I shall briefly and schematically return in the conclusions to this chapter. It could be argued that, despite all its shortcomings, there are certain things that the EU can perhaps do better than other state actors or international organisations. Despite a still embryonic military arm, backed by a CFSP lacking a strategic outlook, the EU does possess a range of civilian power instruments to tackle new security issues. As Alyson Bailes persuasively argues,

"The European Union itself, we should never forget, was first invented as a way of preventing any future war between France and Germany [...] The EU can operate in far more dimensions than NATO, and in ways more central to the extended modern concept of security, but controlling internal factors of instability such as economic and social changes or inequalities, long and short term environmental threats, or potential conflicts over scarce resources such as energy"⁽²⁸⁾.

The EU has partly developed comprehensive strategies through one of its most important initiatives of the 1990s: enlargement. It has been conceptualised as a form of foreign policy in the making.⁽²⁹⁾ However, enlargement as a foreign policy ends with accession. The EU has applied some of the lessons learnt from enlargement to other regional

(27) Art. 29 TEU (ex Art. K.1).

(28) Alyson J.K. Bailes, "European Security in the New Century", Speech delivered at GCSP, Geneva, 13 June 2000.

(29) Karen E. Smith, *The Making of EU Foreign Policy. The Case of Eastern Europe*, London, MacMillan, 1999.

strategies, such as the Western Balkans and the Stabilisation and Association Process which asserts as its ultimate aim the “integration into Euro-Atlantic structures” – just short of a promise of further enlargement, creating high expectations in the region. Sooner or later the EU will have to confront these expectations and decide whether its strategy can be further enlargement, adding another five countries to the queue of candidates, if Yugoslavia remains a federation of republics and autonomous provinces (Kosovo), or if it should develop other foreign policy strategies.

The case of Turkey vividly illustrates the limits of enlargement as a foreign policy: the process is not credible, strong, effective enough to encourage the necessary reform for accession, and underlies deeper problems of real aims, on part of both the EU and the Turkish leadership, of double standards and ultimately of identity, as Tocci forcefully argues. The risk of enlargement as a foreign policy strategy is that it exhausts itself, simply because conceptually, practically and geographically the EU, as we know it now, cannot stretch too far without having to finally confront the widening versus deepening dichotomy.

The Turkish example leads us to one of the tensions that runs through the development of EU external policies: the dilemma between a policy of exclusion and a policy of inclusion. This dynamic relates to the interaction with the new international environment and represents a central question to both the student and the practitioner of EU external policies: the extent to which the EU is actually capable of developing multilayered and inclusive policies with its neighbours, apart from enlarging the space of “exclusivity”⁽³⁰⁾. One possible alternative perspective to the policy dilemmas posed by Turkey, the Mediterranean and the whole “near abroad”, and by the inclusion versus exclusion dilemma, is the development of broader, confederal-type, overarching and inclusive structures: the EU is not coterminous to Europe.

(30) Michael Smith, “The European Union and a Changing Europe: Establishing the Boundaries of Order”, in *Journal of Common Market Studies*, Vol. 34, No. 1 (March 1996), pp. 5-28.

The real test case for the EU's capacity for external action throughout the 1990s and beyond has been in the Balkans. After nearly ten years of hiccups – to put it euphemistically –, the EU has managed to put in place tools for long-term conflict prevention, largely through the Stabilisation and Association Process aiming at integrating the region into “Euro-Atlantic” structures and articulated along sets of conditionalities attached, post-conflict reconstruction and stabilisation, and, in the Macedonian case of 2001 analysed by Mario Zucconi in this volume, conflict management and resolution, two tools developed in the very late 1990s. Through the management of the Macedonian conflict, some of the undercurrents of relations between the EU and the United States came to the fore. This signals a shift from the Cold War role of the US as the guarantor of security in Europe, to the 1990s when “American leadership, however necessary, has been accepted as a second-best solution, at times grudgingly if not with open resentment, especially when Washington's military dominance has forced EU governments to make hard choices on whether and how to use military force”, as Roberto Menotti argues. Finally, a new territory has opened up in which the EU appears to be seeking a co-leadership role. EU actor capabilities need to be tested vis-à-vis its relationship with its main ally to ascertain the extent to which it manages to be distinctive and effective.

4. Conclusions: imagining a more effective EU⁽³¹⁾

Despite single failures, setbacks and numerous problematic aspects, this project concludes that the EU is an international actor. It would be absurd not to consider it as such. The caveat is that it is more of an actor in some fields rather than in others. But there is no reason “to assume that the capacity of being able to behave as an international actor is something indivisible, some sort of absolute quality which one has or has not”⁽³²⁾. An abstract model of an actor capable of international action without any constraints against which measure EU capability does not stand up to reality. And even those states that we

(31) This section draws upon some of the analyses and conclusions of the single chapters written by the participants in the project. The views expressed here, however, do not necessarily reflect those of individual authors.

(32) Gunnar Sjöstedt, *The External Role of the European Community*, cit., p. 15.

do consider as fully-fledged actors too have problems in mobilising capabilities, resources and in acting consistently.

Nonetheless, for the EU to strengthen its international role, to counter criticism from observers, and to continue bridging the capabilities-expectations gap, it should define more precisely its international aims, its scope, and its preferred means to achieve those objectives. Menotti sums up this necessity in a “Strategic Concept” for the EU, similarly to NATO’s; Algieri too emphasises that “it seems indispensable that the EU member states agree on a common strategic vision”. In this “Strategic Concept” – or whatever it may be called –, the EU should move beyond the CFSP statement of principles and outline what it realistically can aim to achieve. In this context, it might be worth toning down the rhetoric, be careful not to project too much actorness it cannot fulfill and avoid creating too high an expectation. A “Strategic Concept” is all the more compelling given that the EU member states have leap-frogged to declare ESDP “operational”. But given that it is still untested, and the huge gap between the EU countries and the US in terms of military capabilities, ESDP should back CFSP, not the other way round. To date it remains unclear what security and defence policy should serve without a strategic view of foreign policy and of the ways in which the EU can influence international relations.

While the search for guiding values could be interpreted as a self-reflective exercise and, not least, an uncharted territory laden with ideological and cultural problems, the EU could start from what it has developed so far: the principles embodied in the European Charter of Fundamental Rights, its CFSP objectives, and its own experience. The distinctiveness of the EU is not so much in the values it claims to represent, but in its own experience through which some of these values have flourished. As Lindley-French argues, “the tight binding of states interests into a form of intense cooperation has almost by default enabled Europe to deal with the wider world by aggregating power in such a way as to make it distinct from most other parts of the world because of the very norms and values that such security has permitted”.

The EU’s international experience so far suggests that its strengths lie in so-called “low politics” tools, while its major weaknesses emerge dramatically at times of international crisis. However, these low politics

tools, such as the conflict prevention measures listed in the section above, should not be considered second class. In fact, in many ways they represent a distinctive capacity for the development of “global approaches” that use a mix of economic support and incentives, political dialogue, the promotion of regional integration as means for the enhancement of local security, and a special attention to institution building, the promotion of democracy and of human rights. The EU should capitalise on these “civilian power” tools, which are broader and can be more incisive than those of any other significant actor.

Furthermore, there are some windows of opportunity for the EU to specialise in certain areas of international relations, such as cooperation in the field of Justice and Home Affairs, which has been accelerated in the wake of September 11 and covers crucial spheres of activity in which such cooperation can only give added value, from the civilian fight against terrorism to the information exchange system set up for Schengen.

According to Pastore “given its tradition as a civilian power and its more recent ambitions as an integrated global player, Europe would be a natural candidate (...), able to transcend permanently the traditional dichotomy between internal and external security”.

A final issue that needs to be addressed is the scope of the EU’s international action. In terms of conflict prevention and resolution, Christopher Hill argues that the EU has much more scope in the broader European region than elsewhere⁽³³⁾. Steven Everts’ “five rules for European foreign policy” also advocates that the EU “think globally” starting from the near abroad⁽³⁴⁾, especially in view of the new borders of the Union once it enlarges to the east and in the Mediterranean. Developing policies for its neighbourhood will be an immediate and crucial test once the first wave of candidate countries finally accede, as Lippert argues, and will pose challenges in the “European space”, which should not be confused with the EU. Beyond the regional level, there still is plenty of scope for EU action. Its ethical rhetoric ranges from strengthening its multilateral activities, pioneer-

(33) Christopher Hill, “The EU’s Capacity for Conflict Prevention”, cit.

(34) Steven Everts, *Shaping a Credible EU Foreign Policy*, London, Centre for European Reform, 2002.

ing development policies for the poorer parts of the world in conjuncture with supporting a global trade favourable to the less developed countries, championing some principles, such as raising environmental standards and campaigning for the abolition of the death penalty: “morality is not measured in kilometres”⁽³⁵⁾.

(35) Christopher Hill, “The EU’s Capacity for Conflict Prevention”, cit., p. 331.

PART ONE

**THE INSTITUTIONAL DIMENSION OF CFSP:
ACTORS AND DECISION-MAKING**

1. CFSP/ESDP DECISION-MAKING MECHANISMS

by *Franco Algieri* (*)

1. A continuously changing process

With the conceptualisation of the European Security and Defence Policy (ESDP) as a part of the Common Foreign and Security Policy (CFSP), EU member states have decided to develop a comprehensive policy which will have crucial effects on the EU's role as an international actor. CFSP/ESDP can also be taken as a specific model for the European security architecture and for a global division of labour with the United States as well as with other powers like Russia or China. However, CFSP/ESDP also entails an increasing complexity of institutional mechanisms and a growing number of actors involved in the foreign and security policy process. While the EU is fine tuning its institutional framework at the beginning of the 21st century, international relations are under constant pressure, not least from new security challenges. The latter, be they instability in the regions bordering the (enlarged) EU or the escalation of international terrorism, demand a comprehensive European foreign and security policy response. Consequently, it seems indispensable that EU member states agree on a common strategic vision⁽³⁶⁾.

In the debate on the future of international politics after 11 September 2001 and during the war in Afghanistan, the question emerged whether the CFSP/EDSP needs to be reassessed⁽³⁷⁾. It should be clear that the events of 11 September did not radically change the world, as is often noted; corresponding changes had already begun with the end of the Cold War, but international politics did not find adequate answers to the new challenges⁽³⁸⁾. It appears obvious that EU member states have

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(36) See in this context the idea of a European strategic culture in Paul Cornish and Geoffrey Edwards, "Beyond the EU/NATO Dichotomy: The Beginnings of a European Strategic Culture", in *International Affairs*, Vol. 77, No. 3 (July 2001), pp. 587-603.

(37) See Judy Dempsey, "EU Defence Policy Needs Reassessment", in *Financial Times*, 20 November 2001, p. 6.

(38) See, for this argument, Ernst-Otto Czempiel, "Neue Gefahren verlangen neue Politik. Multilateralismus statt Dominanz", *Aus Politik und Zeitgeschichte*, No. 51, 14 December 2001, pp. 36-42 (www.das-parlament.de/beilage/b-a-6.html).

to find a common strategic vision as concerns the Union's global role and to approach security questions in a comprehensive manner, i.e. CFSP cannot be limited to one pillar of the treaty framework.

At the present stage of the CFSP/ESDP's development, there is still uncertainty as to whether it can be called common. In the strict sense of the word, a "common" policy does not (yet) exist. On the one hand, institutional rules are essential for putting agreed policies into practice⁽³⁹⁾. The EU's institutional framework and mechanisms influence the actions of the member states and restrict national governments in their freedom to formulate foreign policy. On the other hand, national interests have a significant influence on the reform of CFSP/ESDP. As a result, institutional- and actor-related dynamics interact on each other and determine the degree of integration in the field of foreign and security policy.

Article V of the Treaty on European Union (TEU) paved the way for CFSP, which legally came into force with the Maastricht Treaty on 1 November 1993 and was modified with the Amsterdam Treaty which entered into force on 1 May 1999. A common defence remained a vision, dependent on the interests of the member states⁽⁴⁰⁾. By the end of the 1990s, a dynamic process had started and began to allow for step-by-step enlargement of the EU's capabilities to act. The events driving this process came from within the Union, for example specific initiatives by the member states, as well as from outside it, most prominently the Kosovo war. Against this background and with the next phase of CFSP reform ahead, this contribution will explain the development, functioning and problematic areas of the institutional mechanisms and the major actors that determine the CFSP/ESDP decision-making process. At different stages of this development process, single member states have tried to push ahead and in the recent past the idea of a *directoire* has gained fresh attention. Consequently, the second part of this contribution will look at this phenomenon more closely and debate the idea of enhanced coopera-

(39) For different institutionalist concepts, see B. Guy Peters, *Institutional Theory in Political Science. The New Institutionalism*, London and New York, Pinter, 1999.

(40) See article 17 TEU-A.

tion, before ending with an outlook on the EU's future prospects as an international actor.

2. *The evolution of CFSP/ESDP*

Development of ESDP is part of the broader integration process and can be traced back to the early days of European Political Cooperation (EPC). Insufficiencies in political cooperation became most visible in connection with international crises and resulted in several much needed reforms of the EPC mechanisms⁽⁴¹⁾. With the end of the Cold War, the transformation of central and eastern European countries, German unification and the second Gulf War, EPC no longer proved adequate for managing European foreign policy. Title V of the Treaty on European Union created a legal framework, but in its Maastricht version it reflected the lowest common denominator of national interests in the field of foreign and security policy. Not surprisingly, an initial modification of the treaty provisions came with the Amsterdam Treaty. The real novelty was offered by Article 17.2: "Questions referred to in this article shall include humanitarian and rescue tasks, peace-keeping tasks and tasks of combat forces in crisis management, including peacemaking".

These CFSP provisions follow the logic of experiences made with EPC reform: the coordination of national foreign policies was to be made ever closer to improve the basis for common activities. As a consequence, decision-making mechanisms produced a sum of compromises reached among the member states. This framework soon turned out to be insufficient to meet internal and external challenges and expectations. A new debate on reform followed and the EU continued with its reform process aimed at improving its foreign policy capabilities. Article 11 TEU defines the objectives of the CFSP, without however offering a strategic vision⁽⁴²⁾.

(41) For a comprehensive and excellent study of EPC, see Simon Nuttall, *European Political Co-operation*, Oxford, Clarendon Press, 1992.

(42) Article 11.1 TEU: "The Union shall define and implement a common foreign and security policy covering all areas of foreign and security policy, the objectives of which shall be:

Significant milestones for ESDP can be traced back to before the Nice European Council. The conceptual considerations of British Prime Minister Tony Blair, presented in October 1998 at the Pörschach European Council, indicated a changing British perspective on European foreign and security policy. Soon afterwards, the Franco-British initiative of St. Malo in December 1998, made clear that the EU had started to shape its military profile⁽⁴³⁾. Both countries set this process solidly in the intergovernmental realm and pointed out that it should not weaken the position of NATO. This created a tremendous impulse for debate inside and among EU member states. Due to the Kosovo war, CFSP gained momentum during the German EU presidency in the first half of 1999⁽⁴⁴⁾. The British-Italian initiative of July 1999 mentioned improving the European defence capability⁽⁴⁵⁾ and the following Finnish and Portuguese presidencies laid the groundwork for the EU's non-military and military role. In this context, the Treaty of Nice is another step towards the development of a European foreign policy. The report on ESDP presented at the Laeken European Council in December 2001 and the corresponding tasks that the Spanish presidency had to take over show that CFSP/ESDP is progressing despite the difficulties⁽⁴⁶⁾.

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- to safeguard the common values, fundamental interests, independence and integrity of the Union in conformity with the principles of the United Nations Charter;
 - to strengthen the security of the Union in all ways;
 - to preserve peace and strengthen international security, in accordance with the principles of the United Nations Charter, as well as the principles of the Helsinki Final Act and the objectives of the Paris Charter, including those on external borders;
 - to promote international cooperation;
 - to develop and consolidate democracy and the rule of law, and respect for human rights and fundamental freedoms”.

(43) See *Joint Declaration* issued at the British-French summit, Saint Malo, 3-4 December 1998 (www.iss-eu.org/chaillot/chai47e.html#3).

(44) See European Council, *Presidency Conclusions*, Cologne, 3-4 June 1999 (europa.eu.int/council/off/conclu/june99/june99_en.htm).

(45) See Joint British-Italian Declaration Launching the European Defence Capabilities Initiative, London, 19-20 July 1999 (www.iss-eu.org/chaillot/chai47e.html#11).

(46) See Draft Presidency Report on European Security and Defence Policy, Brussels, 11 December 2001, 15193/01 (www.eurunion.org/legislat/Defense/LaekenESDP.pdf).

3.2.1. More actors and growing institutional complexity

EU policy-making, which includes decision-shaping and decision-taking in foreign and security policy, cannot be compared with the foreign policy-making of a nation state⁽⁴⁷⁾. Article 13 TEU-A⁽⁴⁸⁾ underlines the hierarchical relationship between the European Council and the Council. Of course, the Council plays the decisive role in defining and implementing foreign and security policy and is responsible for ensuring the unity, consistency and effectiveness of the Union's action; furthermore, most of the debating time in the General Affairs Council is spent on foreign policy issues⁽⁴⁹⁾. But it is at the European Council level, i.e. the heads of states and government, that the principles and general guidelines of CFSP, including matters with defence implications, are defined.

The Committee of Permanent Representatives (COREPER) is responsible for preparation of the Council's work and has to carry out the tasks assigned to it by the Council (Article 207 ECT-A). Besides the permanent representatives, the political directors of the foreign ministries of the member states, which form the Political Committee, play an important role in the decision-shaping process. Pursuant to Article 25 TEU-A, the Political Committee checks the international situation in those areas relevant to CFSP and delivers opinions to the Council. With Declaration 5 on Article 25 of the Treaty of European Union annexed to the Final Act of Amsterdam, the idea of a crisis mechanism was taken up, providing for the Political Committee to meet at short notice in the event of international crisis or for other urgent matters. Such a mechanism has to be seen as a further step facilitating early coordination and fast reaction in European foreign policy.

(47) For a legal institutionalist analysis of the CFSP on the basis of the Amsterdam Treaty, see Ramses A. Wessels, *The European Union's Foreign and Security Policy. A Legal Institutional Perspective*, The Hague, Boston and London, Kluwer Law International, 1999.

(48) The following abbreviations will be used throughout: TEU-A = Treaty on European Union in the Amsterdam version; TEU-N = Treaty on European Union in the Nice version, ECT-A = EC Treaty in the Amsterdam version, ECT-N ECT-A = EC Treaty in the Nice version.

(49) See Ricardo Gomez and John Peterson, "The EU's Impossibly Busy Foreign Ministers. No One is in Control", in *European Foreign Affairs Review*, Vol. 6, No.1 (Spring 2001), p. 63.

But the institutional structure has undergone a significant change with the development of ESDP. A key position in the decision-making system has been attributed to the Political and Security Committee (COPS, according to the French acronym), composed of national representatives at senior/ambassadorial level. The chair of the COPS rotates in accordance with the EU presidency, however the Secretary General of the Council/High Representative for CFSP may take the chair. The work of COPS can be divided into four functions: analysis and conceptualisation, guidelines and recommendations, coordination and control, dialogue.

Analysis and conceptualisation. It verifies and analyses the international situation in those areas relevant for CFSP, contributes to the drafting of presidency conclusions and deals with the information it receives from the High Representative, committees and working groups.

Guidelines and recommendations. It can present recommendations to the Council and can provide guidelines for the military committee, as well as other committees and working groups.

Coordination and control. It controls and coordinates the implementation of agreed policies and has political control over and exercises strategic direction of crisis management operations.

Dialogue It keeps up a continuous dialogue and exchange of information with all relevant actors, including NATO and can, in line with the corresponding provisions, conduct political dialogue.

With the inclusion of a military dimension in CFSP, the Military Committee and the Military Staff need to be mentioned. The Military Committee is the highest military body established in the Council; it offers the member states a forum for cooperation on conflict prevention and crisis management and advises the COPS. As a part of the Secretariat General of the Council, the Military Staff has an analytical and advisory role. But mention also has to be made of other bodies like the Policy Unit (Policy Planning and Early Warning Unit), a body set up inside the Council by the Treaty of Amsterdam to support the High Representative and the common foreign policy, and various working groups to illustrate that CFSP/ESDP depends on a highly interwoven policy-making system.

This system is even more complex because the European Commission and the European Parliament influence and shape CFSP, too. Together with the Council, the Commission is responsible for ensuring the consistency of external relations, security, economic and development policies and is strongly involved in the implementation of activities agreed in the framework of CFSP. Article 27 TEU-A establishes that “the Commission shall be fully associated with the work carried out in the common foreign and security policy field”. Furthermore, the concept of ESDP depends to a large extent on non-military capabilities and consequently the Commission’s role gains further importance.

At first glance, the European Parliament’s involvement in CFSP seems to be limited to consultation and information. A closer look, however, shows that through the EP’s competencies in the budgetary procedure it has a non-negligible effect on CFSP. And again, the non-military dimension of ESDP also involves the EP, especially with regard to the question of financing⁽⁵⁰⁾. As will be discussed more thoroughly later, the parliamentary dimension will gain in importance when the question of the legitimacy of CFSP/ESDP activities is raised.

As this overview shows, CFSP has developed a complex system of interaction mechanisms. The Amsterdam Treaty reflected the results of the first CFSP reform, modifying Article V without, however, overcoming the “capabilities-expectation gap”⁽⁵¹⁾. ESDP can be understood as an attempt to close this gap, but it also increases the number of actors involved – be it directly or indirectly – in the decision-making process, thereby increasing complexity. The new tasks the EU is going to take on call for greater coordination of the instruments available to the Council and the Commission.

At the same time, two different decision-making cultures – the intergovernmental and the communitarian – determine CFSP. Not least

(50) See also the Commission’s communication on the financing of civilian crisis management COM (2001) 647 final, Brussels, 28 November 2001 (europa.eu.int/rapid/start/cgi/guesten.ksh?p_action=getfile=gf&doc=IP/01/1684|0|AGED&lg=EN&type=PDF).

(51) See Christopher Hill, “The Capability-Expectations Gap, or Conceptualising Europe’s International Role”, in *Journal of Common Market Studies*, Vol. 31, No. 3, 1993, pp. 305-328; Christopher Hill, “Closing the Capabilities-Expectations Gap?”, in John Petersen and Helene Sjørsen (eds.), *A Common Foreign Policy for Europe?*, London and New York, Routledge, 1998, pp. 18-38.

due to this ambiguity, the question of institutional consistency is still unresolved. Reforms and adaptations of procedures have not really improved the situation so far and “institutional consistency, especially in the sense of ‘interaction’ was easier to manage before the reforms introduced by the Maastricht and the Amsterdam Treaties”⁽⁵²⁾.

In order to analyse the problematic coexistence of these two decision-making cultures, a look must be taken at the voting procedures. As already mentioned, it is the Council that ultimately determines the performance of European foreign and security policy. Since the early days of CFSP, there has been discussion on how majority voting can and should be used. The Maastricht Treaty offered an unsatisfactory solution and the Treaty’s introduction of a new instrument, “joint action”, did not improve the situation. From the Commission’s point of view, unanimity remained the central problem⁽⁵³⁾. In addition, scepticism grew about whether activities attributed to CFSP could actually be carried out in the community framework and, as such, qualify for the application of qualified majority voting.

The Amsterdam Treaty did not bring a real breakthrough regarding voting procedures. The possibility of applying qualified majority voting was marginally extended. During the intergovernmental conference before and immediately after the Amsterdam European Council, there was great official euphoria that the new “common strategy” instrument (Art. 13 TEU-A) would lead to an extension of qualified majority voting⁽⁵⁴⁾. The High Representative and the Commission are the most relevant actors for this instrument. But again, it was not really a commitment to majority voting and, in practice, was not a success and

(52) See, for a very critical analysis, Simon Nuttall, *Consistency and the CFSP. A Categorization and its Consequences*, EPPU Working Paper No. 2001/3, London, London School of Economics - European Foreign Policy Unit, 2001 (www.lse.ac.uk/Depts/intrel/pdfs/EFPU%20Working%20Paper%203.pdf).

(53) See European Commission, *Report on the Operation of the Treaty on European Union*, Brussels, 10 May 1995, SEC(95)731 final, p. 65 (europa.eu.int/en/agenda/igc?home/eu?doc/commissn/rapp_en.wpd).

(54) The common strategy is a tool used with respect to a geographic area in which the member states have important common interests. Especially important, though, is that once a common strategy is adopted (unanimously), all decisions relating to it are then adopted by qualified majority vote.

needs to be reconsidered⁽⁵⁵⁾. Another marginal extension of qualified majority voting in the field of CFSP was offered by the Nice Treaty (the ratification of which is still pending) and concerns the appointment of the Council's Secretary General/High Representative for CFSP (Art. 207.2 TEC-N) and special representatives who have a mandate to deal with specific political problems (Art. 23.3 TEU-N).

To sum up, CFSP/ESDP is a policy field clearly controlled and shaped by EU member states. Decision-making is a complex and actor-intensive endeavour. It is important to ask whether the effectiveness of the EU's foreign and security policy can be enhanced so long as the application of qualified majority voting is restricted. The enlargement of the EU will increase the number of actors and interests involved in the CFSP, bestowing tremendous importance on the question of effective mechanisms. The Nice Treaty's introduction of enhanced cooperation in the foreign policy field opened a window of opportunity.

3. Enhanced cooperation as the ultimate answer?

Finding a satisfactory model to make the EU's foreign and security policy decision-making process more effective will be an important item on the post-Nice reform agenda. There are two major aspects involved: first, a functioning concept has to be found for interaction between the different actors and institutions involved – vertically (between the national and supranational level) and horizontally (on the supranational level, e.g. between Council and Commission; and on the national level, e.g. between member states); second, the decision-making mechanism should prevent deadlocks – and this brings up the question of extending majority voting and leads, furthermore, to the concept of differentiated integration.

The first aspect involves reconsidering the relationship and division of responsibilities between the High Representative for CFSP in the Council and the Commissioner for External Relations. The proposal often put forward in this context is to merge both functions and make the remaining figure a vice president of the Commission⁽⁵⁶⁾. The

(55) See Peter Normann, "Solana Hits EU Strategies", in *Financial Times*, 23 January 2001, p. 2.

(56) See, among others, the European Parliament's report concerning the reform of the Council, A5-0308/2001 final, 17 September 2001 (www2.europarl.eu.int/omk/OM-Euro-

Commissioner for external relations has complained that the tension between intergovernmental and community competencies cannot be overcome with an actor like a High Representative for CFSP; on the contrary, it would create even more institutional complications⁽⁵⁷⁾. At the same time, the High Representative has defined his role primarily as an actor assisting the presidency and the member states⁽⁵⁸⁾. But rivalries between the two, and consequently also between the Commission and the Council, give the impression that the EU is not a consistent actor⁽⁵⁹⁾. "One thing is clear, that unless a way is found of merging the bureaucracies, the problem of "institutional" consistency will continue to exist"⁽⁶⁰⁾.

Concerning the second aspect, should the decision-taking mechanisms be insufficiently reformed – due to opposition from several member states – single member states may start to act on their own in specific crises, even though an answer from the EU as a whole is requested. Uncontrolled ad hoc coalitions and activities outside the agreed institutional framework would damage the integration process enormously. It is inconceivable to think that the EU can be governed today using the procedures set down in the Rome Treaties and it will become even more problematic in a Union enlarged to 25 or more members.

A first step in the direction of a more flexible approach was taken in Nice with the extension of enhanced cooperation to CFSP. However, it is not yet clear to which topics this specific form of cooperation can be applied. Two initiatives by member states, i.e. the Italian-German and the Italian-Benelux papers, highlighted the importance of flexibility for CFSP. Those states that establish enhanced cooperation among themselves "may make use of the institutions, procedures and

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parl?L=EN&PROG=REPORT&PUBREF=-//EP//TEXT+REPORT+A5-2001-0308+0+DOC+SGML+V0//EN&LEVEL=4&SAME_LEVEL=1&NAV=S).

(57) See in this context also the communication by Chris Patten, "External Relations. Demands, Constraints, Priorities", *Bulletin quotidien Europe. Europe Documents* 2193, 10 June 2000, p. 3.

(58) See Javier Solana, *The Development of a CFSP and the Role of the High Representative*, Speech at the Danish Institute of International Affairs, Copenhagen, 11 February 2000 (ue.eu.int/solana/details.asp?BID=107&DocID=60508).

(59) For the opposing perspectives of Javier Solana and Chris Patten, see "Foreign Relations Rivalry Rears its Head in Evian", in *European Voice*, Vol. 6, No. 32 (7-13 September 2000), p. 24.

(60) See Simon Nuttall, *Consistency and the CFSP*, cit.

mechanisms” laid down in the EU Treaty and EC Treaty (Art. 43 TEU-N). In general, it is foreseen that enhanced cooperation shall be undertaken “only as a last resort, when it has been established within the Council that the objectives of such cooperation cannot be attained within a reasonable period by applying the relevant provisions of the treaties” (Art. 43a TEU-N). “The authorisation (...) shall be granted (...) by the Council, acting by qualified majority, on a proposal from the Commission or on the initiative of at least eight member states, and after consulting the European Parliament” (Art. 40a.2 TEU-N). Even though “the number of member states required to initiate enhanced cooperation has been reduced from 50 percent of all members to eight”⁽⁶¹⁾, this number might still be too high and become an obstacle. During the IGC, Italy and Germany proposed lowering the number to less than eight member states. At the same time both countries demanded that “enhanced cooperation should not lead to uncoordinated and random parallel initiatives of divergent groups of member states”⁽⁶²⁾, even though both were concerned that enhanced cooperation could lead to uncontrolled initiatives of different groups of member states. Enhanced cooperation in the field of CFSP can only be related to a joint action or common position. Explicitly excluded are matters having military and defence implications (Art. 27b TEU-N). The High Representative for CFSP is responsible for informing the European Parliament and all members of the Council of the implementation of enhanced cooperation (Art. 27d TEU-N). As enhanced cooperation is considered an open process, any member state may participate (Art. 27e TEU-N).

Enhanced cooperation could turn out to be a way to reconcile further integration steps with the enlargement of the Union. Waiting for the next IGC (which will end by 2004) to reform the CFSP could risk either putting reform off for an unspecified period of time or delaying enlargement for years, since the EU’s agenda is already tight and always on the verge of overload. By contrast, the instrument of en-

(61) See Josef Janning and Claus Giering, “An ambivalent result. Germany and the Treaty of Nice”, in Martyn Bond and Kim Feus (eds.), *The Treaty of Nice Explained*, London, Federal Trust for Education and Research, 2001, p. 179.

(62) See *Enhanced Cooperation. Position Paper from Germany and Italy*, CONFER 4783/00, 4 October 2000 (db.consilium.eu.int/cigdocs/EN/4783en.pdf).

hanced cooperation offers those member states willing to cooperate the chance to further communitarise certain fields of the CFSP at an earlier date. This would not bring integration in this field to an end, but rather represents a sort of learning phase for more effective forms of integration involving all member states. The EPC experience demonstrates that certain measures for intensifying political cooperation can be given a legal basis at a later stage. Enhanced cooperation in the CFSP could produce a similar effect. In practice, cooperation among willing member states could show not only that cooperation concerning the non-military aspects of foreign and security policy is possible within a communitarian framework and able to meet the challenges of international politics, but also that it offers an adequate approach for an enlarged EU. If enhanced cooperation were to prove successful, hesitant member states might join at a later date.

Enhanced cooperation implies greater differentiation in the integration process. It could constitute the starting point for a more adequate method of integration. Seen as a preliminary stage towards political union, differentiated integration offers a “model of community-oriented enhanced cooperation”⁽⁶³⁾. In accordance with this idea, all non-military aspects of CFSP/ESDP should, in the long run, be integrated in the first pillar allowing for the application of qualified majority voting. However, this only seems realistic for non-military aspects; military ones would continue to be based on the rules of consensus⁽⁶⁴⁾. But since it is still difficult to distinguish precisely between non-military and military aspects, member states could work together with the Commission to clarify the functional interaction between the two dimensions.

It is important to go beyond the general ideas on differentiated integration currently en vogue and elaborate on specific forms of enhanced cooperation in particular policy fields. Should intergovernmentalism prove to be the only way to implement enhanced cooperation, then this

(63) See Franco Algieri and Janis Emmanouilidis, *Setting signals for European Foreign and Security Policy. Discussing differentiation and Flexibility*, CAP Discussion Paper, Munich, Center for Applied Policy Research, 2000 (www.cap.uni-muenchen.de/download/settingsignals.PDF).

(64) For a time frame concerning the military dimension, see Bertelsmann Foundation (ed.), *Enhancing the European Union as an International Security Actor. A Strategy for Action by the Venusberg Group*, Gütersloh, Bertelsmann Foundation, 2000.

would probably affect the future of the EU as a whole, since communitarian elements, especially the role of supranational institutions like the Commission and the Parliament, might end up on the political scrap heap. A community-oriented approach, on the other hand, offers member states willing to cooperate the chance to deepen integration further by strengthening communitarian institutional and procedural elements.

Enhanced cooperation in the non-military part of CFSP will have far-reaching consequences and will raise a lot of questions. Unless the European Union embraces a new pattern of integration, it will be difficult to combine EU enlargement with reform of CFSP. If the Union does not succeed in putting CFSP into the context of differentiated integration, it will not fulfil expectations regarding an enhanced role in international politics.

Accepting the impact of realism on the analysis of international relations, enhanced cooperation does not pose a threat for CFSP/ESDP and the deepening of the integration process. At the same time, it does not, in its present form, provide a way to improve the EU's role as an international security actor. Corresponding reform steps will be needed. An ambitious model for the far-reaching communitarisation of CFSP is required for two reasons:

- a) to strengthen and extend the EU's foreign, security and defence policy capabilities;

- b) to avoid ad hoc coalition building, which does not respect the EU's agreed institutional and legal framework as the normal pattern for crisis management and conflict prevention.

The complexity of institutional mechanisms would not be reduced by the above mentioned model. Acceptance of that complexity would be the tribute the member states would have to pay for the deepening of foreign and security policy integration. If they decide not to accept it, however, CFSP/ESDP could become a weak policy field with negative consequences on both the deepening and the widening of the EU.

4. A strengthened or limited international actor?

European foreign and security policy cannot be detached from control and guidance by member states, just as it cannot be limited to one pillar of the treaty. CFSP/ESDP will continue to be a reflection of both intergovernmentalism and community-based mechanisms. National perceptions and concepts concerning what the EU should do as

a foreign policy actor have to be given more attention, especially with respect to common interests and not only differences. CFSP/ESDP is as interest-guided as national foreign policies, i.e. it is the acceptable sum of national interests. The greater the number of interests involved, the more urgent it is for the EU to define a strategic vision, that is, agree on a common strategic interest. The European Parliament sees the democratisation of states and societies as an important factor for EU security. Consequently, the Union has to contribute to the solution of economic and social problems on a global level⁽⁶⁵⁾. Other interests are, for example, guaranteeing free trade and investment or the security of the Union's citizens⁽⁶⁶⁾. Further goals for CFSP that reflect a strategic interest are an efficient policy towards the regions in the EU's neighbourhood or multilateral cooperation⁽⁶⁷⁾. With ESDP, defence of interests is no longer limited to a non-military foreign and security policy. The defence aspect begs the question: against what kind of threat should the EU defend itself?⁽⁶⁸⁾ In a longer term perspective, the member states will have to decide whether or not Petersberg tasks can be relevant for EU operations in such far away regions as Asia⁽⁶⁹⁾.

Considering the need to define main interests for the further development of CFSP and given the shortcomings of the decision-making mechanisms, it is important to ask what the source of European foreign, security and defence policy legitimation is. Within the institutional-procedural framework, the individual actors have their agreed

(65) See European Parliament, Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy, *Report on the Progress Achieved in the Implementation of the Common Foreign and Security Policy*, PE A5-0340/2000 final, 21 November 2000, part one, 1-4 (http://www2.europarl.eu.int/omk/OM-Europarl?L=EN&PROG=REPORT&SORT_ORDER=D&REFERENCE=A5-2000-0340&F_REFERENCE=A5-0340/00&LEG_ID=5&LEVEL=3&SAME_LEVEL=1&NAV=S).

(66) See the report by the High Representative and the Commission, 14088/00, Brussels, 30 November 2000, I. 2.

(67) See the speech by Chris Patten, *A European Foreign Policy. Ambition and Reality*, Institut Français des Relations Internationales, Paris, 15 June 2000 (europa.eu.int/comm/external_relations/news/patten/speech_00_219_en.htm).

(68) See Heinz Gärtner, Adrian Hyde-Price and Erich Reiter (eds.), *Europe's New Security Challenges*, Boulder and London, Lynne Rienner, 2001.

(69) See the European Parliament, Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy, *Report on the Progress Achieved in the Implementation of the Common Foreign and Security Policy*, part one, 38.

mandate to act, which is the result of previous compromises between the member states. But this concerns only one part of legitimacy. What is of concern here is the legitimization of the overall operational form of CFSP/ESDP. Of course, in the relevant EU documents there are sufficient references to the effect that the United Nations and the decisions of the Security Council have to be respected and that they are of primary importance for the maintenance of international peace and security. However, the European Parliament demands closer involvement in the new institutional structures. The EP is already a part of the CFSP decision-making process, but with clear limitations. In the post-Nice debate, questions related to the strengthening of the EP have become prominent, including its role in the CFSP decision-making process.

At this stage in the integration process, the EU can be considered a global actor with substantial foreign and security policy capabilities. Those capabilities depend to a great extent on institutional actors and mechanisms. But, as this contribution has tried to explain, progress in CFSP/ESDP creates pressure on all actors to adapt the decision-making mechanisms. The more seriously the member states take the international role the EU should play, the more the non-military and military dimension will have to be balanced – also in institutional and procedural terms. Should this balance not be achieved, the EU will be a limited international actor.

Annex: The academic debate

In the academic debate, the development of European foreign policy has been widely analysed, with studies ranging from the development of EPC to the EU's military dimension. With CFSP, the quantity of relevant publications has increased. These studies explain the complexity, the potential development and the limits of CFSP/ESDP. The literature is quite diverse and can be divided into the following groups:

- 1) the development of European Political Cooperation⁽⁷⁰⁾;
- 2) the creation of CFSP, the Intergovernmental Conference in 1991 and the provisions of the Maastricht Treaty⁽⁷¹⁾;
- 3) the first CFSP reform, the 1996/97 Intergovernmental Conference and the provisions of the Amsterdam Treaty⁽⁷²⁾;
- 4) the second reform of the CFSP, the 2000 Intergovernmental Conference and the results of the Nice Treaty⁽⁷³⁾;
- 5) the functioning of the CFSP, in particular institutional mechanisms⁽⁷⁴⁾;

(70) See Simon J. Nuttall, *European Political Co-operation*, cit.; Elfriede Regelsberger, Philippe de Schoutheete de Tervarent and Wolfgang Wessels (eds.), *Foreign Policy of the European Union. From EPC to CFSP and Beyond*, Boulder and London, Lynne Rienner, 1997.

(71) See Simon Nuttall, *European Foreign Policy*, Oxford, Oxford University Press, 2000; Finn Laursen and Sophie Vanhoonacker (eds.), *The Intergovernmental Conference on Political Union. Institutional Reforms, New Policies and International Identity of the European Community*, Dordrecht, Martinus Nijhoff and Maastricht, European Institute of Public Administration, 1992; Anthony Foster 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, 3(rd) ed., pp. 412-435.

(72) See Franco Algieri, "Die Reform der GASP. Anleitung zu begrenztem gemeinsamem Handeln", in Werner Weidenfeld (ed.), *Amsterdam in der Analyse*, Gütersloh, Bertelsmann Stiftung, 1998, pp. 89-120; Franklin Dehousse, *Amsterdam. The Making of a Treaty*, London, Kogan Page, 1999.

(73) See Franco Algieri, "Die Europäische Sicherheits- und Verteidigungspolitik. Erweiterter Handlungsspielraum für die GASP", in Werner Weidenfeld (ed.), *Nizza in der Analyse*, Gütersloh, Bertelsmann Stiftung, 2001, pp. 161-201; Simon Duke, "CESDP. Nice's Overtrumped Success?", in *European Foreign Affairs Review*, Vol. 6, No. 2 (Summer 2001), pp. 155-175.

- 6) consistency in European foreign policy⁽⁷⁵⁾;
- 7) the role of the member states⁽⁷⁶⁾;
- 8) financing CFSP⁽⁷⁷⁾;
- 9) case studies and the enlargement of the EU⁽⁷⁸⁾;
- 10) the EU as an international actor⁽⁷⁹⁾;
- 11) security and defence policy, including the military dimension⁽⁸⁰⁾;
- 12) European foreign policy and the relevance of theories⁽⁸¹⁾.

Segue nota

(74) See Elfriede Regelsberger and Wolfgang Wessels, "The CFSP Institutions and Procedures. A Third Way for the Second Pillar", in *European Foreign Affairs Review*, Vol. 2, No. 1 (July 1996), pp. 29-54; Ramses A. Wessels, *The European Union's Foreign and Security Policy. A Legal Institutional Perspective*, cit.

(75) See Antonio Missiroli (ed.) *Coherence for European Security Policy. Debates, Cases, Assessments*, Occasional Papers No. 27, Paris, WEU Institute for Security Studies, 2001 (www.iss-eu.org/occasion/occ27e.html); Jörg Monar, "The European Union's Foreign Affairs System after the Treaty of Amsterdam. A Strengthened Capacity for External Action?", in *European Foreign Affairs Review*, Vol. 2, No. 4 (Winter 1997), pp. 413-436.

(76) See Christopher Hill (ed.), *The Actors in Europe's Foreign Policy*, London and New York, Routledge, 1996; Center for Applied Policy Research (ed.), *CFSP Reform Debate and the Intergovernmental Conference, National Interests and Policy Preferences*, Working paper of a joint project, Munich, Center for Applied Policy Research, 1997.

(77) Jörg Monar, "The Finances of the Union's Intergovernmental Pillars. Tortuous Experiments with the Community Budget", in *Journal of Common Market Studies*, Vol. 35, No. 1 (March 1997), pp. 57-78.

(78) See Martin Holland (ed.), *Common Foreign and Security Policy. The Record and Reforms*, London and Washington, Pinter, 1997; John Peterson and Helene Sjursen (eds.), *A Common Foreign Policy for Europe? Competing Visions of the CFSP*, London, Routledge, 1998; Franco Algieri, Josef Janning and Dirk Rumberg (eds.), *Managing Security in Europe. The European Union and the challenge of enlargement*, Gütersloh: Bertelsmann Foundation, 1996.

(79) Alan Cafruny and Patrick Peters (eds), *The Union and the World. The Political Economy of a Common Foreign and Security Policy*, The Hague, Kluwer Law International, 1998; Reinhardt Rummel (ed.), *Toward Political Union. Planning a Common Foreign and Security Policy in the European Community*, Baden-Baden, Nomos, 1992.

(80) Bertelsmann Foundation (ed.), *Enhancing the European Union as an International Security Actor*, cit.; François Heisbourg et al., *European Defence. Making it Work*, Chaillot Papers No. 42, Paris, WEU Institute for Security Studies, 2000 (www.iss-eu.org/chaillot/chai42e.html); Michael Alexander and Timothy Garden, "The Arithmetic of Defence Policy", in *International Affairs*, Vol. 77, No. 3 (July 2001), pp. 509-529 (www.tgarden.demon.co.uk/writings/articles/2001/ia.htm).

(81) Walter Carlsnaes and Steve Smith (eds), *European Foreign Policy. The EC and Changing Perspectives in Europe*, London, Sage, 1994; Martin Holland (ed.), *The Future of European Political Cooperation. Essays on Theory and Practice*, Houndsmill, Macmillan, 1991.

2. THE ROLE OF CFSP HIGH REPRESENTATIVE AND THE POLICY PLANNING AND EARLY WARNING UNIT

by *Raffaella Circelli* (*)

Introduction

The idea of establishing a new institutional figure in the field of the European Union's Common Foreign and Security Policy (CFSP) arose in a particularly delicate moment for Europe. A number of conditions linked to the Union's external projection and its internal decision-making structure brought to the fore in a relatively short time the need for a new and original body, able to carry out a dual role: on the one hand, finally to give the EU a recognisable political face on the international scene, and on the other, to coordinate the vast range of instruments developed by the Union for external action in recent years, transforming them into a single, coherent support for its foreign policy objectives.

The long crisis in the Balkans and the Union's inability to take decisions and operate in the face of these tragic events, first in Bosnia and then in Kosovo, revealed the weaknesses of the CFSP structure as laid down in Maastricht in 1991: lacking was not only the political will to conduct resolute actions, but also the essential operational mechanisms.

Lastly, the Union had become increasingly responsive to its exigent public opinion, which demanded more decisive preventive action and, if necessary, conflict management, as well as active defence of democratic values and fundamental human rights.

As a result of the need for a broader security policy, revision and institutional re-organisation of CFSP could no longer be put off. The Union's economic instruments had to be integrated with adequate military and civilian capabilities to ensure a timely and responsible response in case of crisis and targeted intervention in situations of conflict and humanitarian emergency. In fact, one of the essential components of a credible foreign policy is the ability to use force when all

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other means have failed. The resources available, whether civilian or military, have to be adequate and the operational capabilities able to prove their effectiveness in an acceptable period of time. Finally, the institutional framework and the decision-making procedures in which those structures were to operate had to be reformed and adapted to the new requirements.

The degree of integration in Europe has increased to such an extent that the members of the Union now share broad interests in many areas, including the forces and means needed to protect common values. Furthermore, while the mere existence of the Union had up to that time constituted a factor of peace, offering a model of regional integration as a guarantee of stability, with the aggravation of the crises on its borders, it could no longer continue to provide only a passive example; it had to make an active contribution to the spread of security.

The high level of consensus that led to the establishment of an organ such as the High Representative for foreign and security policy (hereinafter High Representative, HR) is tangible proof of the member states' awareness of the need to take on a concrete commitment to improve CFSP, in the conviction that the countries of the Union, acting collectively, can achieve much better results than individually⁽⁸²⁾. Despite the inevitable differences between member states, this was the first sign of a real willingness to hand over a part of national sovereignty to the European Union in this field.

1. The Amsterdam Treaty and the nomination of Mr CFSP

In an attempt to solve the Union's problem of external representation and to improve the implementation of decisions taken by the Council, the Amsterdam Treaty extended the range of instruments available to the Union and the member states for development of an effective CFSP⁽⁸³⁾. In particular, a new form of community act was in-

(82) In October 1999, in a joint letter to the Tampere European Council, Chirac and Schröder underlined the need to transform CFSP into a real instrument for representation of the EU's interests in the world and to entrust the key role of the Union's external projection to a "Mr CFSP".

(83) The Treaty of Amsterdam was signed on 2 October 1997, but only entered into force on 1 May 1999. Title V, dedicated to "Provisions on a common foreign and security

troduced, the common strategy, endowed with the characteristics of flexibility and coherence that common positions and actions lacked⁽⁸⁴⁾. For the first time, early warning mechanisms were provided for in case of imminent conflict or crisis, and the objectives for the construction of a common security and defence policy were laid down, if only generically. But above all, the new position of High Representative for foreign and security policy was introduced into the Council structure – a position that would be taken by the Secretary General of the Council himself.

These important innovations introduced in Amsterdam led to a sharp acceleration of what had been a gradual strengthening of CFSP structures. The current High Representative, Javier Solana, from Spain has played a primary role in achieving further objectives. From the time of the signing of the Treaty of Amsterdam, in fact, the Union has started to deal seriously with the need to equip itself with more specialised institutional tools.

Despite ups and downs, the history of EU foreign policy has been marked by repeated attempts to bring the second pillar, dominated by intergovernmentalism, closer to the logic of the community method

Segue nota

policy” includes Articles 11 to 28. The Treaty of Nice, signed on 26 February 2001 but still not in force, amended some of the articles (see 3.1), but did not change the numbering. The consolidated version of the Amsterdam Treaty will hereinafter be referred to as the TEU.

(84) The current regulations call for the European Council to adopt, by consensus, common strategies relative to the areas in which the member states “have important interests in common” (Art. 13). These strategies are then implemented by the Council which, in the case of common actions, common positions or decisions based on a strategy previously adopted, can vote by qualified majority (Art. 23.2). Therefore, this is the mechanism by which member states set out the basic principles and objectives of their actions, which will then be translated into concrete foreign policy initiatives. Common strategies were introduced so as to avoid that the search for agreement among the various national positions would be related to a single decision, shifting agreement to a preceding procedural and conceptual stage. Once the sphere in which the common interest has been identified, it is presumed that there will be constant consensus for the measures practically implementing the strategy. For Italy’s role in introducing common strategies into the treaty, see Giovambattista Verderame, “Amsterdam e dopo: prospettive istituzionali per la Politica Estera e di Sicurezza Comune”, in *Relazioni internazionali*, No. 50 (maggio-giugno 1999), pp. 76-84. Since the entry into force of the Amsterdam Treaty, three common strategies have been adopted: Russia, decided on 4 June 1999 by the Cologne European Council (1999/414/PESC, OJ No. L 157, 24/06/1999); Ukraine, decided on 11 December 1999 by the Helsinki European Council (1999/877/PESC, OJ No. L 331, 23/12/1999); the Mediterranean region, decided on 19 June 2000 by the Santa Maria de Feira European Council (2000/458/PESC, OJ No. L 183, 22/07/2000).

typical of the first pillar. A symbol of the basic difference between these two branches of the EU system had always been the absence, in the CFSP sphere, of an autonomous guiding organ, able to direct the Union's decisions and actions towards what was perceived as the prevailing common interest. The broad and innovative mandate given the High Representative could, therefore, be taken as sign of potential opening towards greater supranationality.

Among the important tasks assigned the HR are coordination of the Union's new and complex potential to shape a foreign policy that is more independent of that of member states and to develop an univocal EU voice on the international scene, as distinct from the mere sum of national voices⁽⁸⁵⁾. Some even see the HR as the nucleus of a legal status for the Union in international relations.

The HR is mandated to assist the Council in matters of foreign and security policy, contributing to the preparation, formulation and implementation of political decisions⁽⁸⁶⁾, and to flank the Union's Presidency in its activity of external representation, conducting, if necessary, political and diplomatic dialogue with third countries⁽⁸⁷⁾. The High Representative's strong potential lies in its unique institutional position in the community pillar structure: its intermediate position makes it a link and a cement between the intergovernmental part of the European system, represented by the Presidency-in-power and the national governments, and the community part, embodied by the Commission. Thus, in addition to trying to find a point of agreement between the various national interests, the HR also works in close contact with the Commission⁽⁸⁸⁾. The intention, then, was "to fill an institutional vacuum"⁽⁸⁹⁾, making it possible to do what neither the Commission nor the Council had ever been able to do, alone, in the past.

(85) Art. 18.3 of the TEU. Art. 11.1 of the TEU states that the Union alone establishes and carries out its common foreign and security policy, and no longer the Union together with member states as set down in Art. 11 of the Maastricht Treaty. This amendment seems indicative of the intention to separate CFSP from national foreign policies, making it the expression of the identity of the European Union as an international actor.

(86) Art. 26 of the TEU.

(87) *Ibidem*.

(88) Art. 18.4; Art. 27 of the TEU.

(89) Javier Solana, *EU Foreign Policy*, Speech at Bruges, 25 April 2001 (ue.eu.int/solana/details.asp?BID=107&DocID=66260).

But it soon became obvious that reinforcing the Union's role as a global actor could potentially break the internal institutional balance⁽⁹⁰⁾: while the HR was, on the one hand, meant to raise the Union's profile on the international scene and to ensure continuity in CFSP political leadership; on the other, this could work to the detriment of the unity and consistency of the entire sector of external relations, taken as the set of all economic and political actions⁽⁹¹⁾.

It was clear that, in order carry out the task effectively, the HR would have to be a figure with international experience and exceptional personal qualities. The December 1998 Vienna European Council agreed that the HR, in light of the greater visibility that would derive for Union actions on the international scene, should be a "personality with a strong political profile"⁽⁹²⁾, and not simply a high-ranking official. Six months later, the Cologne European Council confirmed this line, designating Solana, (former Secretary General of NATO) "(...) for a period of five years with effect from 18 October 1999"⁽⁹³⁾. On 25 November 1999, Solana was also nominated Secretary General of the Western European Union (WEU)⁽⁹⁴⁾: this decision was part of

(90) For some general comments on the provisions of the Treaty of Amsterdam see: Pierre Des Nerviens, "Les relations extérieures", in *Revue trimestrielle du droit européen*, Vol. 33, No. 4 (octobre-décembre 1997), pp. 801-812; Jörg Monar, "The European Union's Foreign Affairs System After the Treaty of Amsterdam: A 'Strengthened Capacity for External Action'?", in *European Foreign Affairs Review*, Vol. 2, No. 4 (Winter 1997), pp. 413-436; Silvio Fagiolo, "Il Trattato di Amsterdam", in *Affari esteri*, Vol. 29, No. 115 (luglio 1997), pp. 482-486; C. Novi, "Le novità del Trattato di Amsterdam in tema di politica estera e di sicurezza comune", in *Il diritto dell'Unione europea*, Vol. 1, No. 2-3 (1998), pp. 179-226; Giovanbattista Verderame, "Amsterdam e dopo: prospettive istituzionali per la Politica Estera e di Sicurezza Comune", cit.; Simon Duke, "From Amsterdam to Kosovo: Lessons for the Future of CFSP", in *Eipascope*, No. 2/1999, pp. 2-15 (eip.nl.com/public/public_eipascope/99/folder_scop99_2/scop99_2_col.pdf).

(91) For a survey of the conditions required by the EU to achieve real international "actorness", see Chris Patten, "Projecting Stability", in *The World Today*, Vol. 56, No. 7 (July 2000), pp. 17-19.

(92) European Council, *Presidency Conclusions*, Vienna, 11-12 December 1998 (ue.eu.int/Newsroom/LoadDoc.asp?BID=76&DID=56427&LANG=1).

(93) Decision 1999/629/EC, ECSC, Euratom of 13/09/1999, OJ No. L 248, 21/09/1999, p. 33.

(94) On 15 November 1999, the General Affairs Council, in the presence of 15 Defence Ministers, authorised Solana to accept the position, "to complete his functions" (see also opinion no. 6/99 of the Political Committee).

the project for progressive integration of the WEU structures into the EU, which was begun after the Helsinki European Council⁽⁹⁵⁾.

1.1 The High Representative put to the test

More than two years after Solana's nomination as HR, an attempt can be made to assess his activity. With the entry into force of the Amsterdam Treaty, it became clear that the evolution of the organ for autonomous guidance of foreign policy would depend on the HR himself and the room for manoeuvre that the member states and the Presidency-in-power would leave him. As stated in the Treaty, the HR has no exclusive power of initiative, nor a budget, nor an independent structure with respect to the Council. If the position has become stronger since its creation, this is largely due to Solana's personal ability. Using his international reputation and the network of diplomatic relations he has set up, Solana has managed in some cases to loosen, at least in practice, the rigid links of the Council and community mail. In particular, he has managed to focus attention on some sensitive issues and, consequently, to favour the passing of certain decisions and actions that lay the bases for a more incisive international role for the HR. Today, Solana is seen as the European Minister of Foreign Affairs, albeit without independent political authority: every day he shares his main task – working to make CFSP operational and effective – with the member states, which continue to have the last word on each and every action undertaken by the Union. His constant diplomatic efforts have taken him from one capital to another in an attempt to ensure the support needed to advance a common vision. This approach has proved fundamental in transforming a simple spokesman of the Union into its real diplomatic representative, able to flank the individual national voices authoritatively. Undoubtedly, the instruments available to him have turned out to be more effective for conducting short-term, immediate actions than for planning and implementing long-term strategies.

(95) Art. 17 of the TEU was later amended by the Treaty of Nice, which removed all references to the WEU contained in the article, except for clause 4, stating the possibility of two or more member states undertaking an enhanced cooperation at the bilateral level in the WEU or NATO sphere.

Solana himself has stated that “The legal framework of CFSP has tended to flow and develop from experience, it can never be prescriptive”⁽⁹⁶⁾. This has led to his pragmatic approach in dealing with the different international situations. Being forced to move within a rigid institutional structure, Solana has sometimes had to proceed by trial and error. He has stated that he concerns himself “(...) as little as possible with theory or institutional issues”⁽⁹⁷⁾ since “Europe’s foreign policy is too young, so one has to work with the instruments available”⁽⁹⁸⁾. Finally, Solana has also been able to count on the good will of the international media and press, towards which he has always been open and available.

Some structural shortcomings, such as the lack of an independent budget and a well-functioning institutional support structure, as well as insufficient support personnel have strongly hampered the effectiveness of Solana’s action. Thus, an institutional reform is required to streamline the complex functional relations between the bodies involved in CFSP, regardless of the institutional position Solana’s successor will have in the community system. This calls for a definition of the roles, functions and division of powers between the HR and the political formations within the Council, coordinated and represented by him, and the Commission, responsible for equally important aspects of the Union’s external relations. In addition, such a reform should make the linkage mechanisms between these bodies clearer in order to rationalise the management of the two-pronged system, which currently lacks external consistency and efficiency due to internal confusion.

1.2 The Troika and European diplomatic action

The change in the composition of the Troika, the three-member unit set up by Maastricht to provide the Presidency-in-office with the assistance of the predecessor and successor presidencies, may be seen as resulting from Europe’s more important and more recognisable external presence. The introduction into the Troika of the High Repre-

(96) Javier Solana, *EU Foreign Policy*, cit.

(97) *Idem.*

(98) Interview with Antonio Polito, *La Repubblica*, 3 February 2001.

sentative, as well of the Vice President of the Commission⁽⁹⁹⁾, provided for by the Amsterdam Treaty, has given this singular body, originally of a strictly intergovernmental nature, greater stability and continuity, thus improving its internal coherence and the consistency between the Union's external and diplomatic action. In fact, of the three (President-in-office, High Representative, and Commissioner for External Relations) or four members (in the rare cases in which the successor president also participates), at least two remain in power for much longer than the six months of the rotating presidency. This also helps to overcome those periods of minor external presence or activity on the part of the Union, when the country holding the rotating presidency is either unable or unwilling to play an active or influential international role.

What has in some cases made the Troika's positions more incisive in the last few years is the spirit of constructive collaboration⁽¹⁰⁰⁾ established by Solana and Chris Patten, the Commissioner for External Relations, in pursuing a global strategy. Furthermore, thanks to the combination of the impetus provided by Solana's conception of diplomacy as largely based on direct meetings and negotiations, and the drive given in turn by the various presidencies to the missions to some particularly sensitive areas, the European Troika has proven capable of concrete and timely action, achieving notable results. In May 2001, for example, the Swedish Prime Minister Persson, accompanied by Solana and Patten, visited North Korea and then South Korea, meeting with the respective presidents in an attempt to encourage reconciliation between the two countries. These meetings led to North Korea's commitment soon afterward to respect past agreements, in particular to uphold the moratorium on missile tests, and have favoured the start of a debate with the European Union on respect of human rights and

(99) Art. 18.3-4 of the TEU. Declaration no. 32 on the organisation and functioning of the Commission, annexed to the Final Act of the Treaty, gives a Vice President of the Commission responsibility for external relations and therefore also for participation in the Troika. Ever since his nomination as Commissioner for External Relations, Chris Patten has participated assiduously in Troika missions.

(100) Javier Solana, *The Foreign Policy of the EU*, Speech at The Hague, 7 November 2000 (ue.eu.int/solana/details.asp?BID=107&DocID=63903).

the conditions of non-governmental organisations (NGOs) in the country. The Troika's mission was also judged very positively by the United States administration.

In some cases, Solana's role has been made even more visible by the wide room for manoeuvre left him by the Troika. In Macedonia, for example, the EU played a direct and primary role, providing active support for the inter-ethnic political dialogue (Solana and Patten participated in the meetings with representatives of the Macedonian government). But the Troika also carried out important missions itself, especially under the Swedish presidency. In June 2001, when the clashes between Macedonian forces and the Albanian rebels became more acute, economic aid was blocked and made conditional on the achievement of a political agreement and an immediate ceasefire⁽¹⁰¹⁾. In addition, in order to ensure a constant presence in the area and a visible point of reference, the General Affairs Council (GAC) nominated François Leotard from France as the EU's Special Representative in Macedonia, with the task of supervising the implementation of the political and institutional reforms agreed upon⁽¹⁰²⁾.

The European diplomatic missions to the Middle East are different: only Solana – not the Troika – is involved, and he alternates with visits by the Foreign Ministers of the member states. Thanks to Solana's activism upon taking office, the EU finally started to take an active part in the attempts to solve the conflict between Israel and Palestine. His speech at the October 2000 summit in Sharm el-Sheikh was the first real acknowledgement of Europe's central role in the peace process negotiations. Solana, who became a member of the Fact-finding committee set up at that time (Mitchell Commission)⁽¹⁰³⁾, frequently

(101) See *Bulletin quotidien Europe*, No. 7992 (25-26 June 2001), and No. 8039 (3-4 September 2001).

(102) Léotard operates under the authority of the HR, even though his mission is financed by the French government, in accordance with the decisions taken at the Göteborg European Council of 15/16 June 2001. See also the text that Solana later presented to the informal Council in Genval (9 September 2001) on the modalities with which Leotard is to ensure coordination in situ of the various international tasks assigned to the Commission, the World Bank and the Organisation for Security and Cooperation in Europe (OSCE).

(103) The committee, headed by former US Democratic Senator George Mitchell, and composed of US and European experts, was tasked with providing an independent and objective evaluation of the causes for the outbreak of violence between Israelis and Palestini-

reiterated the importance of Europe's role in contributing to a just and sustainable resolution of the crisis. Solana undertook numerous meetings with representatives of both sides, in continuous attempts at mediation, and maintained a constant presence in international talks. The constant European presence in the area of EU Special Envoy Miguel Moratinos is also of fundamental importance.

Finally, Europe's direct diplomatic action has also been fruitful on the occasions when Solana has been given a broad mandate to negotiate on behalf of the Union: this was the case of his mission to Ankara, decided upon by the December 1999 Helsinki European Council, where the objective was to negotiate Turkey's status as candidate country. Solana managed to convince the Turkish Prime Minister and Foreign Minister to accept the EU proposal. This initial diplomatic success, only two months after his nomination, set him off to a good start. In view of the results obtained by the HR on other occasions, it can only be hoped that the presidencies will learn to "use" this new institutional figure more effectively, giving him additional mandates and delegating more commitments⁽¹⁰⁴⁾.

1.3 Special Representatives

The Amsterdam Treaty provided for the Council to nominate a special representative, whenever necessary, to deal with specific political problems⁽¹⁰⁵⁾. Thus, Title V codified an existing practice in an attempt to strengthen Europe's presence in particularly delicate inter-

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ans and preparing recommendations that would provide a solid and realistic basis for discussion during successive negotiations. On the basis of the report drawn up by the Mitchell Commission, there were, as of May 2001, concrete possibilities for a joint US/EU action to establish the conditions for starting up constructive dialogue between the two sides. The *Report of the Sharm el-Sheikh Fact-finding Committee* was presented on 30 April 2001 (ue.eu.int/pressdata/EN/reports/ACF319.pdf). See also the Report on the Middle East presented by Solana to the Göteborg European Council on 15 June 2001 (ue.eu.int/solana/details.asp?BID=111&DocID=66853).

(104) For the mandates received from the European Council for the Balkans and the Middle East, Solana was assisted by the members of the Political Planning Cell (see part 2), who spent long periods *in loco* and provided information and updates on military and political developments to help him in the drafting of reports.

(105) Art. 18.5 of the TEU.

national crisis situations and to improve the effectiveness of the Union's political and diplomatic action *in loco*.

In practice, that provision made the system more complicated. It is not the Secretary General/High Representative or the Council, on the proposal of the HR, that names a special representative, as would seem more functional to CFSP's execution and external representation, but the Council itself. Nor does the special representative have a particular or primary responsibility towards the High Representative, who should logically be the main referent. But with the transformations that have taken place in recent years on the various international scenes in which special representatives operate, their role has slowly evolved and so have their relations, in practice, with the HR. In fact, with the latest Council decision on the matter, the General Secretariat of the Council, that is Solana, was put in charge of the administrative management of special representatives. Indeed, he immediately took advantage of the new provisions to nominate his own representative in Macedonia⁽¹⁰⁶⁾. Later, he directly established the way in which the envoy would maintain relations with the various institutions and actors, keeping the privileged condition of main referent for himself. This could lead to a basic shift in the special representatives' political responsibility towards the HR.

Therefore, Solana seems to be aware of the important political and institutional role of special representatives. With the introduction of certain changes in the provisions on the subject⁽¹⁰⁷⁾, and by definitively regulating the administrative situation in which they carry out their mandate, the HR could be provided with a real diplomatic network, similar to that of the Commission, giving the organ the advantage of well rooted contacts in many countries around the world.

(106) See the *Annual report on the main aspects and basic choices of CFSP, including the financial implications for the general budget of the Communities*, adopted by the General Affairs Council on 10 April 2000 (see press release ue.eu.int/newsroom/LoadDoc.asp?BID=71&DID=61136&LANG=1). Nevertheless, some ambiguities in defining and applying these provisions have been pointed out by the Court of Audits Special Report No. 13/2001 (www.eca.eu.int/EN/RS/sommaire_01.htm). See also *Bulletin quotidien Europe*, No. 8072 (18 October 2001).

(107) The Nice Treaty only changed the procedures with which the Council nominates the special representatives: from unanimity to qualified majority (Art. 23).

1.4 Common Strategies

Extremely critical of the common strategies, Solana took advantage of the request from the General Affairs Council to draft a report on the ones already adopted and a reflection on the ways to use this instrument most effectively in the future⁽¹⁰⁸⁾ to carry out an overall analysis of common strategies. The Report on the operation of Common Strategies, presented on 22-23 January 2001, identified the reasons why the strategies, as envisioned in the Treaties, had not proven effective⁽¹⁰⁹⁾. The report clearly stated that the three strategies approved (Russia, Ukraine and the Mediterranean) had not helped to make the Union's external action in the areas in question more effective; on the contrary, they had almost totally failed to achieve their initial objectives. By trying to cover all aspects of all matters, they turned out to be vague and declaratory, adding little to the cooperation policies already in place. Claiming that the common strategies should serve to improve coordination and synergy between the Union's foreign policy, community instruments and national policies, the report recommended that the priorities to be pursued should be more precisely defined and more select in their purpose and that the objectives should be verifiable. Secondly, it concluded that strategy documents should remain internal, classified and non negotiable. According to Solana, common strategies could represent an important instrument for a consistent policy of support and prevention in some regions considered critical⁽¹¹⁰⁾. This would make it possible to develop a long-term vision encompassing all forms of foreign policy instruments to predict and prevent the outbreak of crises or conflicts, or in any case to use Europe's potential for peacemaking to the full. Given the ge-

(108) See the Conclusions of the General Affairs Council of 9 October 2000, *Effectiveness of the Union's external action* (ue.eu.int/newsroom/LoadDoc.asp?MAX=21&BID=71&DID=63328&LANG=1#_Toc496508700).

(109) For a presentation of the Report, see "EU Common Strategies for Third Countries: Suggestions and Criticisms from Javier Solana", in *Bulletin quotidien Europe*, No. 2228 (31 January 2001).

(110) See comments presented by European Platform for Conflict Prevention, International Alert, Saferworld e Accord in *Outlook on Brussels*, supplement to the Conflict Prevention Newsletter (www.international-alert.org/publications.htm#dev).

nerally positive reaction to the report⁽¹¹¹⁾, the General Affairs Council charged the COREPER with providing for an adequate response. On 26 February 2001, guidelines for more effective use of common strategies along the lines sketched out by Solana were approved by the GAC⁽¹¹²⁾.

Solana's intention to keep CFSP documents and procedures classified is attested to by another decision: he has prohibited public access to all Council General Secretariat documents concerning foreign policy and military and non-military crisis management, that is, documents which contain "(...) information the unauthorised disclosure of which could cause extremely serious prejudice to the essential interests of the Union or to one or more of its member States"⁽¹¹³⁾. This decision has changed the criteria for classification of foreign and security policy documents, by introducing another category: Top Secret in addition to Secret, Confidential and Restricted. While the Commission immediately undertook similar change in its regulations to ensure the same degree of protection, the European Parliament vehemently opposed Solana's decision not to allow even members of Parliament to access many military documents. In the name of institutional transparency, Nicole Fontaine, the speaker of the European Parliament, promised to appeal against this decision to the European Court of Justice.

2. The Policy Planning and Early Warning Unit

The Policy Planning and Early Warning Unit was introduced into an already complex CFSP structure by the Amsterdam Treaty⁽¹¹⁴⁾. As

(111) See Franco Papitto, "Solana: "Europa, così non va"", in *La Repubblica*, 23 January 2001; Peter Norman, "Solana Hits at EU Strategies", in *Financial Times*, 23 January 2001; Laurent Zecchini, "Javier Solana dresse un bilan accablant des stratégies communes de l'Union européenne", in *Le Monde*, 24 January 2001.

(112) See General Affairs Council Conclusions, Brussels, 26-27 February 2001 (ue.eu.int/newsroom/LoadDoc.asp?BID=71&DID=65260&LANG=1). See also *Bulletin quotidien Europe*, No. 7913 (1 March 2001).

(113) Decision of the Council Secretary General/High Representative for common foreign and security policy of 27 July 2000 on the measures for the protection of classified information applicable to the General Secretariat of the Council (OJ No. C 239, 23/08/2000). For some comments see the bulletin *Statewatch News Online*, No. 5 (July 2000) (www.statewatch.org/news/jul00/05solana.htm), and No. 6 (December 2000) (www.statewatch.org/news/dec00/06solana2.htm), and *European Security Review*, No. 2 (October 2000) (www.isis-europe.org/isis-eu/esreview/2000/oct2000.pdf).

(114) Declaration No. 6 annexed to the Final Act of the Treaty of Amsterdam (europa.eu.int/eur-lex/en/accessible/treaties/en/livre468.htm).

its head, the High Representative can draw on the unit's work to submit to the Council, upon its request or the request of the Presidency, "argued policy options papers (...), analyses or recommendations, and strategies for the CFSP"⁽¹¹⁵⁾.

The unit was set up to monitor and analyse the developments of the international situations at greatest risk, strengthening the Union's ability for timely external action. The objective was not only to make the formulation and implementation of policies more consistent, but also to improve the Union's ability to take independent decisions. It had been seen that without coordination, the member states' different reactions to international developments resulted in a weak Union position. It was thought that a common analysis of international issues and their possible consequences, as well as the sharing of information would allow the Union to react more effectively.

The unit is supposed to provide information and predictions on events and situations that could have repercussions on Union activity, including potential policies, and to give early warning of particularly urgent cases, such as political or military crises. It is also supposed to identify common interests and define possible fields for future CFSP action, that is, those sectors and geographic areas in which Union action could have political and/or strategic impact.

The unit is made up of personnel coming from the member states, the Commission and the Council Secretariat. This not only ensures quality, but allows for greater cooperation among the actors who take part in various capacities in the foreign policy decision-making process or contribute to the Union's external projection. The participation of Commission officials is particularly important: in addition to promoting "an appropriate cooperation (...) in order to ensure full coherence with the Union's external economic and development policies"⁽¹¹⁶⁾, it gives the Commission a certain role in preparing CFSP along with the member states. The Declaration on the establishment of a policy planning and early warning unit affirm that «any member State and the Commission may make suggestions to the unit for work to

(115) *Idem.*

(116) *Idem.*

be undertaken» and «Member States and the Commission shall assist the policy planning process by providing, to the fullest extent possible, relevant information, including confidential information». The main objective is to create a flexible and effective tool which, coordinated with those of the other services of the General Secretariat, can help the High Representative fulfil his task of impulse and initiative.

2.1 The importance of logistics

Although under the direct responsibility of the HR at the General Secretariat, the unit has always been an anomalous structure of the Directorate General E, where its offices are located⁽¹¹⁷⁾. It has a staff of 21, all high officials⁽¹¹⁸⁾, and has a flexible structure broken down into Task Forces with sectoral and horizontal competences⁽¹¹⁹⁾. The members of the unit, who are frequently sent or accompany Solana on visits to the geographic areas in which they are respectively specialised, refer back directly to Solana and do not have regular inter-institutional relations with other Council officials or bodies.

Immediately after his nomination, Solana announced that he expected operational support from the unit and wanted it to cooperate closely with the staff of the Council Secretariat, the Commission and the Conflict Prevention Network. It is difficult to know whether and how this actually occurs, given the extreme reserve surrounding the unit which has led some to conjecture that the unit is gradually turning into Solana's private cabinet. But it is important to underline here that the other new bodies dealing with security and crisis management (the

(117) In fact, while the unit exchanges information with the Commission, international organisations and NGOs, its main daily referent is the DG-E staff of the Council Secretariat. See "Setting up the CFSP Policy Planning and Early Warning Unit", Report from Secretary-General of the Council to the Council, Brussels, 6 November 1997, in *CFSP Forum*, No. 4/1997, pp. 2-4, and particularly Uwe Schmalz, "Setting up the Policy Planning and Early Warning Unit – A Thorny Path from Idea to Realization", *idem*, pp. 1-2.

(118) 35 including support personnel.

(119) For a more detailed description, see Christoph Heusgen, *Mr CFSP and the Policy Planning and Early Warning Unit*, Council Document SN 2666/1/01. In particular, the Task Forces deal with: security and defence policy; civilian crisis management; the Balkans and central Europe; Latin America; Russia, Ukraine, transatlantic relations and Asia; the Middle East, the Mediterranean, the Barcelona process and Africa; Administration.

Military Committee and the Military Staff of the EU) are also located in the same building, not far from that of the Council. A Situation Centre, bringing together civilians and military with the task of assisting the unit in monitoring crisis situations, has also been set up in this building. The centre, which is open around the clock, is the operational base for a more dynamic crisis analysis and management⁽¹²⁰⁾. In this way, Solana has ensured a constant and timely flow of information, favouring an exchange between civilian and military officials.

The unit's most important contribution to the development of the common foreign policy to date has been as the centre of incoming information from the national diplomatic services, providing Solana with a constantly updated picture on the foreign policy of the 15 member states. The unit, also by means of bilateral and multilateral meetings attended by Solana, is a resonance chamber for proposals, before they are submitted by the HR to the Council. Discussion here has often resulted in positions that reflect the common interest more closely. Although the perspective is still strictly intergovernmental, since the unit members are mainly national contacts, the main commitment is to ensure rapid data collection, synthesis, analysis and decision-making.

The unit also carries out the important job of analysing and predicting, with constant updates on the international situations most at risk, through the drafting of policy papers, informative notes, and proposals: all strictly reserved documents. Not only Solana, but also the Council makes use of the services provided by the unit. In particular, the COPS had extensively used the unit's political planning faculty to prepare motivated political options, requesting policy papers on numerous issues (the Caucasus, Russia, China, Indonesia, Ukraine, Moldova)⁽¹²¹⁾. Each paper, based on a analysis carried out by various

(120) The December 1999 Helsinki European Council approved the establishment of a mechanism for coordinating the civilian management of crises, to be set up in the Council Secretariat and meant to flank the military staff. Later development of the SitCen towards a real Crisis Cell would, therefore, provide the Council with a more complete instrument for crisis management.

(121) The particular relation between the unit and COPS is also attested to by the "current issues/situation report" item always on the agenda of the COPS meetings, so that the unit can, if necessary, present updates on emerging or current crises.

members of the unit, relying on national resources, presents a detailed description of the situation in the field, an analysis of the Union's main interests and concerns, an assessment of the policies under way and a series of concrete options for their future development. Increasing use of this instrument should make it easier to formulate a more coherent foreign policy, since it would start out from a basis already agreed upon and studied.

The same positive assessment cannot be made of the unit's contribution to conflict prevention, which was initially among its main functions. Solana has repeatedly stated that he has not been able to concentrate on conflict prevention strategy, which is therefore almost non-existent, his time being taken up in working out responses to existing crises. Future reforms should include development of mechanisms for coordination of non-military crisis management instruments, in close contact with the Commission, which could provide a useful contribution to the activity of prevention⁽¹²²⁾.

3. The institutional structure of Common Foreign and Security Policy and the European Security and Defence Policy (ESDP)

In spite of the process of reshaping the foreign policy institutional and decision-making structures undertaken by Solana, there are still some rather large grey areas of potential institutional overlap among the numerous other actors involved in the complex CFSP and ESDP decision-making process. This could turn into an obstacle for the HR, who basically has to obtain the consensus of the various actors: first of all, the Presidency-in-office and then the General Affairs Council, which is always balancing between its need to benefit from the HR's

(122) For more detail on conflict prevention, see Andrew Dolan, *The EU's CFSP: the Policy Planning Dimension*, ISIS Briefing Paper No. 14, Brussels, International Security Information Service Europe, November 1997 (www.isis-europe.org/isiseu/english/no14.html); Andrew Cottey, *The European Union and Conflict Prevention: The Role of the High Representative and the Policy Planning and Early Warning Unit*, London, Saferworld, 1998 (Executive Summary www.saferworld.co.uk/pubeu.htm); as well as Sanam B. Anderlini (ed.), *The European Union, Conflict Prevention and NGO Contributions*, based on Alexander Costy and Stefan Gilbert's Report *Conflict Prevention and the EU Report*, London, Forum on Early Warning and Early Response (Fewer), 1998 (www.fewer.org/research/studeu.htm).

experience and competences and the reluctance of the national ministers to assign him too important a role or other tasks.

Within the Commission, the General Directorate for External Relations has a unit for conflict prevention and crisis management charged with coordinating the Commission's foreign and security policy activity. Within the Council, on the other hand, the Policy Planning Unit is responsible for linkages between the HR and the Commission's General Directorate for External Relations, to ensure consistency in the Union's economic external action and its development aid policies. The General Secretariat, finally, handles the organisation of the meetings of the various bodies which in turn prepare the European Councils and the General Affairs Councils (COREPER, COPS, working groups)⁽¹²³⁾. As one gradually moves from the institutions to the member states, other components of the CFSP decision-making structure, such as correspondents, national working groups and consultants become evident, particularly in the guidelines and preparatory stages of actions.

3.1 Relations between the High Representative and COPS

The Nice Treaty made few changes to the CFSP decision-making structure⁽¹²⁴⁾. The most significant was the formalisation of the role of the Political and Security Committee (COPS from the French acronym, *Comité politique et de sécurité*). Article 25 establishes it as the key body, after the General Affairs Council, in working out political-strategic guidelines in foreign policy and crisis management, and provides it with a legal basis⁽¹²⁵⁾. Taking over many of the functions of

(123) The GAC, which meets once a month, and which is attended by the Commissioner for External Relations, is prepared by the COREPER, which brings together the EU ambassadors of the member States and a vice-president of the Commission once a week, and by the Political Committee, which brings together the political directors of the national Foreign Ministries and a representative of the Commission twice a month.

(124) In addition to Articles 17 and 23, already mentioned, the Treaty introduced the possibility of enhanced cooperation under Title V, except for matters with military or defence implications (Art. 27, 27A and 27B).

(125) It is the first time that "crisis management" is mentioned in the Treaties. The COPS was formally set up by Council Decision 2001/78/CFSP of 22 January 2001 (OJ No. 27, 30/01/2001), the annex of which defines the new body's role, modality and functions. Consequently, the COPSi (*ad interim* Political and Security Committee), set up temporarily a year earlier with Council Decision 2000/143/CFSP of 14 February 2000 (OJ No. L 49, 22/02/2000), as established at the December 1999 Helsinki European Council, was dis-

the former Political Committee, COPS is the focal point for the definition and development of conflict prevention policy, since its functions include early warning, evaluation and presentation of possible responses to crisis, verification of the application of decisions and subsequent developments. In particular crisis situations and under certain conditions, the COPS can directly carry out initiatives, under the supervision of the Council and the presidency of the High Representative. Finally, being responsible for the political and strategic direction of operations, both military and civilian, it can bring in Commission representatives authorised to take all measures deemed necessary in their areas of competence, even if COPS then manages the overall strategy to be followed in the diverse situations.

Its permanent structure, with access to all information, proposals and initiatives referring to a crisis, allows it to take timely decisions and ensures the necessary speed and flexibility in reacting to events. It is made up of 15 ambassadors belonging to the member states' permanent offices in Brussels. Thus, it is higher up on the decision-making chain than the Political Committee, which is composed of the Political Directors of the national Foreign Affairs Ministries.

Given the complex bureaucratic-institutional structure inside the Council, it comes as no surprise that there is still ambiguity concerning the relations, functions and hierarchy of certain organs such as COPS and COREPER, on the one hand, and the HR, on the other. Initially, COREPER was responsible for ensuring consistency between the Commission and the Council in foreign affairs, but at the same time the Political Committee also played an important role⁽¹²⁶⁾. It now

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solved. At Helsinki, decisions were also taken to set up an *ad interim* military body and to second national military experts to the Council Secretariat for a temporary period (Decisions 2000/144/CFSP and 2000/145/CFSP of 14 February 2000 (OJ No. L 49, 22/02/2000)). These three bodies were inaugurated by the HR between 1 and 8 March 2000. Later the latter two were dissolved when the EU Military Committee (Decision 2001/79/CFSP, OJ No. L 27, 30/01/2001) and the EU Military staff (Decision 2001/80/CFSP, OJ No. L 27, 30/01/2001) were set up.

(126) For a detailed analysis of all bodies involved in the preparation, implementation and management of the Union's foreign policy actions, and their roles, see International Crisis Group, *EU Crisis Response Capability. Institutions and Processes for Conflict Prevention and Management*, ICG Issues Report No. 2, 26 June 2001 (www.intl-crisis-group.org/projects/issues/eu/reports/A400327_26062001.pdf). For the actors responsible

seems evident that the COPS should take over both of these tasks and with greater determination, but in order to do so, it will have to be strengthened, first of all by replacing its members with the states' Permanent Representatives, acting as sherpas, able to take on commitments in the name of the heads of state or government⁽¹²⁷⁾. If not, the COREPER could rank higher in some cases, in terms of participants in the meetings. Furthermore, the permanent link between the COPS and the other political and military organs and the role of the HR in COPS, both in times of peace and crisis, will have to be better defined. In fact, the mandate of COPS currently depends on a case-by-case basis on the approved common actions, that it is to pursue.

While waiting for a reform to simplify this institutional picture, a clear orientation seems to have emerged: the HR should generally preside over COPS and refer, in its name, on foreign policy matters to each European Council. In this way, COPS would represent another instrument with which to involve the member states directly and daily in the management of crises or foreign policy issues. This would further legitimate the HR to represent the Union in dialogue with third countries⁽¹²⁸⁾. At the same time, it would give the COPS a more rational position within the CFSP inter-institutional structure. But an over-strengthening of the COPS should be avoided, unless balanced by a corresponding attribution of functions to CFSP's community branch – something which could lead to an even clearer institutional division between the two pillars of the European construction. Unless CFSP is totally communitised, giving decisional pre-eminence to the

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for security and defence policy, see Antonio Missiroli, "European Security Policy: the Challenge of Coherence", in *European Foreign Affairs Review*, Vol. 6, No. 2 (Summer 2001), pp. 177-196, and in particular Figure 1, p. 194.

(127) See Gilles Andréani, Christoph Bertram and Charles Grant, *Europe's Military Revolution*, London, Centre for European Reforms (CER), 2001.

(128) According to Ben Hall, the High Representative should, within a short time, preside over the General Affairs Council and take his foreign policy mandates directly from the rotating Presidencies. This would increase the authority and continuity of the Union's foreign policy. See Ben Hall, *European Governance and the Future of the Commission*, CER Working Paper No. 5, London, Centre for European Reform (CER), 2000 (www.cer.org.uk/n5publicatio/cerwp5.pdf).

Union's intergovernmental structure, based on unanimity, could hamper the effectiveness of its foreign policy⁽¹²⁹⁾.

The Helsinki European Council's decisions to establish a European military force generated an ambitious process. In order to complete the project as soon as possible, two bodies that currently represent the core of the future EU Military Staff⁽¹³⁰⁾ were set up: the Military Committee and the Military Staff which, as mentioned, are located in the same building as the Political Planning Unit and the Situation Centre. The former is composed of military officers and experts delegated by the Chiefs of Staff of national defence to develop and guide the Union's crisis management capabilities and providing military consulting to political authorities. The latter is tasked with gathering information in the capitals and from NATO, and carrying out the analyses and verifications needed to build the military capabilities set down in Helsinki. It is too soon to be able to assess these bodies' functioning and their contribution to the Union's foreign and defence policies. But it is only natural that such a complex set-up come up against some initial dysfunction. Defining the HR's role more precisely within the COPS could contribute to solving the problem of the lack of a real chain of command currently afflicting the Union's nascent military structure.

3.2 Relations between the High Representative and the Commission

Another issue that is central for the consistency and efficacy of the Union's external action is the institutional relationship between the HR and the Commission, in particular, the Commissioner for External Relations. The international initiatives carried out jointly by Solana and Patten, such as the Troika missions and the joint commitment to bring more consistency into management of activities in the Bal-

(129) Andréani, Bertram and Grant (*Europe's military revolution*), suggest that the COPS could function in two ways, intergovernmentally for military and "hard" foreign policy matters, and using the community method, that is with qualified majority voting, for "soft" foreign policy and implementation issues.

(130) Gilles Andréani, Christoph Bertram e Charles Grant, *Europe's Military Revolution*, cit.

kans⁽¹³¹⁾, have not given rise to evident overlapping of the respective spheres of action. But while personal relations between the two, based on a spirit of collaboration, are good, the media have often presented the question of coherence in the Union's external action as one of a "fight for an exclusive zone" between Patten and Solana, or between Commission President Romano Prodi, Solana and the Union's President-in-office.

Patten has repeatedly stated that "The Commission has no competence and no ambition in the military area, but there will always be a substantial non-military component before, during and after crises. This is where the Commission has expertise and I am determined that we should play our full part"⁽¹³²⁾. Solana has added that "The Commission has a vital role to play if our Foreign Policy is to have an impact. Many of the instruments which are key to running an effective foreign policy are in the hands of the Commission"⁽¹³³⁾. This means that both are perfectly aware of the delicate situation. But the good working and personal relations between the two institutional figures will not necessarily continue in the future when others take their place. Coordination of the political, economic and security aspects of CFSP remains a problem to be solved. The CFSP structure, now two-pronged, has to be reformed so as to ensure consistency and continuity. This becomes more important in light of the fundamental role that economic variables play in some cases of management of a global foreign policy. The Commission, with its enormous responsibility and powers in the field of external economic relations, which include, besides trade policy, reconstruction aid, humanitarian and technical as-

(131) Formally, only Solana was charged by the European Council, with a mandate, however, to work in collaboration with the Commission. See the *Report on the Western Balkans* () presented by Solana, together with the Commission, to the Santa Maria de Feira European Council, 19 June 2000. Also, with respect to the Stability Pact, Chris Patten and Javier Solana produced a Joint Statement, *Kosovo: The EU Contribution*, Bruxelles, 7 February 2000 (www.europa.eu.int/comm/external_relations/news/patten/doc_00_5.htm).

(132) See Chris Patten, *The Future of the European Security and Defence Policy (ESDP) and the role of the European Commission*, Speech at Berlin, 16 December 1999 (www.europa.eu.int/comm/external_relations/news/patten/speech_99_215_en.htm).

(133) Javier Solana in Bruges, *EU Foreign Policy*, cit.

sistance and sanctions, sometimes unintentionally takes an ambiguous position with respect to the Council.

Commission President Romano Prodi has also signalled the risk of fragmentation: by creating the position of High Representative, he said, the Amsterdam Treaty gave a “temporary” response to an urgent need of the Union. In spite of Solana’s excellent achievements, the organisational model will not be sustainable over time because the Council and the Commission overlap in such a way as to cause difficulties for both the Union’s pillars and to exclude the Parliament from real power. Thus this period is useful for launching European action in a new area, but transitory, in that the organ will have to be reabsorbed into the conventional institutional structure. According to Prodi, the HR should be integrated into the Commission, with a special status appropriate to the needs of security and defence⁽¹³⁴⁾.

The member states are unlikely to let the Commission handle foreign policy in the near future, unless the decision is taken to totally communitarise CFSP. On the other hand, the HR’s lack of power of initiative, of an autonomous budget and of adequate personnel betrays a clear intent on the part of national foreign ministers to keep him under their control. And even though the history of the European Union shows that progress is always slow and difficult when it comes to handing over important sectors of national sovereignty, the reform process that is to conclude with the next Intergovernmental Conference will have to deal with these matters. What appears to be the last

(134) Speech by Romano Prodi to the European Parliament, Strasbourg, 3 October 2000 ([europa.eu.int/rapid/start/cgi/guesten.ksh?p_action=getfile=](http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action=getfile&doc=SPEECH/00/352/0/AGED&lg=EN&type=PDF)gf&doc=SPEECH/00/352/0/AGED&lg=EN&type=PDF). On the contrary, Hall believes that the Commission should maintain a strictly civilian power, leaving diplomatic and military tasks, as well as trips for representation, to the HR. The support to the EU’s security and defence policy would derive from the formulation of a long-term conflict prevention policy, as well as the strengthening of the civilian aspects of crisis management (e.g. dislocation of emergency teams, distribution of humanitarian aid, demining operations). This would help the states involved in the Rapid Reaction Force mobilise non-military resources more quickly in full crisis. Thus, the Commission should have a support role, sharing resources with the HR when possible, such as the Commission delegations throughout the world, to which Solana has access in case of need. See Ben Hall, *European Governance and Future of the Commission*, cit.

distortion of the community logic will have to be straightened out to prevent the final decisions in foreign and security policy from remaining in the hands of national capitals. Then again, the institutional and regulatory framework for foreign policy does not seem to be very compatible with the hypothesis of communitarisation *tout court*. This is why Solana, worried about possible system dysfunctioning, has stated that he is against moving the HR into the Commission: “(...) what the governments wanted is a common, not a single foreign policy”⁽¹³⁵⁾.

In the short term, it may be possible to improve the consistency and convergence of the Union's various foreign policies, to increase the symmetry between its internal and external powers, without communitarising it all. But in the long term, the two roles of the HR and the Commissioner for External Relations could well be merged into a single organ responsible for the Union's external action which, at least temporarily – and in a rather hybrid vein – would be nominated by the European Council but would also be a member of the Commission and answerable to the General Affairs Council. This would allow for more autonomous and coordinated management of all the Union's foreign and security policy instruments. Even the Union's external projection would finally be embodied by one person. But the problem remains of how to reconcile the actions of a Commissioner who has special personal links with the Council, with the collective nature of the Commission. Finally, in a transitory phase towards the communitarisation of the second pillar, the joint management by the Commission's Directorate for External Relations and all the CFSP and ESDP services of the Council Secretariat could be quite complicated, at least until such time as a single European diplomatic corps is set up.

4. CFSP after 11 September

The international events that started with the terrorist attacks in New York and Washington, demanded a concrete response from Europe's foreign, security and defence policy for which it was totally unprepared,

(135) Interview with Antonio Polito, *La Repubblica*, cit.

both in psychological terms and in terms of military capability. It was absolutely unthinkable that such a weak and above all, not “common” foreign policy could find unity on this occasion⁽¹³⁶⁾. And military intervention by the European Union was equally unthinkable, given that the Rapid Reaction Force has not yet become concretely operational. To be expected, as occurred, was that the member states would return to their national foreign policies and their preferential bilateral ties. Some European states, among them mainly Great Britain, had only to reiterate their already strong direct relations with the United States.

The 15 member states expressed their unconditional solidarity with the United States immediately after the attacks, even calling an extraordinary European Council to discuss the international situation⁽¹³⁷⁾. But the most important political action taken by the Union was once again diplomatic: soon afterwards, the Troika visited the Arab countries, with the modality and contents of talks agreed upon directly with US Secretary of State Colin Powell during a meeting held in Washington on 20 September. Thus, from 25-29 September, Belgian Foreign Minister Louis Michel, as the president-in-office, his Spanish colleague, Josep Piqué, who would take over from him in January 2002, Javier Solana and Chris Patten visited Islamabad, Tehran, Riyadh, Cairo and Damascus in an attempt to create, with the support of the US administration, a broad international coalition against terrorism. The consultations were also aimed at ensuring the Arab world that the war against terrorism would not be a war between the Christian and the Muslim worlds⁽¹³⁸⁾ and at creating a favourable atmosphere for a

(136) During a press conference held at the European University Institute in Fiesole on 7 November 2001, Commission President Prodi declared that he was not surprised at the absence of the Union as an actor during international crises, since “(...) a EU foreign policy does not exist, we are building it. And we are clashing. It will take a long time”. But at the same time, Europe can play “an extraordinary political role, (...) because even the fragmented meetings held in the last days are a form of foreign policy” (see Roberta Miraglia, “Prodi: UE senza politica estera”, in *Il Sole 24 Ore*, 8 November 2001).

(137) See European Council, Conclusions and Plan of Action of the Presidency, Extraordinary Informal Meeting, Brussels, 21 September 2001 (www.europarl.eu.int/summits/pdf/bru_en.pdf).

(138) The official message of the EU summit, pronounced by the Troika in the capitals visited, stated that “The EU categorically rejects any equation of groups of fanatical terrorists with the Arab and Muslim world”.

return to dialogue between Israel and Palestine. Thus, Europe was able to benefit from its undisputed advantage over the United States in diplomatic relations with some important Arab countries such as Iran, and the mission, of high symbolic and political value, was considered positive by all countries visited⁽¹³⁹⁾.

Once again, Solana was the undisputed leader during the meetings and in a personal assessment of the initiative stated that it was of fundamental importance to have “avoided a potential gap with the countries of the south (...) but above all to have prevented a clash of civilisations”⁽¹⁴⁰⁾.

Of note is the significant international recognition of the EU’s role as a political actor, even if not directly involved in the military actions, received from the United States on that occasion: on 7 October, Colin Powell spoke to Solana, as the official European foreign and security policy representative, to inform him of the imminent start of bombing in Afghanistan.

Britain’s direct participation in the military operations and France and Germany’s commitment to provide logistic and military support on US request were proof of the tendency, still prevalent in Europe, to think in national terms⁽¹⁴¹⁾. With foreign and defence policy conducted individually or in close contact with allies on this occasion, the idea of a European directorate – that is a small group that carries out actions separately from other member states, even to the detriment of common institutions – once again started to circulate⁽¹⁴²⁾. This is what happened at the 19 October Ghent European summit, when Great Britain, France and Germany met on the sidelines, ostensibly to discuss technical aspects of the military actions in which they were about to participate. It was quite evident that the leadership of Europe during the crisis was shifting from Brussels into the hands of a small, hard core. A subse-

(139) See *Bulletin quotidien Europe*, No. 8060 (1-2 October 2001).

(140) Interview with Adriana Cerretelli, in *Il Sole 24 Ore*, 29 September 2001.

(141) See Judy Dempsey, “Power to the capitals”, in *Financial Times*, 15 October 2001.

(142) For a thorough analysis of the pros and cons of setting up a European Directorate, see Stephan Keukeleire, “Directorates in the CFSP/CESDP of the European Union: A Plea for “Restricted Crisis Management Groups””, in *European Foreign Affairs Review*, Vol. 6, No. 1 (Spring 2001), pp. 75-101. In particular, for Solana’s possible role with respect to the Directorate, see p. 97.

quent mini-summit of the same kind almost took place a few days later: the meeting, which was to be between Blair, Chirac, Jospin and Schröder, was opened up at the last minute to other member states – such as Italy, Spain, the Netherlands and Belgium – as well as to the High Representative, almost as if to make it officially European.

These events weakened CFSP as a multilateral policy. But paradoxically, it seems to have been the war against Afghanistan that brought about a new commitment to reinforcing CFSP.

On the one hand, in the face of the rumoured withdrawal of US forces from the Balkans resulting from massive US deployments on other fronts, the Union was immediately faced with the possibility of having to take on long-postponed political and military responsibilities⁽¹⁴³⁾. It is also for this reason that the common defence policy was declared structurally operational at the European Council of Laeken (14/15 December)⁽¹⁴⁴⁾. Thus, even though the Rapid Reaction Force can only be deployed as of 2003, the Union is now potentially able to carry out crisis management operations and progressively to sustain increasingly complex interventions, thanks to the reinforcement of its civilian and military capabilities and to the setting up of new institutional structures.

On the other, one circumstance is indicative of the importance suddenly attributed to CFSP matters: in the text of the Declaration on the Future of Europe, approved in Laeken, foreign policy, including security and defence aspects, is listed as one of “The Expectations of Europe’s citizens”. The important process of Union reform, which will end with the next Intergovernmental Conference, will have to sanction the European Union’s new quest for a leading role on the international scene by providing it with the instruments needed to act as a “stabilising factor”, in order “to shoulder its responsibilities in global governance”, “to combat resolutely against all violence” and to carry out a “greater and better coordinated action to deal with trouble spots in and around Europe and in the rest of the world”⁽¹⁴⁵⁾.

(143) “Wake up, Europe!”, in *The Economist*, 15 September 2001.

(144) *Laeken Declaration on the Future of the European Union*, adopted by Laeken European Council (14-15 December 2001), Annex I to the Presidency Conclusions (www.europarl.eu.int/summits/pdf/lae2_en.pdf).

(145) *Idem*.

PART TWO
STATES, PILLARS AND POLICY FIELDS

3. CFSP/ESDP: COHERENCE AS A CHALLENGE, FLEXIBILITY AS A METHOD, EFFECTIVENESS AS A GOAL

by Antonio Missiroli^(*)

In the Spring of 2001 - at last - Slobodan Milosevic was arrested. The long-awaited move made by the new government in Belgrade was cheered almost everywhere, and the ensuing donors' conference for Former Yugoslavia reacted promptly by allocating significant funds for post-war reconstruction. For its part, the European Commission eventually released an immediate aid package that had been temporarily frozen in the hope of exercising conditionality and putting additional pressure on Belgrade. More or less on the same day, however, the ECOFIN (the Council of EU Finance ministers) froze other financial assets destined to the FRY on the ground that the local banking system did not give sufficient guarantees for their appropriate use. Both decisions were perfectly rational and fully defensible in terms of EU current policies. Yet their joint impact proved dramatically inconsistent and displayed a major flaw in the Union's system of external policy-making. In fact, the more functionally complex it becomes - by involving diverse and often separated policy instruments - the more it needs to coordinate and fine-tune its different actions in order to achieve its declared goals. The apparent lack of a clearing-house and the logic (and dynamics) of European bureaucracies render the establishment of some "coherence" perhaps the most important challenge for the "international actor" EU and its Common Foreign and Security Policy (CFSP) in the years to come⁽¹⁴⁶⁾.

The problem of "coherence" in external action first emerged with the 1987 Single European Act, but the Maastricht and Amsterdam Treaties - that established CFSP proper - and the 1999-launched Euro-

(*) Research Fellow, EU Institute for Security Studies, Paris. Parts of this chapter are an updated version of Antonio Missiroli, "European Security Policy: The Challenge of Coherence", in *European Foreign Affairs Review*, Vol. 6, No. 2 (Summer 2001), pp. 177-196.

(146) On the notion see John Peterson, "Introduction: The European Union as a Global Actor", in John Peterson and Helen Sjursen (eds.), *A Common Foreign Policy for Europe? Competing Visions of the CFSP*, London, Routledge, 1998, pp. 3-17; Charlotte Bretherton and John Vogler, *The European Union as a Global Actor*, London: Routledge, 1999.

pean Security and Defence Policy (ESDP) have further complicated the picture since. European foreign policy is now spread across three pillars and subject to the (still relatively undefined) “supervision” of the Secretary-General of the Council and High Representative for CFSP (SG/HR), now Javier Solana. The problem can be examined through three different lenses: a neutral but rather superficial one (requirement of non-contradiction), a “benign” one (interaction/synergy in the service of a common overriding purpose), and a definitely “malign” one (demand for some bureaucratic and political hierarchisation)⁽¹⁴⁷⁾.

In mid-2000 it was the European Commissioner for External Relations, Chris Patten, who reopened the debate by lamenting that “mere inter-governmentalism is a recipe for weakness and mediocrity: for a European foreign policy of the lowest common denominator”, especially in the light of the forthcoming enlargement. If the EU wants to be more than “just declaratory”, he added, it has “to integrate three strands: national policies, community policies, and CFSP itself (the so-called “second pillar”)”⁽¹⁴⁸⁾. Commission President Prodi, too, denounced what he called the “danger of fragmentation” to the European Parliament in October 2000, arguing that the “present organisational model is not sustainable in the long term”: he basically proposed that “the function of the High Representative be integrated into the Commission, with a special status tailored to the needs of security and defence”⁽¹⁴⁹⁾. The working paper submitted by the SG/HR to the informal Evian General Affairs Council on 2-3 September 2000 represented the first step to analyse and tackle some of the problems raised by Patten. The paper explicitly addressed the “benign” side of the consistency issue in that it questioned whether the Union a) “is making

(147) Simon J. Nuttall, *European Foreign Policy*, Oxford, Oxford University Press, 2000, especially pp. 25 and following.

(148) Chris Patten, *A European Foreign Policy: Ambition and Reality*, Speech at Institut Français des Relations Internationales (IFRI), Paris, 15 June 2000 (europa.eu.int/comm/external_relations/news/patten/speech_00_219_en.htm). For an adapted version see Chris Patten, “Projecting Stability”, in *The World Today*, Vol. 56, No. 7 (July 2000), pp. 17-19. He pointed out *inter alia* that the Union and its members jointly “account for 55% of all official international development assistance, and some 60 % of all grant aid”.

(149) Prodi’s speech is printed (along with Patten’s) in Antonio Missiroli (ed.), *Coherence for European Security Policy. Debates-Cases-Assessments*, Occasional Papers No. 27, Paris, WEU Institute for Security Studies, 2001 (www.iss-eu.org/occasion/occ27e.html).

the best possible use of the collective resources available to it”; b) “exerts, in the pursuit of its common interests and in defence of its values, an influence on the world scene commensurate with the external instruments and resources already at its disposal”; c) “is capable of projecting itself, and of being perceived, as one actor”. The paper compared the cumulative diplomatic presence of the Union (15 member States + EC) in the world⁽¹⁵⁰⁾ with that of the United States and recapitulated the overall presence and weight of the EU-15 in international organisations, only to conclude that their commitment and resources were not matched by adequate influence. As a result, its conclusion was that there is room for streamlining aid and improving its effectiveness. At Evian, a number of possible remedies were discussed and put in the pipeline, such as the drafting of Country Strategy Reports, the adoption of a “sunset clause” for aid programmes and, more generally, the strengthening of coordination and communication between (and across) national and EU bodies⁽¹⁵¹⁾.

Unfortunately, however, the ensuing political discussion inside the Council did not lead to any significant or compelling deliberation. In fact, the subsequent General Affairs Council, held on 9 October 2000 in Luxembourg, limited itself to issuing a communiqué that looks largely devoid of substance. Inter alia, the Council “welcomed the intentions expressed by the Commission in this area” and “noted” its intention of rationalising its departments and “its proposals for simplifying the management procedures for external aid” – a language that is in all likelihood the upshot of an internal confrontation over a Commission plan to set up a “Rapid Reaction Facility” that was hardly welcomed by a large majority of the Council. Finally, the Council stressed “the importance of common strategies for the coordination, coherence and effectiveness of external action”, and called on the SG/HR to submit “an evaluation report on the operation of the com-

(150) The Commission alone currently has more than 120 delegations, permanent representations and offices in non-member countries (the first ever was opened in London, in 1954, by the ECSC), more than 50 of which have opened since 1989. See Michael Bruter, “Diplomacy Without a State: The External Delegations of the European Commission”, in *Journal of European Public Policy*, Vol. 6, No. 2 (June 1999), pp. 183-205.

(151) See *Bulletin quotidien Europe*, No. 7790 (2 September 2000) and No. 7791 (4-5 September 2000).

mon strategies already adopted and on ways of making better use of this instrument in the future”.

Bureaucratic politics and struggles for power and influence are part of the problem (the “malign” element) and tend to be overemphasised and somewhat “personalised” by the media, as in the case of the alleged Patten-Solana dualism. Yet the fact that the two personalities involved have a good relationship (whereas mutual tensions are tangible at lower levels of their bureaucracies) should not prevail over the underlying issues of institutional and policy coherence. Paradoxically, they have become all the more serious since ESDP became a constitutive part of CFSP, although it virtually strengthened and completed the gamut of policy instruments at the disposal of the EU as an international actor. In fact, ESDP brought into the European foreign policy folder entirely new bureaucratic and institutional bodies (and interests) - the member states’ Ministries of Defence, the Political and Security Committee (PSC or rather COPS, according to the French acronym), the EU military bodies, not to mention NATO - thus potentially complicating the original problem. This is probably also why the focus of the discussion opened by Patten soon shifted from European foreign policy in general, or “external action”, towards “crisis management” – a term formally introduced in the EU language with the Cologne Declaration in June 1999 – and security policy proper. This essay will address synthetically the crucial aspects of the “coherence” issue before focusing more specifically on its repercussions on conflict prevention and crisis management, aiming at a critical evaluation of the role coherence plays in defining the EU as an international actor.

1. Consistency, coherence, and security policy

The Treaty language - from the Single European Act to the TEU - refers to the need for consistency: Art.3 TEU states, among other things, that “(.) the Union shall in particular ensure the consistency of its external activities as a whole in the context of its external relations, security, economic and development policies. The Council and the Commission shall be responsible for ensuring such consistency and shall cooperate to this end”. The French text, however, speaks of *cohérence*, and the German one of *Kohärenz*. Such terms, however, carry different legal implications. In principle, in fact, “consistency”

in law means absence of contradiction, “coherence” implies also positive connections: the former is more about compatibility and making good sense, the latter more about synergy and adding value. Logically, the two terms also entail different degrees of stricture. For instance, it is quite conceivable that something is more or less coherent, while something cannot be more or less consistent: it is or it is not.

From a political as well as functional point of view, however, the difference may prove less significant. Both terms hint at the need for coordinated policies with the goal of ensuring that the EU acts unitarily: all the more so when they refer to the Union’s external activities, which are inherently inter-pillar. The assumption is of course that, by acting unitarily and with a common purpose, the EU (i.e. the 15 plus the 1 Community/Union) becomes also, ipso facto, more efficient and effective: an assumption that is more intuitive than well-founded, given that European foreign policy has often achieved unanimity at the expense of effectiveness and that, in general, a policy can be effective without necessarily being consistent (as the “carrot-and-stick” metaphor and the “good cop-bad cop” example epitomise).

Furthermore, in light of the Treaties, consistency and/or coherence are not a legal requirement: the provisions on CFSP may be regarded as guidelines or rules, but they do not fall into the domain of the EC and, consequently, the competence of the European Court of Justice does not extend to CFSP. In a way, therefore, the articles under Title V of the TEU must be considered as legally binding but not enforceable, much as they are politically constraining⁽¹⁵²⁾.

(152) See Heinz-Georg Krenzler and Heinz-Christian Schneider, “The Question of Consistency”, in Elfriede Regelsberger, Philippe de Schouteete and Wolfgang Wessels (eds.), *Foreign Policy of the European Union: From EPC to CFSP and Beyond*, Boulder, Lynne Rienner, 1997, pp. 133-151; Christian Tietje, “The Concept of Coherence in the Treaty on European Union and the CFSP”, in *European Foreign Affairs Review*, Vol. 1, No. 2 (1997), pp. 211-233; Uwe Schmalz, “The Amsterdam Provisions on External Coherence: Bridging the Union’s Foreign Policy Dualism?”, in *European Foreign Affairs Review*, Vol. 3, No. 3 (Autumn 1998), pp. 421-442. For a comprehensive overview see in particular Simon Duke, *Consistency as an Issue in EU External Activities*, EIPA Working Paper No. 99/W/06, Maastricht, European Institute of Public Administration, 1999 (eipaml.com/public/public_publications/current-books/WorkingPapers/99w06.pdf), and Antonio Missiroli, “European Security Policy: The Challenge of Coherence”, cit.

The picture becomes more intricate if we decline consistency and/or coherence horizontally (between and across the EU pillars) or vertically (between EU and member states' policies). In other words consistency, as a minimal requirement, and coherence, as a desirable plus, can both (or either) be criteria to assess the ways in which the EU as an international actor projects itself externally. From an historical perspective, it is arguable that while consistency has increased over the past ten years - from the cacophonies of the early 1990s in the Balkans to, say, Cologne, Helsinki or, more recently, Evian - coherence still leaves much to be desired. Some compatibility and coordination among the member states' foreign policies (15) have for the most part been achieved, with the possible exception of the United Nations arena (where, however, their persistent lack is Treaty-based). Complementarity (15 + 1) has just been conceptualised as a desirable and rational goal: now it comes down to putting it into practice. Yet synergy, i.e. the ability to add value to and multiply the impact of all external policies by acting together (15+1+n), looks still far on the EU horizon.

A further set of questions is related to the hierarchisation issue: who or what comes first? In general, it is arguable that a truly hierarchical foreign and security policy architecture - if it exists at all - is more typical of an individual state's constitutional set-up and bureaucratic machinery than of the "condominium"-type EU/CFSP structure and decision-making procedures⁽¹⁵³⁾. Even for and within states, however, such hierarchies are more theoretical than real: in pluralist systems, bureaucratic politics issues are never settled once and for all. In essence, therefore, the question is more political than legal, although in principle CFSP and external/EC activities should be complementary and not hierarchical. However, if an expansive definition (and practice) of "joint actions" and "common strategies" is adopted, the CFSP remit would probably extend to the EC. In other words, consistency and coherence may eventually materialise but somewhat at the expense of the community dimension. Yet member states, too, would be

(153) For the "condominium" model see Philippe C. Schmitter, "Imagining the Future of the Euro-Polity with the Help of New Concepts", in Gary Marks, Philippe C. Schmitter and Wolfgang Streeck (eds.), *Governance in the European Union*, London: Sage, 1996, pp. 121-150.

increasingly constrained by a consistent and more coherent CFSP: “pure” inter-governmentalism is no longer in operation, although it still plays an important psychological and presentational role, especially for national officials and decision-makers. At all events, a similar tendency to blur the dividing lines between EU methods and spheres is already manifesting itself in the growing “Brusselsisation” of CFSP, whereby decisions are increasingly prepared and eventually taken in Brussels, rather than in and by (or between) national capitals, in a multi-level game that no longer isolates pure second-pillar procedures and instances from the others⁽¹⁵⁴⁾.

Finally, both coherence and consistency are also a matter of appearance or, more specifically, of how the EU represents itself to third parties or within multilateral institutions. On the one hand, therefore, the matter relates to the troika issue - that Amsterdam has not managed to solve in a satisfactory (or effective) way, especially in light of the forthcoming enlargement - and, albeit to a lesser extent, to the role of the “special representatives”. On the other, European outward representation may and perhaps should be assessed in light of the Union’s and the member states’ action in pluri-multilateral contexts, that is, in foreign policy areas where the Union is one but not the sole actor. In the Balkans for instance - where also the UN, the OSCE and NATO are involved in a joint endeavour - they both look problematic. In the Baltic region, by contrast, they both seem in place (so far). This is to say that consistency and coherence have also an inter- or cross-organisational dimension. EU member States are also members of the above mentioned multilateral or regional organisations (let alone of international financial institutions), within which they may act as a bloc, as a caucus, even as a potential sub-regional “agent”, or just as equal partners.

(154) On the notion of “Brusselsisation” see David J. Allen, “The European Rescue of European National Policy?”, in Christopher Hill (ed.), *The Actors in Europe’s Foreign Policy*, London: Routledge, 1996, pp. 288-304; and David J. Allen, “Who Speaks for Europe? The Search for an Effective and Coherent External Policy”, in John Peterson and Helen Sjursen (eds.), *A Common Foreign Policy for Europe?*, cit., pp. 41-58. On “multi-level” governance see John Peterson, “Decision-Making in the European Union: Towards a Framework for Analysis”, in *Journal of European Public Policy*, Vol. 2, No. 1 (March 1995), pp. 69-93, and John Peterson and Elizabeth Bomberg, *Decision-Making in the European Union*, Basingstoke, Macmillan, 1999.

Moreover, ever since security policy proper was included in the CFSP remit, it has never rested upon a stable administrative structure. The Commission itself has undergone several reorganisations in this area since 1993. Initially it separated external economic (DG 1) and political (DG 1 A) affairs, then (with Jacques Santer) it divided them geographically and among several Commissioners and Directorates-General. With Romano Prodi, at long last, it has concentrated them in two main DGs – Relex and Enlargement – that now share the Charlemagne building in Brussels with DG Trade. Yet Prodi did not enforce the recommendation, made in Amsterdam, whereby all the external competencies of the Commission would be put under the authority of a single Deputy President. Besides, some functions have been outsourced, other ones remain scattered across the pillars, and the Council Secretariat's DG E is a further relevant bureaucratic actor to be reckoned with. Finally, as already mentioned, the Amsterdam Treaty established the function of High Representative for CFSP and the Policy Planning Unit (PPU, initially defined as Policy Planning and Early Warning Unit), and the Nice Treaty added the COPS⁽¹⁵⁵⁾.

In other words, also from the strictly institutional angle the EU has not yet completed its transition from a purely and genuinely “civilian power” – as it certainly was at the outset and long afterwards⁽¹⁵⁶⁾ – to a fully-fledged international actor in its own right, namely one that aims to project security beyond its borders. Getting the institutions right has always been a primary concern of the Europeans, for reasons of internal political balance as much as of administrative effectiveness. Foreign and security policy, however, poses a peculiar challenge. Pre-

(155) See David Spence, “Foreign Ministries in National and European Context”, in Brian Hocking (ed.), *Foreign Ministries: Change and Adaptation*, Basingstoke, Macmillan, 1999, pp. 247-268.

(156) For the original notion of “civilian power” see François Duchêne, “The European Community and the Uncertainties of Interdependence”, in Max Kohnstamm and Wolfgang Hager (eds.), *A Nation Writ Large? Foreign-Policy Problems before the European Community*, London, Macmillan, 1973, pp. 1-21. For more recent variations on the same theme see Richard Rosencrance, “The European Union: A New Type of International Actor”, in Jan Zielonka (ed.), *Paradoxes of European Foreign Policy*, The Hague, Kluwer Law International, 1998, pp. 15-24; and Goran Therborn, “Europe in the 21(st) Century: The World's Scandinavia”, in *Irish Studies in International Affairs*, Vol. 8 (1997), pp. 21-34.

cisely because the Union does not act as a single unit and under the exclusive responsibility of a US-type President, in fact, it is all the more important to aim at some streamlining and coordination of the different bodies in charge of common external action - especially if and when it comes to crisis management.

2. Conflict prevention and crisis management

In fact, the subsequent discussion on the consistency and coherence of European security policy was centred upon conflict prevention and crisis management. Once again, the terminology was hardly new: in this case, however, it stemmed from the international rather than the specifically European discourse. In fact, the ways in which a crisis situation can be prevented from escalating into violent conflict have long been the object of a rich academic literature, mostly linked to peace research as much as to the field activities of the UN and its agencies⁽¹⁵⁷⁾. According to such literature, conflict prevention is seen as encompassing a wide array of instruments (political, economic and military) as well as of types of action related to the various causes (structural, proximate, and occasional) of a given crisis. In turn, crisis management proper is seen as more contingency-oriented and short-term, and may imply a more direct use of military means (peace-enforcement and peace-keeping) and “negative” diplomacy (sanctions, embargoes, freezing of relations), although it may also have a specific civilian dimension (humanitarian relief, civil protection, policing). As such, crisis management entails crisis assessment, crisis response and termination, and post-crisis rehabilitation or peace-building (which may in turn become a tool to prevent the recurrence of the same conflict in the future). Generally speaking, however, the dividing lines between the two sets of policies may at times be fuzzy and the tools –

(157) See Joseph S. Nye jr., *Understanding International Conflicts: An Introduction to Theory and History*, New York, Harper & Collins, 1993; Michael S. Lund, *Preventing Violent Conflicts: A Strategy for Preventive Diplomacy*, Washington, United States Institute for Peace Press, 1996; I. William Zartman and J. Lewis Rasmussen (eds.), *Peacemaking in International Conflict. Methods and Techniques*, Washington, United States Institute for Peace Press, 1997. See also Paul Hart, Eric Stern and Bengt Sundelius, “Crisis Management: An Agenda for Research and Training in Europe”, in *Cooperation and Conflict*, Vol. 33, No. 2 (June 1998), pp. 207-224.

especially from the EU's perspective – may very often be roughly the same: they are only applied in different mixes and blends according to the specific nature of the crisis, its temporal stage(s) and its geographical location⁽¹⁵⁸⁾. This, incidentally, is also what makes consistency and coherence so crucial for their effective use.

The new focus of the EU on conflict prevention and crisis management (and especially its civilian aspects) met a specific bureaucratic interest - that of the Commission, in whose remit fall many aspects of conflict prevention - and a contingent political interest: that of the Swedish presidency of the Union (January-June 2001), which saw in that an opportunity to play on its national strengths and to convey to its domestic public opinion a more acceptable and familiar image of CFSP/ESDP. More generally, the emphasis on conflict prevention and on civilian (as distinct from military) crisis management served a broader purpose. In fact, some member states felt ill at ease with the alleged "militarisation" of CFSP that the momentum following Cologne and Helsinki seemed to have produced. Moreover, conflict prevention and civilian crisis management as policy goals appeared comparatively less controversial among the fifteen, and also less demanding on resources. Actually, most of them were already there, at the national or European or multilateral level. They just required better coordination and synergy.

In fact, the European Council held in Santa Maria da Feira in June 2000 delivered a first Action Plan on civilian crisis management and police capabilities, upon which the Swedish Presidency could build. However, the office of the SG/HR and the Commission would continue to work separately on the issue and producing each its own policy paper, stressing respectively the centrality of the COPS and Relex in the different phases of a crisis management operation. More specifically, in early 2001 Solana presented to the Council a short autonomous "contribution" on "Procedures for Comprehensive, Co-

(158) For an overview see Peter Cross and Guenola Rasamoelina (eds.), *Conflict Prevention Policy of the European Union: Recent Engagements, Future Instruments*, SWP-CPN Yearbook 1998/1999, Baden-Baden, Nomos, 1999; Michael Lund and Guenola Rasamoelina (eds.), *The Impact of Conflict Prevention Policy: Cases, Measures, Assessments*, SWP-CPN Yearbook 1999/2000, Baden-Baden, Nomos, 2000.

herent Crisis Management”, while the Commission initiated an internal exercise on conflict prevention policy guidelines that would eventually lead to a detailed and comprehensive “Communication” officially released in April 2001. The Commission document, in particular, included a list of recommendations that drew an important distinction between long-term and short-term conflict prevention. Accordingly, community policies and instruments would be paramount for the former, while coherence between Council and Commission actions (horizontal) and between what the EU and what the member states do (vertical) would be crucial for the latter⁽¹⁵⁹⁾.

Taken together, the SG/HR’s “contribution” and the Commission’s Communication constitute important steps forward in the discussion. This said, unless a legally more constraining framework is established - in the shape of a joint action, as suggested by Solana, and/or in the context of the Treaty review set for 2003-4 - the potential for occasional turf battles and “malign” initiatives and interpretations is there to stay. On the one hand, of course, it is difficult to set detailed procedures without ever having “managed” a crisis as European Union. In addition, actual crises – especially those where the military component may play a central role - tend to generate practices that often circumvent or even contradict previously agreed mechanisms: the impact of the Kosovo conflict on NATO structures is a good case in point. On the other hand, the Union is a legal community, and its cohesion and legitimacy rest upon the consensual codification of common rules of conduct and action: even in the realm of CFSP, in fact, it is difficult to ignore how far “legalisation” has gone since its establishment, and how deeply it has affected policy implementation⁽¹⁶⁰⁾.

As long as European security policy is in the making, therefore, it could be as wise as it is inescapable to initially stick to the provision whereby a “crisis” is such – and therefore triggers all the ad hoc procedures and bodies related to that – only when the Council so decides.

(159) Both documents are printed in Antonio Missiroli (ed.), *Coherence for European Security Policy*, cit.

(160) See Michael E. Smith, “Diplomacy by Decree: The Legalization of EU Foreign Policy”, in *Journal of Common Market Studies*, Vol. 39, No. 1 (March 2001), pp. 79-104.

Accordingly, the Union would get down to “managing” a crisis only when the Council comes to the unanimous political judgement that: a) a given crisis affects the common interests of the member states; b) acting on the part of the Union can make a difference; c) the Union has all the required means to tackle and possibly solve that crisis, i.e. adequate means for crisis response and termination. Of course, there remains a certain ambivalence as to what the ultimate goal of crisis management for the EU is or should be: providing relief, as it was put recently, promoting democracy⁽¹⁶¹⁾, or else? It is arguable, however, that the two goals are not mutually exclusive: on the contrary, they may prove mutually reinforcing. Furthermore, at this stage, that ambivalence is rather an asset than a liability for it helps broadening and potentially refining the policy instruments and the overall capabilities of the Union.

This is certainly the case with the civilian dimension of crisis management. At the Feira European Council, in June 2000, four “priorities” were set to this end: a) policing, which in turn encompasses both the strengthening and the substituting of local police forces; b) rule of law, in order to restore and/or reinforce local judicial and penal systems; c) civilian administration, with the goal of setting up a pool of experts, a database, and modalities for training; and d) civil protection against natural and man-made disasters. The Swedish EU presidency tried to give additional momentum to that dimension but met a major hurdle in that most of the assets and capabilities that are essential to civilian crisis management are nationally-owned and under the control of ministries (JHA and beyond) that are scarcely involved and even less interested in CFSP/ESDP. Similarly to what happens in the strictly military field, contributions to the common “toolbox” are voluntary and the financing is basically national. Yet for such civilian capabilities the domestic demand is much higher, the external deployability much lower. A case in point has been the Police Headline Goal set in Feira and eventually met only at the end of 2001. Incidentally,

(161) See Sten Rynning, “Providing Relief or Promoting Democracy? The European Union and Crisis Management”, in *Security Dialogue*, Vol. 32, No. 1 (March 2001), pp. 87-101.

that is the sole of the four June 2000 priorities on which significant progress has been made in terms of both (committed) capabilities and (virtual) policy implementation. It is also worth noting that most of the criteria for training, recruiting and deploying police forces for crisis management refer to UN and/or OSCE guidelines and practice, thus stressing another important aspect of what could be called cross-organisational coherence. As for the other three priorities, progress is only declaratory in that indicative targets for capabilities have been set, most notably in the Presidency Report on ESDP released at Gothenburg in June 2001.

Finally, a Committee for Civilian Aspects of Crisis Management (CIVCOM) was established by a Council decision on 16 June 2000. It consists of a representative for each member state plus one for the Commission. Its task, however, is to coordinate all the national capabilities related to civilian crisis management but only as an advisory (not an operational) body: it has to report to the COREPER, but would be much more useful to the COPS. At the same time, the only European institution that can rely on financial and human resources for civilian crisis management proper is the Commission, be it through EuropeAid – that since early 2001 manages a fair share of the EU aid and assistance projects - or through ECHO, the Community's humanitarian organisation.

What may prove ultimately decisive, however, is the existence of an adequate common crisis assessment capacity. Such capacity would have to apply to all the possible stages of crisis management but especially to the critical passage to early action, that is expected to bridge the gap between prevention and response. It would also call for a maximum of coherence: vertical, horizontal, and cross-organisational. Yet, for the time being, the only structures it can rely upon – apart from the member states' own ones – are:

- on the Commission's side, the Conflict Prevention Network (CPN), originally set up in 1997 and managed by the Stiftung Wissenschaft und Politik in Berlin, and the newly established "Rapid Reaction Mechanism" in Brussels, meant to enable short-term interventions world-wide and overcome the procedural, budgetary and geographical barriers of the recent past. Yet the former's role and function have re-

cently been put into question and may soon undergo a substantial overhaul, while the latter has just started its work with an initial endowment of 20 resp. 25 million EUR for the years 2001-02;

- on the Council's side, the PPU (along with its Situation Centre) and the fledgling COPS with its military bodies, on which rest also the competence for crisis response and termination (in possible conjunction with NATO). Moreover, two CFSP joint actions approved in late July 2001 established the former WEU Satellite Centre near Madrid and the former WEU Institute for Security Studies in Paris as "autonomous agencies" of the Union from January 2002.

Post-crisis rehabilitation and peace-building, in turn, are expected to involve a wider set of institutional (the Council and the Commission), international (IFIs, UN, OSCE) and non-governmental actors. However, to date no functional or institutional bridge has been built (nor just drawn up) to overcome the separation between military and civilian crisis management activities, bodies, and communities. Plans for civil-military cooperation (CIMIC) on the ground, as outlined in the past by WEU and lately by NATO, have been only briefly discussed but not incorporated or adapted by the EU⁽¹⁶²⁾. Neither has any far-reaching concept been sketched out for a sustainable system of financing for European crisis management operations. While the national approach may end up raising a "burden-sharing" issue within the EU (given that some countries may "overstretch" their resources and others appear as "free-riders"), the CFSP budget line still consists of a ludicrous ten million EUR per year.

3. Nice Treaty - and after?

Did the Nice European Council fundamentally change the picture? As regards the IGC proper, the new Treaty⁽¹⁶³⁾ has indeed simplified it a little by basically doing away with the WEU (Art.17 TEU) and by

(162) An additional element to be factored in this specific picture is the role of NGOs: they normally are quite reluctant to operate with or alongside the military and tend to insist on the (both identity-related and operational) need to preserve "neutrality" between parties – while one of the most important lessons learned for peacekeeping operations over the past decade is precisely the need to take sides when necessary and act accordingly.

(163) For a first academic evaluation see Wolfgang Wessels, "Nice Results: The Millennium IGC in the EU's Evolution", in *Journal of Common Market Studies*, Vol. 39, No. 2 (March 2001), pp. 197-219.

giving the COPS - as already mentioned - the key role in crisis management (Art.25 TEU). In the former case, the previous wording had already become obsolete with the Cologne and the Helsinki Declaration: the gain here is mainly functional in that the EU does not need to “outsource” military crisis management to a separate, if related (also through partially overlapping membership), international organisation⁽¹⁶⁴⁾. In the latter case, the eventual outcome was hardly a foregone conclusion: in fact, member states were at odds over the opportunity to “legalise” ESDP (and, if so, to what extent), and only the tenacity of a few of them made it possible to at least insert the PSC - but neither the Military Committee (MC) nor the Military Staff (MS) organisation - in the Treaty. In addition, it is worth noting that the de facto disappearance of the previous Political Committee (Po.Co.) that used to steer the CFSP - its role shall be limited to official meetings with third countries and finalising preparations for European Councils - further consolidates the “Brusselsisation” of CFSP. According to the new text, the role of the COPS entails early warning, evaluating and presenting possible responses, keeping an eye on their subsequent development and, on certain conditions, carrying them out directly. The new Art.25, in other words, creates the legal basis for crisis management – by also including the term itself in the TEU for the first time⁽¹⁶⁵⁾.

However, the Nice Treaty addresses the issue of CFSP coherence in a more direct fashion, namely in the new provisions on “enhanced cooperation under Title V of the TEU” (due to be included in the new art.27), that did not exist in the Amsterdam Treaty⁽¹⁶⁶⁾. Clause I, in particular, states that enhanced cooperation shall respect a) the “con-

(164) As a result, there will be less need for cross-organizational coherence and more efficiency. A tentative “flow-chart” drawn up on the occasion of a joint exercise held in June 1998 between EU and WEU in order to “test” the Amsterdam provisions, in fact, showed that no fewer than 25 distinct procedural steps across the two organizations might have been necessary to trigger the management of an international crisis. The steps would have amounted to 37 (or 45, depending on the type of interface) if NATO assets were to be used. See WEU CM (98) 39, *Modus Operandi of Article J.4.2/Article 17.3 and Flow Chart*, 13 November 1998.

(165) For the new text see Maartje Rutten (ed.), *From St.Malo to Nice – European Defence: Core Documents*, Chaillot Paper No. 47, Paris, WEU Institute for Security Studies, 2001 (www.iss-eu.org/chaillot/chai47e.html).

(166) On the entire issue see Antonio Missiroli, *CFSP, Defence and Flexibility*, Chaillot Paper No. 38, Paris, WEU Institute for Security Studies, 2000 (www.iss-eu.org/chaillot/chai38e.html).

sistency of CFSP” (i.e. the vertical one) and b) the “consistency between all the Union’s policies and its external activities” (the horizontal one). Furthermore, clauses K-M emphasise - as compared to the provisions for the other pillars – the role of the Council and the SG/HR as the main bodies of reference for triggering, implementing and possibly widening enhanced cooperation. Unfortunately, however, clause J explicitly limits enhanced cooperation in CFSP to the “implementation of a joint action or a common position” - thus excluding the common strategies - and rules out “matters having military or defence implications”, thus excluding ESDP proper⁽¹⁶⁷⁾.

To a certain extent, therefore, the outcome of the Nice negotiations on enhanced cooperation under Title V - influenced as it was, in the end, by short-term political calculations and eleventh-hour deals - undoes what has been painfully achieved with Arts.17 and 25. Firstly, it restricts the applicability of the provisions to joint actions and common positions, thus depriving enhanced cooperation of its possible strategic value and scope. Secondly, it inserts a potential device for incoherence in that it set ESDP apart from the “rest” of CFSP as a no-go-area. On the one hand, it has made it impossible to apply any form of enhanced cooperation to the crucial domain (sort of pillar “one and a half”) of defence industry and procurement as well as to all matters having operational implications. On the other hand, it makes it de facto impossible to apply enhanced cooperation to crisis management proper as its military component cannot be incorporated. Such unsatisfactory outcome is all the more regrettable in light of the progress previously made inside the IGC: in the wake of the presentation, on 4 October 2000, of a German-Italian joint position paper on enhanced cooperation, the French presidency in fact issued a tentative draft, on 17 November, that mentioned also “initiatives in the field of security and defence contributing to the acquisition of crisis management capabilities” as possible areas of application. Finally, still on the eve of the European Council, the British delegation seemed ready to accept at least the mentioning of defence industry, only to change its mind at the final round in Nice⁽¹⁶⁸⁾.

(167) Clauses refer to the first draft of the Nice Treaty, and to the art. 27 of the Nice Treaty.

(168) See the Council’s Website on the IGC and, more specifically, CONFER 4783/00 (ue.eu.int/cigdocs/EN/4783en.pdf) and 4803/00 (ue.eu.int/cigdocs/EN/4803en.pdf).

By contrast, the “Presidency Report on ESDP” and its Annexes represent the most serious effort made so far by the EU to outline a crisis management policy worth its name, much as they spectacularly confirm the preference of most member states for developing the new policy through common law rather than Roman law, so to speak, i.e. through “soft” Council declarations and reports rather than “hard” Treaty provisions⁽¹⁶⁹⁾. The Presidency Report describes in some detail both the general goals and the specific instruments for what it calls “an overall crisis management and conflict prevention capability in support of the objectives of the CFSP”. It also tries to envisage some ad hoc procedures and institutional short-cuts “in the event of a crisis” – namely, if and when the Council decides there is one – most of which aim at giving the COPS and the SG/HR the necessary clout and direct access to the Council.

All in all, there certainly remain grey areas, open questions and sizeable unknowns, starting with the relationships (functional as well as hierarchical) between the COREPER and the COPS, between the COPS and the SG/HR, between the SG/HR and the rotational EU presidency. Yet the picture of European security policy resulting from the Nice deliberations – in terms of institutional bodies, decision-making procedures, and functional whereabouts – may end up resembling very closely the one given in Figure [1]. Of course, that is a static picture: it is bound to change – especially as regards the relative importance of each body – according to the geographical area of destination and the most appropriate mix of policy tools to be put in place. And it is bound to change even more “in the event of a crisis”, when it may easily be deformed and “jerked” in front of unexpected events, actors, and consequences. On the whole, however, the coherence and the effectiveness of European security policy will be measured against and along the coordinates and Cartesian axes of Figure [1].

(169) Similarly, EPC had developed through customary law before being incorporated into the SEA and acquiring formally recognised procedures: see Renaud Dehousse, Joseph H.H. Weiler, “EPC and the Single Act: From Soft Law to Hard Law? ”, in Martin Holland (ed.), *The Future of European Political Cooperation: Essays on Theory and Practice*, Basingstoke, Macmillan, 1991, pp. 121-142. See also Lydia N. Pnevmticou, *Aspects juridiques de la politique européenne de sécurité et de défense*, Occasional Papers No. 31, WEU Institute for Security Studies, Parigi, 2001 (www.iss-eu.org/occasion/occ31e.html).

As for ESDP proper - that increasingly constitutes a sort of pillar "two-plus" - the Nice Presidency Report envisaged a series of ad hoc mechanisms to carry out EU-led military (and police) operations that took into account the peculiarities of the policy. As a result, such operations could be undertaken without the participation of all EU members and with the participation of non-EU members, be they candidates for admission (12 + 1, namely Turkey), other European NATO members (2, namely Norway and Iceland), or "third" countries (e.g. Ukraine, Russia, but potentially also Canada). Accordingly, while preliminary consultations on a possible joint military action would take place in a 15 + 15 format, the key political decisions would be taken only by the EU-15, and the operational ones by a so-called "Committee of Contributors" open to all countries engaging "significant" forces in a given operation. In a way, therefore, the formula for carrying out any such action would be $15 - x + y + n$, where x represents the non-participating EU members, y the participating non-members, and n the added value of acting together. In the case of ESDP, however, the unknown n includes also the possible link with NATO, that is much more than just another international organisation to liaise and coordinate with. In fact, in the event of use of NATO assets for EU-led operations "when NATO as such is not involved", as the texts read, European NATO members are set to have a special say (the 15 + 6 framework foreseen also by the Nice Presidency Report). Actually, direct relations between the EU and NATO started to be developed after Helsinki and led to a draft agreement for direct access to NATO assets by the EU. The agreement failed to be finalised at the EU-NATO Ministerial that took place in Brussels a few days after Nice and once again in May 2001 - essentially because of Turkish opposition, followed by Greek opposition in 2002 - but is still on the table and may well be finalised in 2002⁽¹⁷⁰⁾.

(170) The original Turkish opposition was circumvented at the end of 2001 through an informal agreement. At the point a strong Greek opposition emerged. On the whole issue see Antonio Missiroli, "Sicherheitspolitische Kooperation zwischen EU und NATO. Der türkische Verdruss über die ESVP", in *Integration*, Vol. 24, No. 4 (Oktober 2001), pp. 340-355 e Antonio Missiroli, "EU-NATO Cooperation in Crisis Management: No Turkish Delight for ESDP", in *Security Dialogue*, Vol. 33, No. 1 (March 2002), pp. 9-26.

A couple of weeks after the Nice European Council the office of the SG/HR, following the Council's conclusions of October 2000, circulated an initially restricted Report that sharply criticised the way in which the common strategies introduced with the Amsterdam Treaty had been prepared, delivered and implemented. The Report, however, was leaked to the press and immediately became of public domain⁽¹⁷¹⁾. In essence, it argued that the common strategies adopted so far by the EU - on Russia, Ukraine, and the Mediterranean - had "not yet contributed to a stronger and more effective EU in international affairs", much as they have contributed to "putting together all EU objectives and means in the areas covered in a comprehensive, cross-pillar approach". As a result, incidentally, the fourth common strategy initially planned on the Balkans has been temporarily dropped. For the Union, in fact, the risk is to "widen even further the gap between their poor effectiveness [...] and the high expectations they raise". According to the Report, the three common strategies have been of a declaratory rather than operational nature; they have not added much to already existing EC/EU policies; they have not facilitated the recourse to qualified majority voting (QMV) for their implementation; and they were all made public and published in the Official Journal of the EU. On the whole, it argued, they have mostly failed to meet the goals they were initially designed for. Instead, common strategies "should be well adapted to improve coordination and synergy between CFSP, Community action and member States' activities". The Report suggested, in conclusion, that future common strategies should be internal EU policy documents, should be "focused and selective in their scope", should have "a clear added value" and "identify verifiable objectives; finally, they "must enhance coherence by bringing together all means and resources available to the EU"⁽¹⁷²⁾.

(171) See Peter Norman, "Solana Hits at EU Strategies", *Financial Times*, 23 January 2001; Laurent Zecchini, "Javier Solana dresse un bilan accablant des stratégies communes", *Le Monde*, 24 janvier 2001. For a stringent case-study see Hiski Haukkala and Sergej Medvedev (eds.), *The EU Common Strategy on Russia: Learning the Grammar of CFSP*, Helsinki Finnish Institute of International Affairs, and Berlin, Institut für Europäische Politik, 2001.

(172) The Report, again, is printed in in Antonio Missiroli (ed.), *Coherence for European Security Policy*, cit.

In the absence of any specific and binding Treaty provision as much as of any tangible *acquis securitaire* to rely on, and in the light of the challenges and expectations that European security policy will presumably have to face up to over the next months and years, this may well be the way to proceed in the desired direction with a “benign” attitude. Indeed, it would be a tragic irony if what is increasingly regarded as the comparative advantage and perhaps the greatest asset of the EU as an international actor – namely, the pluri-functional nature, the unique variety and the virtual completeness of the policy instruments and resources it can resort to – turned into a source of division and a liability. All the more so at a time when the Union is on its way to becoming the kind of “amalgamated security community” – as distinct from NATO’s “pluralistic” one, in which all members retain a high degree of sovereignty – that Karl W. Deutsch could only imagine almost half a century ago⁽¹⁷³⁾.

4. Conclusions

At any rate, it seems useful to acknowledge that absolute and full coherence – in terms of both policy and institutional set-up – is a hardly achievable goal. It is such inside the member States, where a certain amount of bureaucratic infighting, competition, or sheer disjunction is often at work. In the US, its lack is even an accepted essential feature of the policy-making and decision-shaping system, in which competing agencies fight for primacy and the President acts as a referee and ultimate authority. It is all the more so at the EU level, especially because the Union does not have a President nor the kind of “inter-agency” executive power that enables the US eventually to achieve some coherence and decisively to act as a single unit on the international scene. It might therefore be more useful to try and reinforce those tendencies that may help reduce the incoherence and strengthen the effectiveness of the external “output” of the Union.

(173) The reference is to Karl W. Deutsch, *Political Community and the North Atlantic Area*, Princeton, Princeton University Press, 1957. For an interesting reappraisal see Emanuel Adler and Michael T. Barnett (eds.), *Security Communities*, Cambridge, Cambridge University Press, 1998.

Two developments deserve special attention here. The first one is the growing impact that Javier Solana's activism on the international scene is having. Such has been the case in Macedonia and, to a lesser extent, even in the Middle East. The SG/HR is increasingly identified in the world's trouble spots as "Mr. EU", thus partly responding to Henry Kissinger's (in)famous joke about Europe's missing telephone number. This definitely represents a crucial asset for CFSP/ESDP and may demand further "branding" of his image and function. In turn, such "branding"⁽¹⁷⁴⁾ would demand political and institutional consistency: in other words, the Commission and, above all, the member states should exercise some restraint and leave the SG/HR centre stage, doing away with bureaucratic jealousies but also with self-appointed directoires, "triumvirates", clubs and aves of unclear geometry. For his part, Solana should probably do more in order to set up solid and appropriate structures in Brussels to support and sustain his function. In fact, such personalisation entails also risks, first and foremost that of a certain volatility: once Solana is gone, in fact, the "brand" would automatically lose some appeal, which may prove difficult to restore in the absence of those structures. Moreover, it will inevitably weaken the rotational EU presidency and the role of the troika: this, however, may turn out to be a lesser and even necessary evil, in light of the negative effects the present system keeps having on Europe's external image⁽¹⁷⁵⁾. A possible way out - given the persistent hostility of certain member states to the abolition of the rotational presidency - could be to reduce it to a simple "chairmanship" (as it was at the outset, incidentally) whereby the Commission and the Council Secretariat, each in its domain, would prepare the agenda of meetings and draft the tentative deals. Short of a broader reform of the Council (of its proceedings as well as formations), this may prove a sensible way of making progress. Yet giving the SG/HR the exclusive external representation of the EU in CFSP matters would be the most

(174) For a brilliant analysis of the "branding" trend see Peter van Ham, "The Rise of the Brand State. The Postmodern Politics of Image and Reputation", *Foreign Affairs*, Vol. 80, No. 5 (September-October 2001), pp. 2-6.

(175) See e.g. Laurent Zecchini, "Les limites de la diplomatie européenne", *Le Monde*, 5 octobre 2001.

coherent solution. By the same token, the SG/HR should preside over the Council of EU Foreign Ministers.

Along with that, of course, goes the issue of “merging” the figures of the SG/HR and the Commissioner for External Relations. Indeed, this is a very delicate one in that it applies the logic of personal union to policy areas and institutions that are regulated by separate and different methods and procedures (intergovernmental vs. communautaire). Whilst it is not impossible for a EU body to operate according to distinct sets of rules (the COREPER, for instance, already does so), the “merger” would raise topical questions: firstly, who would be “merged” into whom? In other words, would the Commission “incorporate” the functions of the High Representative - as suggested by Prodi - or would the Council “incorporate” Relex, as presumably favoured by some member states? Neither solution would be neutral, of course, in terms of political and institutional balance, let alone of long-term vision. Secondly, would such new foreign policy “supremo” encompass also the function of Secretary-General of the EU Council? If so, s/he might well be overloaded and lose focus. Thirdly, should such a figure also preside over the General Affairs Council (or any future equivalent of that), as it would be only consistent with the end of the rotational presidency? Fourthly, should s/he have a right of initiative on foreign and security policy (and, if so, exclusive or shared)? Finally, should s/he dispose of own resources, including a refurbished and dedicated staff (preferably recruited by and for the Council only, in order to prevent dual loyalties)? It is difficult to give a straight and coherent answer to all these questions without a broader and, above all, agreed vision of how the future of Europe should look like. Furthermore, precisely the complexity and diversity of the instruments that are needed for an effective common foreign policy seem to impose an institutional framework that is unlikely to be “architecturally correct” for some time still. “Joined-up” security governance, rather than absolute coherence of design, may prove to be the most appropriate and realistic way forward⁽¹⁷⁶⁾. Accordingly, a partially reformed

(176) For a detailed overview of most of these questions see also Steven Everts, *Shaping a Credible EU Foreign Policy*, London, Centre for European Reform (CER), 2002. For the notion of “security governance” see Elke Krahmann, *The Emergence of Security Governance in Post-Cold War Europe*, Working Paper No. 36/01, Brighton, ESRC Research

system is conceivable of in which a) the function of Secretary General of the Council would be separated from the High Representative's and brought back to its original role; b) the foreign policy "supremo" would have a right of initiative on CFSP and chair the Council of EU Foreign Ministers, reside in Brussels and guarantee the coherence and effectiveness of the whole external "output"; c) s/he would have two deputies, one being the Relex Commissioner and the other a sort of roving representative in charge of crisis management proper and chairing the COPS. Such a troika would have the advantage of requiring only limited institutional (and Treaty) changes and of being less of a potential source of controversy between federalists and souverainistes.

The second development regards the growing trend towards forming coalitions of the willing for given missions and operations, if not policies. To a certain extent, it is a way of practising "enhanced cooperation" without naming it. So why not try and imagine already the shape(s) in which such "format" of external action - that in the strictly operational ESDP framework is partly incorporated in the so-called "Committee of Contributors" - could be put in the Treaty at the 2003-4 conference? In this respect, two main solutions seem in principle envisageable: 1) the "pre-determined" flexibility option, whereby the Treaty would specify in detail the domain and the forms of enhanced cooperation in a particular field; and 2) a sort of general "enabling" clause, whereby enhanced cooperation would be applicable to any policy or operation in the CFSP/ESDP area, provided certain conditions and procedures are met⁽¹⁷⁷⁾. The former could be used e.g. for the defence industry and armament cooperation, taking into consideration also the peculiar role that the Commission could play as a market regulator in this sort of "pillar one-and-a-half" (which would in turn make a revision of Art. 296 TEC necessary). The latter would have the advantage of filling the gap between the extreme rigidity (and incoherent limitations) of the new Art. 27 TEU and the extreme flexibility

Segue nota

Programme on One Europe or Several?, University of Sussex, 2001 (www.one-europe.ac.uk/pdf/w36krahmann.pdf).

(177) For the terminology see Alexander Cai-Göran Stubb, "A Categorisation of Differentiated Integration", in *Journal of Common Market Studies*, Vol. 34, No. 2 (June 1996), pp. 283-295.

of the “Committee of Contributors” format. In a way, therefore, “enhanced cooperation” could be applied to pillar “one-and-a-half” as well as to pillar “two-plus”, in the hope that more flexibility increase effectiveness and foster also overall coherence. Such an outcome would not be guaranteed in advance, however, given the tendency of EU policies to build separated “nests” that could be ultimately be kept together only by some superior political body. European crisis management already risks being fragmented between EC procedures and agencies and the new ESDP bodies, with the traditional CFSP machinery squeezed in-between: all the more necessary, therefore, to strengthen the referee/gatekeeper role of the (European) Council and the initiator/coordinator role of the SG/HR.

Last but not least, it remains to be seen whether a sort of Art. 5/V mutual security guarantee could be introduced in the Treaty: if not as a common provision, then as an area for enhanced cooperation. This last point, in particular, has been somewhat brought to the fore by the tragic events of 11 September 2001 in the United States and their aftermath. Their long-term impact on international relations and global security is, of course, still extremely difficult to assess. However, the way in which Art. 5 of the Washington Treaty has been first activated then (modestly) implemented, on the one hand, and the hypothesis that international hyper-terrorism may hit also EU member states, on the other, have prompted a more or less open discussion on how to deal with such a contingency politically as well as operationally. To date, and more generally, the reaction of the EU-15 to the terrorist actions against the US ally has been twofold: mainly national and bilateral, as far as direct military or intelligence support is concerned, and “Brusselsised” inasmuch as required by the non-military side of the fight against al-Qaeda and similar organisations. The action plan drafted already in the wake of 11 September and finalised at the Laeken European Council the following December encompassed wide-ranging measures in the field of JHA and Schengen, thus displaying the multifaceted nature of the policy to be carried out⁽¹⁷⁸⁾. To a certain extent,

(178) See Ferruccio Pastore, *Reconciling the Prince's Two Arms: Internal-external Security Policy Coordination in the European Union*, Occasional Papers No. 30, Paris, WEU Institute for Security Studies, 2001 (www.iss-eu.org/occasion/occ30e.html); Edward Bannerman et al., *Europe after September 11(th)*, London, Centre for European Reform (CER), 2001.

consistency and coherence across the different EU pillars and between common and national policies are more demanded now than ever, although that may well lead to a shift in emphasis or, at least, to a new trade-off between internal and external security, between protection and projection.

In the same vein, the events of 11 September are expected to give additional momentum to the enlargement process: enlargement of the EU and, probably, of NATO as well. This, too, may further emphasise the need for more policy effectiveness inside the EU – “enhanced co-operation”, in particular, may become an important and even indispensable policy-making tool for a Union of 25 or more members – and for more consistency and better coordination with other international organisations. Finally, and perhaps most importantly, the events of 11 September may force the EU to take over more operational responsibilities in trouble spots while the US is increasingly engaged elsewhere. And that will at last put to test the Union’s crisis management structures and capabilities.

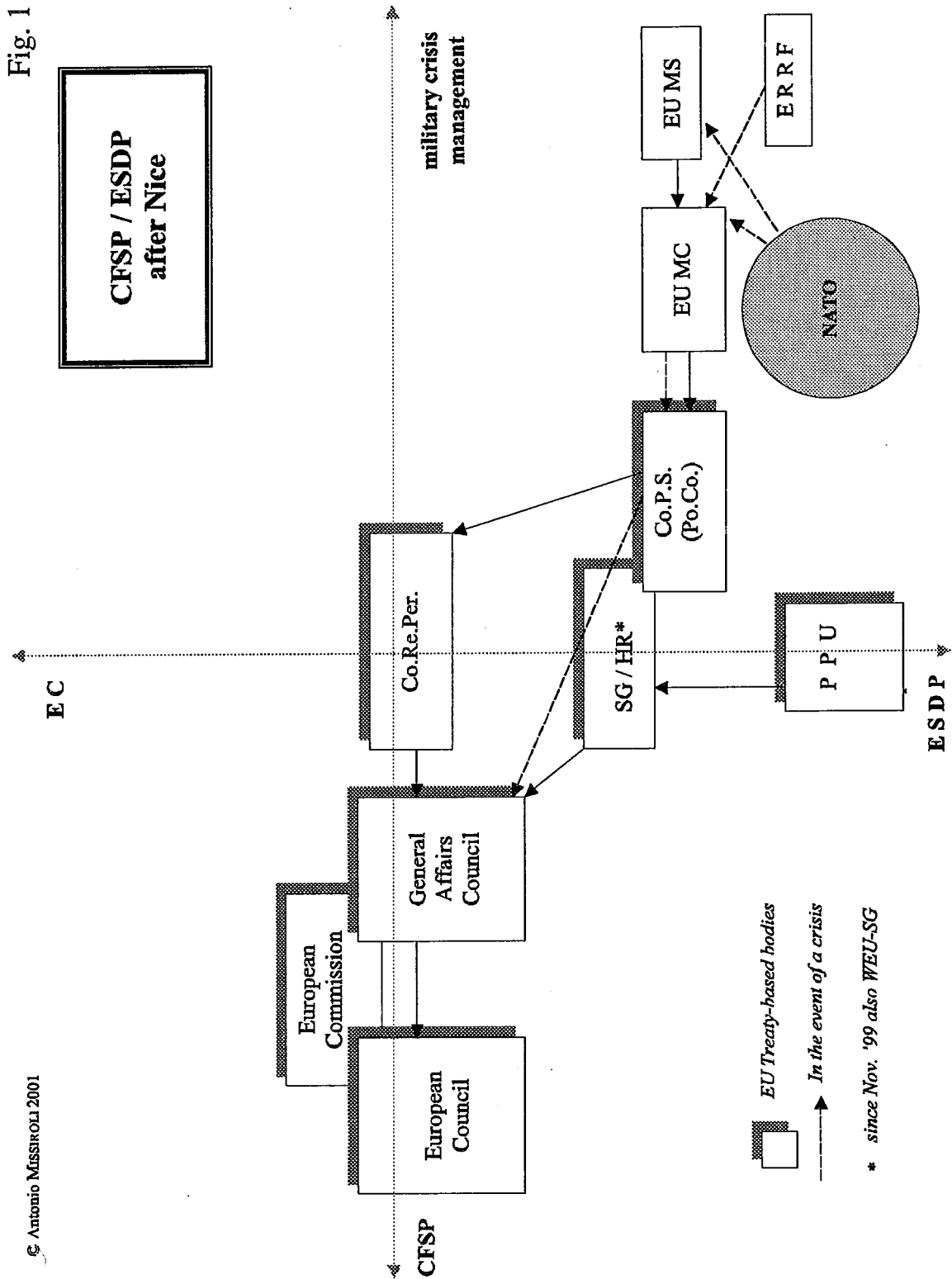


Fig. 1

4. THE ASYMMETRICAL FORTRESS: THE PROBLEM OF RELATIONS BETWEEN INTERNAL AND EXTERNAL SECURITY POLICIES IN THE EUROPEAN UNION

by Ferruccio Pastore (*)

1. Premise: Zombie and mutant concepts

The attacks of September 11 dealt a fatal blow to our mental categories, leaving our minds full of obsolete concepts – Ulrich Beck defines them as zombie concepts⁽¹⁷⁹⁾ – that risk hindering rather than helping us understand this convulsive moment in history. Nevertheless, it is from these very concepts, which inform not only our thoughts, but also our political organisations, that we inevitably have to start out in order to go beyond them and move on to new categories.

It is evident that this vital need for conceptual renewal affects security policy more than any other and, in particular, the classic distinction between “internal” and “external” security. For some time already, the system of equations underlying the traditional concept of western security policies (which we have tried to summarise in the table below) has been dissolving.

<i>External threat</i>	<i>Internal threat</i>
=	=
threat with political matrix coming from rival state	threat with criminal matrix (from which the inevitable “political component” tends to be removed)
⇓	⇓
diplomatic and military response	police and criminal justice response

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(179) “That act speaks a language of genocide and hate, that knows no “negotiations”, “dialogue”, “compromise” and, therefore, in the end not even “peace”. Even the term “enemy” is misleading in that it springs from an image in which armies conquer or suffer defeats on the battlefield that are sealed by “armistices” and “peace treaties”. The terrorist attacks are not even a “crime” falling under the competence of “national justice”. Use of the concept and the institution of “police” for actions whose destructive effects are comparable to military clashes also seems inadequate. [...] We all live, think and act according to *zombie concepts*, concepts that are dead but continue to dominate our thoughts and our actions”, Ulrich Beck, “Terrorismo e guerre del ventunesimo secolo”, in *La Repubblica*, 28 November 2001, p. 17. Analogous concepts were put forward by Beck in a preceding article, “Le trappole del terrorismo”, in *La Repubblica*, 17 October 2001, p. 1.

Actually, the two “spheres” of threat to the established political order, although ideally opposite and independent, have always come into contact sporadically and have sometimes even had stable interconnections (e.g. pirates during the age of mercantilism or subversive transnational anarchism between the nineteenth and twentieth centuries). In the same way, there have always been occasional interdependencies between the corresponding policy fields. Nevertheless today, in an era of general intensification of transnational dynamics (globalisation), the permeability between the two spheres is much greater, to the point that the distinction between the two has almost disappeared.

“The political-spatial categories of the Modern can no longer be used today; in their light, globalisation – which can be interpreted as an immediate link between local and global – is incomprehensible, given that, while it constitutes their completion, it also implies the dissolution of modern categorial orders. In a word, the real organisation of political space is changing, as is its social and cultural perception and its implicit representation in political thought”⁽¹⁸⁰⁾.

Thus, in the current phase of intense globalisation, the problem of relations between internal and external security policies, which used to be treated as a marginal, although stimulating and sometimes revealing aspect for political science, becomes a fundamental theoretical question with decisive practical implications. Moreover, September 11 has further accentuated the importance of the matter, since we are now up against acts that are unclassifiable in terms of the classic dichotomic model and definitively exclude the use of traditional approaches to security.

It is no coincidence that the only real line of overall response to the terrorist threat that has materialised at the global level has been named “the new war” by the US administration. What is unsettling, however, in this particular example of conceptual renewal is the impression that we are facing a mutant conception, or rather a rhetorical device lacking any analytical (and political and strategic) substance, open to totally unpredictable developments. The new war, in fact, knows no

(180) Carlo Galli, *Spazi politici. L'età moderna e l'età globale*, Bologna, Il Mulino, 2001, p. 12.

geographic confines, is of unlimited duration and does not even have a definite military character, as its set of instruments range from undercover infiltration in terrorist networks to the use (not excluded) of nuclear weapons⁽¹⁸¹⁾.

But what opens up between this cemetery of zombie concepts and the unsettling *avant-garde* of mutant concepts is a new virgin territory from which “new strategic concepts” could spring – concepts able to inspire and guide, effectively and legitimately, security policies commensurate to the challenges faced today, but limited in their objectives and fully fitting into the democratic dialectic.

Given its tradition as a civilian power and its more recent ambitions as an integrated global player, Europe would be a natural candidate for expressing concepts – or perhaps even one unitary “strategic concept” – of this kind, able to transcend permanently the traditional dichotomy between internal and external security; a strategic concept that embodies a holistic approach to collective security but is careful not to be caught in the trap of a pan-security drift of politics as such⁽¹⁸²⁾.

(181) The very concrete prospect of a changing but perpetual war is described by Carlo Galli with his usual, merciless lucidity: “...today, what is absolutely new, is that this kind of war – and both sides claim the same thing – never comes to an end: it is infinite and, unlike the world wars, does not produce order. Rather, it turns into a chronic – regardless of how and when this first phase ends – world conflict that is the antithesis of the world economy, the tragic manifestation of its unstable and chaotic nature. Thus, global war is the global militarisation of global mobilization or, rather, a way of being in the present post-modern condition; it is not an action, but a situation; not an exception but one kind of possible normality, a normality studded with tragicness”, Carlo Galli, “Guerra senza spazio”, in *Filosofia (e critica) della globalizzazione, MicroMega. Almanacco di filosofia*, No. 5/2001, p. 97.

(182) In the current scenario, the risk of pan-security involutions is concrete and pointed out by many; according to one authoritative school of philosophical-political thought, the trend – generated by the crisis of the traditional functions of the states – is in full swing: “In the process of the gradual neutralisation of politics and the progressive abandoning of traditional state tasks, security tends to become a fundamental paradigm of state action. That which until the first half of the twentieth century was one of a number of instruments that defined the public administration is now becoming the only criterion for political legitimation. The security paradigm involves one essential risk. A state whose only legitimation and only task is security is a fragile organism which can be continuously provoked by terrorism or become terrorist itself” (Giorgio Agamben, “Stato e terrore, un abbraccio funesto”, in *Ma sei sicuro?*, special issue of *Alias Speciale*, weekly supplement to *Il Manifesto*, 27 October 2001, Vol. 4, No. 41, p. 8. The text is a slightly modified ver-

With respect to such a demanding and complex “mission”, the positions taken to date seem to be no more than limited preparatory adjustments. This is true for the progress made in the two parallel areas of the second and third pillars (respectively dedicated to common foreign and security policy – CFSP – and justice and home affairs – JHA, that is, cooperation in the field of police and judicial matters or rather the main nucleus of an *in fieri* common security policy), but it is true above all for the state of relations between the two, which represents the specific object of the pages that follow. A two-phase analysis of recent developments in the relation between internal and external security policies in the European Union will be carried out, taking September 11 as the turning point between “before” and “after”.

In this brief survey of the dynamics of “cross-pillarisation”, in which the institutional dimension of the dialogue between the pillars will be given priority without, however, overlooking the profound political implications, light will be thrown on the fundamental asymmetry of the process. It should not be forgotten that, while internal and external sovereignty consolidated in an interdependent and substantially simultaneous manner during the process of formation of nation states, in the case of the European construction, the dynamics of the transfer of sovereignty (usually done flexibly, by sharing sovereign prerogatives rather than by definitively handing them over) on both sides have developed autonomously and out of phase till now: the second and third pillars, both introduced by Maastricht, developed at different rates during the nineties, with the pillar dealing with internal security gradually overtaking, as a result of its political “density” and immediate practical relevance, the *enceinte* of common foreign and security policy. Thus, from an integrated perspective of security policy, what has gradually taken shape is a fundamental asymmetry which currently represents an essential even if probably temporary aspect of European policies in the security field, as summed up by the image in the title. In other words, the towers of the asymmetrical fortress are not all equal.

Segue nota

sion of an article that appeared in German in the *Frankfurter Allgemeine Zeitung* on 20 September 2001).

2. *Before September 11: The first bridges between the pillars*⁽¹⁸³⁾

Despite the fact that “the idea of a link between internal and external security is a logical consequence of the process of European integration”⁽¹⁸⁴⁾, only very recently did the European heads of state and government explicitly recognise – in that groundbreaking document, the Tampere Conclusions – that internal and external security policies need to be coordinated:

“The European Council underlines that all competences and instruments at the disposal of the Union, and in particular, in external relations must be used in an integrated and consistent way to build the area of freedom, security and justice. Justice and Home Affairs concerns must be integrated in the definition and implementation of other Union policies and activities”⁽¹⁸⁵⁾.

But, as these lines suggest, internal-external security policy coordination is, necessarily, of a complex nature and needs to operate in two directions. On the one hand, external security policy tools should be used in a way that is compatible or, even better, synergic with internal security policy objectives. On the other hand, internal security policies should contribute to the general political objectives of the Union’s external policy:

“JHA is essential given the worldwide challenges facing the Union, such as restoring the rule of law, controlling migratory movements and combating organised crime. Above and beyond the strategic importance of a particular country, a global approach is required”⁽¹⁸⁶⁾.

(183) This section is an updated version of Chap. 2 of Ferruccio Pastore, *Reconciling the Prince’s Two “Arms”. Internal-External Security Policy Coordination in the European Union*, Occasional Paper No. 30, Paris, WEU Institute for Security Studies, September 2001 (www.iss-eu.org/occasion/occ30e.html).

(184) Alessandro Politi, *European Security: the New Transnational Risks*, Chaillot Papers No. 29, Paris, WEU Institute for Security Studies, October 1997, p. 10 (www.iss-eu.org/chaillot/chaill29e.html).

(185) European Council, *Presidency Conclusions*, Tampere, 15-16 October 1999, point 59 (www.europarl.eu.int/summits/tam_en.htm).

(186) Council of the European Union, *European Union Priorities and Policy Objectives for External Relations in the Field of Justice and Home Affairs*, doc. 7653/00 JAI 35, Brussels, 6 June 2000, p. 6.

The “pillar system” set up in Maastricht very soon became the target of academic criticism for its constitutional ambiguity and its inherent potential for inter-institutional conflict and policy inconsistencies. The structural need for some form of interpillar (or cross-pillar) coordination soon emerged:

“...the pillar construction was first and foremost characterised by competing policy methods, introducing new asymmetries, inter-institutional tensions and risks of fragmentation. It also introduced problems of delineations and interfaces between pillars, in other words, “interpillarisation” issues. [...] Interpillarisation is and will remain a sensitive issue because the pillar system is the result of an ambiguous compromise between two visions of European integration which are antithetical over the long term: on one side, a process of polity-building around a supranational Community; on the other side, a battle to maintain or renovate national units through the constitution of a Europe of the States”⁽¹⁸⁷⁾.

But, as was recently recognised by the Council itself, the progress in integration in both the second and third pillars that followed Amsterdam (with the latter’s divisive and partial “communitarisation”) have made the risks of fragmentation all the more concrete and, correspondingly, the need for cross-pillar coordination all the more urgent:

“...continued diversification of the Council’s activities, including the establishment of military and civilian crisis management structures and implementation of an ambitious programme of work agreed at Tampere to create an area of freedom, security and justice, confirm the tendency towards increased segmentation of work with the attendant risk of contradiction, incoherence and inefficiency”⁽¹⁸⁸⁾.

The problem of internal-external security policy coordination at the EU level is currently being dealt with separately in different policy

(187) Eric Philippart, *Deconstruction and Reconstruction of EU Pillars: The Euro-Mediterranean Partnership and the Middle East Peace Process*, paper presented at the Third Pan-European International Relations Conference ECPR-ISA, Vienna, 16-19 September 1998, pp. 2-3.

(188) *Preparing the Council for Enlargement*, Report from the Secretary-General/High Representative to the European Council, doc. 9518/01, document attached to the Presidency Conclusions of the Göteborg European Council, point 5, 15-16 June 2001 (www.eu2001.se/static/eng/eusummit/report_modern.PDF).

frameworks, corresponding to two broad categories of policy situations which are kept clearly distinct in the current debate on EU external action. The reference is to *crisis management* as opposed to “everyday’ policy-making”⁽¹⁸⁹⁾.

The issue of civil-military coordination in a crisis management framework has already been widely debated in academic and political circles. At the EU level, it can be noted that Art. 25 of the Treaty of European Union (TEU, as modified by the Nice Treaty⁽¹⁹⁰⁾) and the subsequent policy documents clearly recognise the coordinating power of second pillar bodies, namely the Political and Security Committee (PSC), also over the civilian components of future EU Petersberg missions:

“Close civil-military co-ordination will be ensured, as appropriate, through the relevant EU crisis management structures and procedures, in particular the PSC. The Commission will be fully associated with this work”⁽¹⁹¹⁾.

(189) It could be asked whether, beside these two fundamentally distinct modes of external action (crisis management and “everyday” policy-making), a third mode is represented by *conflict prevention* as such. The Commission’s approach, as set down in the *Communication on Conflict Prevention*, COM(2001) 211 final, 11 April 2001 (europa.eu.int/comm/external_relations/cfsp/news/com2001_211_en.pdf), is based on a distinction between “long-term” and “short-term” conflict prevention. Whereas the first concept is extremely broad and comprehensive, and in the case of many of the most unstable non-EU countries it would seem to cover most of the EU’s current external action, the notion of short-term prevention seems to flow together with that of crisis management as developed in the ongoing debate on the future of ESDP. The view of the Council, as expressed in the *European Union Programme for the Prevention of Violent Conflicts*, Council doc. 9537/1/01 REV 1, annex to the Göteborg European Council Presidency Conclusions, seems to formalize the notion of conflict prevention more (particularly when talking of “conflict prevention strategies”: point 8), which would allow for it to be construed as a *tertium genus* in EU modes of external action, between crisis management and “everyday” policy-making. However, the whole debate on these issues at the EU level is perhaps still too magmatic to allow for, or even justify, such analytical efforts.

(190) According to the new Art. 25 TEU, the Political and Security Committee “shall exercise, under the responsibility of the Council, political control and strategic direction of crisis management operations”.

(191) *Police Action Plan*, Annex to the Presidency Report to the Göteborg European Council on European Security and Defence Policy, document attached to the Presidency Conclusions of the Göteborg European Council, Point III.9, 15-16 June 2001. In another annex to the Göteborg Report, it is also recognised that “The PSC plays a major role in enhancing consultations with third states also in the context of police”, *Contributions of non-*

At the more operational level, cross-pillar cooperation for the purposes of crisis management is already underway. Beginning with the French presidency, the third pillar's Working Group on Police Cooperation has been deeply involved in setting the criteria for the selection, training and equipping of the 5000 police officers who will compose the law enforcement "arm" of the future EU crisis management apparatus⁽¹⁹²⁾. Some interesting, although still rather general, suggestions for civil-military coordination of EU crisis management are also contained in the document on EU Exercise Policy annexed to the Göteborg Conclusions,⁽¹⁹³⁾ which states that:

"Ensuring [...] the effective co-ordination between civil and military instruments is one of the main objectives in testing crisis management procedures so that they can be adapted in the light of experience" (point 4).

Developing cross-pillar coordination in crisis management contexts is certainly a crucial and delicate matter, on which expertise is lacking and research is still at an initial stage, coming up against solid (inter)disciplinary barriers. But this will not be the topic of the next pages, in which the focus will be, rather, on the broader issue of internal-external security policy coordination in "everyday" policy-making.

In spite of its systemic relevance for the functioning of the EU as a whole, the issue of cross-pillar coordination in the security field has

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EU States to EU police missions in civilian crisis management, Annex to the Presidency Report to the Göteborg European Council on European Security and Defence Policy, document attached to the Presidency Conclusions of the Göteborg European Council, point 7, 15-16 June 2001.

(192) A first achievement was represented by the document on *EU selection criteria for police officers, their equipment, and requirements for their training in the context of civilian crisis management*, 5038/3/01 ENFOPOL 1 REV 3 COR 1, 2, 7 May 2001. A crucial step ahead towards the activation of EU police resources for civilian crisis management and conflict prevention was represented by the Ministerial Police Capabilities Commitment Conference, held in Brussels on 19 November 2001. On that occasion, the 15 member states confirmed and specified their previous engagement to make globally available, by the beginning of 2003, 5,000 police officers, of whom 1,413 will be deployable within 30 days, *Bulletin quotidien Europe*, No. 8094 (19-20 November 2001), p. 5.

(193) The document was first approved by the Council on 14 May 2001.

been largely neglected by academic research so far⁽¹⁹⁴⁾. The overview made here of the main open questions and recognisable trends in cross-pillar security policy coordination will be centred on the inter-governmental decision-making “chain” (stretching down from the European Council to the Council’s committees and working groups), which is still the backbone of the policy-making process in the field of security, in both the second and third pillars. This does not mean that other EU institutions, namely the Parliament and the Commission, are not confronted with security policy coordination challenges. However, they are less tangled and – for the time being – less politically important than the ones which have to be met in the Council’s institutional *enceinte*.

The Tampere extraordinary European Council, held under the Finnish presidency in October 1999 and devoted entirely to the development of an “area of freedom, security and justice” (AFSJ) in the EU, in itself represented the highest possible recognition that such an ambitious enterprise needs, along with steady and strong political backing, an equally strong dose of coherence and consistency, both inside the JHA field and in its relations with other EU policy areas. The comprehensive and innovative output of the Tampere summit, associated with the very proactive attitude and the planning capabilities shown ever since by the Commissioner in charge, have been an important factor in ensuring a certain degree of internal coherence in JHA policies over the past two years. But the steering function assumed by the European Council has perhaps been less successful in raising the level of cross-pillar security policy coordination in the same period.

However, the European Council – given the growing concern that it should not be “overloaded with matters which should be dealt with by the Council as a matter of routine, and that it is in a position to fulfil its proper leadership role by providing the necessary impetus for the development of the Union and defining general political guide-

(194) Even the essays recently collected in Antonio Missiroli (ed.), *Coherence for European Security Policy: Debates-Cases-Assessments*, Occasional Paper No. 27, Paris, WEU Institute for Security Studies, May 2001 (www.iss-eu.org/occasion/occ27e.html), focus mostly, although not exclusively, on different forms of inter-institutional coordination in a crisis framework.

lines”⁽¹⁹⁵⁾ – surely cannot be the sole body responsible for internal-external security policy coordination. An upgrading of the Council’s capacity to ensure consistency and coherence in its own activities in the security field is unquestionably needed⁽¹⁹⁶⁾. The debate on how to attain that goal has until now developed at three different levels: a) institutional arrangements concerning the functioning of the Council itself as a decision-making body; b) institutional arrangements concerning the bureaucratic pyramid below the Council (COREPER, committees, working groups, working parties); c) arrangements at the operational level.

a) The chameleon-like nature of the Council, a unique and unitary body with a number of different and interchangeable souls, is one of the trickiest issues in the current debate on the future stage(s) of institutional reform. But, while waiting for deeper and more radical changes⁽¹⁹⁷⁾, several adjustments are being tested to lower the risk of dispersion and contradiction in the present working of the EU’s main legislative body. In the first place, following a recommendation coming from the Helsinki European Council, an attempt was made to revitalise the General Affairs Council’s (GAC) coordinating role by systematically dividing its agenda into two parts: external relations and horizontal questions including overall policy coordination. But, as the Secretary General/High Representative recently observed,

(195) *Preparing the Council for Enlargement*, cit., point 7.

(196) For a genealogy of the notions of consistency and coherence applied to the European Security policy, see Antonio Missiroli, “Introduzione”, in Antonio Missiroli (ed.), *Coherence for European Security Policy*, cit.

(197) An important step in the process of reform of the Council will be represented by the Secretary-General/High Representative’s second report on *Preparing the Council for Enlargement*, due to be presented before the Barcelona European Council on 15-16 March 2002, in order to allow decisions to be taken by the European Council at its next meeting (Seville, June 2002). See ue.eu.int/pressdata/EN/reports/69889.pdf. In the Interim Report presented by the Secretary-General at the Laeken Council, it is stressed that: “the fact that a Convention will be convened next year to prepare the future Intergovernmental Conference does not diminish the urgency of Council reform. A great deal can and should be done under the existing Treaties within the timeframe envisaged by the European Council and in accordance within the scope of the Secretary-General’s mandate”, Council of the European Union, *Preparing the Council for Enlargement*, Interim Report, doc. 15100/01, par. 4, 7 December 2001.

“... these changes are of a more formal and procedural rather than operational nature, and appear to have only marginally strengthened the authority and impact of the General Affairs Council on horizontal matters”⁽¹⁹⁸⁾.

Secondly, in a simultaneous and complementary way to the reduction of the number of Council formations (to sixteen), “back-to-back” arrangements⁽¹⁹⁹⁾ were encouraged to foster coherence in the internal working of the Council. In addition, other procedural solutions were experimented, such as the summoning of joint sessions of different Council formations (of particular interest here is the “jumbo” ECOFIN-JHA Council held in Luxembourg on 17 October 2000, which focused quite effectively on the fight against financial crime and money-laundering)⁽²⁰⁰⁾ and the attendance of General Affairs Council meetings by Defence Ministers when European Security and Defence Policy (ESDP) issues are on the agenda. For the specific purposes of internal/external security policy coordination, it would probably be useful to test this latter solution (in particular cases and with a well-defined agenda) through the participation of JHA ministers in the GAC⁽²⁰¹⁾.

b) After Amsterdam, the incorporation of the Schengen *acquis* in the EU and the reform of the third pillar (with its partial “communitarisation”) called for a radical revamping of the Council’s working

(198) *Preparing the Council for Enlargement*, 15-16 June 2001, cit., part II, point 10.

(199) In eurocratic jargon, this expression refers to the practice of convening two Council formations dealing with related topics one immediately after the other.

(200) Such procedural arrangements have been ruled out (“save in exceptional circumstances”) by the Helsinki European Council of December 1999. See Annex III to the Conclusions, *An Effective Council for an Enlarged Union. Guidelines for Reform and Operational Recommendations*, item 13 (ue.eu.int/en/info/main8.htm).

(201) The reflection at this level is still incomplete and quite open; further progress is expected from the Laeken European Council: “the Secretary-General will present, preferably to the Laeken European Council, detailed suggestions for further action to ensure an effective Council, based on better preparation of Council meetings, effective coordination between different Council formations and more efficient working methods after enlargement so that the European Council can take the necessary decisions by June 2002”, European Council, *Presidency Conclusions*, Göteborg, 15-16 June 2001, Point 17. Among the different possible solutions to ensure better coordination between the second and third pillars, one trend of thought inside the Council bureaucracy is in favour of conferring the role of Mr. JHA, i.e. the capacity to represent and externally manage the Union’s interests in the field of internal security on the Secretary General/High Representative.

structure in the field of JHA. The resulting architecture is complex and has not been tested enough to allow for an overall assessment⁽²⁰²⁾. What can be said, from a general point of view, is that Justice and Interior ministries have largely preserved their traditional predominance despite attempts to reinforce the COREPER's role in coordinating the JHA galaxy, which now spreads across the first (Title IV EC) and third pillars:

"The discussion over the post-Amsterdam JHA structure of the Council provided an opportunity for an initial skirmish over how the Council's powers would be exercised in practice. As regards Title IV E.C., the biggest winners are justice ministries, who have carved out separate powers by means of a special committee [the Committee on Civil Law Matters] which need only report to COREPER, not interior ministries. The interior ministries have successfully defended their turf from foreign ministries by ensuring that Title IV matters are coordinated by the new SCIFA [the Strategic Committee on Immigration, Frontiers and Asylum], not COREPER'⁽²⁰³⁾.

Nevertheless, the issue of cross-pillar coordination at the preliminary stages of the Council's decision-making is still open, particularly as far as coherence between the second and third pillar is concerned. In dealing with the external dimension of the Union's work in the JHA field, the important Council document endorsed by the Feira European Council states that:

"The role of COREPER is crucial in this respect since it is the only Committee in a position to assess the overall objectives of the Union's external policy.

In order to ensure coherence, COREPER, where appropriate on the basis of the information provided by the Commission and the relevant working groups or Committees, including the senior level groups in the respective areas (CATS, SCIFA, Civil Law Committee), will on a regular basis assess and give guidance on the development of the ex-

(202) A useful graphic reconstruction of the whole bureaucratic pyramid is supplied by Jörg Monar, "Justice and Home Affairs", in *Journal of Common Market Studies, Annual Review*, Vol. 38, No. 4 (September 2000), p. 137.

(203) Steve Peers, "Justice and Home Affairs: Decision-making after Amsterdam", in *European Law Review*, Vol. 25, No. 2 (April 2000), pp. 190-191.

ternal dimension of the Union's work in the JHA field. [...] Assistance of the JHA/Relex Counsellors will be available to the COREPER"⁽²⁰⁴⁾.

Evidently, the turf battles that took place at national level in all member states over whether to take on and/or preserve guidance over the external dimension of internal affairs have now been transferred to Brussels.

To conclude on this point, it is interesting to note that, along with procedural solutions aimed at improving cross-pillar coherence from above (*top-down coordination*), arrangements are being put in place to foster coherence from below, by means of interdisciplinary and "inter-agency" dialogue in the early stages of the policy-making process (*bottom-up coordination*). This is happening especially through the incorporation of JHA expertise and priorities in the everyday activity of the working groups and other bodies dealing with external action⁽²⁰⁵⁾, as well as through other interdisciplinary exercises, such as the one conducted within the High Level Working Group on Asylum and Immigration (HLWG) created at the end of 1998⁽²⁰⁶⁾.

c) Finally, a few words should be said about the coordination efforts made at the operational level. All bodies entrusted with operational missions are now being increasingly encouraged to take into account, while performing their specific duties, the inherently comprehensive (and consequently cross-pillar) nature of EU's external action. This was, for example, the appeal recently addressed by the Council to the network of member states' and EU's external representations:

(204) Council of the European Union, *European Union priorities and policy objectives for external relations in the field of justice and home affairs*, cit., p. 3.

(205) "The mandate of geographical and thematic merged Working Parties of the Council extends, where appropriate, to the JHA dimension, receiving for that purpose substantive input from the existing structures, in particular formal JHA working groups" (*Idem*).

(206) On the HLWG, see Ferruccio Pastore, "Le rivoluzioni incompiute della politica migratoria europea", in *EuropaEurope*, Vol. 9, No. 6 (2000), pp. 117-132; see also Joanne Van Selm, "Comprehensive Immigration Policy as Foreign Policy?", in Sandra Lavenex and Emek Uçarar (eds.), *Externalities of Integration: the Wider Impact of the Developing EU Migration Regime*, Lanham, Lexington Books, 2002. After two years of activity, the HLWG produced an assessment of its own working which was contained in a Report, first approved by the GA Council on 4 December 2000 and later endorsed by the Nice European Council (7-9 December 2000); see annexes to the *Presidency Conclusions*.

“it is [...] desirable that Member States’ diplomatic and consular missions and Commission delegations in third countries should be more aware of justice and home affairs issues and cooperate closely in affirming their external dimension”⁽²⁰⁷⁾.

On the one hand, therefore, EU bodies invested with responsibilities in the field of CFSP and external relations at large are urged to develop a deeper sensitivity to JHA issues. On the other, however, EU organs and offices entrusted with specific JHA executive tasks are also increasingly expected to take the impact of their activities on the broader system of the Union’s external relations systematically into account. At this level, in fact, the interplay can be very significant, as shown, for instance, by the establishment of structured relations between Europol and several third parties⁽²⁰⁸⁾ or by the Council’s decision to create a “network of national immigration liaison officers to help control illegal immigration through the Western Balkans region”⁽²⁰⁹⁾.

3. *Post-September 11: The asymmetrical response*

The attacks of September 11 have had immediate and profound repercussions on the development of the EU’s security policies. The impelling need to come up with practically and symbolically efficacious responses to the terrorist attacks demanded a radical review of political priorities and the decision-making methods applied up to that time.

As concerns the specific subject of this essay, the shock of September 11 generated what we call an “asymmetrical response”, causing a substantial readjustment in the system of political and institutional relations between internal and external security policies, as it was taking shape prior to the events (see *supra* section 2). The “specific weight” and the relative importance of internal security actors and policies have increased considerably, also as a reaction to the Un-

(207) Council of the European Union, *European Union priorities and policy objectives for external relations in the field of justice and home affairs*, cit., p. 11.

(208) During its session of 28-29 May 2001, the JHA Council reached political agreement on the signing of three cooperation agreements between Europol, on the one hand, and Norway, Iceland and Interpol, on the other.

(209) See the Council conclusions on “Illegal migration flows through the Western Balkans region”, adopted by the JHA Council of 28-29 May 2001.

ion's incapacity to take on leadership on a global scale or even to balance effectively the American leadership in defining a global strategic and military strategy.

In the pages that follow, an attempt will be made to reconstruct the essential aspects of the European Union's asymmetrical response to the tragic events of September 11 and then to draw from this rapidly evolving situation some general considerations on the overall configuration that the European security policy field is taking on.

To this end, it may be useful to start out from an observation concerning the degree of political and institutional guidance of the overall interpillar strategy put in place by Union institutions in the three months considered (from September 11 to the Laeken summit). As part of a general trend towards intensifying intergovernmental meetings, with numerous extraordinary meetings of the Council of Ministers and the European Council, the Council of Justice and Home Affairs gradually seems to be taking on a central role, with its historically important decision to have Ministers of the Interior and Justice meet regularly on a monthly basis⁽²¹⁰⁾.

This intensification of political dialogue among the persons responsible for Justice and Home Affairs does not formally undermine the coordinating role attributed to the General Affairs Council, which the European Council reasserted clearly, albeit a little rhetorically, immediately after the attacks:

"The European Council instructs the General Affairs Council to assume the role of coordination and providing greater impetus in the fight against terrorism. Thus, the General Affairs Council will ensure greater consistency and coordination between all the Union's policies.

(210) Hence the tone of the decision as set down in the JHA Council Conclusions of 16 November 2001: "A broad consensus also emerged during the debate on the following measures: a) the principle of one JHA Council per month, without prejudice to the onus remaining on the Presidency to determine the need for this on the basis of progress on the issues; b) limit these Councils to one day with shorter agenda; c) focus Council discussions on legislative activities and policy definition; d) continue to implement the recommendations set out in the report on the operation of the Council with an enlarged Union in prospect (Trumpf/Piris report) and in Annex III to the conclusions of the Helsinki European Council on 10 and 11 December 1999", Council Meeting: Justice, Home Affairs and Civil Protection, 16 November 2001.

The Common Foreign and Security Policy will have to integrate further the fight against terrorism. The European Council asks the General Affairs Council systematically to evaluate the European Union's relations with third countries in the light of the support which those countries might give to terrorism"⁽²¹¹⁾.

But despite this reiteration of the centrality of the GAC, the increased frequency of Justice and Interior Ministers' meetings could bring about a further streamlining of the decision-making process in this sector, strengthening the leading role of the body that has already emerged in recent months. Without underestimating the substantial political obstacles to supranational integration in JHA (suffice it to think of the frantic negotiations leading up to the difficult agreement on the European arrest warrant), there can be no doubt about the importance of trust (even personal) between the leaders of the members states, and that the practice of monthly meetings should certainly help to strengthen it⁽²¹²⁾.

As for the internal security measures adopted in the three months considered, from a functional point of view, they can be divided into four groups:

(211) Extraordinary European Council of 21 September 2001, *Conclusions and Plan of Action*, point 7. Partially similar considerations are contained in the report presented by the Presidency of the European Council in Laeken, entitled *Evaluation of the conclusions of the Tampere European Council*, doc. 14926/01, 6 December 2001, which states, among other things that: "implementation of a strategy and a plan of action against terrorism brings together energies and expertise outside the JHA dimension. Nevertheless, the latter remains a key feature. COREPER and GAC are fully playing their role in monitoring, coordinating, evaluating and giving an impetus to activities". As can be seen, the role of coordination acknowledged the COREPER-General Affairs Council axis co-exists, according to an arrangement that requires further clarification, with the undeniable key role of the JHA apparatus in the field of combating terrorism.

(212) Also with reference to the relations between the various formations of the Council as concerns security, in this extremely special phase, it seems that an unprecedented model of coordination among the pillars is emerging, based on the adoption of common "interpillar" positions, the legal basis of which is set down in Articles 15 and 34 of the TEU. See, in particular, the common position on combating terrorism adopted by the Council by written procedure on 27 December 2001, *Council Common Position of 27 December 2001 on combating terrorism* (2001/930/CFSP), published in the *Official Journal of the European Community*, 28 December 2001, L 344, pp. 90-97 (europa.eu.int/eur-lex/en/archive/2001/l_34420011228en.html).

a) the first group of measures aims to strengthen the functions of coordination and *ex post* assessment of all European policies in the field of combating terrorism. Falling into this category, in addition to the decision to increase the frequency of JHA Council meetings, are:

- the Council's invitation to the Coordination Committee, set up pursuant to Art. 36 TEU, "to ensure the closest possible coordination between Europol, Pro-Eurojust and the EU Police Chiefs Task Force"⁽²¹³⁾;

- the Council's tasking of the same "Art. 36" committee "to define a procedure for the peer assessment of national anti-terrorist arrangements on the basis of considerations of a legislative (e.g. examination of the legislation in certain member states making it possible to carry out administrative telephone tapping or to draw up a list of terrorist organisations), administrative and technical nature"⁽²¹⁴⁾;

b) the second group of measures aims at strengthening some operational instruments that already exist (e.g. the European Police Office, also known as Europol) in order to guarantee greater effectiveness in the fight against terrorism. Measures that can be classified in this group include:

- setting up, for a six months renewable period, a team of anti-terrorism specialists inside Europol, decided upon by the JHA Council on 20 September;

- extending Europol's competences, as decided upon by the JHA Council on 6-7 December 2001⁽²¹⁵⁾;

- starting the procedure, decided upon at the meeting of 27-28 September 2001, by which the Europol Director is to report on progress at each JHA Council meeting; this invitation was extended by the Belgian president and set down in the Concluding documents⁽²¹⁶⁾;

- the cooperation agreement between Europol and US security agencies, signed by the director of Europol, Jürgen Storbeck, and the

(213) Conclusions of the Council of Justice and Home Affairs, 20 September 2001, point 12.

(214) *Idem*, point 15.

(215) Council of the European Union, Documents 14195/01 and 14196/01.

(216) Council Meeting: Justice, Home Affairs and Civil Protection, 27-28 September 2001.

US ambassador to the Union, Rockwell Schnabel, in the presence of the Ministers of the Interior and Justice of the fifteen member states and of US Secretary of State, Colin Powell, on the margins of the JHA Council of 6-7 December 2001⁽²¹⁷⁾;

- informally starting the procedure for the development of a second generation Schengen information system (SIS II)⁽²¹⁸⁾;

- having member states activate “one or more joint investigation teams” specialised in counterterrorism, as recommended by the Conclusions of the JHA Council of 20 September 2001;

c) the third group of measures has led to the setting up of various kinds of new operational instruments⁽²¹⁹⁾:

- in some cases, this has simply involved the definitive establishment of bodies already operating provisionally; for example, pro-Eurojust, an organ for coordination among the national investigating apparatuses of the fifteen members: a general political agreement for its conversion into a permanent body (Eurojust) was reached (still conditioned by the parliamentary reservations formulated by four national delegations) on the occasion of the JHA Council in December 2001;

(217) The US-Europol agreement is only one of the elements of a complex process or restructuring of relations between the European Union and the United States under way in the field of law enforcement. That process was hampered by the letter sent on 16 October 2001 by US President George W. Bush to the president of the EU Council at the time, Guy Verhofstadt, containing a list of 40 concrete proposals for cooperation. In an important resolution on judicial cooperation in combating terrorism between the EU and the US, approved on 13 December 2001, the European Parliament evaluated most of the US proposals negatively, underlining that, “in some respects the American and European approaches are incompatible and that this weakens the common fight against terrorism”, B5-0813/2001 (http://www3.europarl.eu.int/omk/omnsapir.so/pv2?PRG=DOCPV&APP=PV2&LANGUAGE=EN&SDOCTA=13&TXTLST=1&POS=1&Type_Doc=RESOL&TPV=PROV&DATE=131201&PrgPrev=PRG@TITRE|APP@PV2|TYPEF@TITRE|YEAR@01|Find@%74%65%72%72%6f%72%69%73%6d|FILE@BIBLIO01|PLAGE@1&TYPEF=TITRE&NUMB=2&DATEF=011213).

(218) See Council decision 2001/886/JHA of 6 December 2001 and regulation (EC) N° 2424/2001 of 6 December 2001, both published in the *Official Journal of the European Union*, L 328, vol. 44, 13 December 2001 (europa.eu.int/eur-lex/en/archive/2001/L_32820011213en.html).

(219) It should be pointed out that, with the proliferation of institutional seats and operational structures competent for internal security, concerns about the need to “clearly determine the respective responsibilities and to coordinate respective activities” are starting to emerge. JHA Council Conclusions, 16 November 2001.

- in other cases, entirely new structures have been set up, such as the network of heads of the member states' security and information agencies, which are to meet regularly⁽²²⁰⁾;

d) finally, the fourth group of measures includes those aimed at strengthening European countries' norms for fighting terrorism. This objective has been pursued in different ways:

- through efforts aimed at accelerating the entry into force of acts already signed (such as the two conventions on extradition stipulated by the member states in 1995 and 1996 and the convention on reciprocal assistance in the field of criminal justice of 29 May 2000;

- through efforts aimed at promoting the harmonisation of national criminal law in some key sectors (political agreement on the framework decision relative to combating terrorism reached by the Council on 6-7 December 2001);

- by setting up new instruments for judicial cooperation, created through targeted application of the fundamental principle of mutual recognition agreed upon in Tampere; the most important achievement in this field is undoubtedly the laborious agreement reached – overcoming initial Italian opposition – on the European arrest warrant in the days immediately prior to the Laeken Council.

In addition to these measures, adopted within the third pillar, some other developments concerning internal security which lie half way between the intergovernmental pillar and the community sphere are worthy of mention: for example, the joint Council/JHA-Ecofin decisions of 16 October 2001, including the “green light” given to an extremely innovative directive for combating recycling (definitively ap-

(220) “The Council emphasises the important role of the Security and Intelligence services in the fight against terrorism. Their intelligence forms an invaluable asset for disclosing possible terrorist threats and intentions of terrorists and terrorist groups at an early stage. Therefore they have a crucial task in preventing terrorism. The cooperation and information exchange between those services must be intensified. In order to speed up this process the heads of those services of the Member States of the European Union will meet on a regular basis to start before 1 November 2001. They will take without delay the necessary steps to further improve their cooperation. Cooperation between the police services, including Europol, and the intelligence services will have to be strengthened.” Extraordinary Council Meeting, Justice, Home Affairs and Civil Protection, 20 September 2001, point 14.

proved on 13 November with the vote in favour of the European Parliament by means of the codecision-making procedure) and the signing of the protocol for the fight against financial crime, annexed to the Convention of 29 May 2000 relative to assistance in the field of criminal justice among the EU member states.

Not as spectacular, but equally important are the interpillar developments in the field of migratory policy. In the aftermath of the attacks on the World Trade Centre and the Pentagon, the hypothesis of reintroducing systematic police controls at the Union's internal borders was informally discussed in Community circles. The proposal was soon shelved as such, however, and demoted for consideration in case of future emergency⁽²²¹⁾. In the meantime, the European Commission has started an overall assessment of European norms in the field of immigration and asylum in light of the new "risk level" revealed by the attacks and the higher security requirements. In the working document made public, the Commission – while suggesting some necessary changes to provisions already in place – gave a generally reassuring assessment of the compatibility between the nascent migratory policy's fundamental approach and the new challenges to the continent's internal security:

"The current EC legislation or Commission Proposals for such legislation in the field of asylum and immigration all contain, currently, sufficient standard provisions to allow for the exclusion of any third country national who may be perceived as a threat to national/public security from the right to international protection, residency or access to certain benefits. However, in the framework of current and future discussions and negotiations of the different Proposals, these relevant provisions will be revisited in the light of the new circumstances, without prejudice to the relevant international obligations underlying the Proposals"⁽²²²⁾.

(221) "The Council will study arrangements for coordinated recourse by the Member States to the possibilities made available by the Schengen Convention, particularly to Art 2 (2) thereof, in the event of a terrorist threat of exceptional gravity", Extraordinary Council Meeting, Justice, Home Affairs and Civil Protection, 20 September 2001, point 28.

(222) European Commission Working Document, *The relationship between safeguarding internal security and complying with international protection obligations and instruments*, COM(2001) 743 (europa.eu.int/eur-lex/en/com/wdc/2001/com2001_0743en01.pdf).

Thus, even a brief glance is enough to reveal the political depth and technical diversity of Europe's response to the terrorist attack as concerns internal security. In fact, Europe's complex reaction strategy with respect to prevention and law enforcement makes its response at the diplomatic-military level and, more generally, regarding so-called external security, look particularly weak. Evidently, the crisis has also resulted in increased CFSP activity, but all or almost all the initiatives undertaken have been diplomatic actions aimed at extending and consolidating the vast and heterogeneous international coalition committed to combating terrorism fostered by the US⁽²²³⁾. In addition to these diplomatic efforts, the EU has also committed itself to the reconstruction and stabilisation of Afghanistan (although this is not directly linked to security policy), with outlays for humanitarian intervention and the nomination (10 December 2001) of a special EU representative for Afghanistan. Without belittling the importance of that level of action, in a security policy perspective, of far greater significance are the member states' attitudes of "every man for himself" with respect to the crucial choice between participating in US military operations in Afghanistan or the peacekeeping mission successfully undertaken under UN aegis, as well as the absence of the Union as such at the negotiations for a provisional government for Afghanistan which took place in Bonn in early December.

This rapid overview of the measures adopted by the European Union following the September 11 terrorist attacks clearly reveals a basic imbalance that reflects the structural asymmetries characterising the current phase of European integration and is amplified by the dynamics of the drastic reshuffling of priorities in an emergency context. The

(223) To be mentioned, among others, are the visits of the European *troika* to Saudi Arabia, Pakistan and Iran (24-28 September), Uzbekistan, Turkmenistan and Tajikistan (30 October-2 November) as well as the joint visits of the President of the European Council and the President of the Commission to various Middle Eastern countries (16-20 November), India (on the occasion of the second Euro-Indian summit) and Pakistan (23 and 24 November); furthermore, also to be remembered are a session of the European Conference entirely dedicated to the fight against terrorism (20 October) and the ministerial level meeting of the Euro-Mediterranean Partnership held on 5/6 November 2001, in which ample time was dedicated to the subjects of combating terrorism and intercultural dialogue. For a complete survey of the initiatives undertaken, see Council of the European Union, *Report of the Presidency of the European Council, Report from the Presidency on European Union action following the attacks in the United States*, Doc. 14919/01, 13 December 2001.

traumatic impact of the terrorist attacks has, on the one hand, “liberated” a vast potential for further integration in the field of internal security, while it has, on the other, strengthened the perception of the historical delay in common foreign and security policy. In the short term, furthermore, it is likely that this asymmetry will become even more accentuated; suffice it to think, for example, of the priorities that the Spanish government has declared for its six months’ Union presidency, putting the fight against terrorism in first place⁽²²⁴⁾. Then again, even in a medium to long-term view, the political and institutional imbalance between the internal and external aspects of European security policy could well get even worse: in particular, this would be one of the more evident consequences of a possible communitarisation of the third pillar⁽²²⁵⁾ in the absence of a radical attenuation of intergovernmentalism in the second.

People are starting to think seriously about the risks involved if this structural imbalance becomes chronic. And it is urgent that this kind of thinking be done before the process of institutional reform agreed upon in Laeken gets under way. The need to reconstruct a certain institutional and political symmetry in the field of European security policy seems evident in the statement of the vice president designate of the Convention for Reforms, Giuliano Amato:

“There are areas in which people complain about too much Europe, areas in which the time is ripe to give more space to national and regional diversity. But in those fields in which there is a need for Europe, we have to accept the community method wholeheartedly. This is especially true of the external and internal security of Union

(224) See the official site of the Spanish Presidency (www.ue2002.es). See also Daniel Dombey, “Spain will urge Europe to boost anti-terror drive”, in *Financial Times*, 18 December 2001, p. 1; Adriana Cerretelli, “Madrid punta sull’Europa della giustizia”, in *Il Sole-24 Ore*, 18 December 2001, p. 4.

(225) The debate on this prospect for reform continues with the European Parliament stably orientated in this direction. On 16 November 2001, the EP invited the Commission and the member states to present, up to the Laeken summit, normative proposals aimed at communitarising some of the third pillar, at least the part dealing with judicial cooperation in criminal matters with transborder repercussions within the Union, *Bulletin quotidien Europe*, No. 8094 (19-20 November 2001), p. 16. The request was not taken up by the European Council in Laeken, but may well re-emerge during the work of the Convention on Reforms, which was launched in February 2002.

citizens, of defence, of Europe playing a role in the world and towards the world, and of justice, the fight against the trafficking of clandestine immigrants, crime and terrorism”⁽²²⁶⁾.

The prospect of a Europe with asymmetrical sovereignty – an integrated apparatus for safeguarding internal security that is, however, strongly limited in its capacities to project that security outside – in any case generates, and rightly so, growing concern; this occurs precisely at a time when the probability of that scenario materialising, at least in the short term, is increasing. The resulting contradiction is even more evident in that, in an attempt to rhetorically fuel a political identity and legitimacy in crisis, the Union’s most important political and institutional bodies now systematically and solemnly declare the EU’s global ambitions. As proclaimed in these lines contained in the Preamble of the Laeken Declaration, Europe is not satisfied with being an “asymmetrical fortress”, an inert or moderately reactive pole of a seriously imperfect multipolarism, but aims at an unprecedented role in the ethical governance of globalisation.

“Now that the Cold War is over and we are living in a globalised, yet also highly fragmented world, Europe needs to shoulder its responsibilities in the governance of globalisation. The role it has to play is that of a power resolutely doing battle against all violence, all terror and all fanaticism, but which also does not turn a blind eye to the world’s heartrending injustices. In short, a power wanting to change the course of world affairs in such a way as to benefit not just the rich countries but also the poorest. A power seeking to set globalisation within a moral framework, in other words to anchor it in solidarity and sustainable development”.

Bridging the gap between rhetoric and reality, rebalancing the complex and dynamic architecture of European security policy: the future of Europe and perhaps, at least to some extent, of the world around it – more uncertain than ever – depends on how this challenge is met.

(226) Antonio Polito, “Quegli scontri sulle Agenzie. Così ha vinto l’Europa dei veti”, interview with Giuliano Amato, in *La Repubblica*, 17 December 2001, p. 17.

5. THE SINGLE CURRENCY AT THE SERVICE OF THE COMMON FOREIGN AND SECURITY POLICY?

by *Daniel Gros* (*)

This contribution examines how the EU could use its financial muscle and the attraction of its currency to foster economic stability on its southeastern flank. The EU was not able to stop the disastrous wars that followed the disintegration of Yugoslavia, but over the second half of the 1990s it has been deeply involved in trying to bring the Balkans back to civilisation, using a variety of instruments (ranging from the deployment of troops and police forces to the conclusion of trade and association agreements and in some cases massive financial aid). The common thrust of EU policy has been to use the lure of European integration to induce local elites to change their behaviour. This policy has so far been successful in the sense that active hostilities have ceased and progress, albeit slow, is made almost everywhere towards European norms in economics and politics.

While the Balkans now seem under control there is another area in which both the economic and political stakes are equally high, namely Turkey. This country has already reached a deeper degree of integration than the Balkans (or even the candidate countries expected to join the EU in 2004). But the EU has been conspicuous by its absence in the deep economic crisis the country is at present experiencing. A veto by a single member country has ensured that Turkey does not receive any direct macro-financial assistance, and thinking of substituting the Turkish lira by the euro to achieve financial stability is being strongly discouraged by the EU side. But it is not too late to act. Reflection on the interplay between economic, political and institutional issues involved in bundling the financial potential of member states and using the euro as a foreign policy instrument might thus still be useful.

Introduction

Can the EU become a fully-fledged foreign policy actor, able to deploy the “classical instruments of power”, ranging from economic to military action? In this contribution I discuss the economic aspects of this wider issue, namely how the EU could use its financial muscle

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and its most potent symbol, the euro, to underwrite monetary stability in its “near abroad”, i.e. the “arc of instability” that extends across its southern and eastern borders.

The interest of the EU in economic stability at its borders should be self-evident. It has already propelled the EU to offer most of the countries in the arc of instability (i.e. outside the group of 12 candidate countries negotiating for membership) wide ranging trade concessions. Also a number of treaties implying rather high degrees of trade integration have already been concluded. Examples are the customs union with Turkey, the Stabilisation and Association Agreement (SAA) with Macedonia (and Croatia, soon also Albania) and the separate agreements with countries in North Africa.

However, nothing remotely similar to the high degree of trade integration has been undertaken in the area of financial assistance and in terms of exchange rate arrangements. On the contrary, the EU has actively discouraged other countries to link their currencies too quickly to the euro and an official position paper stated that a unilateral adoption of the euro is “against the economic logic of the Treaty”. Moreover, the EU does not have any specific competence in this area.

The EU is also not using its financial muscle (or rather the financial means of its member states) in an efficient and bundled way. The main EU instrument for channelling financial aid, the so-called Macro-Financial Assistance (MFA), is only available for a small group of countries. For the few favoured recipients, MFA is important despite the fact it represents only a fraction of the total received from member countries either directly (on a bilateral basis) or indirectly (via the IFIs). The EU’s main instrument of a “financial foreign policy”, the Macro-Financial Assistance, is thus only of limited use.

It is thus apparent that the financial instruments that potentially exist as a tool of foreign policy are not being used. Why? Most of the answer must be that the responsibility for fiscal policy remains in national hands and that the euro was created mainly with domestic considerations in mind. It is true that some international policy issues entered the motives for going to EMU, e.g. to diminish the dependency on the US dollar. But these considerations are of a global nature, and it seems that they are not applied in the European regional context.

Another reason why financial instruments are not used as foreign policy tools is that the institutional set-up is complex. Bundling national financial assistance could in theory be achieved through co-ordination, but reality has shown that member states guard jealously their “sovereignty” in financial affairs. Bilateral aid and positions at the IMF (as well as other IFIs) are not co-ordinated, thus depriving the EU of the crucial leverage it could provide. A concerted effort to promote the adoption of the euro across Europe’s “arc of instability” would require the co-operation of the ECB, national ministries of finance, via the Economic and Financial Committee (EFC) and ECOFIN, the Commission and probably the European Parliament. None of these institutions operates with a strong foreign policy background. Last, but certainly not least, the EU did not, until recently, even have to pretend to have a common foreign policy. This has now changed, and the EU has a foreign policy chief. But this person and the office he represents has no standing in the “competent” bodies (mainly the EFC and ECOFIN) for foreign economic policy.

The case of Turkey illustrates clearly all the potential economic and political costs and benefits. The joint banking and foreign exchange crisis that of 2000/2001 risks leading to a breakdown of the social fabric. The tension seems to have subsided in early 2002, but the danger remains. The EU could play a key role in easing the financial plight of the country; e.g. through a package consisting of euroisation, opening of the banking system and adoption of the Maastricht rules for fiscal policy. But such a radical approach has never been considered as it raises a host of psychological and political issues for the EU.

The chapter starts with a brief review of the only financial instrument that the EU could use, namely, macro-financial assistance (MFA). This instrument is not used in the case of Turkey because of the veto imposed by one member state (Greece), illustrating a key weakness of the EU. The next section then turns to another issue, which could be of even greater systemic importance, namely the question whether the EU should encourage other countries to use its own currency. Section three analyses the reasons for the EU’s reluctance to promote euroisation, that are mainly due to the domestic considerations that prevailed at the creation of the euro. The final section concludes by imagining a financial stabilisation package for Turkey.

1. Direct support: Macro financial assistance

Since 1990, macro-financial assistance, which was originally conceived for balance of payments support to EU member states, was extended to third countries, with the objective of supporting political and economic transitional reforms. It now constitutes the only direct financial instrument that could be used for a foreign policy of the EU. Initially privileged recipients of this expansion were the early EU accession candidate countries, such as Hungary and Poland in the early 1990s, who were joined later by Western Balkan Countries, some Newly Independent States (NIS) and Mediterranean Countries. EU priorities can be seen clearly, as two thirds of disbursements were attributed to the first group of countries: Hungary, with EUR 790 millions, Bulgaria, EUR 750 millions, and Romania, EUR 680 millions, have been the biggest beneficiaries/recipients. 60% of MFA loans – their total is effectively amounting to 4295 millions of euro - have been made in the first three years of the 1990s.

As MFA is awarded as an *ad hoc* measure based on Art. 308 of the EC Treaty⁽²²⁷⁾, there is no explicit framework or regulation in place for it. It consist mainly of balance of payment loans, and occasionally takes the form of direct credits and small grants, as in the case of Kosovo. MFA is awarded under Council decisions, upon a proposal by the Commission and after consultation with the European Parliament. The Council decision (ECOFIN, prepared by the EFC) must be taken unanimously. The process is then implemented and supervised by the Commission. There are separate lines for MFA under the EU budget. Funds are borrowed on international financial markets and lent out at an interest rate containing only a small margin in order to cover transactional costs.

(227) Article 308 (ex Article 235): «If action by the Community should prove necessary to attain, in the course of the operation of the common market, one of the objectives of the Community and this Treaty has not provided the necessary powers, the Council shall, acting unanimously on a proposal from the Commission and after consulting the European Parliament, take the appropriate measures».

MFA is supposed to complement (certainly not lead) assistance of other donors and the international financial institutions (IFI). The criteria for disbursement are consistent with, but not necessarily the same as, those of the IFI. There are no performance criteria and the only condition for MFA to be awarded is that an IMF programme is already in place. Disbursements are generally paid out in tranches, which depend in the further stages on the implementation of the required criteria (i.e. “[Promotion of] policies that are tailored to specific country needs with the overall objective of stabilising the financial situation and establishing market-oriented economies”)⁽²²⁸⁾.

How important is MFA? Table 1 provides the basic data for the aggregate over the last decade (1990-2000). Total MFA commitments provided by the EU over this period amounted to about 6 billion dollars⁽²²⁹⁾. This should be compared to the almost 20 billion dollars provided by the IFIs to this group of countries over the same period. However, the IFI contribution contains in reality a large EU component. In fact, the sum of the quotas (shares) of the EU-15 member states in the capital of the IMF is about 30% (for comparison, the share of the US is 17.6%). Thus, total EU assistance to affected regions is in fact much higher than MFA loans suggest. The EU’s indirect assistance, through loans made by IFI’s to these countries, 30% of about 20 billion dollars, or 6 billion, thus about roughly the same size as its own direct assistance.

Furthermore, most EU member states – as other industrial countries - have provided financial assistance on a bilateral basis (always to this group of countries), amounting to about 17 billion, or about three times the direct EU contribution. The total contributions made by EU countries (MFA, plus EU part in IFIs plus bilateral aid of member states) represents around two thirds of the total foreign financial assistance received by this group of countries (i.e. the recipients of MFA).

(228) European Economy, Supplement A, Economic Trends, No. 5 (May 2001) (europa.eu.int/comm/economy_finance/publications/european_economy/2001/a2001_05_en.pdf).

(229) This corresponds to EUR 5393 million at the interest rate of the time. Note that this is the authorised amount. It was not fully disbursed.

Table 1. - Total MFA provided during 1990-2000⁽²³⁰⁾

	In billion of US dollars
IFI	19.1
<i>EU-part in IFIs</i>	5.7
Bilateral aid	25.1
<i>MFA</i>	6.2
<i>Bilateral aid by EU-member states⁽²³¹⁾</i>	16.9
Total (IFI + Bilateral help)	44.2
Total EU	28.8
EU share	65,2 %

Source: Own calculations based on data from European Economy, Supplement A, No 5, May 2001.

N.B. the recipients were Albania, Algeria, Armenia, Baltics, Belarus, Bosnia, Bulgaria, CSFR (Czechoslovakia and, from 1993, Czech Republic and Slovakia, FYROM, Georgia, Hungary, Israel, Kosovo, Moldova, Montenegro, Romania, Tajikistan, Ukraine.

2. Exchange rate arrangements: The euroisation issue

January 2002 marked not only an important step in the integration process, but also an important change in the perception of the EU around the world, especially in the near abroad, where euro notes and coins will certainly be used heavily because of the strong ties through trade, tourism and remittances of emigrant workers. Moreover, the introduction of euro notes and coins renders possible something new: namely the wholesale adoption of the euro as the national currency by non-EU member countries (making the euro national legal tender, "euroisation"). Could this instrument be useful in Europe's arc of instability?

The arc of instability around the eastern border of the EU can be divided into three parts: The southern shore of the Mediterranean, the CIS (Commonwealth of Independent States) and southeastern Europe

(230) See the appendix for a yearly breakdown.

(231) This part might be slightly exaggerated as it represents the total contributions of bilaterals' MFA minus those of the USA and Japan.

(SEE). North Africa is rather heterogeneous, although trade is mostly dominated by the EU. But given that there is no prospect of membership and relations with the EU are not a top political priority, the attraction of the euro remains limited. The CIS group is also not homogenous (Russia, Ukraine, Caucasus), but it is dominated politically (but less and less in terms of trade flows) by Russia whose rouble is a petro-currency, and thus more naturally linked to the dollar. The last group mainly contains countries that are already, or will be in the foreseeable future, candidates for EU membership. They have a "European vocation". For them the attraction of the euro is the strongest.

2.1 Economic arguments

Should links to, or even the adoption of, the euro be encouraged in SEE? During the late 1990s all the new (democratic) governments in SEE had to choose a monetary regime. The advice from the "competent" bodies, e.g. the IMF, was predictable: first get the budget under control, liberalise carefully and only then try to stabilise the currency step by step. The EU has always supported this conventional approach. And it works. But it involves high costs and thus bears risks of disappointing the expectations of the population. The transition to low inflation can be quite arduous, especially when the external environment deteriorates.

For instance, the Turkish adjustment programme, which was proceeding in a slow, but overall acceptable manner, and had the blessing of the IMF, was in early 2001 suddenly derailed by political squabbles between the President and the Prime Minister. The breakdown came after several banking and foreign exchange crisis caused, *inter alia*, by the turbulence on US stock markets in late 2000, which led to a sudden increase in the risk premium for emerging markets. One might argue that the speculative attacks like in Turkey are not likely anywhere else in the EU's near abroad because most countries have no capital markets to speak of. This lack of capital markets however, constitutes a problem for their own development.

Moreover, the blatant abuse of the printing press has stopped with the overthrow of dictators and the arrival of IMF and EU overseers of fiscal policy. One might therefore ask, why bother? Why go for the full adoption of a foreign currency? Monetary stability is one key con-

sideration. But for countries under tight IMF control hyperinflation is not really a danger as the IMF usually intervenes whenever there is a threat that the country may deviate from its agreed programme. An even more important advantage of euroisation would be its systemic impact, in transforming the political economy inside the country, and thus creating the chances of healthy economic growth. The banking system was especially corrupt in “weak states” because it is a key instrument for large-scale money laundering and political intervention in the economy. This will become easier to stop by throwing away the key to the central bank and by selling the banking system to foreigners.

2.2 A comprehensive approach

In short, introducing foreign notes and coins to have a stable currency is not enough. To reap the political economy benefits it is imperative to balance the budget and liberalise and privatise the banking system. The problems of Argentina illustrate in particular the importance of keeping public finances under control. This suggests that a package approach might be useful: the EU would offer to lend the euro (see below for details) to countries that undertake to observe the Maastricht rules for fiscal policy and accept heavy EU technical assistance in banking supervision (including adoption of the *acquis* in the area of financial services). Allowing competition from EU banks and establishing and implementing an appropriate regulatory and supervisory framework will be essential. Such a euro-linked Monetary Stabilisation Agreement might be a useful tool to achieve immediate monetary stabilisation and the elimination of corruption and political influence in the banking system.

The advantages of euroisation in terms of monetary stability are clear and certain. But this is not a free lunch. The main economic argument usually advanced against any fixed exchange rate regime (whether currency boards or full dollarisation/euroisation) is that it makes it more difficult to adjust the real exchange rate in case the country is hit by a shock (such as recession or fall in export demand). This argument is based on the observation that in well-established economies nominal wages and prices are usually rigid. However, this argument does not apply with the same force to SEE. In most of the countries of the region, wages are not set in national agreements and

can thus adjust much more easily to market conditions. Moreover, in many cases wages used to be set with reference to the DM exchange rate, as workers had learned to distrust the national currency. Rigid nominal wages have also not been the key problem in the two real world examples (Panama and Ecuador) of countries adopting another currency (the dollar).

Any attempt to have differentiated monetary policies to offset shocks would face at any rate considerable problems as the euro is already playing an important role throughout the region, in particular in the banking system, with often well over half of deposits and lending done in euros – at least in the few countries where the banking system actually works. But in most it does not. To reap the political economy benefits of euroisation it is imperative to liberalise and privatise the banking system, which at present does little more than offering primitive transfer services. Allowing competition from EU banks will be essential. The banking system in most ex-Yugoslav republics remains blocked by enormous amounts of de facto frozen foreign exchange assets and liabilities which have been accumulated over the last ten years and which are today essentially dead wood. They date from a previous attempt to introduce a hard dinar in the mid-1990s and the recent pre-1991 past, when Yugoslavia was a relatively open economy. Disentangling these claims (*inter alia* the deposits of an entire generation of savers) is a Herculean task, which will take a long time. But before it is accomplished the banking system will remain in limbo, unable to provide financial services. Moreover, the confidence of the population cannot be recuperated quickly. It is thus essential that clean foreign banks be allowed to operate immediately throughout the region. However, foreign banks will not be interested in operating in countries with small and feeble currencies. But smaller EU banks, in particular regional savings banks from the eurozone might be interested in taking over some institutions in SEE if they know that they can operate in the same currency and then transfer their know-how of how to deal with small savers and how to lend to the small to medium sized enterprises. Large, internationally oriented enterprises usually do not face a problem of access to capital markets, but the smaller enterprises that form the backbone of any recovery (see recent World Bank report) can-

not obtain credit from large global banks which deal with billions euros, and they cannot often get credits from local banks, which lack the know-how to discriminate between financially viable borrowers.

Euroisation would also have a desirable regional dimension. The most advanced are the territories of uncertain legal status:

- Montenegro (already now on the euro)
- Kosovo (also switched to euro)
- Bosnia-Herzegovina (on 1:1 DM based currency board, could easily switch to euro)

The three larger countries in the region would also be candidates:

- Bulgaria (on 1:1 DM based currency board, could switch easily without changing monetary regime)
- Croatia has a nominally floating currency, but has enough reserves to euroise (preferably after the devaluation required to establish external equilibrium). The Croatian government has at any rate decided to allow the use of the euro in domestic transactions (including ATMs that dispense euros) because of the importance of tourism.
- Serbia has retained its national currency, which however, does not perform all of the functions of money because the banking system remains paralysed.

Many of these countries were or still are on rather tense terms. If they share the same, European, currency there would be no need to ask countries to be nice to their neighbours. When they share the same currency trade will develop on its own. This supposes, of course, that the trade regime is such that this can actually happen. Most of the countries or entities in the region have actually rather low tariff rates and they are on the way to establish a full matrix of bilateral free trade regimes. But throughout SEE tariffs are not the main obstacle to trade, trade friendly customs officials and formalities are even more important. This will take some time to establish. But adopting the euro would make it even more difficult for local politicians to pretend that they can protect domestic industries through controls at the border.

2.3 Practical difficulties and the budgetary cost

Euroisation is technically straightforward in an economy in which financial markets do not exist and the banking system performs only

rudimentary transactions service. The experience of Montenegro shows that substituting the domestic currency by a foreign currency can be undertaken without great disruption with a minimal need for administrative capacity by the government⁽²³²⁾.

But substituting the national currency with the euro has one important disadvantage: any country undertaking this step would have to borrow its currency from the Eurosystem, the seigniorage would thus revert to the ECB. It seems unfair that the rich EU should benefit from poor countries in a difficult transition process. But how can it be avoided? The solution is simple: the euro cash needed for the currency exchange should be provided through a zero interest rate loan by the EU. In this way the country adopting the euro does not lose its seigniorage (its central bank keeps the assets it had and can place the funds on the money market).

The loan would have to be repaid upon accession as a full EMU member or if the country concerned abandons the euro. The cost for the EU budget would consist of the debt service, but as the Eurosystem would earn more monetary income the net cost for the EU (or at least eurozone member countries) would be zero.

How much cash would be needed? The foreign exchange required for euroisation would not be very large, given that the SEE economies have shrunk so much (the GDP of Bulgaria is lower than that of Luxembourg).

In countries with moderate inflation, and at least a rudimentary banking system, the ratio of currency in circulation to GDP is generally between 5 and 10%. Given that the states of the region are all very poor the euro value of their currency in circulation is actually quite low. With interest rates currently around 5% the amounts to be charged to the EU budget on these amounts would be minuscule: less

(232) Euroisation can be achieved simply by declaring it a legal tender, as done with the US dollar in Ecuador or Panama. But that is not strictly necessary, encouraging its use would be enough. The example of Montenegro then shows that it is enough that the government pays out salaries and pensions in euros. This puts a large amount of euros in circulation and encourages shops to start using prices in euro as well. The natural economies of scale in using one currency can then work and lead to full adoption of the foreign currency in all transactions. In the case of Montenegro very little was needed in terms of administrative measures to drive the dinar out of circulation.

than 25 million annually for Albania and 15 million for Romania. The countries of ex-Yugoslavia most involved in wars (Serbia, Bosnia Herzegovina, Montenegro, Kosovo) would perhaps need 3 billion euro in cash (for comparison the total for the euro area is 300 billion), which would mean interest costs of around 150 million euro per annum (two thirds of which would be accounted for by Serbia). Adding Turkey would approximately double this figure to about 300 million, but even then the sums involved would remain definitely below 1% of the overall EU budget of 80 billion euros. The net cost to the eurozone countries would at any rate remain zero as already mentioned because the Eurosystem would have a higher “monetary income”, which is distributed to member countries⁽²³³⁾.

In this way the EU would effectively lend the countries concerned its currency (and hence its monetary stability). The countries concerned would not lose their seigniorage because they could keep the assets their central banks accumulated through the issuance of their defunct national currency. Of course, this leaves them only with the small amount of seigniorage that is compatible with price stability.

It might be worth stating explicitly: the national monetary authorities would of course have no seat on the Governing Council of the ECB. The institutional set up of the Eurosystem would not be affected. Euroisation would thus be a totally unilateral commitment, but it would still be preferable to have an explicit agreement on the details. For example, there should be an undertaking to radically liberalise the domestic banking system (in particular allowing EU banks to acquire local ones), institute deposit insurance and a proper banking supervision. EU authorities, including the national central banks in the Eurosystem should be able to provide the required massive technical assistance.

IMF monitoring (reduced to fiscal policy and to some extent the banking system) should continue. Normal IMF credit lines should still be available subject to conditionality, which would, however, have to

(233) There would of course remain a net cost of non-euro zone member countries because they would contribute to the EU budget, but would not share in the higher seigniorage distributed by the Eurosystem. However, the sums involved are so low (less than 0.01% of GDP) that this small asymmetry should be acceptable.

be adapted. Full euroisation would only make apparent what has *de facto* already been happening in many instances: IMF credits are not motivated by, and used for, a balance of payment deficit, but to finance remaining fiscal deficit and provide the seal of approval for international financial markets.

Could euroisation aggravate the weakness of the euro? This is unlikely. Euroisation would not affect materially monetary policy since the money supply in Serbia would amount to less than 0.1% of the euro money supply. There has never been any suggestion that the dollar might have been weak because it was used in Panama and the full-scale adoption of the dollar in Ecuador (which is of a similar economic size as Serbia) during the summer of 2000 did not dent its strength.

2.4 The case of Turkey

In the case of Turkey all the economic and political arguments acquire particular significance. The country is presently in the midst of a crisis with such a loss of credibility that real interest rates are around 20-30%. This is clearly not sustainable with a debt to GDP ratio of around 80%. The dimension of the malpractice and corruption in the banking system is also staggering and was actually the true cause of the crisis. Under the present combination of sky-high interest rates and recession, however, even honest credits start to look doubtful as more and more enterprises go bankrupt.

The introduction of the euro would transform the economic outlook. With a very competitive exchange rate economic growth could resume as real interest rates would probably be at first negative (nominal interest would converge immediately, while some inertial inflation might continue for a short time) and then in low single digit figures. The budget would also be transformed. Turkey has already agreed to aim for a huge primary surplus (6.5% of GDP, far more than any EU member country). Under current interest rate levels this would still leave a large overall deficit. By contrast under euroisation the primary surplus would be more than large enough to cover the much reduced interest payments, so that the Turkish government would actually be able to reduce its debt without having to undertake further efforts. This effect has taken place in other countries, e.g. Italy, when it

prepared for EMU, but in Turkey the stakes are much higher. After euroisation Turkey would thus initially have no problem satisfying the Maastricht criteria.

Is the experience of Argentina relevant for Turkey? The two countries share one problem: their trade structure is not very concentrated. But there are also huge differences. Argentina trades more with Europe than with the US, and a strengthening US dollar was thus bound to create problems. But for Argentina trade is not important (exports/GDP below 10%) whereas for Turkey trade, especially tourism, is much more important (exports/GDP around 40%). Moreover, the EU is by far Turkey's main trading partner, although dollar based economies remain important (not the US though, Middle East countries account still for about 40% of all exports).

In terms of the banking system there are also great differences. Argentina's banking system was in shambles when the dollar peg was introduced, under the currency board it strengthened and became recognised as one of the strongest in Latin America. It took a series of populist measures by the new administration in early 2002 to destroy this reputation build over the previous decade. Turkey would clearly benefit enormously from a similar strengthening of its banking system as its own crisis started with the discovery of large-scale malfeasance in its banking system. The collapse of the peg in the case of Argentina was due in part to the strong dollar and in part to a lax fiscal policy. The difference in trade structures was already commented; adoption of the constraints of the Stability and Growth Pact by Turkey should prevent similar problems.

The economic stakes are thus high, but so are the political ones. Would Turkey's political establishment (and public opinion) accept these constraints. Would the country come to expect that with this step EU membership would be guaranteed? Would the EU be held responsible for the economic future of the country? Even if this does not happen it is likely that success of such an operation would strengthen the modernisers, which in turn would hasten the day when the EU gets in the awkward position to have to honour the promise made in 1999.

3. The EU: A reluctant hegemon?

In the case of the euro it is thus apparent that an instrument that potentially exists as a tool of foreign policy is not being used. Why? Part

of the answer must be that the euro was created mainly with domestic considerations in mind. It is true that some international policy issues entered the motives for going to EMU, e.g. to diminish the dependency on the US dollar. But these considerations are of a global nature, and it seems they are not applied in the European regional context. In other words, political leaders in Europe were pushing for monetary unification to have a greater voice on the global scene, but apparently not in order to have an instrument that might be useful in a regional context.

Another reason why the EU seems reluctant to become a regional hegemon in financial terms is that the institutional set up is complex. As mentioned above it would be necessary to achieve the co-operation of the ECB, 15 national ministries of finance (via the EFC and ECOFIN), the Commission and probably the European Parliament if the EU wanted to use its financial muscle in a consistent way. None of these institutions operates with a strong foreign policy background. And none of these institutions would have the capacity to integrate an EU policy in terms of financial aid within a broader framework of a common Foreign and Security Policy.

All these difficulties are illustrated perfectly in the case of Turkey where the potential economic and political stakes are gigantic. The current economic crises could be decisive for the direction which Turkey will take in the future. A breakdown of the social fabric under the consequences of the crises (which includes a fall in GDP of 10% - greater than in Argentina), accompanied by a resurgence of Islamic forces cannot be excluded, but the EU has far not been able to formulate a coherent policy on this issue.

A package consisting of euroisation, opening of the banking system and adoption of the Maastricht rules for fiscal policy might be one solution to the economic crisis and could cement the "European vocation" of the country. The European Council of Helsinki determined that Turkey is a candidate for membership of the EU. But it is also well known that some member states are rather ambivalent on this issue. There is a widespread feeling that Turkey would not "fit" into EU because it is "different" and too large. This attitude is based on the fact that Turkey is poor, populous and does not have a good democratic record. In economic terms one cannot really argue that the acces-

sion of Turkey would pose insurmountable problems. Turkey would amount to less than 3% of GDP of that of the EU-15, less than the CEEC-10 and much less than the share of Spain and Portugal, when they joined the then EC⁽²³⁴⁾. In pure demographic terms Turkey would also remain, despite its relatively high growth rates, smaller than the combined CEEC-10 (17 % of the EU-15 or 13.2 % of the EU-27 population – see table 2). It is also true that Turkey is poor, but not much poorer than the CEECs. In 1999, i.e. before the recent crisis its GDP per capita (around 6.000 dollars, if evaluated in PPS Purchasing Power Standards to give an idea of the standard of living) was similar to that of Latvia, Lithuania and slightly higher than that of Bulgaria and Romania.

Table 2.- Size of the next enlargement compared with the previous ones

	Population	GDP in euro	Trade
UK+DK+IRL as % of EC-6	33.5	27.9	13.1
E+P as % of EC-10	17.5	8.3	4.7
CEEC-10 as % of EU-15	28.0	4.1	10.9
Turkey as % of EU-15	17	2.4	7
Turkey as % of EU-25	13.2	2.3	6

Source: Own calculations based on EU and EBRD data.

But the real reason why the economic differences that undoubtedly exist are widely felt to constitute absolute obstacles to EU membership is that Turkey is a Muslim country. The view that the EU was a “Christian” club was actually explicitly formulated by a meeting of Christian Democratic parties in the run-up to the Luxembourg European Council, which did not recognise Turkey as a candidate for EU membership. The “Islamic” dimension acquires of course particular importance after the September attacks on the US. Here the EU has to make a clear choice. Official statements have always emphasised that religion does not matter. A strong policy package would make these statements credible.

(234) This implies that even if the ceiling on regional aid were increased to 5% of GDP (of the receiving region), Turkey would cost the EU budget only 0.15% of the GDP of the EU-15.

The procedure leading to accession is well defined. It has its own rules, which are supposed to be equal for all. Any country that submits a request for membership is examined first for its democratic credentials. If it satisfies certain basic norms the real procedure can start. This procedure consists essentially of the extremely time consuming adoption of the so-called *acquis communautaire*. Currency and macro-economic issues do not really matter until the country has become a member of the EU. At that point it is expected, but cannot be forced to, qualify and apply for membership in EMU (the euro area). The political argument against euroisation is that it risks upsetting this framework.

Euroisation has formally no bearing on the road towards membership. For example, in the case of Turkey, membership negotiations can be opened only if the Union is satisfied that Turkey fulfils certain democratic norms (including the observance of human rights). This has nothing to do with the state of the Turkish currency. However, it is sometimes argued that if the EU were officially to support or encourage euroisation by Turkey this could create the impression that somehow Turkey was suddenly accepted as an EU member; thus creating immense disappointment when the public finds out that this is not the case. It is difficult to evaluate this argument as it is based totally on political/psychological conjecture.

Another argument along similar lines is that the EU will be held responsible for any economic problems that might arise in future in Turkey if the country adopts the euro. This argument is again difficult to evaluate a priori. That this is unlikely is, however, suggested by the experience of the countries in which this problem might have come up (Estonia, Bulgaria, Montenegro, Argentina, Ecuador). In all these countries the maintenance of a currency board created at times immense problems. However, there has never been any attempt to hold the US responsible for problems in Argentina or Ecuador, nor has anybody in Bulgaria, Estonia or Montenegro made the EU responsible for the many problems that remain in these countries.

A comparison with the US is instructive. The US authorities did not reject the possibility of outright dollarisation by Argentina, when this was mooted by the Argentine government. The Federal Reserve stressed, as it had to do, that this would not imply that it would be-

come responsible for the Argentine economy and that it could not take the problems in Argentina into account when setting its own policy. This was understood anyway by all concerned. But in this, as in the case of Ecuador, the US authorities just did not take a position, they did not express outright hostility.

4. Final considerations: The obstacles to action

The EU has so far consistently been unable to use financial muscle for foreign policy purposes. It is often a major donor, but it seems absent in case of financial crisis. This general trend is particularly visible in the case of the financial crisis gripping Turkey at present. This situation might be compared to the efforts undertaken by the US administration when Mexico experienced a serious balance of payments crisis during 1995. Despite a substantial bilateral loan US pressure was also clearly behind the massive intervention by the IMF. It was widely perceived at the time that the Europeans, who, as the largest shareholder had effectively to carry the largest burden of this rescue operation, were unable to prevent this use of the international financial institutions for US foreign policy interests.

In order to illustrate the obstacles to any change on the EU side it is useful to imagine how one would approach on the EU side in concrete terms an initiative to help Turkey stabilise its economy and bind the country to the West. Part of such an initiative should be support for euroisation, i.e. a zero interest loan to the country to cover the loss of seigniorage due to euroisation. The loan would be conditioned upon the adoption of Maastricht criteria for fiscal policy (plus opening of the banking system).

Why is an agreed euroisation scenario so remote when the EU has consistently been able to use trade policy to stabilise its neighbourhood? In part this is due to the difference in instruments. Trade policy can be finely graduated, as it does not involve only one highly visible policy decision on the other side. This makes it possible to signal different, intermediate degrees of integration. In the case of Turkey, economic integration has already proceeded to a very high level, namely a customs union, placing Turkey ahead of the other candidates, which have "only" free trade. But this fact is usually not acknowledged as a signal that the EU is indeed trying to stabilise this country by integrating it as closely as possible.

But the crucial major difference between these two areas (trade and money) is the institutional set-up. The Commission can initiate proposals and can negotiate details of trade agreements once the Council has given the go-ahead. In the area of monetary relations the Commission has no real powers and the Council of Finance Ministers (ECOFIN) has so far proven to be immune from political pressures emanating from foreign policy considerations. The mantra of ECOFIN remains that in case of financial problems, even if they happen in Europe's near abroad, the IMF remains the competent body. However, there is no effective representation of EU interests in the IMF (or the World Bank). The euro area has an observer at the IMF, but the fundamental problem is that countries, not currencies, are members of the Bretton Woods institutions. Member countries have so far jealously guarded their prerogatives in this area although the result has been that individually they have little influence on the way the Bretton Woods institutions act. Acting collectively they would be the largest shareholder

Annex

Commitments for balance of payments support to recipients of EU macro-financial assistance by contributor (in millions US\$)⁽²³⁵⁾

	1990	1991	1992	1994	1995	1996	1997	1998	1999	2000	Total
IFI	419	5607	1564	4086	1877	250	732	2800	1751	36	19122
<i>EU-part in IFI</i>	<i>126</i>	<i>1682</i>	<i>469</i>	<i>1226</i>	<i>563</i>	<i>75</i>	<i>220</i>	<i>840</i>	<i>525</i>	<i>11</i>	<i>5737</i>
Bilaterals	1618	5600	708	11202	3885	67	582	336	872	238	25108
<i>MFA</i>	<i>1108</i>	<i>2190</i>	<i>423</i>	<i>855</i>	<i>330</i>	<i>19</i>	<i>329</i>	<i>168</i>	<i>556</i>	<i>189</i>	<i>6167</i>
<i>EU-part in Bilaterals</i> ⁽²³⁶⁾	<i>310</i>	<i>2525</i>	<i>165</i>	<i>9897</i>	<i>3405</i>	<i>38</i>	<i>184</i>	<i>168</i>	<i>219</i>	<i>29</i>	<i>16940</i>
Total	2037	11207	2272	15288	5762	317	1314	3136	2623	274	44230
Total EU	1544	6397	1057	11978	4298	132	733	1176	1300	229	28844
EU share in %	75,8	57,1	46,5	78,3	74,6	41,6	55,8	37,5	49,6	83,5	65,2

Source: Own calculations based on data from European Economy, Supplement A, No. 5, May 2001. N.B. the recipients were Albania, Algeria, Armenia, Baltics, Belarus, Bosnia, Bulgaria, CSFR, FYROM, Georgia, Hungary, Israel, Kosovo, Moldova, Montenegro, Romania, Tajikistan, Ukraine.

(235) No MFA was awarded in 1993.

(236) This part might be slightly exaggerated as it represents the total contributions of bilaterals' MFA minus those of the USA and Japan.

6. STRUCTURE AND NATIONAL INTEREST IN THE DEVELOPMENT OF CFSP-CESDP

by *Julian Lindley-French*^(*)

Introduction

An awful lot changed on September 11^(th). Change that will have implications for European security and defence. However, it was Wellington who once said that the first reports of excited men were rarely as bad or as good as they appeared. In spite of the justifiable hysteria surrounding these attacks it must be remembered that the aircraft were commandeered by men with plastic knives. What changed was the West's awareness of the level of terrorist intent, not their capability. Certainly, it was a clear warning that should they get their hands on real weapons of mass destruction they would be prepared to use them. Consequently, this "wake up" call should re-invigorate a threat driven policy formulation that has been redundant for the past decade. Thus, whilst it is too early to say whether this attack will lead to a structural change in the level of threat that Europe and the West confronts it will certainly concentrate the minds of those charged with directing security and defence in Europe and could well accelerate functional change in the practice of security and defence that political integration could not in itself provide.

Furthermore, first reactions of some European states have seemed to emphasise, not de-emphasise, the role of the state, but it is equally clear that against many threats the European nation-state is simply too small and vulnerable a unit to deal with the implications and potential for destruction that asymmetric non-state actors create because of the endogenous (domestic) and exogenous (systemic) nature of the threat they pose. The enemy is within as well as without. This places the CFSP-ESDP process, in particular, at a curious point in both the international system and its own development. It is, by definition, the creation of state-based interests having emerged from a series of negotiations between member-states that have taken place over many years, the essential mechanism by which the EU develops. The EU itself being an extension of state-centric political will and an amalgamation of

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state-centric political power. At the same time, for several of the key players the CFSP-ESDP tandem is all too often seen as competitors, self-created infringements upon their state sovereignty that denies them the freedom of movement necessary for the calculation of interests and the shaping of policy in a world that is still anarchic and dangerous. The result has been creeping policy paralysis that is particularly apparent when the nature of the threat is unconventional because it is unclear what tools are needed and under whose control. Thus, whilst it is effective as a means to provide security within Europe can it secure Europe from threats beyond its borders? An addition to state-based security efforts or an eventual replacement thereof? These are the essential tensions between state interests and the CFSP-ESDP process and the focus of this paper which seeks to find a way out of the policy paralysis in which it seems trapped.

In spite of it being economic by design the European process has always been first and foremost a security mechanism. Indeed, what eventually became today's European Union was created to prevent European (not extra-European) state-based conflict from ever again wrecking western Europe by regulating the policy choices states could make through the creation of a highly ritualised form of interaction – the antithesis of balance of power politics. Thus, the continent that had created the Westphalian system was deemed by its own inhabitants (and those who wished it well) a place unfit for traditional anarchy. Consequently, framed as it was for fifty years by the Cold War, European security was marked by a profound sense of introspection that historians may well say only ended on September 11^(th), 2001. Certainly, that introspection has shaped the western European view of the world because having lived in this modified anarchy for the past fifty years the EU has developed many of the instruments and appearance of supranational pluralism, including a body of laws, tax raising instruments and even a parliament for the expression of the European popular will and the overseeing of the instruments of its statehood. As a result, western Europeans, by and large, relate to one another in a positive sum environment in which each other's welfare is assured and in which defection, in the sense of breaking trust, is rendered not only unattractive but counter-productive. Moreover, the tight binding of

state interests into a form of intense cooperation has almost by default enabled Europe to deal with the wider world by aggregating power in such a way as to make it distinct from most other parts of the world because of the very norms and values that such security has permitted.

Thus, the EU has evolved into a form of sub-system based upon a set of values and behavioural norms that whilst still possessing the same type of pressures that the international system imposes on all states has markedly reduced their impact – a form of neo-Kantian governance. However, where the EU actually sits on the power spectrum between an anarchic system and world government remains hard to deduce, partly because of the variable geometry that results in some areas of EU activity being more supranational than others. Thus, in spite of its mission to remove balance of power calculations from European politics, an implicit balance of power remains at the core of the EU by which German economic power is balanced, to some extent, by Franco-British (Italian?) military power. The EU's success has been to make this process of balancing, implicit rather than explicit which enables EU states to calculate their interests safe in the knowledge that far fewer opportunity costs exist for policy failure than hitherto because social welfare for states is implicit in the EU process. You win some, you lose some, but everyone gains in the end.

However, stabilising intra-European relationships was only phase one of the project. Europe was already moving into phase two when September 11^(th) so abruptly interrupted Europe's strategic vacation. The return to strategic engagement began when the Common Foreign and Security Policy (CFSP) emerged from the Treaty on European Union in 1991 and, subsequently, spawned its ungainly offspring the Common European Security and Defence Policy (CESDP) at Amsterdam in 1997⁽²³⁷⁾. The period of internal war avoidance and post-conflict economic construction having been successfully completed a new role had to be found for a political dynamic that had external as well as internal responsibilities and ambitions. Europe no longer had simply to prevent something, it had to stand for something and needed

(237) It could be argued that it began with European Political Co-operation (EPC) in 1970 but this arrangement was so loose that it was less binding than a true regime.

the means with which express its security vision credibly to a wider world. However, enunciating that message has proved difficult precisely because the EU is a new form of international actor that exists at a level of analysis between the system and the state, being both super-agent and sub-structure at one and the same time. It is also still very much a work in progress with structures that are at best partially formed. Consequently, in such a fluid environment in which structure and power are changing and forming, the distinction between traditional sources of power (states) and the new form (EU collective) remains unclear and with it the danger that both state-based and EU-based power execution becomes sub-optimal in that either the one prevents the other from acting or when they do act it is unclear which is responsible thus reducing their effectiveness as agents of power.

Moreover, whilst the endogenous political reasons for further integration have a powerful logic of their own, i.e. the construction of the European polis or demos, the complexity of the world outside and its potential to inflict harm on Europeans now provides a powerful exogenous imperative that was not fully perceived prior to the attacks on New York and Washington. That imperative is increasing by both degree and extent as the nature of the world around changes and the attitude of a hitherto benevolent United States becomes steadily unclear. Indeed, the pace of European security and defence integration is governed by American attitudes as much as European because one of the defining features of the development of the ESDP has been the respect (some would say excessive respect) that has been accorded American sensitivities over the potential impact of the CFSP-ESDP process upon NATO and US leadership. Moreover, the progress that has already taken place towards political union means that the member states are moving ever closer to a threshold that will be difficult for them to cross. Whilst it was easy to agree that war is bad and wealth is good, applying the same method of sovereignty deficit employed in the economic sphere in pursuit of a common foreign and security policy goes to the very heart of what defines a nation-state because it challenges its fundamental and defining responsibility – provision of security to the citizen. Thus, for the citizen to have confidence in the ability of the EU to provide that “good” it must identify with it with the consequence that the CFSP-ESDP process is intrinsically linked to the development of a European identity.

This dilemma is exacerbated by the different traditions and experiences of the member-states themselves, particularly of the big states with strong external traditions, such as France and the United Kingdom. A dilemma that September 11^(th) is unlikely to ease, even though an effective EU-wide common strategy designed to combat such a threat would be self-evidently more effective than inter-state ad hocery. The result is that there are markedly different expectations about the role of the European Union as an international security actor, reasons for wanting it to play such a role and the capabilities that the member states are prepared to grant it. Thus, security becomes more an output of political bargaining between states than a controlled and planned attempt to counter threat. In the past this promoted a tendency amongst Europeans to recognise only so much threat as European politics would allow. An expectation divide between those who see the existence of European defence as a political device to foster union and those who regard it as an added layer of protection. It is this essential tension that gives the CFSP-ESDP process its strange stop-go-stop-go character.

Three things are reasonably clear. First, all EU member states, irrespective of their size, need the EU to play the influence multiplier role in the wider world. This can only be achieved if the EU is an international actor in its own right. This basic truism of international politics conditions the policies of states in all four categories and reinforces convergence. Second, the endogenous dynamic and exogenous factors driving the European process make a return to traditional state-based power structures and an overt balance of power in western Europe extremely unlikely. Third, the current situation in which there is a confused and indistinct division of labour between member states and the EU is a very poor way to organise effective foreign and security policy. Thus, strategic logic would suggest that the EU will progressively develop over time as the most efficient and effective focal point for effective foreign and security policy-making. It would be easy to suggest that political evolution will take care of the dilemma over time, but September 11^(th) has reminded Europeans that time could be a luxury that is unlikely to be afforded Europe by the wider world. Therefore, a mechanism will have to be identified and carried forward and that is a very tough proposition because the move to supranationalism

will have to be a conscious move, it cannot happen in secret or by default. Policy will have to be made, it will not simply happen.

1. Development of the CFSP-CESDP process

Thus, the CFSP-CESDP process suffers from a profound tension between the traditional forms of inter-state co-operation, such as alliances and coalitions and those more integrationist by nature the *finalités* of which are common structures and supranational mechanisms. However, even within the EU the concept of “commonality” itself is very qualified. Indeed, much of the debate about integration is really about how best to organise power rather than changing its nature even though such change appears to be a naturally occurring output of reorganisation. Be it European inter-state cooperation or European integration the political instinct remains the maximisation of the power of the unit within the system. The attraction of integration is that it aggregates the power of the state resulting in such a way that it acts as a power multiplier for member-states on the world stage⁽²³⁸⁾. At the same time, integration changes the nature of power itself and sensitises Europeans to a much more co-operative view of power – the power of community.

Equally, the role taken by Javier Solana and the Political and Security Committee suggests a steady if marginal enhancement of the EU’s role as a focal point for some aspects of inter-state co-ordination. Developments since Helsinki suggest that a Common Defence Policy (CDP) will be realised one day because it is a function of power change within the system that also changes the nature of the actor, i.e. structure following power. Thus, whilst the debate over the development of CFSP-CESDP is currently focused far more within an inter-

(238) Kenneth Waltz wrote: “The parts of a hierarchic system are related to now another in ways that are determined both by their functional differentiation and by the extent of their capabilities. The units of an anarchic system are functionally undifferentiated. The units of such an order are then distinguished primarily by the greater or lesser capabilities for performing similar tasks. (...) Students of international politics make distinctions between international-political systems only according to the number of their great powers. The structure of a system changes with changes in the distribution of capabilities across the system's unit. And changes in structure change expectations about how the units of the system will behave and about the outcomes their interactions will produce”. Kenneth N. Waltz, *Theory of International Politics*, New York, McGraw Hill, 1979, p. 97.

governmental than an institutional framework that too will change as the nature of the imbalance between the size and complexity of potential threats and security resources available to individual European states becomes ever more apparent.

However, the path of history is rarely smooth and it is unlikely that the CFSP-CESDP process will lead smoothly to full defence integration. In spite of the CFSP-CESDP process much of the development of European defence remains outside of the institutional framework. This has been demonstrated by the nature of inter-state consultations over Kosovo, Macedonia and now the response to September 11^(th). Indeed, the nature of pillar two with its emphasis on intergovernmentalism creates a strange imbalance within the Treaty on European Union. It looks more like traditional regime-building between state actors than a step down the road to political union even though there can be no doubt that that is precisely what it is. To that end the state of the CFSP-CESDP process remains one of the most powerful bell-weather of progress towards true political union. However, it is only when the process develops structures similar to those of the failed European Defence Community of 1952-1954 will it be possible to recognise a threshold between intense co-operation and integration. But that is not for now. Europe is still a long way from true security and defence integration. The former British Foreign Secretary, Douglas Hurd put it succinctly when he said that “[security] goes to the heart of the functions of the nation-state”, and that “public opinion would not understand nor accept if these responsibilities appeared to have been surrendered to a supranational body, however worthy”⁽²³⁹⁾.

2. The changing system and the balance of power

This brake upon the process of political integration is reinforced by the prejudices held by the strategic security community. There has been well over two hundred years of political thought that has held sway without challenge in the chancelleries and ministries of states. To policy-makers the world over the state is the essence of international relations because they have known nothing else. States are uni-

(239) Douglas Hurd, “Developing the Common Foreign and Security Policy”, in *International Affairs*, Vol. 70, No. 3, 1994, p. 427.

tary, rational actors which formulate interests and implement policies and that confront a security dilemma that is not so much driven by the innate evil of human nature but, rather, by that perennial of all human conditions; insecurity. In other words, because states are run by so few people the state itself becomes an extension of those with power and institutions do not give up power easily. Thus, the role of history as a tool for shaping "rational choice" over time is crucial because all policy and politics is ultimately a construct, an artificial creation. There are no natural "laws" to be uncovered and it will not be until those with power in states see it to their advantage to transfer that power (and no doubt themselves) to the Union will the intergovernmental/integration threshold be crossed. This selfish view of the history of power has been reinforced by the primacy of the Anglo-American polity over the past three centuries. This has led to the dominance/hegemony of one way of thinking about the nature of power and its utility in the international system, i.e. political realism. As most policy-makers are trained to think of the world through the realist "lens" that particular construct "shapes" as much as it is "shoved" by the world of events. In essence, most people who make decisions on policy are "mechanics" of the system rather than philosophers and, as a result, seek safety and security in the belief that others in similar positions in other states see the world in much the same way. In short, they remain very wary of the EU.

3. CFSP-CESDP and the reverse security dilemma

Unfortunately, the applied neglect of Europe's security and defence structure over the past ten years has left European states with defence structures and capabilities that are ill-suited to dealing with the range of threats that are now apparent - catastrophic terrorism being but the most spectacular example. Hitherto, there has been little utility in replacing them because it is not so much threats that have been perceived but risks. Again, EU member states have only been prepared to perceive as much threat as they felt they could afford. This "out to lunch" approach to European defence was aided and abetted by European publics who were content to see military budgets fall sharply when the Cold War was over. Such was (and is) the reliance upon the Americans that the cost of creating an effective threat-responsive European defence mechanism is now very significant.

Moreover, habit is a powerful force in the security and defence fields which, by definition, are traditionally the most conservative of establishments within the nation-state. Indeed, George Kennan was essentially correct in 1949 when he suggested that western Europeans would become too reliant upon the United States.

Thus, the CFSP-CESDP process and the policies of the member-states are often paradoxical. At one and the same time both ambitious and subservient, a phenomenon that highlights the disparity between *relative power* in the system in which Europe possesses the worlds third, fourth, fifth and sixth most powerful economies and the second and third most capable militaries and *absolute power* in which the capacity of European nation-states to manage security seems to decrease not increase, reinforcing the culture of dependency to which Europe has for so long been subject. And yet the CFSP-CESDP process offers the ultimate prospect of a Europe capable of acting in pursuit of its security interests wholly autonomously from the United States.

Unfortunately, in spite of the rhetoric, it is a dependence that Washington is keen to encourage even if the economic realities and the political reliability of the United States makes the current institutional relationship through NATO one that is unlikely to continue indefinitely. Indeed, in spite of the appearance of political multilateralism during the current crisis the military aspects of the campaign reflect hard ball unilateralism with NATO reduced to invoking Article 5 as a gesture of political solidarity. How things change? Equally, Europeans have had enough warning. Their enforced reliance upon the US in the Gulf War of 1991 and the vagaries, obfuscation and sometimes downright obstructionism of Washington in Bosnia, Kosovo and Macedonia have all suggested that divergence of interests is more than a question of style. Thus, Europeans have been forced to realise that they can do little about security issues other than the most marginal without the active engagement of the US, but paradoxically have tried to turn that weakness into a virtue by talking up the “relevance” of the operations they can undertake. September 11^(th) wore such “relevance” a little thin.

In short, in spite of the attacks, Europe still cannot be sure under what criteria the US will choose to act and by what method. A kind of reverse security dilemma engenders uncertainty amongst the allies that

helps drive the CFSP-CESDP process. A strategically novel situation because it is based not upon traditional balance of power considerations (there is certainly not the slightest possibility that the US will attack its former allies) but rather uncertainty over the nature and extent of US commitment. Or, to put it another way, Europe can be reasonably sure the transatlantic relationship will work at a catastrophic level or at a very low level of engagement but at any point on the threat spectrum the attitude of the US towards the role and influence of Europe in the security and defence sphere is highly conditional. Calls for Europe to do more being matched by calls for Europe not to do too much.

Consequently, there is an “Emperor’s New Clothes” quality to the defence of Europe be it organised through NATO or the EU. NATO is becoming, so it is said, ever more political, which is really a metaphor for politically less cohesive and militarily weaker. The EU has adopted a bottom up, capabilities-led approach to the ESDP process that has focused on what Europe can afford not the threats it needs to confront. Something has to change. Hopefully, now that threat is tangible rather than abstract the CFSP-CESDP process will move away from this product-led, institution-shaping approach towards a market-led concept of security. Indeed, it may well be that the vacuum of uncertainty that has resulted from the reverse security dilemma implicit in transatlantic relations will force Europe to get serious about defence and engage itself and create a working, effective and, above all, relevant CFSP-ESDP. There is also likely to be a direct and inverse correlation between the increasingly informal, Sinatra Doctrine nature of the strategic relationship between the US and Europe in which each side does security their own way and the development of a robust CFSP-CESDP process. Unfortunately, the Sinatra Doctrine seems to have been adopted by key EU member-states in aftermath of September 11^(th).

4. The european Nation-State and the CFSP-CESDP process

The lack of an external threat dynamic has been one of the primary structural reasons for the slow pace of the CFSP-CESDP process. It is too early to say whether September 11^(th) will change that but the initial indications demonstrate a leaning towards intergovernmentalism

that borders on re-nationalisation of the European security and defence effort, at least amongst the larger powers. All member states have to some extent or another a fear that once locked into a supranational security and defence structure sheer political complexity, particularly over decision-making, would undermine operational effectiveness.

Unfortunately, the short-term contradicts the long-term because it is self-evident that Europe has little option but sooner or later to reflect its economic mutuality of interests in a collective ability to project power in order to serve and protect its global interests. However, this would entail progressive convergence at every level of the command chain from “teeth” elements through to support commands. Convergence that the major powers find difficult to realistically countenance because of the danger of defection and the danger that effective forces would be degraded by the forces of those countries which have not invested effectively in their security over the past ten years, such as Italy. Moreover, if the ESDP is proving difficult enough to organise, the problem of a common foreign policy, i.e. the “F” in the CFSP appears, at present, to be one that is almost insurmountable at least within the current threat context. Primarily because very few of the major actors have really been prepared to pool the requisite executive authority because the narrow concept of interest has dominated the broader. Indeed, if there is to be progress it will be in the sphere of security policy not foreign policy.

Consequently, the recent crisis has demonstrated a profound difference in the policy perceptions of the EU’s member states, particularly between the policies of the big EU member states and those of the smaller EU member states. Britain and France, in particular, have underlined the importance of a hierarchy based on military power and actively excluded those from the “directoire” who cannot bring assets and capabilities to the operation. To some extent they have simply followed the US lead that has long considered burden-sharing a primarily military matter. Even Germany has only been permitted entry into this élite club because of the political power it enjoys as the economic driver of Europe and the potentially large force pool offered by its armed forces that would help the UK and France avoid a lengthy post-conflict engagement in and around Afghanistan.

The smaller powers have emphasised the importance of acting at fifteen, thus the value of the EU as a collective decision-making forum. This is a natural position for the smaller powers many of whom have always regarded one role of the EU as a means to constrain big power action and given them a say over security policy that they would not otherwise enjoy. Italy has found itself caught between the two camps with a profound belief in the value of integration and yet the marked desire of the Berlusconi government to be seen to be acting in support of the US through the coalition.

Indeed, the coalition is in many ways an attempt to bypass the EU through a contact group arrangement that implies big leaders and small followers that is the very antithesis of the common approach inherent in the CFSP-CESDP process. Indeed, it would not be an exaggeration to say that the CFSP failed in the wake of September 11^(th) because of the progressive re-nationalisation of security and defence that has transformed Europe's two primary active security institutions from potential *frameworks* for action in which all aspects of military action would be controlled and generated into mere *resources* for action to help enable the formation and management of coalitions.

This phenomenon was particularly apparent within NATO and the invoking of Article 5 which, far from being a pseudo automatic armed assistance clause, turned out to be little more than a means of generating and disciplining the political support of allies that might otherwise have been reluctant to offer a *carte blanche* to the US. Within the context of the EU this deep political cleavage was apparent in the now infamous meeting of the *directoire* called by Tony Blair at 10 Downing Street on 3 November that was "gate-crashed" by Belgium, Italy, the Netherlands and Spain all determined that both the EU and the smaller powers should have a say.

Thus, a foreign and security policy hierarchy exists within the EU that reflects the extent and scope of influence that each member state has over a European operation, be it EU-led or otherwise. It also reflects the extent of the policy divergences that exist between the member-states over the role, scope and possible future development of the CFSP-ESDP process. France and Britain sit at the top of this decidedly intergovernmental structure with Germany playing a support role. France (in spite of its rhetoric to the contrary) and Britain take a

very pragmatic view of the role of European defence. To that end, even though it was cloaked in Euro-speak the 1998 St. Malo Declaration was as much about the formation and management of coalitions as it was about a future CESDP. Germany remains problematic. In many ways the most ardent supporter of an effective CESDP, the lack of investment in Germany's armed forces, and its commitment to NATO and the US lends German defence policy a contradictory quality that effectively cedes leadership to the two arch intergovernmentalists, Britain and France.

Behind them comes Italy, and to some extent, Spain both of which would like to be at the top alongside Britain and France. However, they lack effective armed forces, in which they have under-invested and failed to re-organise what they have effectively given the new tasks that confront them both in Europe and beyond. They also lack the robust political will needed to sustain military operations. Italy is an ardent supporter of further development of the CFSP-CESDP process but its support is once again hampered by a lack of security investment and ineffective use of its existing defence budget with a marked imbalance between its personnel and equipment budgets compared with the UK and France. This is unfortunate because the 1990s represented a decade of honour for Italian forces who acquitted themselves well in Somalia, Albania and the Balkans. However, like Spain the armed forces are still organised territorially and too reliant on large numbers of relatively poorly trained troops who cannot be used for the kind of missions that are part of the modern security environment.

At the next level reside the "biggest of the small", the most effective of whom are the Dutch who have re-organised and professionalised their armed forces, but it is also possible to include the Swedes in this group of two because their progressive interpretation of neutrality. However, the Dutch remain extremely close to the US and NATO and it is difficult to see them agreeing to developments in the realm of the CFSP-CESDP that would endanger that relationship. Equally, the degree of political robustness required to contribute effectively to robust security operations is noticeable by its absence in The Hague. Even though they have signed up to the Petersberg Tasks. Likewise, the Swedes have significant numbers of effective troops and equipment

but their tradition of neutrality means that at best they will adopt an *à la carte* approach to ESDP tasks that will undermine the task sharing, cost sharing, risk sharing philosophy that will be essential to a successful CFSP-CESDP.

The smaller non-neutral powers such as Belgium and Greece sit on the next rung of the hierarchy because they are members of both NATO and the EU, although Greece's proximity to North Africa and its complex relationship with Turkey makes it a problematic partner. Belgium is probably the keenest supporter of defence integration but it simply does not put its money where its political mouth is. Then, come the rest, Austria, Finland, Ireland, Portugal and Luxembourg and because of its opt-out from the ESDP, Denmark. Again, supporters of the CFSP-CESDP process in principle but with so many caveats attached that it renders their involvement nigh on ineffective for all but the most marginal of operations in the area of peace support.

One thing is abundantly clear. Any attempt to "flatten" this hierarchy for the sake of EU political correctness will paralyse the CFSP-CESDP process because it will contradict the first law of military crisis management – the influence of a state over multinational defence policy and operations is commensurate with money and forces it is prepared to invest and the risks it is prepared to take. Thus, developing the CFSP-CESDP will have to take place within a clear set of constraints.

Unfortunately, European states still possess inhibitions concerning cooperation particularly, in the security and defence fields that needs to be overcome, with concerns over compliance remaining to the fore. This will only be overcome by "doing" European defence together. The evidence provided by recent initiatives and agreements suggests that the habit of weakness remains very much woven into the European strategic psyche, to the extent that Europeans under-estimate the level of capability they possess and the kind of operations that they can undertake. Part of the reason for this is organisational. For fifty years NATO has been the essential American hub onto which Europeans bolted their military spokes. The American hub remains but it is one that is increasingly conditional in nature, hence the need to construct a European hub and the difficulties in so doing, a prospect that is intimidating strategically and financially. Additionally, this Euro-

pean hub must by definition go through a phase of development that, in spite of Germany's pivotal role, will for a time tend to emphasise Anglo-French leadership, something with which none of the other EU member states are very comfortable. Indeed, without a genuine hegemonic organiser, concerns over defection, a loss of operational independence and plain old ingrained practice remain the real barriers to intense European co-operation in the security and defence fields.

5. Re-invigorating the CFSP-CESDP process through defence

What is needed is an interim mechanism for managing the CFSP-CESDP process more effectively. A mechanism that highlights the utility of collective effort, but which recognises that the current building blocks of effective defence are states. Indeed, without such a mechanism there is a danger that Europe will be forced to wait for EU structures to consolidate and whilst so doing rely upon dangerous ad hocery. The British over the centuries have made such ad hocery a science but it is hardly and efficient or exact science. Thus, effective coalition-building and operations will be the foundation for the future development of the CFSP-CESDP process.

The sad fact is that defence integration came grinding to a halt on September 11^(th) because key states had no confidence in either the EU or NATO as foci for effective action. Thus, if security and defence integration is to be re-started certain realities will have to be faced by all states within the Union. The first mission of Europe and European defence, in what is a new strategic environment, is to be organised optimally so that Europe can seriously confront the threats that it is likely to face in the next few years. There can be no more pretence that an effective CFSP-CESDP can be realised without member states being prepared to properly invest in the security and defence of the Union. Thus, the way forward will be as much functional as political. Indeed, in time the EU will have to re-address the political and political-military aspects of the CFSP-CESDP process, such as ensuring the contact groups only take place with EU authority, the development of a robust Political and Security Committee (PSC) able to oversee EU military operations and the inclusion of force and operational planning within the EU. There are several steps that could be taken within the framework of the CFSP-CESDP process that

framework of the CFSP-CESDP process that would help restore progress towards convergence.

First, the demand side of European defence needs to be re-examined. The EU needs to develop a common threat assessment process that will re-focus the member states on the world in which they exist and promote a common perception of the role and function of both the CFSP and CESDP. In effect, re-uniting the "F" with the "S" in the CFSP. In particular, such an exercise would promote a common diplomatic and defence planning methodology that would enable member states to agree a set of diplomatic and military tasks relevant to the threat environment, the forces and structures needed to undertake those tasks and the sharing of the burdens represented by those tasks. On the military side the Capabilities Improvements Conference in November 2001 did begin to consider how the Petersberg Tasks could be adapted in light of the new security threats. However, this process needs to go further and incorporate non-military tools. The Petersberg Tasks are now almost ten years old and whilst not irrelevant increasingly a strategic side show given the threat array. If the EU remains too focused on the Tasks as an end in themselves it will simply reinforce the product-led fallacy that has undermined the credibility of European defence over recent years. The need to examine anew the threats that Europe confronts and the means that are required to deal with them becomes ever more apparent and the tasks, as currently envisaged only cover one mission package. Certainly, the European Rapid Reaction Force (RRF) is an important step on the road to the realisation of the EU's role as an effective international security actor. Diplomacy without the support of military power lacks critical credibility but military power must itself be credible in the security environment in which it exists. The active use of the EU Council of Defence Ministers and the PSC for the overseeing of this work would be a logical first step.

Second, there is a need to promote greater conceptual convergence between political leaders and their militaries about the role and utility of military power and the CFSP-CESDP framework would be the natural locus for such an exercise. There is a generation of political leaders in some countries who have never served in the armed forces and for whom, all too often, the political interpretation of the utility of

military power is different from the military interpretation, implying a mismatch between the ends and the means. As indicated earlier, the EU has endeavoured to avoid such a problem by developing its military tool strictly from the bottom-up, i.e. through incremental and marginal increases in existing military capabilities. This has enabled EU member states to stop short of confronting the complex political issues surrounding its deployment. However, that has tended to create a conceptual divergence between the political and the military worlds that see the role of military power from very different angles. Hence an imbalance between the supply and demand sides of European defence.

Third, the EU needs to start thinking in a more concrete manner about homeland defence by creating an *effective* “one stop shop” (not talk shop) approach to the protection of European society. This would combine the more traditional offensive aspects of security management with the need for homeland defence and vital defensive elements such as civil defence, critical national infrastructure protection, critical information infrastructure protection, CW/IW, Information Assurance etc. There are huge disparities in the efforts of various European countries in areas that Europeans have for too long brushed aside with the idea that whilst they might be more vulnerable than Americans they are used to living with it. The CFSP-CESDP framework would again provide the natural political focus for such an exercise because of the interface between the three pillars of the EU’s founding treaty. Faced with such vulnerability it is difficult to imagine political leaders able to project power if they felt incapable of protecting the home base which would fundamentally undermine an effective CESDP.

Fourth, European politicians need to explain to their respective publics why they have to increase defence expenditure (what should be more properly called security investments). Europe is now full of re-structuring plans that look great on paper but which lack one vital ingredient – money. Sure European states can make one-off cash windfalls by closing redundant bases and downsizing forces but modernisation and professionalisation do not come cheap and many European countries are restructuring on the basis of defence budgets still founded on the fantasy of the post-Cold War defence premium. An effective ESDP simply will not be possible if European states continue

to set expenditure benchmarks of around 1% GDP and then look around the world to see what they can do with it. It is no longer simply a question of spending better, but spending more and better. Moreover, until Europeans produce a market-sensitive security and defence product in which costs and risks are shared proportionately then the CESDP will remain a side-show. Certainly, the case of those who object to directoire made up of the big states are fundamentally weakened when they make so little real effort towards their own and the common good. The CFSP-CESDP framework provides a natural platform for such a campaign because the EU can place the security and defence effort within a wider framework than NATO.

Fifth, European political leaders need to make greater efforts to explain the functional as well as the political benefits of defence integration. A central thesis of this piece is that no European nation-state can provide for the security of its citizens which reinforces the need for coalitions. However, coalitions are very inefficient ways of organising political and military power because they involve duplication of effort and organisation on the part of all the members of the coalition. The work on the development of Macro Defence Convergence Criteria has demonstrated that even if supreme political control remains essentially intergovernmental there are significant areas of the command chain that even by the standards of efficiency would benefit from being common, such as the development of truly European satellite intelligence and heavy lift. Certainly, the progressive development of common functional instruments will eventually reinforce the need for common political instruments.

Therefore, if the EU is to move ultimately beyond the intergovernmental to the common it must do so through the functional consolidation of the CFSP-CESDP as an effective instrument in the world arena. To this end, it must be conceptually clear about the process of security management and its role therein. For the foreseeable future the nature of crises and their effective management at any level of meaningful threat to the European homeland will still be undertaken primarily by states working directly to each other, through the Alliance or EU. Probably using all three instruments at one and the same time. Therefore, the EU must recognise that for the time being its first priority is to empower and enable state-based security efforts. How-

ever, political integration and military effectiveness are not mutually exclusive. Indeed, they are intrinsically linked. Over time ever more significant elements of state-based foreign and security policy will have to be transferred to the Union if an effective foreign and security policy is eventually to be realised. That must be the focus of the effort and the core message.

6. National interest and the development of the CFSP-CESDP process

This is nothing new in the European process. Indeed, such tensions as there are over European defence once the Headline Goal has been fulfilled in 2003 might be a very healthy sign because they seem to reflect what is now an almost traditional political struggle prior to some new political settlement. Given the environmental pressure (threats) posed by September 11^(th) and the paucity of individual state resources and efforts when faced with such an enemy that pressure can only increase.

Today the situation is paradoxical. On the one hand there is relative equilibrium in a multi-polar system and yet, on the other, massive disequilibrium. In spite of the worst efforts of Osama bin Laden and al-Qaeda the system possesses no *overt* state-based threat due to the overwhelming superiority of the West over the relative military and economic capabilities of others. Certainly, if the primary function of the CFSP-CESDP process is to provide a threat responsive structure, it is difficult to contend that sufficient state-based threat exists to justify major formal military alliances. That said, it is a multipolarity that is full of potential risks and threats involving both state and non-state actors in what is a new security environment in which very dangerous threats can materialise very quickly. Thus, the pressure upon European governments to produce effective security and defence is once again intense. The “vacation” from strategic threat that Europe enjoyed for the past ten years came to an abrupt end on September 11^(th). Indeed, one has only to examine a few of the potential threats that Europe faces. Nuclear, chemical and biological proliferation around the rim of Europe allied to weak state. The threat to many of these states from radical political Islam? The implications of social and economic collapse ranging from the Caucasus to North Africa. It is difficult to build even a national defence policy in the midst of such confu-

sion, let alone a multinational one but that is the challenge that Europe must confront. The CFSP-CESDP process represents the only meaningful mechanism that Europeans possess for dealing in a sophisticated manner with complex threats.

Equally, given the constellation of state-interests and perceptions of "Europe" it would appear that the threshold of trust has yet to be reached at which the endogenous desire for political integration becomes a stronger force than the exogenous pressure for effective military organisation. The CFSP-CESDP process will, therefore, probably only reach that threshold if the US decides for whatever reason to effectively withdraw from Europe or the threat becomes compelling. That in itself is not an unreasonable prospect because if Europe really does have to "fill in" in the Balkans for American forces and does the job reasonably well there is no reason to believe that the US will want to return. Indeed, bets are off as to how US policy will develop in the wake of September 11th. At the same time, the current policy of "wait and see" is dangerous because it will force both the EU and NATO to go from crisis to crisis in an ad hoc manner. Moreover, if such threat does emerge traditional arrangements within NATO are unlikely to perform effectively because the Alliance was constructed around the institutionalisation of American economic and military superiority over its allies in the 1950s. Not only is such a political deal unacceptable today, but profoundly unworkable. Indeed, if Harry Truman or Dwight Eisenhower sat in on a NATO meeting these days they would be convinced they had gone to the wrong Brussels institution.

The enduring paradox of the CFSP-CESDP process is that its end-state suggests a common defence replete with all the paraphernalia of supranational structures. However, to reach that goal it must pass through a phase of intergovernmentalism founded upon state-based structures that have little interest in giving up their own power. The process, therefore, will be driven primarily by the sheer imbalance between external threat and the fear it engenders and the increasing awareness that the European nation-state can no longer fulfil its first duty to its citizens. Whatever way one looks at the solution, be it from a functional or a political angle it is clear the security of Europe will mean more Europe, not less. An awful lot changed on September 11th.

PART THREE

THE EU MEETS ITS TESTS: FOREIGN POLICY IN THE MAKING

7. ENLARGEMENT TO CENTRAL AND EASTERN EUROPE AS A FOREIGN AND SECURITY POLICY

by Barbara Lippert ^(*)

The topic “enlargement to central and eastern Europe (CEE) as a foreign and security policy” poses a double conceptual challenge. Neither does a general theory of CFSP exist⁽²⁴⁰⁾, nor do we possess a general theory of enlargement. In a functionalist tradition⁽²⁴¹⁾ one can explain the entire history of European integration as a continuous process of deepening and widening, so that enlargement is the result of an in-built dynamic, be it economic (widening of the internal market) or political (enlarging the pluralist political security community; responding to external challenges). However, functionalism cannot fully explain the leap towards a big-bang enlargement which the EU is facing around 2004-05 and the widening gap between enlargement and reforms of the institutions and decision-making procedures of the EU⁽²⁴²⁾.

Although enlargement is not a clear cut or cross-sector policy⁽²⁴³⁾ it can be understood as “the EU’s most significant and far reaching foreign policy action”⁽²⁴⁴⁾. Because of the magnetism the EU has been exerting on the European non-members since the end of the Cold War, the rationale and concept of eastward enlargement is closely linked to

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(240) Christopher Hill, *The Geo-political Implications of Enlargement*, EUI Working Paper No. 30, Florence, European University Institute, 2000; Wolfgang Wessels, *Die GASP. Theoretische Perspektiven*. 7 Anmerkungen zum Symposium der Diplomatischen Akademie Wien, 14 and 15 December 2000.

(241) Philippe C. Schmitter, “Three Neo-Functional Hypotheses about International Integration”, in *International Organization*, Vol. 23, No. 1, 1969, pp. 161-166.

(242) Karen E. Smith, *The Making of EU Foreign Policy. The Case of Eastern Europe*, London and New York, MacMillan Press, 1999, pp. 180-181.

(243) Ulrich Sedelmeier and Helen Wallace, “Eastern Enlargement: Strategy or Second Thoughts?”, in Helen Wallace and William Wallace (eds.), *Policy-Making in the European Union*, Oxford, Oxford University Press, 2000, 4(th) ed., p. 429.

(244) Roy H. Ginsberg, “Conceptualizing the European Union as an International Actor: Narrowing the Theoretical Capability-Expectations Gap”, in *Journal of Common Market Studies*, Vol. 37, No. 3 (September 1999), p. 446; see also Helene Sjursen, *Enlargement and the Common Foreign and Security Policy: Transforming the EU’s External Policy?*, Arena Working Papers No. 98/18, 1998, Advanced Research on the Europeanisation of the Nation State, 1998 (www.arena.uio.no/publications/wp98_18.htm).

the foreign and security policy of the EU. It is declared as a means of projecting stability in the neighbourhood region of east, central and southeastern Europe, and hence as a foreign policy instrument⁽²⁴⁵⁾. For the first time in the history of the Community enlargement is the key answer to building a European security order that will change the map of Europe and affect the structure of the international system. In politics and academia the logic of institutional enlargement has often been taken for granted⁽²⁴⁶⁾, not only but foremost in view of widening the EU. The limited antagonistic potential of the EU on the one hand and the attraction of its civil power instruments - financial aid and assistance, market access and political dialogue⁽²⁴⁷⁾ - on the other reinforced the perception that EU-enlargement is not contentious. It also supported the tendency to underestimate the implications of enlargement for the CFSP of the Union. Although no political alternative to EU enlargement transpires, the success of enlargement as a foreign and security policy is not guaranteed.

1. Logic and record of enlargement as foreign policy

We understand enlargement policy as a short-hand for the multitude of measures and policies the EU exerts vis-à-vis the applicants, namely the association policy, the pre-accession strategy, and the accession negotiations that pave the way towards enlargement.

Why does the EU pursue a policy of enlargement? The *logic* underlying the EU's ambition and efforts to enlarge to central and east-

(245) European Parliament, *The Common Foreign and Security Policy and Enlargement of the European Union*, Briefing No. 30, Luxembourg, European Parliament, 2000 (www.europarl.eu.int/enlargement/briefings/30a1_en.htm); Javier Solana, *The CFSP in an Enlarged Union*, Address at the Institut français des relations internationales, Paris, 1 March 2001 (ue.eu.int/solana/details.asp?BID=107&DocID=65840).

(246) Robert O. Keohane and Joseph S. Nye, "Introduction: The End of the Cold War in Europe", in Robert O. Keohane, Joseph S. Nye and Stanley Hoffmann, *After the Cold War. International Institutions and State Strategies in Europe, 1989-1991*, Cambridge and London, Harvard University Press, 1993, pp. 1-19; Peter Van Ham, "U.S. Policy Towards the Baltic States: An Ambiguous Commitment", in Mathias Jopp and Sven Arnswald (eds.), *The European Union and the Baltic States. Visions, Interests and Strategies for the Baltic Sea Region*, Helsinki, Finnish Institute of International Affairs and Berlin, Institut für Europäische Politik, 1998, p. 215.

(247) Wolfgang Wessels, "Die Europäische Union als Ordnungsfaktor", in Karl Kaiser and Hans-Peter Schwarz (eds.), *Die neue Weltpolitik*, Baden-Baden, Nomos, 1995, pp. 490.

ern Europe can be explained from different analytical perspectives. These need not be mutually exclusive but can be regarded as offering complementary interpretations of enlargement as a foreign policy.

From a neorealist and intergovernmentalist point of view the EU aims at *filling the vacuum* that looms in CEE after the end of Soviet hegemony over the former Warsaw Pact countries. Enlarging the EU's membership is a means to prevent or contain instability and dangers that could spill over into the EU from the weak and conflict-ridden post-communist states in the immediate neighbourhood. In the end, enlargement is a form of alliance building in the eyes of realists. Moreover, it is assumed that the politics of enlargement are driven by big member states, which take a special interest in CEE, such as Germany or, for geo-strategic reasons, the UK⁽²⁴⁸⁾. The EU offers big countries an avenue to channel their foreign policy preferences through the CFSP-mechanisms and to implement the policy with the help of the Commission and by using the EC-pillar instruments. Realists⁽²⁴⁹⁾ acknowledge, however, the EU as an arena for member states to pursue and upgrade – with the help of the “masque” of institutions⁽²⁵⁰⁾ – their national interests. Based on Article 49 TEU, the member states are the masters of the game of enlargement while the Commission plays an assisting and the European Parliament only a formal role because it is restricted to ultimately rubber-stamp the results of negotiations. So there is almost no autonomous weight of supranational EU institutions and procedures in foreign policy making and CFSP in particular.

From the realist perspective the geographic limits of enlargement are the result of differentiated national interests in and preferences for individual countries as well as of the logic of balance of power strategies⁽²⁵¹⁾. That is the reason why today the EU does not contemplate a

(248) Barbara Lippert et al. (eds.), *British and German Interests in EU Enlargement*, Chatam House Papers, London, The Royal Institute of International Affairs, 2001.

(249) The terms realist and neorealist are used here interchangeably. They refer to a school of thought in international relations that focus on power-seeking states as central actors which face a security dilemma given anarchy as the key condition of the international system.

(250) Philip Zelikov, “The Masque of Institutions”, in *Survival*, Vol. 38, No. 1 (Spring 1996), pp. 6-18.

(251) Werner Link, “Ordnungsentwürfe für Europa”, in Karl Kaiser and Hans-Peter Schwarz (eds.), *Die neue Weltpolitik*, cit., pp. 471-485.

further extension of enlargement to Russia as it would disrupt the power-balance inside the EU. At least as long as the EU does not shift towards forms of antagonistic cooperation⁽²⁵²⁾ with Russia other NIS, namely the Ukraine and Moldova, would probably not be included in the enlargement process. Moreover, the enlargement to Southeast Europe, i.e. the Stability Pact countries seems unlikely. Limiting enlargement also corresponds with the expected limits of cooperation that realists do not regard as a means in itself. They are aware of the cohesion-versus-enlargement-dilemma that is even more severe after the loss of the “common enemy” that once forced nation-states into joint organisations and collective action. Eventually realists will expect and opt for a selective enlargement approach.

From a liberal institutionalist point of view⁽²⁵³⁾ the EU aims at upgrading the gains of cooperation (of self-interested states) throughout Europe and beyond. Like other organisations (Council of Europe, OECD etc.) the EU extends the dense institutional networks of Western Europe to the “institutionally” underdeveloped central and eastern Europe⁽²⁵⁴⁾. This school of thought analyses the CEEC’s rush towards western institutions after 1989 as the dominant strategy to which the EU responded with a series of actions (trade and cooperation treaties, association, pre-accession assistance), thus mobilising the civil power instruments. Within a pyramid of cooperation and intensified relations, membership is the most complex offer and incentive. The perspective of membership is used as a carrot in a multi-staged process of adaptation that ultimately leads the CEEC to accede the EU. Promising eventual membership ensures that the neighbours will play along the rules and norms of the EU that so maximises its influence and stabilises relations in the region. The interest of the EU-15 in enlargement thus lies in the optimal control of interdependencies and stable

(252) The term antagonistic cooperation qualifies the mode of a balance of power constellation that is achieved through antagonising power-building (*Gegenmachtbildung*) rather than cooperation and integration. See *Idem*, p. 482; Hans-Peter Schwarz, *Die Zentralmacht Europas*, Berlin, Siedler, 1994, p. 121.

(253) Robert O. Keohane and Joseph S. Nye, “Introduction: The End of the Cold War in Europe”, cit.

(254) Robert O. Keohane and Stanley Hoffmann, “Conclusion: Structure, Strategy, and Institutional Roles”, in Robert O. Keohane, Joseph S. Nye and Stanley Hoffmann, *After the Cold War*, cit., pp. 381-404.

cooperation patterns in the neighbourhood region. This approach of the EU is re-enforced through the preference of the CEEC for regime-oriented strategies rather than bilateral or special relationships, which makes the EU an attractive partner.

Compared to the realist positions liberal institutionalists will find it difficult to draw a line between the potential candidates for membership. They too acknowledge the enlargement-versus-cohesion-dilemma and would refer to the absorption criterion (enlargement without losing the dynamic of European integration) that the European Council declared at the Copenhagen Council in 1993. This precondition could guard against unlimited institutional access, thus making membership not an automatic result of privileged cooperation. However the blurring of boundaries between EU-members and non-members is to be taken into account as a strong tendency.

From a social constructivist's point of view enlargement is part of the politics of identity of the EU foreign policy. It resonates with a set of motives, ideas and values – projecting democracy, political responsibility, moral obligation, exporting the tested western European model of reconciliation to the east – that are frequently declared or appealed to in order to explain and justify enlargement⁽²⁵⁵⁾. Enlargement is an attempt to “broaden the base of those who share the common values”⁽²⁵⁶⁾. This approach highlights the sense of collective interest and identity that drives the EU's enlargement policy and is being shaped throughout the processes of community building and widening as well as multi-level interaction. Processes of “Europeanisation”⁽²⁵⁷⁾ also highlight the in-built stimulus to enlarge the Union. The

(255) Helene Sjursen and Karen E. Smith, *Justifying EU Foreign Policy: The Logics Underpinning EU Enlargement*, Arena Working Papers No. 01/1, Oslo, Advanced Research on the Europeanisation of the Nation State, 2001 (www.arena.uio.no/publications/wp01_1.htm).

(256) Stuart Croft et al. (eds.), *The Enlargement of Europe*, Manchester and New York, Manchester University Press, 1999, p. 16.

(257) Christopher Hill and William Wallace, “Actors and Actions”, in Christopher Hill (ed.), *The Actors in Europe's Foreign Policy*, London and New York, Routledge, 1996, pp. 1-16; Simon Nuttall, “Two Decades of EPC Performance”, in Elfriede Regelsberger, Philippe de Schoutheete de Terrarent and Wolfgang Wessels (eds.), *Foreign Policy of the European Union. From EPC to CFSP and Beyond*, Boulder and London, Lynne Rienner, 1997, pp. 19-39.

framing of enlargement as a matter of political identity and interest⁽²⁵⁸⁾ of the Union and the ambition to act as a decisive foreign policy actor in the neighbourhood region⁽²⁵⁹⁾ drive the enlargement policy of the EU. Responsiveness to external pressure is another important shaping factor. Constant pressure of the candidates to become members and their appeal to the founding motives of the Community as well as to the rhetoric as a “cornerstone of a new European architecture”⁽²⁶⁰⁾ supported the transformation of interests and identities⁽²⁶¹⁾ inside the EU towards a self styled logic of enlargement. Limits to enlargement occur when the identity of the EU is at stake because of the number or the nature of a potential new member.

The *record* of more than a decade of eastward enlargement as foreign policy is mixed. First it has not happened yet. The best case scenario offered to the candidates is membership in the years 2004-05⁽²⁶²⁾. So it will have taken 15 years after the breakdown of the post war international system before the first CEEC will have joined the Union.

The importance of the EU and its foreign policy for the new Europe is out of question. The mere existence of the EU made a difference to other moments of history where a completely new international order had to emerge: “The key institutional difference between the past settlements and the current is that in earlier cases international institutions had to be created de novo...”⁽²⁶³⁾. Although talk is also about a re-foundation of the Union,⁽²⁶⁴⁾ what is at stake is merely a

(258) Karen E. Smith, *The Making of EU Foreign Policy*, cit., p. 180.

(259) Barbara Lippert, “Die Erweiterungspolitik der Europäischen Union auf dem Prüfstand – die Agenda 2000”, in Barbara Lippert (ed.), *Osterweiterung der Europäischen Union – die doppelte Reifeprüfung*, Bonn, Europa Union Verlag, 2000.

(260) European Council, *Presidency Conclusions*, Strasbourg, 8-9 December 1989.

(261) Karen E. Smith, *The Making of EU Foreign Policy*, cit., p. 180.

(262) European Council, *Presidency Conclusions*, Göteborg, 15-16 June 2001 (europarl.eu.int/summits/pdf/got1_en.pdf).

(263) Robert O. Keohane and Joseph S. Nye, “Introduction: The End of the Cold War in Europe”, cit., pp. 16-19.

(264) Joschka Fischer, *From Confederacy to Federation - Thoughts on the Finality of European Integration*, Speech at the Humboldt University in Berlin, 12 May 2000, in *Integration*, Nr. 3/2000, pp. 149-156 (www.auswartiges-amt.de/www/de/infoservice/download/pdf/reden/redene/r000512b-r1008e.pdf).

remodelling of the existing EU, including CFSP, in the light of enlargement and the establishment of a new European security architecture. Clearly, the centrality and presence of the EU increased with the collapse of the Soviet empire. The EU “remains the major long-term force to reckon with for east European countries. States to east and north of the EC will have to pursue policies that are oriented toward the Community in order to be treated as fully European and to obtain the intangible respect and material benefits they seek”⁽²⁶⁵⁾.

Enlargement to CEE is a case that illustrates both *presence* and *actorness*⁽²⁶⁶⁾ of the EU. The EU was present in the wake of systemic change and was catapulted into leadership⁽²⁶⁷⁾, a role that neither the US nor other organisations (G24, CSCE etc.) denied but which did not extend as far as Russia. The EU structured the immediate neighbourhood most of all by issuing a membership perspective for all associated countries that are ready to meet the political and economic accession criteria. Politically, economically and also at the societal level, the EU and the member states are strongly involved in CEE. The EU is by far the largest trading partner for all candidates (and also Russia) – 50-70% respectively of their external trade is with the EU; generally, between 50-80% of the FDI in the region originates from the EU. Moreover, the EU is the biggest donor all over post-communist Europe, including Southeastern Europe. Today the EU has a strong impact on both the economic and also the political situation and policies in the candidate and post-Yugoslav countries. Moreover, the EU shares intensive relations of political dialogue with countries of the region and gradually engages the candidate countries also in a security dialogue.

The history of eastward enlargement in the 1990s can be described as a “composite”⁽²⁶⁸⁾ and gradually developed policy encompassing

(265) Robert O. Keohane and Stanley Hoffmann, “Conclusion: Structure, Strategy, and Institutional Roles”, cit., p. 404.

(266) David Allen and Michael Smith, “Western Europe’s Presence in the Contemporary International Arena”, in *Review of International Studies*, Vol. 16, No. 1 (1990), pp. 19-37.

(267) Anna Murphy and Jacques Pelkmans, “Catapulted into Leadership: The Community’s Trade and Aid Policies vis-à-vis Eastern Europe”, in *Journal of European Integration*, Vol. 14, No. 2-3 (1991), pp. 125-151.

(268) Ulrich Sedelmeier and Helen Wallace, “Eastern Enlargement: Strategy or Second Thoughts?”, cit., p. 429.

instruments and resources of all three pillars and involving multi-level decision-making from the European Council down to Council Committees. It is an incremental process accompanied by difficulties to match declared broader goals with substantive policy practice⁽²⁶⁹⁾. Thus it allows sectoral, parochial and short-term interests of states and pressure groups to overshadow, delay or contradict strategic interest and policy decisions. These “history making”⁽²⁷⁰⁾ strategic decisions were – rather consistently and gradually – taken at the level of the European Council and often initiated by the presidency with the support of the Commission. The Commission in particular gained a strong role in the pre-accession and negotiation processes. It acted as focal point for bringing together instruments of the CFSP pillar and the external relations pillar of the Union. From the onset, it did not treat enlargement in technical terms but developed a political agenda of deepening and widening and thus upgraded the Union’s interest in bringing the neighbourhood region of CEE into the “Europe of integration”. Therefore, the Commission did not limit itself to the management of the pre-accession process and the support of the accession negotiations run by the council and member states. On the contrary, as in the case of the Commission’s 1997 “Agenda 2000 for a stronger and wider EU”,⁽²⁷¹⁾ the Commission wrote the script for the EU’s further direction and structuring of the enlargement policy. Compared to other foreign policy fields, eastward enlargement is a case of an exceptionally strong impact and shaping role of the Commission, which may however change after enlargement.

From an explicit foreign policy point of view the EU’s record in Eastern Europe was criticised as “policies without strategy”⁽²⁷²⁾. Due to the logic of the disjointed incrementalism⁽²⁷³⁾ the EU’s internal

(269) *Idem*.

(270) John Peterson and Elizabeth Blomberg, *Decision-Making in the European Union*, Houndmills, MacMillan, 1999, pp. 10-16.

(271) European Commission, Agenda 2000. For a Stronger and Wider Europe, COM(97) 2000 final, 15 July 1997, Luxembourg, Office of Official Publications of the European Communities, 1997.

(272) Jan Zielonka, “Policies without Strategy: the EU’s Record in Eastern Europe”, in Jan Zielonka (ed.), *Paradoxes of European Foreign Policy*, The Hague, Kluwer Law International, 1998.

(273) Ulrich Sedelmeier and Helen Wallace, “Eastern Enlargement: Strategy or Second Thoughts?”, cit.

agenda dominates broader strategic considerations (“Europe whole and free”). This failure or lack is to some extent due to complexities of the post-modern and post-Soviet environment⁽²⁷⁴⁾ after 1989 and hence after the demise of clear-cut foreign policy options in an international system that is dominated and structured by two superpowers. However, Zielonka foremost considers endogenous factors that weaken the EU’s performance. He thinks that the weakness of the EU as foreign policy actor lies in its diffuse and incomplete constitution. The notorious ambiguities of the political identity of the Union and CFSP in particular (which are reflected in the institutional and procedural arrangements of CFSP) aggravate this lack of strategic enlargement policy. Thus the EU could not come up with a “concrete design for Europe”⁽²⁷⁵⁾. Despite of the fact, that the EU acknowledged the importance of the political and security dimension of the enlargement project at the European Council in Helsinki, it did not follow up on the rhetoric. A case in point are the persistent institutional and procedural weaknesses in the first and second pillars. They support Zielonka’s as well as Hill’s pessimism about the willingness and ability of the EU-15 to contemplate the foreign policy implications of enlargement to 27 or 28 European countries. Apparently, the EU manages enlargement rather in a conventional way and along the lines of fragmented policy-making which creates tensions with frequent declarations that enlargement is (also!) an outstanding foreign policy issue. From one decade of preparing eastward enlargement one can conclude that it is to a bigger extent than e.g. the association policy dependent on the path of integration⁽²⁷⁶⁾ which defined the pace and sequence of steps towards enlargement.

A different approach to evaluate enlargement and notably pre-accession is when looking at it as a form of governing beyond the borders of the EU⁽²⁷⁷⁾. The EU pursues politics of inclusion (enlarge-

(274) Jan Zielonka, “Policies without Strategy”, cit.

(275) *Idem*, p. 135.

(276) Ulrich Sedelmeier and Helen Wallace, “Eastern Enlargement: Strategy or Second Thoughts?”, cit., p. 457.

(277) Lykke Friis and Anna Murphy, “The European Union and Central and Eastern Europe. Governance and Boundaries”, in *Journal of Common Market Studies*, Vol. 37, No. 2 (June 1999), pp. 211-232.

ment), exclusion (hard borders, Schengen regime) and transcending boundaries (structured dialogue, Europe conference) within its enlargement policy. In the institutionally, geographically and politically upset Europe of the 1990s, the question of borders (and history) returned to European foreign policy. Evidently enlargement extends the borders of the EU and leads to a new constellation of “ins” and “outs”. Realists are well aware of these geopolitical consequences of enlargement as well as of the potentials of instability and risks (conflicts over ethnicity, borders, minorities; unconsolidated democracies etc.). Liberal institutionalists are more open to adjust existing institutions to these new demands and involve would-be-members also in “untidy” institutional arrangements for some time in the perspective of their future membership. The EU neither made official statements on the ultimate limits of the EU nor did it subscribe explicitly to an open door strategy of infinite enlargement. Moreover, academic considerations⁽²⁷⁸⁾ on the nature of borders in “post-Westphalian Europe” have had some resonance in politics. Under the negotiation chapters of Schengen and Justice and Home Affairs, the Union will have to answer the dilemma between fixed and hard borders that the extension of the *acquis* prescribes and soft borders in flux which overarching foreign policy goals may suggest⁽²⁷⁹⁾. The focus is here on the problems of overlap and identity of functional and geographic borders of the EU in the course of enlargement. Multiple repercussions on the constitution, identity and purpose of the EU can be expected⁽²⁸⁰⁾. This also makes a difference to other organisations which – like NATO⁽²⁸¹⁾ – have to tackle the dilemma of inclusion and exclusion as well in their enlargement policy.

(278) Michael Smith, “The European Union and a Changing Europe: Establishing the Boundaries of Order”, in *Journal of Common Market Studies*, Vol. 34, No. 1 (March 1996), pp. 5-28.

(279) Heather Grabbe, “The Sharp Edges of Europe: Extending Schengen Eastwards”, in *International Affairs*, Vol. 76, No. 3 (July 2000), pp. 519-536. Iris Kempe (ed.), *Beyond EU Enlargement. Vol. 1, The Agenda of Direct Neighbourhood for Eastern Europe*, Gütersloh, Bertelsmann Foundation, 2001.

(280) Jan Zielonka, “How New Enlarged Borders will Reshape the European Union”, in *Journal of Common Market Studies*, Vol. 39, No. 3, 2001, pp. 507-536.

(281) Stuart Croft et al., “NATO’s Triple Challenge”, in *International Affairs*, Vol. 76, No. 3 (July 2000), pp. 495-518.

The logic of enlargement is deeply connected with security and foreign policy goals of the EU. So far, the record of enlargement policy has been quite positive in terms of stabilisation of the region. The implications and prospects of enlargement for the foreign and security policy of the EU need more detailed discussion.

2. *Implications and prospects of enlargement for the foreign and security policy of the EU*

2.1 Enlargement in stages: geopolitical, security and foreign policy implications

New direct neighbours following the waves of enlargement: in the first decade of the new millennium the EU embarks upon an enlargement in at least two stages. Although the concrete accession scenario is still undecided, the European Council meetings of Helsinki and Nice outlined the geographic scope of the future EU: over the next years the EU will enlarge to ten countries of CEE. The EU will then border on to Belarus (as an immediate neighbour of EU-member Poland), the Ukraine (immediate neighbours Poland, Slovenia, Hungary, Romania), Moldova (immediate neighbour Romania), Croatia (immediate neighbours Slovenia and Hungary), Yugoslavia (immediate neighbours Hungary, Romania and Bulgaria) and FYROM (immediate neighbours Bulgaria and Greece). Given this outlook, the foreign policy implications of direct neighbourhood with Russia and the problem of Kaliningrad stand out.

The accession of Estonia, Latvia and Lithuania will considerably lengthen the border the EU has been sharing with Russia since 1995 when Finland joined the EU. However, the Russian exclave of Kaliningrad – some 400 kilometres off the Russian mainland – could become a real test case and challenge for the new CFSP. The EU still insists on the implementation of the *acquis* (notably in terms of trade and customs regulations, visa policy and free movement of persons and border control). However, Brussels is now more open towards finding flexible practical arrangements⁽²⁸²⁾ so that the disruption of

(282) Heinz Timmermann, "Kaliningrad. Eine Pilotregion für die Gestaltung der Partnerschaft EU-Rußland?", in *Osteuropa*, Vol. 51, No. 9 (September 2001), pp. 1036-1066;

economic and social ties after the accession of Lithuania and Poland will be minimised for the Kaliningrad region⁽²⁸³⁾. Annually around 8 million people and 3 million cars cross borders of the Kaliningrad oblast to Poland and Lithuania in both directions⁽²⁸⁴⁾. From the point of the EU it is Russia in the first place that has to decide on a strategy and vision for Kaliningrad. Will the region become a “double periphery”, at the fringe of both EU-Europe and Russia, or a “pilot region”⁽²⁸⁵⁾ for cooperation and governance in a Europe with flexible boundaries⁽²⁸⁶⁾? The EU also has to tackle specific problems in the event of Russian military transit through Lithuania, i.e. through EU and possibly also NATO territory. Over the last years Russia has already pursued a dilatory strategy in not ratifying border treaties with Estonia and Latvia as a security to exert pressure on the EU and its enlargement policy. The same strategy is pursued with a view to the Russian-speaking minorities in the two Baltic states. In a non-constructive approach Russia could instrumentalise Kaliningrad in many ways in order to threaten the EU and NATO in the course of extending the Alliance to the Baltics. So far the EU response has been a mix of incentives (opening high level dialogue with Russia in the framework of the partnership and cooperation relationship) and a firm stance on the application of the *acquis vis-à-vis* both, the new members and the direct neighbour Russia.

Referring to the waves of enlargement, it is widely assumed that Bulgaria and Romania will be the last of the ten CEEC candidates to join the EU. Romania rather than Bulgaria will probably make a difference to the geopolitical situation of the enlarged EU. Romania's accession would bring the EU closer to Moldova and the Ukraine and

Segue nota

Lyndelle D. Fairly and Alexander Sergounin, *Are Borders Barriers? EU Enlargement and the Russian Region of Kaliningrad*, Helsinki, Finnish Institute of International Affairs and Berlin, Institut für Europäische Politik, 2001.

(283) European Commission, Communication from the Commission to the Council on the EU and Kaliningrad, COM (2001) 26, Brussels, 17 January 2001 (europa.eu.int/comm/external_relations/north_dim/doc/com2001_0026en01.pdf).

(284) Heinz Timmermann, “Kaliningrad. Eine Pilotregion für die Gestaltung der Partnerschaft EU-Rußland?”, cit., p. 1042.

(285) *Idem*, p. 1061.

(286) Michael Smith, “The European Union and a Changing Europe: Establishing the Boundaries of Order”, cit.; Heather Grabbe, “The Sharp Edges of Europe: Extending Schengen Eastwards”, cit.

into potential conflicts over border settlements and a new balance of power in the Slavic post-Soviet region. The EU would have direct access to the Black Sea, and get closer to the Caucasus region and central Asia. Ecological problems, like the dying Black Sea, and the international concern over and interest in controlling the security of energy supply and transport will be put higher on the CFSP and external relations agenda. Romania's accession could, however, relax relations with Hungary that particularly cares about the large Hungarian minority (1,7 million) in Romania.

From a geopolitical standpoint the Czech Republic, already a member of NATO, is easiest to accommodate because it will be surrounded by old and new EU members and thus enjoy a stable environment. In most other cases the enlarged EU will find beyond its new eastern borders comparatively unstable regimes on the verge of democratic government with poor economies, strangled by often mafia-like structures, high levels of organised crime and state corruption. In eastern Europe, potentials for social unrest and authoritarian rule are significant and mark a strong difference to the candidate countries of CEE.

Given the new geopolitical context the EU will have to meet the high expectations to invest heavily in infrastructure projects in fields like transport, energy and also ecological cooperation. The assistance programme for the CIS, TACIS, will probably have to be reorganised and its budget considerably increased (3,1 billion EUR for the years 2000-2006).

So, what are likely effects of an eastward enlargement in stages? Any first wave of enlargement will change the EU's position in central (after the accession of Poland) and southeastern (after the accessions of Hungary and Slovenia) Europe. For the next twenty years or so Poland will mark the outpost of the enlarged EU in east-central Europe. If only in a second wave the three Baltic countries will join the EU would put off the Kaliningrad question (albeit without solving the underlying problems) as well as Russian demands for a special treatment. Once Romania and Bulgaria will join in a probable third wave it will foremost negatively affect relations with Turkey that will feel humiliated by being sidelined and over taken by former Warsaw Pact countries. While the accession of Turkey would profoundly affect

the geostrategic location and foreign policy “identity” of the EU, eastern enlargement is generally seen more relaxed. However, both Russia and Turkey, who remain outside the institutionalised integration process, might view themselves as losers of the ongoing EU-enlargement process⁽²⁸⁷⁾.

New (porous?) borders in the east and south east of the EU: technical problems and foreign policy problems. Enlargement will inevitably complicate the EU’s policy of hard borders. It even seems absolutely impossible to reach a total overlap “between administrative borders, military frontiers, cultural traits and market fringes”⁽²⁸⁸⁾. Technical problems of the candidate countries lie in the field of raising capacities for modernisation and adequate re-enforcement⁽²⁸⁹⁾. Given the increased attention for combating cross-border and organised crime as imminent security threats the dilemma between inclusive and exclusive approaches of the EU increases. The overlap between classical CFSP and newly ESDP problems with the dynamically evolving cooperation in Justice and Home Affairs is even complicated but also more imminent because of enlarged memberships. To say the least enlargement will multiply diversity in the field of external and internal security which is already significant in these formerly key areas of national sovereignty.

While Hill points at the necessity of the enlarged EU to develop, just like a state, a geopolitical outlook⁽²⁹⁰⁾, Zielonka argues that the enlarged EU will be even less likely to become this sort of Westphalian state⁽²⁹¹⁾. However, in particular those countries, that lean to the community method also in the areas of CFSP and JHA will prefer an enlargement strategy that will save as much commonality with a Westphalian state as long as possible. The future enlarged EU shall

(287) Christopher Hill, *The Geo-political Implications of Enlargement*, cit., p. 10.

(288) Jan Zielonka, “How New Enlarged Borders will Reshape the European Union”, cit., p. 511.

(289) Jörg Monar, *Enlargement-related Diversity in EU Justice and Home Affairs: Challenges, Dimensions and Management Instruments*, WRR Working Document No. W112, The Hague, WRR Scientific Council for Government, 2000 (www.wrr.nl/TEXT-EN/werkdocs/w112.pdf).

(290) Christopher Hill, *The Geo-political Implications of Enlargement*, cit.

(291) Jan Zielonka, “How New Enlarged Borders will Reshape the European Union”, cit.

have safe and controlled borders, which will be a more strict precondition for any enlargement after September 11, 2001.

Enlargement unlimited? A crucial question is, whether the EU can maintain the logic of enlargement beyond the accession of the current candidates and with a view to potential applicants from the Balkans and Eastern Europe. Countries on the edge of EU Europe are besides Russia and the Western Balkans, the Ukraine, the Caucasus and even central Asia highlighting the observation that “Europe is a continuum with ill defined boundaries”⁽²⁹²⁾.

The EU faces a conflict between the “security” and the “integration paradigm” in its enlargement policy. The European Council Helsinki emphasised the security dimension (opening negotiations with six more countries, accepting Turkey as a candidate) in the aftermath of NATO bombing of Yugoslavia. Over the last years the enlargement policy was more and more demand driven, that is responding to external changes of the international system and concrete demands of third countries that fear exclusion from the European mainstream. In offering membership the EU found the unique leverage to promote a democratic development and marketisation in the post-communist countries. So the EU thinks that it is still untimely to ask or state where and why to stop enlargement. However, at some point the EU will have to make a *realpolitik* decision. Some argue that at this point, the EU also has to abandon the policy of creative ambiguity as far as the constitutional questions are concerned⁽²⁹³⁾. However, within a more restricted future enlargement policy the EU would have to invest considerable resources in a new neighbourhood policy for the periphery that offers everything but membership.

2.2 The EU and NATO in the context of enlargement

Over the 1990s enlargement of the two key political and security organisations, EU and NATO, have not been synchronised neither as far as the timing nor the strategy was concerned. While NATO managed a first round of enlargement by accepting three candidates, Poland, the Czech Republic and Hungary, the EU missed the chance for

(292) Javier Solana, *The CFSP in an Enlarged Union*, cit.

(293) Jan Zielonka, “Policies without Strategy”, cit., p. 142.

a first small enlargement and has maintained its membership ever since 1995. NATO's first enlargement in 1999 was largely driven by the US, both in terms of scope and the underlying concept of an open door policy⁽²⁹⁴⁾. The three new NATO members could count on a strong consensus among the 16 NATO countries. However, the strategic rationale, the exclusion of some and inclusion of few aspirants as well as the relation with EU enlargement, all these implications remained not clarified. The EU always insisted on the autonomy of its enlargement process while acknowledging that it is strategically and politically complementary with NATO's enlargement⁽²⁹⁵⁾.

The next decision on NATO enlargement is likely to be taken at the Prague summit in autumn 2002. In this very year the EU wants to conclude accession negotiations with the most advanced, i.e. between six and ten countries. In terms of agenda and time management the two enlargement processes could meet. However, the strategic rationale for both NATO and EU enlargement might be discussed in different ways after September 11. The US could view the new dynamic in the development of the ESDP⁽²⁹⁶⁾ in the new context of new threats. Positions could be strengthened in Congress and the Bush administration that support a new division of tasks between the EU and the upgraded ESDP on the one side and the US and NATO on the other. In this scenario the US and NATO would look after security beyond Europe and seek a global role, while the EU would primarily be concerned with European security. Even if this clear cut division will not transpire, the terrorist attacks and continuous threats to security will pressure the EU to assume more responsibility for security on the continent and lead the US to appreciate more fully the ambitions for European defence capacities that are separable from NATO's. This burden-sharing would also have implications for EU enlargement. The rationale for enlargement would take security arguments even more

(294) William Wallace, *Opening the Door. The Enlargement of NATO and the European Union*, London, The Royal Institute of International Affairs, 1996.

(295) Barbara Lippert, "The Dynamics of Eastward Enlargement of the EU: Implications for Transatlantic and US-German Relations", in *CFSP Forum*, No. 2/1999, pp. 2-4.

(296) Elfriede Regelsberger, "Nach Nizza – Perspektiven der Gemeinsamen Europäischen Sicherheits- und Verteidigungspolitik", in *Integration*, Vol. 24, No. 2 (Februar 2001), pp. 156-166; Simon Duke, "CESDP: Nice's Overtrumped Success?", in *European Foreign Affairs Review*, Vol. 6, No. 2 (Summer 2001), pp. 155-175.

strongly into account. Correspondingly, pressure would be taken from NATO to enlarge swiftly and take in as many aspirants as possible. Compared to the recent enlargement of NATO of 1999 the current debate in the run up to the NATO summit in Prague that will review the enlargement process and the implementation of the so called Membership Action Plan (MAP) is already far more cautious⁽²⁹⁷⁾. Among the nine MAP countries of the next round are neither political nor strategic heavyweights. Moreover, there is no consensus on whom to select that would equal the unanimous western support in the case of the three central European countries in 1999. Countries earmarked by NATO for a next round range from the North East (the three Baltic states), to central (Slovenia and Slovakia) and southeastern Europe (Romania, Bulgaria, Macedonia (!) and Albania). NATO has several options to deal with these countries' collective appeal to join NATO⁽²⁹⁸⁾. It could foresee a zero solution and postpone a decision, it could go for a big bang solution of including nine to ten (when adding Croatia) countries or it could continue with a more selective approach. Today, within the new security context and priorities a small round seems even more likely. It could include Slovenia and Slovakia, probably one of the southeastern countries (Bulgaria) and at least one of the three Baltic countries. This selection could be justified as a geopolitically balanced. One of the crucial questions of course is, whether a policy of "Russia first" will re-gain more ground in Washington and also EU capitals. While denying a potential Russian veto on the Baltic states' membership in NATO, the Alliance could shy away from crossing the red line declared by Russia and from testing Russian interest in intensified cooperation. However, President Putin now seems to concentrate more on Russia's own NATO membership or some privileged partnership with the NATO and the US⁽²⁹⁹⁾.

(297) Karl-Heinz Kamp, *Die nächste Runde der NATO-Erweiterung. Kriterien und Optionen*, *Zukunftsforum Politik*, Zukunftsforum Politik Nr. 32, Sankt Augustin, Konrad-Adenauer-Stiftung, 2001 (www.kas.de/publikationen/2001/aussen/zp_nr32.pdf).

(298) *Statement by the Vilnius Group*, Vilnius, 19 May 2000 (www.nato.int/pf/pf/sk/statement051900.htm).

(299) Vladimir Putin, *Rede im Deutschen Bundestag*, 25 September 2001 (www.bundestag.de/blickpkt/imblick/2001/putin_wort.html); Vladimir Putin, Speech with Lord Robertson at NATO Headquarter, Brussels, 3 October 2001 (www.nato.int/docu/speech/2001/s011003a.htm).

The smaller NATO enlargement the stronger the pressure at least from the CEEC and some EU member states on the EU to include a maximum of candidates in order to meet their security needs. On the other hand there are still voices inside the US Administration and Congress that are concerned about back door commitments via EU membership for non-NATO members. The CEEC, however, made clear statements on their preference for the transatlantic framework when it comes to hard security issues. Moreover, some of the candidates are suspicious of a defence and military dimension of the EU that could entail anti-American tendencies and could induce independent security structures of the EU. A case in point is Poland, that some in the EU see as Trojan horse in ESDP. However, Poland and other candidates are only in the process of developing their concrete positions on ESDP and make them fit in with their overall integration doctrine as a EU member⁽³⁰⁰⁾.

Where does this leave the once assumed identity of memberships in EU and NATO? The likely result will be increased diversity of memberships that goes hand in hand with a growing demand for institutionalised as well as informal co-ordination mechanisms. With a view to the capacities for efficient decision-making the increased number of members and the enhanced complexity of interest will complicate and slow down consensus building.

2.3. The CEE candidates and CFSP/CESDP

As in the past rounds of enlargement the EU/Community makes efforts to deepen its *acquis politique*, the institutions and procedures in CFSP before the accession of new members. The treaty revisions of Amsterdam and Nice and the development of a CESDP, starting with the Franco-British St. Malo defence initiative of 1998 marked some, however asymmetric, progress. The future members from CEE are - with the exceptions of Poland and probably Hungary - small in size and political clout and dispose over limited diplomatic networks and a limited geopolitical outlook. Situated at the heart of continental central

(300) Olaf Osica, *Common European Security and Defence Policy as Seen by Poland*, Warsaw, Centre For International Relations, 2001; Jan Zahradil et al., *The Manifesto of Czech Euro-realism*, Document from the ODS conference on party principles and ideology, 2001.

Europe the candidates have neither a colonial past which gave them global instincts nor strong foreign policy traditions. Moreover, all of them experienced an extremely limited sovereignty in foreign policy after 1917 or 1945, others did not even exist as sovereign states (e.g. Slovenia or Slovakia). Today, they are all eager to capitalise on the political clout and regional as well as global reach of EU foreign policy. They do not oppose a military or defence dimension of CFSP/CESDP for principle and constitutional reasons but their positions will be closer to a British vision for CESDP than a French one. However, currently the dynamic of ESDP, which some already see as a fourth pillar, seems to supersede the development of CFSP⁽³⁰¹⁾. One must not expect that the new members will put the brakes on ESDP but they are not very enthusiastic.

As Ginsberg has outlined for past enlargements, new members will bring into the EU their “own foreign policy interests, specializations, connections and expertise”⁽³⁰²⁾. What can we expect from the CEEC as new members? They will have accomplished their premier foreign policy goals – membership in the EU – by the second half of the decade (and probably also membership in NATO). Then, they will concentrate on finding their place in the EU as an equal member state. The members from CEE will probably carry a stronger Eurocentrism and take special interest in the neighbourhood regions and in deepening transatlantic relations. There is every reason to believe that the new members from CEE will demonstrate that they belong to the West and share and cherish the foreign policy identity of the West. They are likely to find it easier to support intergovernmental than supranational foreign policy frameworks and will look at the efficiency and effectiveness of arrangements rather than at theological disputes. However, the candidates generally accept the degree of “Brusselisation” of the EU foreign policy as indicated by the current accession negotiations.

(301) Simon Duke, “CESDP: Nice’s Overtrumped Success?”, cit.; Elfriede Regelsberger, “Nach Nizza – Perspektiven der Gemeinsamen Europäischen Sicherheits- und Verteidigungspolitik”, cit.

(302) Roy H. Ginsberg, “The Impact of Enlargement on the Role of the European Union in the World”, in John Redmond and Glenda G. Rosenthal (eds.), *The Expanding European Union. Past, Present, Future*, Boulder and London, Lynne Rienner, 1998, p. 198.

Given the size and the long and intensive preparation of the next enlargement, the importance of central and eastern Europe has already put its mark on EU foreign policy. Through enlargement the EU grows into *the* European political and economic organisation, that will speak for all-Europe and address Russia as the Eurasian power and neighbour. Some regions, like the Baltics, have already gained a new attention in and commitment of the EU through the Northern enlargement and through a series of regional initiatives, ranging from the Council of the Baltic Sea cooperation up to the "Northern Dimension" of the CFSP⁽³⁰³⁾. Southeastern Europe and the Balkans in particular have become a priority region for the EU in the context of the Yugoslav-succession wars and because of the potential for instability and war. Despite the common strategies for Russia and the Ukraine, the same degree of attention, initiative and commitment cannot be identified for Eastern Europe so far. Here we can expect some enlargement-driven intensification and maybe a new emphasis (e.g. on the Ukraine) as far as the substance is concerned.

The enlarged EU will include members that opt for a pro-active eastern policy of the EU and a "no-appeasement" policy *vis-à-vis* Russia. As far as the foreign policy priorities and orientations of the new members are concerned the EU expects that the eastern policy of the EU must be strengthened and that historic memories and experiences with Russia, but also the Ukraine will be brought in⁽³⁰⁴⁾. So far the case of NATO enlargement has taught us, that the three new members could easily be accommodated in this basically intergovernmental and US-dominated decision-making in the alliance. However, EU foreign policy-making and CFSP will require a specific socialisation and profile of cooperation from new members. This will not start from zero. The applicants have already regularly aligned themselves with positions the EU takes in the OSCE, the UN and other multilateral fora.

(303) Mathias Jopp and Sven Arnswald, (eds.), *The European Union and the Baltic States. Visions, Interests and Strategies for the Baltic Sea Region*, Helsinki, Finnish Institute of International Affairs and Berlin, Institut für Europäische Politik, 1998; Gianni Bonvicini, Tapani Vaahtoranta and Wolfgang Wessels (eds.), *The Northern EU. National Views on the Emerging Security Dimension*, Helsinki, Finnish Institute of International Affairs and Berlin, Institut für Europäische Politik, 2000.

(304) Javier Solana, *The CFSP in an Enlarged Union*, cit.

They have also aligned themselves with almost all joint positions and actions they were invited to join. Thus they have shown their full preparedness to act collectively in CFSP⁽³⁰⁵⁾. The initiative for structured relations and a substantive political dialogue in multi- and bilateral frameworks with the applicants proved to be very useful (including the levels of political directors, European correspondents and working groups) in terms of socialisation. With a view to ESDP all candidates from CEE take a special interest in being involved in the EU + 15 (non EU members of NATO, like Poland, Hungary and Czech Republic and other candidate countries) and EU plus six (non-EU NATO members) exchanges on security and military matters (regular meetings of high officials and experts with the Political and Security Committee and the Military Committee). These exchanges started under the French presidency in 2000 and were based on the conclusions of the European Councils of Feira and Nice. Six Candidate countries are now involved in KFOR (the Czech Republic, Hungary, Lithuania, Poland, Slovakia and Slovenia) and all CEE candidates in SFOR missions. Moreover, the candidates from CEE support the EU initiative for the multilateral Stability Pact for South east Europe and are involved in regional cooperation initiatives (e.g. the South Eastern Europe Cooperation Initiative (SECI), the Visegrad cooperation, Council of Baltic Sea cooperation) and other forms of preventive diplomacy. Commitment towards subregional cooperation and policies of good neighbourliness were expectations and conditions which the EU quite successfully emphasised vis-à-vis the applicants and also the stability pact countries⁽³⁰⁶⁾. Beyond declaratory politics and formal af-

(305) European Parliament, *The Common Foreign and Security Policy and Enlargement of the European Union*, cit.; European Commission, *Regular Reports from the Commission on the Progress Towards Accession by Each of the Candidate Countries*, 8 November 2000, COM (2000) 701-713 (europa.eu.int/comm/enlargement/report_11_00/index.htm); Elfriede Regelsberger, "Die schrittweise Integration der Beitrittsländer in die Außen- Sicherheits- und Verteidigungspolitik der EU – der strukturierte Dialog ungleicher Partner", in Barbara Lippert, *Osterweiterung der Europäischen Union – die doppelte Reifeprüfung*, cit., pp. 309-323.

(306) Martin Dangerfield and Vladislav Goryunov (eds.), *Subregional Dimensions of European Union Enlargement*, Wolverhampton, University of Wolverhampton-Russian and European Research Centre, 2001.

filiation, cooperation in CFSP has been continuously deepened with the applicants⁽³⁰⁷⁾. However, they have not yet played a crucial role in designing, for example, common strategies in priority areas of the EU. From their point of view Russia and the new neighbourhood policy of the EU deserve special commitment. Russia's rapprochement with Europe will be of high and critical interest of all new member states from CEE. In the future, the EU will probably refine and update its politics of conditionality as part of its foreign policy⁽³⁰⁸⁾.

The impact of the EU on Europe will increase with enlargement and the EU will dominate Europe. The US and also Russia will accept this premier impact, which is both political and economic. However, the EU has to develop a significant and comprehensive political and also security dialogue with Russia urgently. Russia's attitude towards the EU as a collective actor is still ambivalent. Traditionally, Russia has preferred bilateral relations, namely with the US, Great Britain, Germany and France. In the wake of the US response to the terrorist attacks historic images of the Big Three world war II allies were recalled also in Russia.

Moreover, Russia will be on the guard when the enlarged EU will speak for all-Europe, of which Russia is an integral part. From this follows that the EU has an interest that the political, economic and social gap between the integrated Europe of the EU and Russia and the post-Soviet countries will not widen to the extreme. This development would mark Russia as a loser of enlargement and increase tensions between Moscow and Brussels.

2.4. Strengthening the EU as a collective international actor?

Besides the "export" of stability and the emergence of new direct neighbours, the increased weight of the EU on the international stage is a widely expected (positive) consequence of enlargement⁽³⁰⁹⁾. After

(307) European Commission, , *Regular Reports from the Commission on the Progress Towards Accession by Each of the Candidate Countries*, cit.

(308) Milica Uvalic, *Regional Cooperation and EU Enlargement: The lessons Learned*, unpublished paper, 2001; Heather Grabbe, "The Sharp Edges of Europe: Extending Schengen Eastwards", cit.

(309) European Commission, *Agenda 2000*, cit.

eastward enlargement the EU will count more than 470 million people, compared to 280 million in the US and 146 million in Russia. It will form the largest trading group that shares an economic and monetary union with a common currency. Thus, it are the external economic relations and probably the collective representation of the EU in the international economic institutions that will automatically be strengthened in the moment of enlargement and thus increase the presence of the EU in international relations⁽³¹⁰⁾. What about CFSP?

The Commission as well as the European Parliament have a clear expectation or claim that the EU will gradually develop an “integrated approach to external relations”⁽³¹¹⁾ in a situation when membership nearly doubles. In their view, eastward enlargement shall give a boost to a further communitarisation of CFSP, a concentration and further hierarchisation of foreign policy and external policy instruments and actors. This means to strengthen also central institutions, like the Commission and Presidency, or the High Representative/Secretary General (HR/SG). Closer cooperation between the Council and the Commission is inevitable and the fusion of the HR with the Commissioner for external relations is still on the cards. From the new geopolitical situation of the enlarged EU the demand and necessity clearly derives for better foreign policy planning capacities of the EU. Today, the so called policy planning and early warning unit merely works as a cabinet of the HR/SG rather than a foreign policy planning cell. In principle, all this should add to a more powerful and collective actor. It is likely that the EU will – not without controversies – develop supranational procedures in CFSP from negative experience but also from success. The EU will have to replace CFSP and the emerging ESDP in a renovated set of institutions and competencies of the Union. The reform of the Council and the clarification of its legislative and executive functions could lead a way to a more convincing fusion of the functions of the HR and of the Commissioner for external relations. Thus, enlargement alone will hardly trigger CFSP reforms.

(310) Michael Smith, “The European Union and a Changing Europe: Establishing the Boundaries of Order”, cit.

(311) European Commission, *Agenda 2000*, cit., p. 36; European Parliament, *The Common Foreign and Security Policy and Enlargement of the European Union*, cit.

Moreover, expectations of third countries and those of the direct neighbourhood of the enlarged EU will increase after enlargement rather than degenerate. External challenges from the new direct neighbourhood in connection with the EU's search for alternative strategies to enlargement/membership might catalyse also foreign policy. This will also challenge the coherence of EU foreign policy instruments across the pillars. With a view to Russia and the Ukraine, the Commission cannot match the influence it had in eastward enlargement. The need to generate a geopolitical and strategic outlook will force the EU also to find adequate institutional solutions and frameworks. Wallace pointed at the critical influence of the US for the strategic re-definition of EU international politics⁽³¹²⁾. Here, the aftermath of September 11, 2001 will certainly offer a lesson. The expectations that the EU will react and function like a state, will increase as far as Russia and also the US are concerned.

Conclusions

While the presence of the EU in Europe will increase with enlargement, the capabilities to agree and the capacities to act collectively might not.

As to the presence of the EU, enlargement as such will manifest the EU's impact on the European scene and on international politics. Thus, on the continent, the EU will assume the roles of "regional pacifier"⁽³¹³⁾ and "*Ordnungsmacht*"⁽³¹⁴⁾ because it dominates the international politics of Europe due to its geographic scope, economic weight and political clout. However, the risk of destabilisation and erosion of the enlarged EU itself cannot be ruled out⁽³¹⁵⁾. Speaking for Europe, it will face huge expectations to live up to these roles. Even a military role and dimension to the European presence of the EU is likely. In

(312) William Wallace, "From the Atlantic to the Bug, from the Arctic to the Tigris? The Transformation of the EU and NATO", in *International Affairs*, Vol. 76, No. 3 (July 2000), pp. 492.

(313) Christopher Hill, "The Capability-Expectations Gap, or Conceptualizing Europe's International Role", in *Journal of Common Market Studies*, Vol. 31, No. 3 (September 1993), pp. 312-313.

(314) Wolfgang Wessels, "Die Europäische Union als Ordnungsfaktor", cit.

(315) Christopher Hill, "The Capability-Expectations Gap, or Conceptualizing Europe's International Role", cit.

reverse, these developments could reduce any EU ambitions to act globally, notwithstanding that the EU gets more involved in conflict mediation also beyond Europe (cf. post-Taliban Afghanistan, the Middle East) as the junior partner of the US. The new EU members from CEE will, however, have little to contribute as a surplus.

The test case for the future foreign policy of the enlarged EU lies in its relations with Russia and the Ukraine. The development of a comprehensive and consistent strategy towards Russia is imminent. The process of accession of the 10 countries from CEE will highlight and accelerate the comprehensive interdependence between the EU and Russia. In line with the qualities of a model and magnet which Hill ascribes to the “regional pacifier”, the EU will be the most powerful actor and provider for a pan-European economic and social area. Its “militarisation” could however induce a new antagonistic potential. Beyond enlargement the EU will have to invest in sub-regional cooperation in terms of politics and money. It is a test case for the EU to see how strong the “regional pacifier” and “*Ordnungsmacht*” capacities are without the membership perspective as a strategic foreign policy offer. The task to achieve a structure in which eastern post-Soviet countries are closely linked to the EU and where the EU encourages good neighbourly cooperation among them is not an alternative⁽³¹⁶⁾ but a complementary strategy to eastward enlargement. Given the risks of institutional, political and geographic overstretch the EU will look for consolidation after the completion of accession of the current 12 candidates in order to achieve the goal of Europe as an “area of unity and stability”⁽³¹⁷⁾.

When it comes to the actorness qualities of the EU, enlargement will not necessarily strengthen an appropriate institutional development of CFSP and ESDP. Here, we can only speculate about the future development between stronger communitarisation and strengthened intergovernmentalism in different power constellations. The new international environment after enlargement and the demandeurs of collective diplomacy beyond the borders of the EU could work as a catalyst and federator towards a “progressive supranationalism”⁽³¹⁸⁾.

(316) *Idem*, p. 313.

(317) European Commission, *Agenda 2000*, cit., p. 34.

(318) Christopher Hill, *The Geo-political Implications of Enlargement*, cit., p. 23.

However, external demand will not be a sufficient impetus for real improvements so that the EU will need an additional momentum for reform from the inside.

It will take some time for the EU to absorb new members. It would be rather on institutional and decision-making grounds than on geopolitical reasons to slow down the pace of enlargement to the ten CEEC. Enlargement could well widen the expectations-capability gap⁽³¹⁹⁾ for the next years. In response to a more complex and diverse membership and also in response to external demands, some of the major EU member states, like the UK, France and also Germany, might look for more “enhanced cooperation” inside the EU and an informal or formal directorate in or outside the EU. There is a growing understanding among EU-governments that the realities of big(ger) and small(er) member states must be reflected more adequately in any new institutional decision making arrangements for a reformed CFSP/ESDP of an enlarged EU. After September 11 even the UK and France realised the limited influence they enjoy as unilaterally acting nation states. They need the EU/CFSP as a platform. The big member states will be more interested in an efficient and decisive CFSP which will however depend on their capacities for joint leadership in the absence of an accepted hegemon inside the EU. A move towards a more federal political system of the EU would of course be conducive to build up political consensus and legitimacy and give a clear mandate for taking foreign policy actions collectively for the Union.

So the decade of enlargement might well see a European Union going into the direction of “progressive supranationalism” of CFSP with a strong notion on own military capabilities. Enlargement will complicate but not stall these developments. With or without enlargement the EU and its members can also fail in this ambition.

(319) *Idem*, p. 23.

8. THE ROLE OF THE EU IN THE MEDITERRANEAN AND THE FUTURE OF THE EURO-MED PARTNERSHIP

by Roberto Aliboni (*)

Geopolitically and strategically, the regions to the south of the European Union (EU), on the other side of the Mediterranean, are closely connected. In many respects, they represent a “security complex”, that is a space of common security problems and perceptions which embraces potential factors of conflict but at the same time offers a possible framework for dealing with them in a cooperative way⁽³²⁰⁾. More in detail, though, it should be noted that the distinction between North Africa (the Maghreb) and the vast region of southwestern Asia which was at the centre of the superpowers’ geopolitical visions during the Cold War still holds true. Plus now that the Cold War is over, this vast region has linked up with central Asia and the Cauca-

(*) Vice-President, Istituto Affari Internazionali, Rome.

(320) The theory of “security complexes” comes from the Copenhagen School. See Ole Waever and Barry Buzan, “An Inter-Regional Analysis: Nato’s New Strategic Concept and the Theory of Security Complexes”, in Sven Behrendt and Christian-Peter Hanelt (eds.), *Bound to Cooperate. Europe and the Middle East*, Gütersloh: Bertelsmann Foundation, 2000, pp. 55-106, in which the authors are sceptical of the efficacy of inter-regional security relations such as the NATO Mediterranean Dialogue and the Euro-Mediterranean Partnership. According to the Copenhagen School, the end of bipolar strategic relations has made regions more autonomous and less sensitive to factors of global security. Thus, the Arab-Israeli conflict generates security perceptions and problems that are different in Europe and the Middle East: Europe would like a solution to the conflict for stability reasons; the Middle Eastern countries view the issue as a real problem of national security. As a result, the security agendas are different. This complicates cooperation between Europe and the Middle East in the field of security and, even more, in setting up a system of cooperative security. In the case of the Euro-Mediterranean Partnership, the differences in security agenda intertwine with other factors that make progress in the field of security difficult, for example, the exclusion of countries such as Iraq, Iran and Saudi Arabia, which have a strong effect on the regional security balance. In the Euro-Mediterranean sphere, see Roberto Aliboni, Abdel Monem Said Aly and Álvaro Vasconcelos, *EuroMeSCo Joint Report 1997/1998* (Working Group on Political and Security Co-operation, Working Group on Arms Control, Confidence-Building and Conflict Prevention), EuroMeSCo, 1997 (www.euromesco.org/euromesco/publi_artigo.asp?cod_artigo=38098); Mark Heller, “Weapons of Mass Destruction and Euro-Mediterranean Policies of Arms Control: An Israeli Perspective”, in Álvaro Vasconcelos and George Joffé (eds.), *The Barcelona Process. Building a Euro-Mediterranean Regional Community*, London, Frank Cass, 2000, pp. 158-166.

sus. The crisis triggered by the terrorist attack on the World Trade Centre and the Pentagon has clearly revealed this fundamental connection.

Despite their homogeneity, the EU does not have a comprehensive vision and consistent policies towards these regions. The Mediterranean policy, one of the most important and structured EU policies, considers North Africa and the Near East together, but separates the latter from the other regions of southwestern Asia, such as the Gulf – regions that have a far greater influence than the Maghreb on ongoing conflicts, especially the one between Israelis and Palestinians. As a result of its Mediterranean perspective, a legacy of its past, the EU is out of phase with the strategic and geopolitical representation of the West as a whole, as it is with that of Russia and even with that of some of its member states, especially the more powerful ones (France, the United Kingdom, Germany).

The lack of comprehensiveness and consistency does not affect only representations and objectives, but also policies. This is a consequence of the Union's fragmentary vision but also, inevitably, of its composite institutional character and its incomplete political status. The EU possesses a panoply of policies: the Euro-Mediterranean Partnership (EMP), the initiatives flanking the Middle East peace process, the critical dialogue with Iran, adherence to the UN sanctions on Iraq, the dialogue with the countries of the Gulf Cooperation Council. Those policies are not without a basic consistency, thanks to the Copenhagen principles. Yet, above and beyond their ideological foundations, they are quite different in the scope and the interests they pursue and are poorly linked operationally, as are, for example, the Partnership and the peace process.

This chapter concentrates on the Partnership⁽³²¹⁾. The EPM was set up at the November 1995 Barcelona Conference between the EU's 15 members and 12 counterparts from the southern shores of the Mediter-

(321) Some general analyses of the EPM can be found in Roberto Aliboni, "I rapporti tra Europa e Mediterraneo: il quadro istituzionale e politico", in Giorgio Gomel e Massimo Roccas (eds.), *Le economie del Mediterraneo*, Roma, Banca d'Italia, 2000, pp. 19-87; Fulvio Attinà et al., *L'Italia tra Europa e Mediterraneo: il bivio che non c'è più*, Bologna: Il Mulino per Arel, 1998.

anean: Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syria, Tunisia, Turkey and the Palestinian Authority. It envisages three main areas of cooperation which will be considered in more detail later: a) the creation of a common area of security; b) liberalising trade and developing the economy; c) enhancing social, human and cultural relations. It is directed by an annual ministerial-level conference. Political and security relations are organised separately from economic and social relations in order to take into consideration the difference between the community and intergovernmental levels that distinguishes the Union. Intergovernmental relations are handled by a committee of high officials; the others are dealt with by the Commission, which also acts as the EPM secretariat. The latter has a substantial fund, named MEDA, with which to finance its actions.

The EPM is the latest incarnation of the many formulas for Mediterranean policy worked out over the years by first the European Community and later the Union⁽³²²⁾. As such, the EPM is *de facto* the object of one of the few common strategies approved by the EU to date⁽³²³⁾. Thanks to its holistic nature, the Partnership represents the EU's most multi-faceted policy in the regions in question. An examination of it will serve to shed light on the Union's institutional complexity and the problems involving relations between its "pillars", as well as the EU's identity as an international actor.

To illustrate the significance of the Mediterranean policy in the context of a developing EU Common Foreign and Security Policy (CFSP), the chapter briefly examines two issues, the relation between those policies and EU cohesion, on the one hand, and its institutional and organisational consistency, on the other. Before drawing conclusions, some observations are made on the relationship between the Mediterranean policy and the policy towards the Middle East peace process.

(322) Jon Marks, "High Hopes and Low Motives: the New Euro-Mediterranean Partnership Initiative", *Mediterranean Politics*, Vol. 1, No. 1 (Summer 1996), pp. 1-24.

(323) House of Lords, Select Committee on the European Union, *The Common Mediterranean Strategy*, Session 2000-01, 9(th) Report, London, The Stationery Office, 14 March 2001.

1. *The Mediterranean and EU cohesion*

As is known, in pursuing common security policies, such as the one towards the Mediterranean, the individual EU countries actually react to different challenges and risks, or rather, to the different impact that these have upon them. The EU countries most affected by the risks and challenges coming from the Mediterranean seek to increase the Union's cohesion in order to be able to use common resources and cut costs. Furthermore, some governments contribute to cohesion in a field of less national interest in order to obtain advantages in, for them, more important sectors. For example, they contribute resources to common security in order to enhance their international political status. Indeed, this issue linkage between security resources and international political status was a common practice in the 1990s, made possible by the many peacekeeping missions brought into operation, even though other objectives, such as better military training and the consolidation of internal consensus, were equally important.

EU members frequently press for common policies to deal with the challenges and risks they have to face. The efforts of the Italian government to obtain a common European policy for border control is a good example. Italy's effort to support peacekeeping operations in the western Balkans with more military resources than it could normally have afforded is strictly linked to its aspiration to be a part of, or not be excluded from, the international *directoires*, and is another example of issue linkage. Yet another example is Spain's participation in the same peacekeeping operations in the western Balkans, that is, in an area in which, unlike Italy, the country has no concrete security interests. Both Italy and Spain have in effect been compensated for their efforts.

These balancing acts, although directly aimed at satisfying a national interest, play an important role in increasing and consolidating the Union's overall cohesion. The Mediterranean policy constitutes one of the Community's first balancing acts, as it was established (like sub-Saharan policy, but with greater difficulty) to facilitate and bring order into the transition from colonialism. Slightly bureaucratised by the Commission's management in the 1970s and 1980s, the Mediterranean policy returned to the forefront in 1989, with the end of the Cold War and the demise of the Soviet Union, when events suddenly

shifted the Union's political centre of gravity towards the countries of eastern Europe. This was when the Mediterranean countries of the Union felt the urgent need to ensure equal security conditions among EU members. This process ended with the decisions taken by the European Councils of Corfù (1994) and Cannes (1995) to establish the Euro-Mediterranean Partnership. With the EMP, EU policy, previously excessively shifted eastward, was to some extent rebalanced. This resulted in greater cohesion in the Union. Germany, as it had already done in the 1960s with the sub-Saharan and Mediterranean policies, played a decisive balancing role, defining itself, not without some concrete reasons, a Mediterranean country⁽³²⁴⁾.

The Mediterranean policy shows that the competition between the interests of EU countries is guided, as in all free competition, by a kind of invisible hand that turns it into a positive sum game. Such dynamics tends to strengthen the Union's CFSP and its *acquis*.

During the 1990s, however, the context changed considerably with respect to the immediate post-Cold War situation. Today, it appears clear that the risks of the southern periphery are more intense than those coming from the eastern periphery in that they are less manageable. While the countries of central-eastern Europe, Russia and Ukraine have found efficacious and dynamic forms of dialogue and cooperation with the Union, the same cannot be said for the Mediterranean. Some of the most important risks today, such as the proliferation of weapons of mass destruction, identity conflicts and terrorism essentially stem from this southern periphery. Furthermore, it is now evident that the Union's southern border is at the greatest risk. At the same time, the effects of the spread of the instability endemic south of the Mediterranean cross this border and affect to some extent, even though often only a very minor one, the security of southern Europe. In reality, many of these effects, such as immigration, are felt mainly by France and the countries of central and northern Europe.

If the intra-EU pact which gave rise to the EPM were renegotiated today, the roles, perceptions, burdens and benefits would be distribu-

(324) See Volker Perthes, *Gradually Becoming a Mediterranean State: Germany and the EuroMediterranean Partnership*, EuroMeSCo Papers, No. 1, Lisbon, EuroMeSCo, February 1998 (www.euromesco.org/euromesco/publi_artigo.asp?cod_artigo=46533).

ted differently. Yet, the EU member states do not seem to be aware of this change. Given the crisis of the EPM as a result of the al-Aqsa Intifada in Palestine, the northern European countries have taken a wait-and-see attitude, leaving the burden of working out new lines of action to the southern European countries. The latter play along without even realising to what extent the conditions have changed. In reality, the Mediterranean policy now involves all European states and, in some cases, northern countries more than southern ones. The very bases of the Union's Mediterranean pact have changed. The question, then, is to evaluate whether and how this new situation affects the Union's internal cohesion.

The hypothesis that can be put forward is that the Mediterranean policy, in the form in which it has evolved in the six years that have passed since the signing of the Barcelona Declaration (November 1995), generates cohesion not in that it represents the indivisibility of the security of Union members, but in that it reflects a common security concept, the one underlying the common Mediterranean strategy approved by the Union in June 2000 at the Feira European Council⁽³²⁵⁾. This concept can be qualified less by the specificities of the region it addresses than by the generalities of its underlying principles, the 1993 Copenhagen principles which, as is known, entrust the fundamental security of the Union to a process of integration based on more or less long-term convergence towards "the stability of the institutions that ensure democracy, the rule of law, respect of human rights, as well as respect and the safeguarding of minorities". The Copenhagen principles were drawn up for the candidates for entry into the Union, but they also form the basis for the EPM and the agreements with the African, Caribbean and Pacific (ACP) countries, for the very reason that they do not refer to a specific outside area but rather to the foundations of the Union's security. Is this ideological kind of cohesion, based on a number of shared principles, stronger or weaker than the former cohesion, which sprang from a synthesis of the different security perceptions of the member states?

(325) See the documentation and comments contained in House of Lords, *The Common Mediterranean Strategy*, cit.

This new form of cohesion, based more on intentions than on interests may seem stronger than that which arose from a compromise among different national interests. Nevertheless, this is not the case, since the new form has undermined the effectiveness of the Mediterranean policy. In fact, while Union members are increasingly cohesive on long and very long term objectives – strongly opposed by the southern partners – the Union seems to be vaguer than ever about more short-term security problems. Some of them, such as immigration, are actually being dealt with once again in a national perspective. The community of values that the Union intends on becoming in the long-term makes it mostly incapable of identifying and pursuing concrete interests and objectives in the short term. Consequently, there can be no doubt that a more cohesive conceptualisation of the CFSP corresponds to a weaker capacity for actually doing politics.

The Mediterranean is not the only common strategy that suffers this situation. In fact, the common strategies for Russia and the Ukraine are quite similar. The Mediterranean policy is part of a general trend. With the reforms introduced in Amsterdam, there is a strong dualism in the CFSP between the community and the intergovernmental levels. On the one hand, the orientations recently adopted by the Commission in the field of conflict prevention and human rights make the Union's foreign policy even more rigid and abstract. On the other, the High Representative seems to be an eminently diplomatic factor destined to operate only in the very short term in very close connection with the governments of the member countries. Despite proposals for coordination, the gap between the distant and heroic horizons of the Commission and the extreme functionality or rather intergovernmental levelling off of the High Representative does not seem about to narrow. Behind all of this is a marked trend towards renationalisation of the Union, bound to become more accentuated with enlargement; the resulting cohesion of values will be all the closer the more effective the policies into which it translates.

2. Problems of institutional consistency between the Partnership and the Union

In establishing the Partnership, much emphasis was placed on the advantages deriving from its holistic nature, which integrates the po-

litical, economic, security and cultural dimensions. In this sense, the Partnership is the offspring of the Cold War. Gone the east-west conflict, with its essentially military threats, the world has become dominated by various kinds of risks and challenges calling for a multidimensional response. In fact, the Barcelona Declaration adopted a comprehensive security approach. As mentioned, the Declaration's three chapters are dedicated to political and military cooperation, economic and financial cooperation, and social and cultural cooperation. These different aspects were brought together in a policy of cooperation integrating the various objectives and instruments with the aim of providing equal security for all partners in the area.

The Declaration's holistic structure reflects the division into pillars of the Treaty of European Union; the first chapter, aimed at establishing an area of peace and stability in the Mediterranean, deals with CFSP; the second, intent on establishing an area of shared economic prosperity tackles a number of economic matters mainly lying in the field of competence of the Commission; the third chapter, which has to do with social issues such as organised crime and emigration, corresponds to the third pillar and justice and home affairs. Bringing the three pillars together to pursue the same objective, the Barcelona Declaration is an interesting experiment from the point of view of the consistency of action of Union institutions and the development of an integrated foreign policy.

How has this integrated approach towards the Mediterranean worked? From a merely organisational point of view, the institutions, with all their limitations and sluggishness, have become coordinated through a coherent even if not particularly efficient decision-making process. It should be pointed out, however, that while holistic in its intentions, the Partnership has produced concrete results in the economic field only. It has generated very little (and little of any importance) in terms of the cooperation envisaged by the Declaration's first and third chapters. Therefore, despite the formal consistency, there is no substantial consistency, that is the ability of the Union's institutions to give rise to a comprehensive strategy able to achieve the objectives set out by means of the instruments available.

On the one hand, the CFSP has been unwilling or unable to adapt the proposals for political and security cooperation to the requests and

expectations coming from the partners and to evolving circumstances. On the other, the shortcomings of the common policies, as in the case of issues relating to justice and home affairs, have prevented the Union from dealing with matters of importance to the Partnership. In many cases, bilateral relations have intensified in fields which the Partnership considers important for collective cooperation, for example emigration⁽³²⁶⁾.

The decisions taken in recent years to communitarise certain policies of the EU's third pillar may allow for a more consistent European approach within the Partnership framework. Some progress has been made in the field of Justice and Home Affairs. Nevertheless, the obstacles and difficulties that the Partnership has come up against in its six years of life are due more to the limits of CFSP than to the instrumental deficiencies of the Union. To illustrate this point better, one has to go back to the process aimed at formulating a security concept shared by the EU and its southern partners – a process that materialised in the attempt to draft a Euro-Mediterranean Charter for Peace and Stability. The negotiations for the Charter started in July 1996 and proceeded vainly until the November 2000 Ministerial Conference in Marseilles when, with the new Israeli-Palestinian crisis, they were definitively suspended.

In their Mediterranean approach, the European governments gave priority to the objective of stability in the framework of a comprehensive security concept, as mentioned. Actually, this was not the direction in which the first steps were taken. In the first six months of the Partnership, an Action Plan was drafted that accentuated the military aspects of cooperation through the establishment of confidence-building measures, arms limitations and preventive diplomacy. The plan, which seemed ambitious even if the Middle East peace plan had been in full progress (while it was seriously starting to regress at that time), was soon shelved. The EU returned to its original approach, proposing the negotiation of a broader concept of security to be set down in the Charter mentioned.

(326) See Ferruccio Pastore, "La politica dell'immigrazione", in Franco Bruni and Natalino Ronzitti (eds.), *L'Italia e la politica internazionale. Edizione 2001*, Bologna, Il Mulino, 2001, pp. 263-278.

The comprehensive security concept underlying the EU's negotiations on the Charter corresponds to its fundamental philosophy based on the two pillars of economic integration, on the one hand, and humanitarian democracy, on the other, emphasising the need to favour achievement of a state of "structural stability" by the partner countries. According to the Commission, this state is characterised by "sustainable economic development, democracy and respect for human rights, viable political structures and healthy environmental and societal conditions, with the capacity to manage change without resorting to conflict"⁽³²⁷⁾. This is the definition recently formulated by the Commission and not specifically aimed at the Mediterranean policy. The European diplomats who proposed to negotiate the Charter must have had a less clear idea in mind, but there can be no doubt that this is the substance of the concept they were pursuing.

This concept triggered the response from the southern shores of the Mediterranean that the EU was advancing an egoistically and narcissistically "security-based" view of the Partnership, which they could not accept. According to the countries of the southern shore, this approach overshadowed or even obliterated the globality of the process, that is the economic and socio-cultural dimensions, neglecting some crucial factors of insecurity. The heart of the dissent was related to the political aspects of Europe's notion of security, that is to say, its insistence on human rights and democratisation with its policies of positive and negative (conditionality) incentives. The countries of the southern Mediterranean felt that the EU was concerned about its own stability to the detriment of that of its partners. Democratisation and respect for human rights are seen by many as destabilising factors for the regimes, especially in that they can favour the rise of religious extremism. The EU exhorts Arab regimes to integrate religious parties and movements. Yet they remain a systemically anti-democratic factor and therefore a risk for their stability. Security, also according to the southern partners, should be global in the sense of respecting their security requirements as well as those of Europe, concentrating coopera-

(327) European Commission, *Communication from the Commission on Conflict Prevention*, COM (2001) 211 final, Brussels, 11 April 2001 (europa.eu.int/comm/external_relations/cfsp/news/com2001_211_en.pdf).

tion on economic and social problems without interfering, at least in the short to medium term, with internal political equilibria in the southern Mediterranean.

Faced with the position of its partners, the EU has little room for manoeuvre. It cannot accept the partners' refusal to give a pre-eminent role to democratisation and human rights in the Partnership, nor can it modulate or adapt its external policies and CFSP because of their strongly ideological basis. This is just another confirmation of the fact that a Union based ever more on the assertion of its values (and the intrinsic validity of its model) and ever less on the identification of its concrete interests will find it difficult to manage foreign policy, especially when those values are shared only slightly or not at all by its partners.

Furthermore, one cannot overlook the obstacles posed to an integrated or holistic policy like that of the EPM by the gaps in Union competencies and capacities. The absence or weakness of the communitarisation of the EU's third pillar has curbed development of Mediterranean cooperation in the fields of emigration and soft security, both fundamental for the implementation of that concept of comprehensive security towards which the EU is orientated and which, above all, is approved of by the Mediterranean partners more than one based primarily on political and military security.

This shortcoming concerns not only the policies but also the institutions. In fact, it should be underlined that the Mediterranean common strategy calls for a qualified majority vote for common actions and positions that the EU plans to undertake in the fields set down in the strategy, as established by the Treaty (TEU), but it is not foreseen for questions that fall outside Title V of the same Treaty, that is, matters unrelated to CFSP. Among them are those of the third pillar. It is certainly ironic that a provision aimed at making EU action more effective and rapid excludes the questions of greatest importance for consensus and cooperation within the framework of the Partnership. All of this complicates the management of common interests and further strengthens the rigidity deriving from the ideological approach of the policies towards the Mediterranean area centred on the Copenhagen principles.

3. The Partnership and the Middle East peace process

The Barcelona Declaration laid down the principle that the EPM has no competence in the Middle East peace process. It was established, albeit in general terms, that the EPM would not interfere with the processes already under way. This limitation is a good reflection of the position of southern partners, both Israel and Arab countries. It might be added that in November 1995 there was a widespread feeling among the countries of the southern shore of the Mediterranean, but also among EU members, that the peace process begun in Oslo would be successful and would lead to a situation in which the Partnership's cooperative structure would find fertile ground for growth.

In reality, in the five years leading up to the al-Aqsa Intifada in September 2000, those expectations were not fulfilled. The EPM turned out to be dependent on the peace process: a framework for political and security cooperation, whether in a broad or strict sense, cannot be furthered unless the conflicts in Arab-Israeli relations begin to be resolved. The Barcelona process has good potential for supporting the peace process, but it cannot be a resolving factor.

These developments revealed the fracture that exists within CFSP between Mediterranean policy and Middle Eastern policy. The Mediterranean policy addresses a north-south area which is of no significance, *per se*, from a security point of view and certainly does not correspond to the Middle Eastern area in which there is a concrete security problem (and in this sense constitutes a security complex). The policy of being present in the Middle East peace process, in turn, does not correspond to the area of the Middle East conflict, as it is separate from the bits of common policy pursued by the EU towards Iran, Iraq and the Gulf. On the whole, the EU has unconnected and irrational fragments of policy towards its southern periphery, which prevent it from formulating or conducting a consistent CFSP or external policies towards it.

The High Representative has the potential to overcome the current fragmentation and deficiencies, but only through very short-term diplomatic action and only, of course, if there is an agreement between capitals. The special envoy to the peace process continues to be bound by a limited mandate which allows him to represent no more than the

policies and fragmented potential just mentioned. He cannot act on numerous factors that affect the peace process and must concentrate on the few deeds that European solidarity has made possible: observers on Hebron, the aid programme to Palestinians, a few common declarations, such as that of the Berlin Council. Only marginally can he take advantage of the (indeed marginal) links that exist between the peace process and the Barcelona process. On the other hand, the importance given to the Mediterranean programme in the Commission continues to be completely out of proportion to the requirements of the Middle East. Hence, if one looks at the Mediterranean programme from a strictly geopolitical and strategic point of view, it is obvious that it has little to do with concrete political problems and therefore contributes little to the Union's consistency and cohesion.

4. Conclusions and future developments

Two main conclusions can be drawn from the foregoing. One concerns the relation between the Mediterranean policy and Union cohesion. The consensus for the Mediterranean policy was achieved in the framework of one of the many balancing acts that characterise the history of the European Community and the Union. It was a compromise that reassured the southern and northern members about their reciprocal contributions to subregional interests, re-establishing a sense of equality as to the security conditions of each. In the second half of the 1990s, the differences in the interests of the northern and southern members of the Union were attenuated and the basis for cohesion among EU members gradually shifted to the affirmation of democratic values and freedoms which underlie their notion of security. Cohesion increased, but it made management of the Mediterranean policy more inflexible and abstract. Then again, the same rigidity can be found, more generally, in the CFSP and reflects its tendency to be based increasingly on the values shared by the Union, surrogating for the absence of sufficient political will to identify and protect the Union's interests.

The second conclusion concerns the Union's consistency in conducting its Mediterranean policy. The EPM experience in the past six years has shown that there is basic disagreement among the partners on the values that the EU promotes as the basis for cooperation and development in the area. It has also shown that some agreement is

possible on the basis of a comprehensive security concept. The rigidity that these values confer on the CFSP and, more generally, external policies, prevents the Union from undertaking cooperation with the necessary pragmatism. Above all, the implementation of a comprehensive security concept is weakened by the EU's institutional set-up: it is precisely in the fields that are most important for that concept that the EU has uncertain or insufficient competences.

In part, these problems should be overcome or attenuated by the institutional changes under way, specifically, the albeit partial communitarisation of some sectors of the third pillar. But there are also basic divergences between northern and southern partners that would call for an equally profound change in the very foundations of the Mediterranean policy. Today, it is very similar to the policies the EU pursues towards the countries of eastern Europe without this similarity being justified by facts and interests. Some myths and illusions must be left behind.

In any case, a revision is needed in view of the changes that are about to be introduced into the Union. Some of them favour cooperation with the south. Others are bound to make it more difficult.

In general, the importance that the Commission has given to conflict prevention in its actions, the strengthening of the High Representative, the establishment of the Political and Security Committee and the preparation of the military capacity needed for peace support interventions are part of a multi-faceted and coherent apparatus for crisis response on the part of the EU, at the service of foreign policies that will hopefully be more consistent and effective. This apparatus is quite different from the one in place when the Barcelona process was inaugurated. What impact are these changes going to have on the EMP?

The developments just described put much emphasis on conflict prevention. It has always been important in the Union's security concept, but now it has become one of its cornerstones. As mentioned, one of the guidelines of the Commission's action will be promotion of structural stability in its partners and, more generally, in its relations around the globe. The Commission will identify, for each country and each region, the basic causes of instability and will intervene on them in accordance with the need to promote those values of democracy

and freedom that the EU believes are needed to stabilise the societies in question and relations between states.

At the same time, the new and stronger institutions in the Council are bound to give the EU the ability to support peace operations and to coordinate national and EU resources in the fields of crisis management, preventive diplomacy and foreign policy.

There can be no doubt that all this will strengthen the EU's ability to conduct foreign policy. But it is not certain that this strengthening will lead to greater political and security cooperation in the EPM framework. The accent on structural prevention moves in the direction desired by the southern partners, but only as regards development aid. The same cannot be said for the importance for structural stability that the EU attributes to democratisation and the exercise of fundamental rights. This is considered an unacceptable intrusion which makes co-operation impossible or at best severely limits it. As for military capacities, although developed for peaceful purposes and subject to UN decisions, they increase the south's perceptions of insecurity. On the whole, these developments increase the Union's unilateralism. In order to have a less unilateral effect, they should be part of a more flexible and realistic management of foreign policy, that is one that is concerned with interests rather than more or less abstract values.

A final consideration must be made concerning the Union's identity. The crisis response policies previously mentioned, both military and not, tend to develop the Union more as a civilian power than as a traditional power. There is no doubt that the capacity for conflict prevention and management currently being set up by the Union is seen by the member states as secondary to the political and military competences that they plan to maintain: the realist Union members want to maintain their attributes of power; the idealist ones do not want the Union to endow itself with them. The latter talk about a Union that can multiply the factors of cooperation and peace of the international system, rather than an EU that transfers onto a larger scale the already great power of the realist countries of the Union.

This trend, in general, is not likely to strengthen CFSP. In particular, it will have diverse effects on relations with the countries to the south of the Mediterranean. On the one hand, development of a civilian power is perceived as a positive factor, a strong support for their

socio-economic development needs and a guarantee of non-intrusion into the internal spheres of the countries in question. On the other, acquiring military instruments for peaceful purposes in line with the development of a civilian identity is viewed with suspicion rather than trust. Then again, the fact that the Union is lacking some of the capacities of a traditional power and the consequent weakness of the CFSP is one of the reasons why it is excluded from the more important political processes (starting with the Middle East peace process). The Arab countries regret this exclusion, convinced as they are that a higher profile Union would be closer to their interests and aspirations. There are, therefore, contradictions in the partners' expectations: they want a Union that is strong but at the same time they don't want it to have adequate capacities. The Union is developing along the lines of a weak CFSP. Whether to compensate this weakness with a more solid and effective transatlantic tie is a possible option and certainly of great interest for the policies towards the Mediterranean and Middle East regions, but still entirely to be formulated and tested.

9. THE ENLARGEMENT-FOREIGN POLICY GAP: THE CASE OF TURKEY

by *Nathalie Tocci* ^(*)

Introduction

Structured relations between the European Community/Union and the Republic of Turkey date from 1963, when the two signed an Association Agreement opening the option of full membership. The possibility for full inclusion in the Union became more concrete after the December 1999 European Council in Helsinki, which accorded Turkey its candidate status. Hence, particularly since 1999, the EU has been conducting its relations with Turkey through the enlargement process. To what extent have existing EU policies towards Turkey been successful in encouraging political reform in the latter and consequently the gradual integration between the two?

1. The evolution of Turkey-EU relations

Turkey and the EU signed an Association Agreement in 1963. The agreement set the stage for gradual economic integration and foresaw the ultimate establishment of a customs union between the two. After a considerable time lag, the go-ahead for the customs union was given in March 1995. In January 1996 the Turkey-EU customs union entered in force.

In addition, Article 28 of the Association Agreement set out the possibility of Turkey's full accession to the European Community⁽³²⁸⁾. During the years of economic liberalisation and growth of the mid- and late 1980s, under the leadership of Turgut Özal, Turkey applied to full EU membership. The European Commission declined the application in 1989. Turkey-EU relations were further set back in 1997, when the Luxembourg European Council denied Turkey its EU candidate status, while formally setting a date for the initiation of accession ne-

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(328) The Association Agreement specifies that "as soon as the operation of the Agreement has advanced far enough to justify envisaging full acceptance by Turkey of the obligations arising out of the Treaty establishing the Community, the Contracting Parties shall examine the possibility of the accession of Turkey to the Community".

gotiations with several candidates, including Cyprus. While Turkey's candidacy was denied, unlike other rejected applicants such as Morocco, the possibility of future membership was not excluded. Indeed Turkey was invited to take part in the wider European Conference occurring alongside the European Council. However, Turkey, indignant of the 1997 rejection, refused to attend the forum.

The perceived breakthrough occurred in December 1999, when, at the Helsinki European Council, Turkey was finally accorded its long desired candidate status⁽³²⁹⁾. The formal as well as effective gap between Turkey and the other candidate states has remained. All candidates apart from Turkey have opened accession negotiations with the Union. Nonetheless, Turkey is now officially on the map of the future EU. Relations between Turkey and the Union are generally conducted in the framework enlargement.

Since 1998, the European Commission has been issuing detailed reports on the applicants' progress towards accession. The reports include expectations and recommendations concerning the applicants' future policies. The 2000 Commission Report on Turkey⁽³³⁰⁾ was then used as a basis for the ensuing Accession Partnership document. The latter set out a list of short and medium-term policy recommendations which Turkey is expected to fulfil in order to satisfy the 1993 Copenhagen criteria and begin accession negotiations with the Union⁽³³¹⁾. The document thus acts as the blueprint for the EU's short- and medium-term policies of conditionality towards Turkey. The Accession Partnership focuses heavily on Turkey's political system and more precisely upon the country's shortcomings in the fields of democratisation and human rights.

(329) See European Council, *Presidency Conclusions*, Helsinki, 10-11 December 1999 (www.europarl.eu.int/summits/hel1_en.htm).

(330) European Commission, *Regular Report on Turkey's Progress Towards Accession*, Brussels, 8 November 2000 (www.europa.eu.int/comm/enlargement/report_11_00/pdf/en/tu_en.pdf).

(331) European Commission, *Proposal for a Council Decision on the principles, priorities, intermediate objectives and conditions contained in the Accession Partnership with the Republic of Turkey*, Brussels, 8 November 2000 (www.europa.eu.int/comm/enlargement/turkey/pdf/ap_turk_en.pdf).

Following the official adoption of the document by the Council of Ministers on 8 March 2001, Turkey responded with the adoption of its National Programme on 19 March 2001⁽³³²⁾. The lengthy document set out a five-year strategy following the guidelines of the Accession Partnership document. The EU responded with caution to the Programme suggesting that more could have been aimed for. However in October 2001 the Turkish Grand National Assembly succeeded in passing ambitious constitutional reform package including the amendment of 34 articles of the illiberal 1982 Constitution which would allow for Kurdish broadcasting and a reduced influence of the National Security Council (MGK) amongst other reforms. Yet there remains considerable dispute over the substance of several other necessary reforms, including the death penalty, the dissolution of political parties, freedom of expression and education in Kurdish. Furthermore, there is still considerable uncertainty concerning the effectiveness in the implementation of the agreed upon changes.

Hence, while some steps forward are being made, so far the EU anchor has failed to spur wide-ranging political reform in Turkey. It must be recalled that since November 2000 Turkey has been living through one of the most turbulent economic periods in its history, with the February 2001 financial crisis and the devaluation of the Turkish lira having caused the most severe economic crisis of the Republic. However, even prior to the November 2000 and February 2001 financial crises, Turkey's progress in the political sphere was well under the EU's expectations. What explains these trends? Are European expectations being set too high or are its policies inadequate to encourage the necessary developments in Turkey?

2. The Turkish political context

When assessing and setting benchmarks for Turkey's political reform process, it is fundamental to account for the specificity of the Turkish political context. Failing to do so could harm both Turkey-EU relations and Turkey's political development by giving rise to unrealistic expectations and mutual misunderstandings.

(332) Republic of Turkey, Ministry of Foreign Affairs, *The Turkish National Programme for the Adoption of the Acquis: Introduction and Political Criteria (unofficial translation)*, 19 March 2001 (www.mfa.gov.tr/grupa/ad/adc/Euintroduction.htm).

Many of the of the political problems in Turkey often appear to be directly or indirectly related to a specific interpretation of the Kemalist state and nation. This interpretation has fundamentally shaped the political and to some extent economic development of the Republic. It has crucially affected therefore the evolution of Turkey-EU relations.

Founded upon the ruins of the Ottoman Empire, the pillars of the new Republic were grounded upon what were to be believed to be the causes of failure of the old regime. Mustafa Kemal Atatürk reacted strongly against Ottoman expansionism and national heterogeneity and conceived a new vision of the nation-state in the nascent Republic. The Kemalist élite would secure the unity and loyalty of all citizens through the creation of an indivisible and homogeneous nation, whose territorial borders would not be subject to alteration with the conquest of foreign lands. This notion of the nation-state was regarded as critical to the survival and development of a new country amidst an unstable environment.

In order to create a single, indivisible and homogenous nation, Atatürk attempted to impart upon the peoples of Anatolia and Rumelia the 19th century French conception of civic nationalism and citizenship. Identification as a people and loyalty to the state were seen as prerequisites of a strong country. Yet, within the Republic, a large minority did not belong to the dominant Turkish and Sunni Muslim group. Atatürk thus set out to square the circle of achieving political homogeneity within a culturally heterogeneous society by adopting a civic understanding of the nation. The “Turk” would be a citizen of the Republic, and not an Anatolian Muslim from a particular class or ethnic group. Hence, no minorities, other than those mentioned by the 1923 Treaty of Lausanne, would be recognised. The creation of a homogenous nation through the conceptualisation of civic nationalism was aided by the secularisation of the state. Secularism was one of the principal “arrows” of Kemalist ideology.

While Kemalism theoretically endorsed an enlightened vision of civic nationalism, in practice distinct ethnic elements were incorporated in the understanding of the Turkish nation. The population transfers with Greece and an education system insisting upon the Turkification of all groups highlighted the distinctively ethnic elements of Turkish nationalism. These elements have persisted to this day. Ke-

malism in practice thus attempted to assimilate diverse ethnicities into an ethnically Turkish nation. In some instances, minority ethnic and religious groups succeeded in integrating into the new nation and enjoyed the same status of Turkish Sunni citizens⁽³³³⁾. However in other cases, an unwillingness or perhaps an inability⁽³³⁴⁾ to integrate into the new environment led to serious pressures for change. In this context one can understand the Kurdish question as a separatist as well as a human rights issue, the Alevi issue particularly since the late 1960s and '70s or the history of the Greeks, Armenians and Jews⁽³³⁵⁾. Another source of pressure and instability has come from political Islam. Reacting against the western and secular veneer of Kemalism, political Islam began gaining electoral support in the 1970s. Its success rose further in the 1990s. Support for political Islam subsided after the 1997 "soft" military coup. With the banning of the re-reformed Virtue Party in June 2001, the Islamists split into two parties, whose electoral appeal remains to be seen.

But the EU's complaints do not simply stem from the Turkish authorities' conceptualisation and implementation of nationalism. They are related more to the manner in which Turkish élites have resisted perceived threats to the Kemalist system. The state's imposition of a particular vision of the nation has often been at odds with the demands of certain groups, who have mobilised for change. In reaction to such pressures, the state has often adopted repressive policies causing fundamental flaws in Turkey's democracy and human rights record⁽³³⁶⁾. The role of the military is particularly relevant in this respect. Since the foundation of the Republic, law and tradition entrusted the military the key tasks of guarding the Kemalist system. During its interven-

(333) Former president Turgut Özal and former foreign minister Hikmet Cetin are examples of at least partially ethnic Kurds having assimilated into the Turkish melting pot and succeeded in reaching high-ranking positions within the political establishment.

(334) Due to socio-economic problems such as those of the undeveloped south east for example.

(335) However, the treatment of the Greeks and Armenians is not only the product of ethnic nationalism. It is also the consequence of Turkey's turbulent relations with the motherland countries of these two recognised minorities and the still pending territorial disputes with them.

(336) See Kemal H. Karpat, *Social Change and Politics in Turkey. A Structural Historical Analysis*, Leiden, E.J. Brill, 1973.

tions in politics, the military never installed a permanent military regime. It rather re-imposed through authoritarian means what it believed to be the "right democratic order"⁽³³⁷⁾. But apart from these extreme measures, the military retains a permanent voice in Turkey's political development particularly through its presence in the MGK, a theoretically a consultative body which in practice has considerable authority on all matters falling within the broadly defined "national security" questions.

The governing establishments have resisted all internal and external threats to the integrity of the country. The most radical step taken to curb the power of political Islam was the "soft coup" of 1997, which effectively triggered the collapse of the Erbakan-Çiller coalition government and set in motion procedures for the dissolution of the Welfare Party in 1998 as well as the imprisonment of major Islamist political leaders⁽³³⁸⁾. The Political Parties Law was used again to ban the reformed Virtue Party in June 2001. Repressive measures have been employed to suppress Kurdish identity and separatism. Up until 1991, the use of Kurdish in public life was banned and its private use penalised. Kurdish broadcasting remains restricted, teaching in Kurdish is banned and Kurdish cannot be used as an official language in the south east. The persisting state of emergency in several districts of the south east in addition allows further human rights restrictions in these areas. Turkish élites have also reacted strongly against peaceful political movements defending Kurdish rights. In the 1990s the state outlawed many pro-Kurdish parties and persists in imposing severe limitations on the only legal pro-Kurdish party HADEP, accusing it of retaining ties with the Kurdish Workers' Party (PKK).

(337) For the role of the military in Turkey see James Brown, "The Military and Politics in Turkey", in *Armed Forces and Society*, Vol. 3, No. 2 (Winter 1987), pp. 235-253, William M. Hale, *Turkish Politics and the Military*, London, Routledge, 1994; and Bulent Karakartal, "Turkey: The Army as Guardians of the Political Order", in Christopher Clapham and George Philip (eds.), *The Political Dilemmas of Military Regimes*, London, Croom Helm, 1985.

(338) The provisions of Article 312 of the Penal Code restricting freedom of expression led to the imprisonment of former Istanbul Mayor Erdoğan and Welfare leader Erbakan himself.

Appreciation of Turkey's political context opens serious questions regarding the country's EU membership aspirations. The changes required to effectively transform Turkey's political system in accordance to EU standards entails an effective re-conceptualisation of the Turkish nation and state. Two crucial issues require particular attention. First, is the question of Turkish sovereignty within the EU. Several high-level speeches in Turkey suggest that Turkey could be a co-operative member of the EU like it is in other international organisations such as NATO. This ignores the fundamentally different nature of the European project. EU accession would entail the acceptance of majority voting in most EU policy areas, it would involve a constant scrutinisation into the internal affairs of the country and it would require some form of regionalisation. The extent to which the transfer of sovereignty to Brussels is compatible with Turkish political traditions must be seriously addressed.

A second question relates to the transformation of Turkish nationhood. Within the EU, even countries such as France have begun acknowledging the complex make-up of internal ethnic, linguistic and cultural identities. Turkey's membership of the EU would require a similar change and thus an effective abandonment of the traditional interpretation of the Turkish nation. The extent to which Turkey is willing to acknowledge its multi-ethnic, multi-cultural and multi-religious society and draw the necessary political conclusions⁽³³⁹⁾ from this is open to debate. A gradual change in the understanding of the Turkish nation is underway, but the accompanying changes in the functioning of the state have been slow to materialise.

The reform process ahead is complex and all-encompassing. But is the Turkish establishment truly committed to undergo this second revolution? The rhetoric of Kemalist élites has been always pro-European. Westernisation was and remains a fundamental feature of Kemalism. The EU, viewed within this prism, is considered the ultimate aim culminating the Kemalist revolution. Moving beyond the rhetoric, some members of the Turkish élite have underlying reservations concerning the implications EU membership would have on

(339) By accepting reforms such as regionalisation or minority cultural, religious and language rights.

Turkey. Effective opposition to the EU may exist for different reasons. Some right wing nationalists may prefer to remain institutionally and politically independent of Brussels and establish closer links with Turkic Eurasia. Hard-line Kemalists may object to the erosion of sovereignty within the Union. Others may be more inclined to pursue Turkey's western orientations through closer ties with the US, which appears more prone than Europe to appreciate Turkey's geopolitical discourse. Genuine supporters of EU membership, instead hold that while it is up to Turkey to generate the necessary political and economic reform, the EU anchor could be pivotal in promoting internal change. Supporters of the EU are present in diverse groupings, ranging from the military and traditional governing parties, to business and emerging political forces, as well as political movements promoting human rights and democratisation.

It is important to appreciate the Turkish political context in order to set realistic benchmarks for the country's reform process. EU membership would effectively imply embracing a 21st century reconceptualisation of the Kemalist vision 78 years following the foundation of the state. Such extensive reform could only be successfully undertaken over the medium to long-term. Another essential ingredient to generate reform is a strong and stable leadership, committed to the European goal. Today it is not yet clear whether the necessary commitment within the Turkish establishment truly exists.

3. The inadequacy of the current EU policy towards Turkey

Given the monumental task of political reform facing the Turkish establishment, it is also of paramount importance that EU policies provide Turkey with a powerful anchor and incentive to embark upon such a process of extensive change.

Particularly since December 1999 European institutions have been emphasising the strong incentive created by the Helsinki Council conclusions. By formally including Turkey in the accession process and agreeing upon an Accession Partnership Document and its accompanying financial framework regulation⁽³⁴⁰⁾, the EU believes that suffi-

(340) Under the regulation, financial aid to Turkey amounts to an average of 177 million euro per year for five years.

cient conditional carrots are in place to spur the Turkish reform process along and ensure the gradual integration between Turkey and the EU.

But as mentioned above, many in Europe feel the reform process in Turkey hasn't proceeded as swiftly and smoothly as expected. The EU's conditional carrots so far have not had the desired impact upon the Turkish political scene. Above we concluded that the extent of revolutionary change that Turkey would have to undergo should not be underestimated. It is important to acknowledge these realities in order to avoid unrealistic expectations. In addition, it is not yet clear whether the Turkish establishment is sufficiently willing to undergo change and committed to the European goal. But part of the explanation for the unmet expectations rests in EU policies. The inadequacy of the EU's own approach towards Turkey is an essential element in the equation.

The current EU accession process towards Turkey does not offer adequate incentives. The Union's attitudes towards Turkey's membership are vague and volatile. The time perspective for Turkey's accession is too long for membership alone to be a credible incentive for extensive reform. Moreover, the pending crisis over the EU accession of a divided Cyprus threatens to totally derail Turkey's EU accession process.

In order for European policies of conditionality to be effective, the incentive of membership must be credible. Credibility requires trust between donor and recipient, clarity of donor objectives, and a sense of immediacy about the promised reward⁽³⁴¹⁾. Arguably all three conditions are not met in the case of Turkey-EU relations.

First, the apparent lack of understanding and blanket criticism in many European capitals of the Turkish political system have led to a deterioration of trust between Turkey and the EU and scepticism in Turkey regarding EU intentions. European political circles have frequently displayed over-sympathetic attitudes towards extreme religious and separatist movements in Turkey while being over-critical of the state's confrontation of these problems. These positions illustrated

(341) See P. Terrence Hopmann, *The Negotiation Process and the Resolution of International Conflicts*, Columbia, University of South Carolina Press, 1996.

Europe's profound lack of understanding of Turkey. They have triggered a defensive and obstinate Turkish counter-reaction and thus reduced trust between the two parties. Political élites in Turkey have tended to view EU attitudes as expressions of exclusionism, thus casting doubt upon the credibility of EU's policies of conditionality.

Second, the EU's ambivalent attitudes towards Turkey's candidacy have highlighted its lack of clarity regarding the future role of Turkey in the Union. Contrasting voices within Europe on Turkey's EU membership prospect ranging from the German Christian Democrat stance to the more favourable British or Italian positions, continuously send mixed signals to Turkey. These are reinforced by the apparently incoherent EU positions on this question. The 1997 Luxembourg summit denied Turkey its long desired candidate status, which was finally granted at the 1999 Helsinki summit. Since then the wave of optimism within Europe regarding Turkey's membership has faded. Relations between the two have deteriorated with the ongoing crisis regarding Turkey's role in the European Security and Defence Policy, with the progressive linkage of the Cyprus conflict to Turkey's membership prospects and with the recognition of the "Armenian genocide" in the European Parliament in 2000 and in France. More recently (at the time of writing in November 2001), Turkey has been set aside from the other twelve candidates regarding the participation in the new European convention on the future of Europe. Member states such as Germany and Austria fiercely resist Turkey's participation in the future of Europe debate, in view of Turkey's democracy and human rights performance. All other candidates, including those who are not expected to join the Union in the near future are taking part in the debate. Europe's clarity towards Turkey's membership prospects is once again cast into doubt.

Examples of unclear and often inconsistent European attitudes towards Turkey tie into the yet unresolved questions of identity within Europe. Turkey often accuses Europe of racism and discrimination against Muslim Turkey. To this European élites indignantly react arguing that their positions are driven by Turkey's poor performance in democracy and human rights. The truth may well lie in between these positions. Religion does not represent the only or even the major source of doubt within Europe regarding Turkey's European creden-

tials. But if Turkey were to successfully carry out its political and economic reforms, to what extent would the EU be willing to assimilate seventy million Muslims and extend its borders to Iraq, Iran, Syria and the south Caucasus? These fundamental European doubts are rightly appreciated by Turkish counterparts, who in turn accuse Europe of hypocrisy and double standards. A vicious circle is then set in motion. Europe's unclear and often hypocritical attitudes towards Turkey are seized and often exaggerated within Turkey. This in turn reduces Turkey's incentives to comply with the EU's political and economic recommendations which, while not being the only hindrance to Turkey's European future, nonetheless represent a critical obstacle to it.

The third factor reducing the credibility of EU policies towards Turkey is timing. Membership can indeed be a powerful incentive to induce radical political reform in Turkey. However, the changes that Turkey would have to undergo in order to be ready for EU membership as well as the adjustments the EU itself would have to make in order to accommodate Turkey in its structures, imply a relatively long time horizon for Turkey's EU membership. Timing affects the value of a promised benefit, and value is critical to ensure that a promised benefit acts as an incentive for reform. Hence, the long-term prospect of membership, while remaining of utmost importance, is insufficient to promote necessary political reform in Turkey.

Amidst a general atmosphere of lack of trust and clarity as well as distant objectives, the Cyprus crisis is looming, threatening to harm, if not to sever Turkey-EU relations. The precise consequences on Turkey-EU relations in the event of the accession of a divided Cyprus to the Union cannot be foreseen. But they would certainly be negative. Greek Cypriot membership of the EU means that a settlement of the conflict becomes a full-fledged condition to Turkey's own accession. It is highly unlikely that Greece and the Republic of Cyprus would accept Turkey's EU membership without a formal settlement on the island. Greek Cypriot officials have declared already that in the event of Cyprus' EU membership as a divided island, the government of Cyprus would veto Turkey's accession negotiations until an acceptable settlement were found⁽³⁴²⁾. The European Parliament has also reacted

(342) Judy Dempsey, "Divided Cyprus Threatens to Veto Expansion of EU", *Financial Times*, 19 July 2001.

forcefully on this issue. In a July 2001 report on Cyprus, the EP stated that “if Turkey were to carry out its threat of annexing the north of Cyprus in response to Cypriot accession to the EU (...) it would put an end to its own ambitions of EU membership”⁽³⁴³⁾.

Once we take into account the delicate balance in Turkish politics concerning the EU, the prospects of crisis loom larger and clearer. Turkey now finds itself in a delicate state of flux due to the persisting economic crisis in the country. Such an unstable domestic environment points towards a realistic possibility of early elections. Recent election polls do not suggest that the current governing parties would gain from early elections. Nonetheless, the ongoing crisis suggests that the current government is unlikely to remain in office until 2004. One could thus envisage early elections in 2002 or 2003. At this point in time the Cyprus variable could seriously and negatively affect subsequent developments. By 2003 Cyprus could be on the verge of formally acceding to the Union as a divided island. This could spur a nationalist backlash in Turkey allowing ultra-nationalist right wing parties to capitalise on the situation. Subsequently Turkey could be alienated further from the EU.

It could be argued that the existing ambiguity on the future of Turkey-EU relations is constructive rather than destructive. For several in Turkey and in the EU, the continuation of ambiguous relations with no clear end in sight and the endless debate on Turkey’s European “vocation” may be desirable. In Turkey, the undeclared Eurosceptics may believe that a permanent limbo conveniently allows the retention of close links with Europe, without committing Turkey excessively to the European project and thus European dictated reform. As some put it, what several in Turkey want is a platonic rather than a real membership of the EU⁽³⁴⁴⁾. In western Europe, those who shudder at the thought of 70 million Muslims entering the EU and of shifting

(343) European Parliament, *Report on Cyprus’s Membership Application to the European Union and the State of Negotiations*, COM(2000)702-C5-0602/2000-1997/2171 (COS), Brussels, 17 July 2001 (www2.europarl.eu.int/omk/OM-Europarl?PROG=REPORT&L=EN&PUBREF=-//EP//NONSGML+REPORT+A5-2001-0261+0+DOC+WORD+V0//EN&LEVEL=2&NAV=S).

(344) Heinz Kramer, *A Changing Turkey: the Challenge of Europe and the US*, Washington, Brookings Institution Press, 2000, p. 201.

Europe's south eastern frontiers to the Middle East and the Caucasus, but feel under US pressure to integrate Turkey in Europe and appreciate Turkey's strategic significance, may also be content with the current situation. The sceptics of Turkey's European future in both Turkey and the EU may thus prefer to see the continuation of an ambiguous and long term EU accession process towards Turkey and the explicit development of foreign policies between the two entities. External relations rather than integration may well be the silent desire of several amongst European and Turkish decision-makers.

Yet this silent desire is ridden with three serious flaws. The first concerns the general expectations in Turkey. The effective replacement of the EU's policies towards Turkey from the enlargement agenda to the external relations one would cause huge indignation within Turkey. Turkey's prospect and possibility of membership dates from the 1963 Association Agreement, which like the one signed between the EEC and Greece in 1961 explicitly recognised the possibility of Turkey's future accession to the EEC. Since 1963 Turkey has witnessed successive waves of European enlargement which included Greece in 1981. In the next two to three years the Turkish public will observe a fifth enlargement to central and eastern Europe including countries whose structured relations with the Union are relatively recent. If Turkey's own membership prospects were indefinitely suspended and replaced by more explicit foreign policies between the two, the Turkish public expectations from and trust in Europe would be fundamentally affected.

The notion of expectations draws our attention to the Western Balkans. In the Western Balkans, the EU is conducting its foreign policies which, while having an explicit integration flavour to them, only hint at full-fledged inclusion in the Union in the distant future. Yet Western Balkan expectations from Europe are by far lower than Turkey's. Structured relations with Europe are a novelty and have only developed following recent wars and the ensuing replacement of dictatorial regimes in the region. Not only are Balkan expectations lower and vaguer. Geography also suggests that they are perhaps even more likely to be met in the future than Turkey's. In the long term, following EU enlargement to central and eastern Europe, the Western Balkans cannot but be absorbed into Europe. While the timing of absorp-

tion remains unclear, the ultimate destination of this region in Europe is arguably clearer than that of Turkey.

The other side of the coin in the CFSP “expectation-capabilities gap” paradigm⁽³⁴⁵⁾, are Europe’s still limited capabilities in the field of external relations. If Europe’s relations with Turkey were effectively transferred from the enlargement to the foreign policy domain, what would these relations consist in? As the above example of the Western Balkans reminds us, today’s Union does not yet have a foreign policy that is truly distinct from its integration policy. Europe’s CFSP tends to be long-term and reactive; a drawn out and gradual integration policy as the formula to export peace, stability and development to its borderlands. Despite the current formation of the European Rapid Reaction Force, indispensable to the development of European security and defence policies, we are yet to observe a distinct CFSP, with the depth and pro-activity that characterise the foreign policies of some of its member states. The question of replacement thus inevitably begs the question of “replacement by what”. As and when Europe became able and willing to offer Turkey an appealing and realistic alternative to integration could a debate on this question be embarked upon.

The second and perhaps even more fundamental flaw to the argument in favour of ambiguous “enlargement” policies and the development of sounder EU “foreign” policies towards Turkey is directly concerned with what Europe’s and Turkey’s interests really are. Both in Turkey and in Europe, many believe that Turkey’s reform process and its gradual integration with the EU is both inevitable and highly desirable for all. The interests of both the EU and pro-reformers in Turkey are to encourage a democratic, peaceful, stable and prosperous Turkey. As argued above, while reform must be generated internally it hinges to a large extent upon a credible European anchor and thus a credible prospect of Turkey’s inclusion in European structures. In other words, as other authors in this volume mention⁽³⁴⁶⁾, “enlargement policy”, distinct, albeit readily complemented by other “foreign

(345) Christopher Hill, “Closing the Capabilities-expectations Gap?” in John Peterson and Helene Sjursen (eds.), *A Common Foreign Policy for Europe: Competing visions for the CFSP*, London and New York, Routledge, pp. 18-38.

(346) See the chapter by Barbara Lippert in this volume.

policies” allows for Europe’s strong presence in the enlargement territories. The same could and should also be true for Turkey, if Europe truly is to assist Turkey’s own reform process. Given the decades of structured relations between the two entities, the de facto abandonment of the enlargement agenda would severely harm Turkey’s embryonic reform process.

These European and Turkish interests become all the more relevant in the aftermath of the 11 September 2001 terrorist attacks. The tragic events in the US and Afghanistan have important implications on Turkey-EU relations. On the one hand, it becomes all the more important to embrace Turkey in the European sphere and support the Turkish model as a modern secular Muslim country. On the other hand, with the increased western attention devoted to security issues, it is of fundamental importance that the EU retains its balance and effectively encourages democratic and human rights reform in its candidate countries and beyond. Hence, the need for a clear and strong EU anchor in the form of a credible enlargement policy to support Turkey’s internal political and economic reform.

The need for credibility does not imply that a precise road map with a final end point in ten or fifteen years time should be set. On the contrary, this would expose all existing problems and unknowns, derailing the very process it would intend to foster. If the EU is to truly act as a powerful anchor and presence in Turkey, what is necessary is a strong and stable policy of conditionality, backed by clear objectives and commitments as well as intermediate measures to encourage Turkey’s integration into Europe even prior to full membership.

4. Policy issues

The EU’s policies of conditionality towards Turkey are grounded upon a general background of uncertainty, vagueness and long term perspectives, together with the risk of a forthcoming crisis over Cyprus. This is not to say that EU conditions should not be imposed on Turkey, that conditions can be subject to negotiations, or that the accession process should be replaced by a faster track to full membership open uniquely to Turkey. Such a policy would indeed imply double standards and would simply serve to discourage internal reform in Turkey. On the contrary, action should be taken to make the existing

accession process truly credible and thus to encourage reform in Turkey in accordance to existing EU conditions.

This requires first a concerted EU effort to yield a settlement on Cyprus prior to the island's full accession to the Union in two or three years time. Second, it calls for a set of measures within the framework of enlargement to complement Turkey's accession strategy in order to strength Turkish incentives to embark upon wide-ranging reform.

4.1 Settling the Cyprus dispute

Turning first to Cyprus, an immediate priority for the EU should be to deploy all its instruments to encourage a speedy resolution of the decades old conflict in Cyprus. The EU has repeatedly stated that the inclusion of both Turkey and Cyprus in the accession process could act as a catalyst for a settlement of the conflict. So far the contrary appears to be true. Furthermore, the EU does not seem to take sufficient account of the negative consequences that the failure of its policies could have. The accession of a divided island to the Union could both derail all attempts at reunifying the island and significantly harm Turkey-EU relations.

Effectively since the 1994 Corfu Summit and the March 1995 General Affairs Council meeting, and formally since December 1999, the resolution of the conflict is not a prerequisite for Cyprus' EU accession. The EU felt that it was unreasonable to leave the Greek Cypriots hostages to Turkish Cypriot and Turkish intransigence. Yet all the EU has done to encourage a settlement has been to wave economic incentives to the poorer and isolated Turkish Cypriots and formally include Turkey in the accession process. It believed that these measures alone would create the necessary political will to settle the conflict. Praising the merits of the UN peace process, the EU has effectively washed its hands of the conflict.

Yet in view of Greece and the UK's EU membership, Cyprus' entry in the near future and Turkey's expected accession later on, the EU has become and integral element of the conflict itself. It should thus engage itself in the process more actively, naturally without duplicating UN activities. It should encourage directly Turkish Cypriot officials to enter negotiations as future representatives of the common state of Cyprus⁽³⁴⁷⁾. It should discuss with Greek and Turkish Cypriot

(347) And not simply as members of the Greek Cypriot negotiating team.

officials transition periods and exemptions from the immediate full liberalisation of the four freedoms. It should encourage the Greek Cypriots to reaffirm their commitment to the principles of an agreement already accepted under the UN framework. Finally it could engage Turkey in a discussion of the future security system concerning Cyprus.

4.2 Complementing the Turkish accession process with a “European Strategy” for Turkey

In addition to the conditional incentive of EU membership, Turkey-EU relations should be strengthened in the short and medium terms through other avenues. This would send signals to Ankara regarding the clarity of EU objectives, it would increase Turkey’s trust of the Union and it would raise the value of the conditional rewards expected by Turkey given the immediacy of these complementary EU policies.

The Luxembourg European Summit proposed that a “special European strategy” should be offered to Turkey within the framework of enlargement instead of EU candidacy. This proposal led to sharp criticism in Turkey. Turkey saw itself de-coupled from the enlargement process. De facto excluding Turkey from the accession process and proposing a “European strategy” in its place confirmed many views in Turkey on Europe’s prejudiced attitudes towards Muslim Turkey.

However, the concept of a European strategy could be a useful complement to Turkey’s EU accession process. Provided the option of membership is kept open and the standard enlargement process proceeds, a European strategy, within the same framework of enlargement but spilling into second pillar affairs, could significantly reduce the limits and shortcomings in the current EU policy of enlargement towards Turkey. A substantial European strategy in the form of short- and medium-term measures intended to complement the long-term EU accession process could significantly strengthen Turkey-EU relations and boost Turkey’s integration with Europe. As such the EU’s direct role and presence in Turkey’s internal reform would be significantly enhanced.

It is fundamental to stress the concept of complementarity. A European Strategy and the accession process could be complementary

in two distinct ways. First, a European Strategy would speed up the accession process by encouraging reform in Turkey. A European strategy would serve to increase the perceived commitment of the EU towards Turkey, build trust between the two parties and increase the value of Turkey-EU relations by reducing the time perspective for the receipt of promised benefits. These effects would in turn increase the incentive in Turkey to undergo substantial reform both internally and with respect to its foreign policy positions. It would strengthen the positions of genuine EU supporters in Turkey's political class. Reform in turn would shorten Turkey's path to the EU.

Second, a European strategy could be complementary to the accession process by devising ways in which Turkey could become a virtual EU member in particular policy domains, prior to its full EU membership. By integrating with the EU in several policy spheres (both in pillar 1 and 2) through specifically designed formulas, Turkey's full transition towards Europe could be made smoother and shorter.

But what could an adequate and complementary European Strategy consist of? Since 1997 the European Commission elaborated on the idea of a "European Strategy for Turkey" by proposing a development of the Turkey-EU customs union and enhancing financial cooperation. On 4 March 1998 the Commission proposed the extension of the customs union to the agriculture and services and the strengthening of cooperation in several fields. The European strategy regulations for Turkey were set at 150 million euro for the period 2000-2002. These measures are no doubt constructive. The greatest share of EU imports from Turkey come from agricultural goods. In 1999 agricultural and textile imports from Turkey added up to 14% of total EU imports, compared to machinery, transport material, chemical products and fuels which together added up to 3.6% of total EU imports⁽³⁴⁸⁾. Financial transfers are also necessary given they were blocked by Greece in the Council of Ministers up until 1999.

Deepening integration in trade matters would be particularly important given the widespread scepticism in Turkey regarding the cus-

(348) European Commission, DG Trade, *Bilateral Trade Relations: Turkey* (europa.eu.int/comm/trade/bilateral/tur.htm).

toms union. In an article on Turkish Daily News, T. Duggan argued that given the Union's relative gain from the customs union with Turkey, it would be against the latter's economic interests to upgrade Turkey to full membership. With Turkey's full EU membership, the Union would lose many of its trade advantages. Hence, Duggan's conclusion: "it seems much more profitable for the EU to keep things exactly as they are with client, Turkey, still knocking on the EU door for membership, while the EU laps up the cream through trade imbalance"⁽³⁴⁹⁾. The correctness of this argument is debatable, but it nonetheless highlights the frequent scepticism and suspicion of the EU in Turkey. Extending the customs union on terms more favourable to Turkey would thus not only bring economic gains to the latter but would also improve trust and understanding between the two partners. This would reduce the EU's credibility problem in its policies towards Turkey.

However an extension of the customs union is insufficient. A substantial "European Strategy" for Turkey which would complement the accession process and provide strong incentives for Turkey's democratic reform would require additional elements drawn from both first and second pillar domains. Below some suggestions are made regarding the possible chapters of an enhanced "European Strategy" for Turkey.

4.3 Monetary Policy

Before the last economic crisis Turkey had been implementing an IMF stand-by agreement for just over one year, with the stated aim to reduce inflation to single digit levels over the next two years. Until the crises of late 2000-early 2001, the implementation of this programme had been the most successful of recent decades.

Despite the merits of the IMF programme, the latter had serious shortcomings. The system suffered from the classic problems linked to a fixed exchange rate. The exchange rate fixing was perceived as credible, at least in the short run by financial markets. Banks began borrowing dollars at low rates and investing them extensively in high

(349) T.M.P. Duggan, "Turkey's Long March to the EU" *Turkish Daily News*, 19 February 2001 (www.turkishdailynews.com/old_editions/02_08_01/for.htm#f5).

yielding Turkish T-bills. The banking system's net foreign assets thus spiralled downwards leaving banks in an open position. As long as the exchange rate held this was extremely profitable. But the exposure of banks made them vulnerable to changing financial market conditions.

With the corruption scandals in November 2000 and February 2001, confidence collapsed, and with it so did the exchange rate regime and the Turkish economy as a whole. The Turkish programme was not doomed as long as confidence was high. However, confidence fell with the persisting illegal practices of the collapsed private banks (following the November 2000 crisis) which created a dangerous exposure for the government controlled banks, and cast greater doubt upon the latter's management and lending standards. At low confidence and thus high interest rates, the situation became untenable. Interest rates shot to over 100% and the currency devalued at one point by almost 100%. The sky high interest rates led to a collapse in domestic demand and the explosion of the fiscal deficit. The latter forced the government to raise taxes as the economy contracted in order to maintain investor confidence. The combined effect of the crisis and large scale corruption is that now the debt to GDP ratio stands at close to 100%. Turkey is even more vulnerable to speculative attacks.

These financial crisis would not have occurred with a full currency board. A currency board would have prevented the government from acting as lender of last resort and would have forced banks to reform. An alternative to this would be the "euroisation" of the Turkish economy. This could be achieved through the immediate introduction of a full currency board under which the Central Bank would be ready to exchange any amounts of lira against euro at a fixed rate. This rate would not be changed until 2002, at which date all lira would be exchanged against euro notes and coins.

Unilateral "euroisation" would imply the loss of the exchange rate instrument and the total loss of control over monetary policy until Turkey's EU membership. However, euroisation would be overall extremely desirable. Within a context of political instability and corruption as in Turkey successful internal reform is an extremely difficult task. An IMF assisted programme relying exclusively upon internal reform, is unlikely to succeed within an unstable and corrupt political context. The adoption of a foreign currency would transform Turkey's

political economy making it impossible to support loss-making enterprises. By renouncing control over monetary policy, governments could engage seriously in a wide-ranging reform of the banking system.

Moreover, countries with weak fiscal and monetary regimes such as Turkey stand to gain the most from “euroisation”⁽³⁵⁰⁾. When highly indebted countries such as Turkey lose credibility in the eyes of investors, they pay a risk premium through higher interest rates. The higher debt service this entails makes it more likely that the government will attempt to reduce the real value of the debt through surprise inflation. This expectation increases the risk premium further triggering a vicious circle of rising interest rates until the government caves in. A virtuous circle of credibility, low interest rates and low debt service could begin if financial markets believe a priori that governments will be tough on inflation. By adopting the euro and thus renouncing control over monetary policy this would be indeed the case.

Introducing Turkey into the eurozone would complement Turkey’s EU accession process in two ways. Through the adoption of the euro and the shift to a higher equilibrium, the government could redirect expenditure towards more constructive ends. Lower expenditure on debt servicing would allow the redirection of resources towards the real economy and in particular towards the development of the south east. All of the economic development plans for the south east proposed in recent years were in part hampered by budgetary restraints. The economic rehabilitation of the region together with necessary political reforms concerning the Kurdish population would move Turkey towards a satisfaction of the EU’s Copenhagen political criteria. This would in turn boost Turkey’s accession process.

Second, Turkey’s inclusion into the eurozone prior to membership would boost its accession process by allowing Turkey’s virtual EU membership in the monetary as well as in the trade policy spheres. This would confirm to Turkey the Union’s commitment towards its future accession and encourage Turkey’s full transition towards Europe.

(350) Daniel Gros and Alfred Steinherr, *Winds of Change: Economic Transition in Central and Eastern Europe*, London, Longman and Cambridge, MIT Press, 2001.

It should be noted that at a conference in Florence in June 2001, Economy Minister Kemal Derviş suggested a unilateral adoption of the euro prior to Turkey's full EU membership⁽³⁵¹⁾. Derviş mentioned the idea of euroisation in five years time once low inflation is achieved. The argument above suggests this could occur much sooner.

4.4 European Security and Defence Policy

Devising a formula for the accommodation of Turkey in European Security and Defence Policy structures could represent the second fundamental pillar of a European strategy for Turkey. Turkey's role in the nascent ESDP has been a matter of ardent dispute between Turkey and the EU for several months. Turkey pledged 4-5,000 troops to the Rapid Reaction Force and as a former WEU associate member is determined to participate in ESDP decision-making procedures as it did in the WEU⁽³⁵²⁾. The 1999 NATO Washington Summit conclusions assured Turkey that non-EU NATO members would benefit from similar consultation arrangements within the ESDP as they did in the WEU. The Union subsequently denied this form of participation⁽³⁵³⁾. Precisely because of the EU's desire to develop into a full-fledged security actor in the international realm, it has fiercely resisted any impingement upon its autonomous decision-making capability. However, in the light of Turkey's long-term perspective for EU membership (as opposed to other NATO members and EU candidates such as Hungary and the Czech Republic) and its unstable and conflict prone geographical location (as opposed to non-EU candidate and NATO member Norway), Turkey vehemently rejected this decision. Turkey has thus vetoed within NATO the EU's assured access to NATO assets for crisis management.

Given the general legal context, Turkey's pressing security concerns as well as the EU's own institutional structure and desire to re-

(351) See "Turkey may adopt the euro before joining the EU, says Derviş", in *Financial Times*, 4 June, 2001.

(352) See article by Ismail Cem, "Personal View", in *Financial Times*, 29 May 2001.

(353) See European Council, *Presidency Conclusions. Annex VI, Presidency Report on the European Security and Defence Policy*, Nice, 7-9 December 2000 (www.iss-eu.org/chaillot/chaill47e.html#32) for the degree and extent of proposed EU involvement of non-EU Allies and candidate countries.

tain its independence in the security sphere, a specific formula for Turkey's (and other non-EU European Allies') accommodation within ESDP must be found. A formula is also crucial because it would prevent an additional feeling of exclusion in Turkey, which would derive from the EU's abandonment of the numerous WEU mechanisms of associate member inclusion. In Turkey's eyes the current EU position illustrates the Union's general lack of credible commitment towards it. Enhancing credibility through accommodation in ESDP would both strengthen the perceived commitment of the EU towards Turkey, and by encouraging political change in Turkey, it would speed up Turkey's full EU accession.

Which formula could both be consistent with European legal principles and political desires and address Turkish concerns? Accommodation of Turkey (as well as Norway and other non-EU NATO members) could be possible through a separate "Security Agreement", modelled along similar principles which include non-EU members Iceland and Norway's in EU Schengen policies in the Justice and Home Affairs sphere. The Schengen Agreement was an intergovernmental agreement concluded outside the EU framework. In the 1997 Treaty of Amsterdam, the agreement was included in the EU acquis. Its purpose is to remove all controls at internal land, sea and airport frontiers. On 26 March 2001, the five Nordic countries (Sweden, Finland, Denmark, Norway and Iceland) entered the Schengen Agreement and thus officially entered part of the EU. This enables these countries to maintain the Nordic Passport Union, which allows their citizens to move freely across their borders. However, Norway and Iceland remain non-EU members. They are not allowed a veto within the Council of Ministers allowing the EU to retain its independence on these questions. If a decision were taken by the Council and rejected by the Norwegian or Icelandic parliaments, the agreement would collapse. However, these two non-EU members are automatically allowed in Council of Ministers meetings when Schengen questions are discussed. Their participation in Schengen policy-making is automatic and informally weighty albeit formally differentiated from that of full-fledged EU members.

This model of an inter-governmental agreement either outside or within the EU Treaties could be translated to the security sphere for

countries such as Turkey and Norway. One could foresee a European intergovernmental agreement on external security. Two variants are possible: 1) EU member states engage in such an intergovernmental agreement with Turkey, or 2) the EU itself agrees upon a bilateral agreement with Turkey. The elements included in such an agreement could be variants of those discussed at the NATO Budapest meeting in May 2001 and proposed by the UK and the US. A modified version of the UK-US proposals could envisage a detailed and institutionalised form of Turkey's inclusion in ESDP at every stage of decision-making including the automatic presence without veto rights of Turkey in Council meetings only when the security question being discussed affects the latter's national security interests. Effective participation without formal impingement upon EU decision-making autonomy could thus both address Turkey's concerns and draw Turkey towards Europe, without impinging the development of the EU as an autonomous security actor in international affairs.

4.5 Foreign policy in the Caucasus

A final component of a Turkish "European strategy" could foresee foreign policy cooperation in a region like the Caucasus. The potential roles of the EU and Turkey in the South Caucasus could be strongly complementary. Hence, foreign policy cooperation in this region could represent a final and effective element of a European Strategy for Turkey.

The EU is becoming increasingly preoccupied with its policies vis-à-vis its periphery, lying on and beyond the enlargement territories. The future borderlands of the EU, often afflicted by chronic instability and poverty, require a consistent and comprehensive set of EU policies aimed at exporting the latter's stability and prosperity. But the EU is not ready for a substantial role in the Caucasus. At the 1999 OSCE Istanbul Summit all of the leaders of the South Caucasus as well as former President. Demirel called for a Stability Pact for the region, which would involve the three South Caucasus states, the three neighbours (Russia, Turkey and Iran) and the other two main players (EU and US). The EU, while acknowledging the appeal of such an initiative has been cautious in its response, in the light of its extensive commitments in the Balkans and elsewhere. The Union has kept a low

political profile in the Caucasus, and its policies have been applied almost indiscriminately to the Caucasus and to Central Asia. Furthermore, EU budgets for the Caucasus are consistently being cut. With the EU Troika Mission to the south Caucasus in February 2001, Union interest has marginally risen, but has not marked an increased visibility of the EU in the Caucasus.

Turkey instead is already present in the south Caucasus and could play a fundamental role in its political and economic development. Yet it cannot do so as an independent actor. Turkey directly borders all three south Caucasian countries and has strong links to Azerbaijan and to a lesser extent to the central Asian Republics as well as to other Caucasian peoples such as the Adjarians in Georgia and the Karachai, Kabardins and Balkars in the north Caucasus. Particularly since the collapse of the Soviet Union, Turkey has taken an active interest in the area with the establishment of schools in Azerbaijan and Central Asia and investment in the north Caucasus. Finally, Turkey plays a central role in the development of Caspian energy, with the most notable example being the planned Baku-Ceyhan oil pipeline and its adjacent gas pipeline. However, Turkey's positive potential is hindered by its partial position in the region and in particular its blockade on and lack of diplomatic relations with Armenia.

Turkey's potential economic and political roles in the Caucasus and the EU's half-hearted recognition of the region's importance but partial inability and unwillingness to take a more active and direct lead could neatly dovetail each other. The Union's political involvement in the region could have considerable impact without a substantial increase in economic assistance through its cooperation with Turkey. This naturally requires a normalisation of Turkish-Armenian relations. The Turkish blockade of Armenia has arguably damaged Turkish interests. It has radicalised the attitudes of Armenia and its Diaspora, who have successfully lobbied for the recognition of the 1915 Armenian "genocide" in the US, France, Italy and European Parliament. Furthermore, the blockade has harmed Turkish reputation abroad while not effectively stopping Turkish Armenian-trade through Georgia or Iran.

Even with a normalisation of Turkish-Armenian relations, the potential of Turkey's constructive role in the Caucasus is hampered by

the country's non-neutral position on the Karabakh conflict. However, its collaboration with the EU in this area of foreign policy would increase Turkey's credibility in its propositions for a multilateral cooperative initiative in the region. The complementarity in EU and Turkish foreign policies in the Caucasus is self-evident and should be fully exploited through the actualisation of a multilateral cooperative framework involving all relevant actors⁽³⁵⁴⁾. Within such a forum Turkey and the EU could devise strategies for mutually reinforcing roles. Such cooperation would not only strengthen relations between Turkey and the Union. It would also accustom Turkey to the norms, standards and practices of EU foreign policy making. Finally, it would encourage a normalisation of Turkey's relations with Armenia, an implicit requirement of the EU towards its applicants as set out in its Agenda 2000⁽³⁵⁵⁾. Cooperation in this field would thus complement the accession process by anchoring Turkey more strongly to the EU and encouraging foreign policy reform in Turkey, which would accelerate its EU accession.

Conclusions

This paper attempts to analyse why the inclusion of Turkey in the EU accession process has so far not generated a visible and extensive virtuous circle of reform in Turkey and allowed the steady integration between Turkey and the Union. The explanation for these realities appears to be twofold. Part of the answer lies in the Turkish political system. Political reform and subsequent integration with Europe would require an effective revolution of the Turkish system, a transformation of the very essence of the Turkish nation-state. Such a momentous change in such a vast and problem-ridden country will undoubtedly be slow. Furthermore, it will require a new political class truly committed to the reformist and European goal.

(354) For a discussion of what a Stability Pact could consist of see Sergiu Celac, Michael Emerson and Nathalie Tocci, *A Stability Pact for the Caucasus*, CEPS Working Document No. 145, Brussels, Centre for European Policy Studies, May 2000 (www.ceps.be/Pubs/2000/Caucasus/ndc/Newdeal.php).

(355) Agenda 2000 stated that applicant countries should resolve any pending territorial disputes with other EU members or neighbouring non-members either through negotiation or through arbitration by the International Court of Justice prior to EU membership.

But not all the causes of partly unfulfilled expectations lie in Ankara. Arguably, EU policies have failed to create the adequate incentives to induce Turkey to seriously embark upon the path of reform. So far EU policies towards Turkey have made realistic and desirable recommendations to Turkish decision-makers. Yet its policies of conditionality have suffered from a profound lack of credibility. In addition, the looming crisis over Cyprus has added another factor of uncertainty if not danger in Turkey-EU relations. Hence, a committed European contribution towards the settlement of the Cyprus conflict prior to Cyprus's EU membership is essential. In addition closer Turkey-EU cooperation and inclusion in areas such as trade, monetary, security and foreign policies could serve both as a formula to enhance relations between the two partners and as a means to accelerate Turkish democratic reform in the 21st century.

10. TESTING EU FOREIGN POLICY IN THE BALKANS. CAPABILITIES AND POLICIES IN RESPONDING TO THE 2001 ARMED CONFLICT IN MACEDONIA (FYROM)

by *Mario Zucconi* (*)

As an assistant to Macedonian President Boris Trajkovsky recently observed, the Ohrid Agreement “seals Macedonia's relationship with the international community and the European Union”⁽³⁵⁶⁾. Referring to the Framework Agreement (FA) of 13 August 2001, with which the ethnic Macedonian parties accepted the numerous political demands of the ethnic Albanians after eight months of creeping civil war, this observation reflects a political position that is potentially effective and forward looking. However, the international political context to which it refers is complex. Complex is the role assigned to western Europe in the by such a position (western Europe is held responsible for the political survival of the FA and, therefore, the country's internal stability). Similarly to the role assigned to western Europe in the above observation, broad and to some extent new was the more general role played by western Europe in pacifying and halting the armed conflict in Macedonia. Among other things, the two allied military missions in Macedonia, essential for implementation of the August agreement, were both composed of European personnel with European commands – the US provides logistic support – operating under the NATO flag.

The armed conflict that developed in Macedonia from the beginning of 2001 (still not entirely concluded) and the turnaround achieved by the August agreement between the representatives of the two ethnic groups look like another case, albeit on a reduced scale and in a profoundly modified regional political context, of the kind of conflict that has flared in this region since the end of the Cold War. In this sense, the conflict and the turnaround had the same characteristics and presented the same problems encountered in over a decade of international intervention in the region. But the developments in Macedonia

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(356) Interview with the author. The country was admitted to the United Nations in 1992 with the temporary name of Former Yugoslav Republic of Macedonia. Nevertheless, for the sake of simplicity, the name Macedonia will be used here.

and the Ohrid Agreement are particularly helpful in clarifying the causal relationship between the actions of the external actors (the so-called international community) and local events (in Macedonia, but also in the region as a whole). The developments themselves, finally, help to measure the growth of the capabilities of the Western allies and the European Union to deal with political problems in the Balkans.

1. The armed conflict in Macedonia in 2001

For a decade considered a happy exception to the instability of the successor states to socialist Yugoslavia, Macedonia at the beginning of 2001 suddenly saw the insurgence of an armed conflict that gradually involved the civilian population and led to fears that a large-scale civil war was finally about to break out here as well. There had been violent incidents between Macedonian security forces and the Albanian population in the years before. Nevertheless, it was only following the attack against the police station on 22 January 2001 that the name of the National Liberation Army (NLA) appeared, raising the spectre of an organised ethnic Albanian force. The attack, the NLA's claim stated, was "a warning to the Macedonian occupiers and their Albanophone collaborators [...]. The uniforms of the Macedonian occupiers will continue to be attacked until the Albanian people are liberated"⁽³⁵⁷⁾.

In a situation in which it was not easy to distinguish whether the developments were linked to events in Kosovo and Serbia (for example, the Presevo valley in Serbia, for which NATO had handed back control to Belgrade), whether the guerrillas were Albanians from Kosovo or from Macedonian villages close to the border, or whether they were illegal traffickers forced to leave areas they had once used undisturbed (because of the NATO handover), the response of the Macedonian authorities in the first two months and until the middle of March was very deliberately restrained. This was in part due to the fear that a

(357) Kristina Balalovska, Alessandro Silj and Mario Zucconi, *Minority Politics in Southeast Europe: Crisis in Macedonia*, Ethnobarometer, Working Paper No. 6, Rome, Ethnobarometer, January 2002, p. 14 (www.ethnobarometer.org/crisismacedonia.pdf). All quotations from Macedonian actors can be found in the first part of this paper.

resolute response to the extremists in the Albanian-inhabited part of the country could jeopardise the collaboration in government of the parties representing that group. It must be added that this was also why Skopje insisted from the beginning that the National Liberation Army in Macedonia was no more than a leftover from the UCK in Kosovo (officially disbanded), that is, that it was an “imported” conflict and that solving it was, therefore, the concern of the international community – more specifically, the NATO-led Kosovo Force (KFOR), which should start by effectively sealing off the border.

Although always minor, the attacks and clashes with Macedonian security forces continued until the NLA announced, after a few months, that it had “liberated” a part of the Macedonian territory. It must be added that, from the beginning of the armed clashes, the Macedonian forces were inadequately equipped and showed strong deficiencies in training. Furthermore, while the Macedonian forces responded with excessively indiscriminate attacks in the Albanian inhabited areas, the Albanian fighters tended to find increasing support among the ethnic Albanian community (if only out of resentment towards the operations of the Macedonian security forces).

Relations between the guerrillas and the ethnic Albanian population were bound to be complex. Among other things, it seems that the spring shift in the guerrillas’ activity from the Tetovo to the Kumanovo areas was due to a lack of support for the guerrillas in the former. Nevertheless, opinion polls carried out months later indicated that the ethnic Albanian population gradually identified with the militants to the detriment of the traditional parties. But those parties must have experienced the pressure from the NLA as a stimulus and support for their demands. In April, Arben Xhaferi, the most influential ethnic Albanian political leader, warned that “refusal to dialogue [on the ethnic Albanian demands by the Macedonian parties] means escalation of the crisis [...]. If I fail, the fighters will have the right to continue”.

When, after a month’s pause, the fighting flared up again at the end of April, government forces now met the insurgents with new weapons (tanks and combat helicopters) purchased abroad. A series of clashes and incidents (two Albanians killed at a road block and eight Macedonian soldiers killed in an ambush) caused a rapid radicalisa-

tion of the positions of the two communities with uprisings in various cities and attacks on the other ethnic community. The spread of fighting also led to an increase in the number of people fleeing their villages. The official data of the UN High Commissioner for Refugees indicate that 150,000 people had fled their homes before the signing of the 13 August agreement, including 80,000 Albanians who crossed into Kosovo. The occupation of Aracinovo alone led to an exodus of 8000 inhabitants.

Aracinovo was to remain a watershed in the brief history of this conflict. The town was occupied by a large contingent of the NLA (between 400 and 500 persons) on 10 June and, as of the 22nd, the Macedonian army attacked it with combat helicopters and cannons until the Albanian fighters agreed to be evacuated in the framework of the ceasefire negotiated by the EU and NATO. Aracinovo lies less than ten kilometres from the capital (within mortar range), relatively close to the international airport and in view of the country's only oil refinery and fuel reserves. Besides signalling the Albanian militants' ability to reach Skopje, the Aracinovo occupation also raised the level of threat towards the international operations in Kosovo, which have their largest logistic base and most important supply line from Thessaloniki in that area. Finally, Aracinovo introduced a new and broader level of conflict with possible dramatic consequences for the future stability of Macedonia and the region (an Albanian defeat would surely have had repercussions in Kosovo, at least). Later, Macedonian Prime Minister Ljubko Geogievski admitted on television that Aracinovo could have turned into "a Macedonian Chechnya" with foreseeable consequences on international reactions⁽³⁵⁸⁾. The importance of this episode lies, as will be discussed later, in a higher level of commitment to finding a solution to the conflict that it triggered in Western capitals and among NATO leaders.

Another development that was to contribute to the turnaround in the crisis was the agreement reached in mid May in Prizren (Kosovo) between the two Albanian-Macedonian parties (the Democratic Party

(358) The municipality of Aracinovo had almost 10,000 inhabitants. Of the 2000 houses that are municipal property, 1600 were damaged during fighting, 400 destroyed. Data gathered by the author while visiting Aracinovo.

of the Albanians – DPA– and the Party for Democratic Prosperity – PDP and the National Liberation Army. The agreement gave the two parliamentary parties the mandate to represent the interests of the Albanian fighters. At the same time, it channelled the political action of Albanian Macedonians into a single track and made the NLA an indirect participant in negotiations with ethnic Macedonian parties. The agreement was mediated by Western officials in an obvious attempt to make the initiatives and the positions of the Albanian militants more controllable.

It was on the basis of these two premises – a decisive involvement of the international community and the unity of action of Albanian Macedonian political forces – that difficult negotiations were undertaken and that in mid August, despite intermittent armed clashes, the Ohrid Agreement was reached. Signed by the largest parties of the two ethnic communities, it follows a double track. On the one hand, the Agreement called for an end to hostilities, the demobilisation of the NLA and an amnesty for the fighters, while on the other, it introduced a reform process aimed at satisfying ethnic Albanian demands. Thus, the Albanian language was to become an official language in areas in which ethnic Albanians account for at least 20% of the population; all discrimination was to be abolished and a proportional quota for Albanians introduced in the civil service; the number of ethnic Albanian policemen considerably increased in areas with an Albanian majority; references to ethno-national groups in the Preamble to the Constitution replaced by the definition “citizens of Macedonia”; the administration markedly decentralised, etc.

Implementation of the reforms by means of specific legislation turned out to be more laborious and time consuming than foreseen in Ohrid. Nevertheless, despite the emergence of other armed groups and the political manoeuvres of the more extremist ethnic Macedonians, by the end of the year, the NLA had handed over weapons (to NATO, within the limits set) and a number of reform laws had been passed (the law on decentralisation, strongly opposed by ethnic Macedonian parties were to follow in January 2002).

2. The role of external actors and, in particular, the European Union

The Framework Agreement of August would never have been achieved without the progressive involvement (very intense in the

end) of the European Union and the United States. This is the first important fact on which to reflect in order to understand, first, whether or not western capitals have the ability to solve crises like the one in Macedonia and, second, to what extent political developments in the region depend on external action. In particular, one indication that western capitals had (or have) sufficient capacity to intervene in the crisis is the strong resentment in the ethnic Macedonian community for having been forced to accept the Ohrid Agreement. One press communiqué of a Macedonian American association defined “the day of the signing of the “peace agreement” [as] one of the darkest and most ignominious days in the [...] history of Macedonia”, and denounced the document “as invalid because it has been signed by way of unprecedented political, military and economic blackmail [...] in violation and in contradiction of every national and international code of law and ethics”.

Although perceptions in the initial phase of the conflict distinguished between European-western positions (aimed at safeguarding the integrity of the Macedonian state) and NATO positions (more attentive to Albanian demands), the responses of both external actors was basically aimed at avoiding an escalation of the conflict. On the one hand, the Macedonian forces, as already mentioned, were lacking in capabilities and too indiscriminate in their responses (the pressure on Western public opinion of international humanitarian organisations denouncing human rights violations was soon felt). On the other hand, although there was concern about the consequences that Macedonian events could have on international operations in Kosovo, most allied capitals strongly resisted the idea of a new mission in the Balkans. If any political pressure was being exerted on them – above all by Washington – with regard to the region, that pressure was to reduce the commitment rather than expand it.

Already in the initial phase, moreover, the Kosovo issue suggested caution. The Albanian guerrilla attacks came at a time of confusion and difficulty for Albanian militants in Kosovo, for illegal traffickers and for Albanian militant groups in general (for example, the fall of Milosevic brought the prospect of an independent Kosovo practically to an end, the handing over to the Serbs of the interdiction zone in

Presevo valley eliminated the free zone used by Albanian extremists and smugglers, etc.). Evidently, a determined attack against these armed groups and growing military pressure on the Albanian Macedonian population was to change the conditions on the ground for K-FOR in Kosovo and the UN civilian administration (what is technically called a “permissive environment”) – the conditions, that is, to which NATO and the UN had adapted while maintaining control of the situation and, at the same time, reducing the commitment. The stakes, above all for K-FOR, NATO’s most wide-ranging and visible operation, were very high.

Therefore, during that entire first phase, the international community invited the Macedonian leaders “not to overreact ... [to] use restraint and use proportional force”⁽³⁵⁹⁾. At the same time, although “the strong condemnation for the continuing violence” was constantly repeated, there are indications that, at least in the first three months, the initiatives of the international actors did not inhibit the Albanian militants. Besides the lack of an immediate response, the “alliance” formed in Kosovo during the war against Milosevic generated expectations and a well defined frame of mind. The signals coming from Washington – “we have no plans to send troops to Macedonia”, declared US Secretary of Defence Donald Rumsfeld unequivocally at the end of March – probably helped to create the conditions for the development of the armed attacks. Even before the conflict took the form described above, the President-elect’s advisors, Richard Cheney and Condoleeza Rice, had made declarations suggesting the need for Washington’s disengagement in the region. Indeed, once in power, the President had had to reassure the allies, accepting the line proposed by Secretary of State Powell: “we went in together and we will leave together”. Criticism of the US position that sometimes appeared in the European press suggested that Washington was very reluctant to get involved in Macedonia. On 21 March, for example, the London *Daily Telegraph* referred to the opinions of various European leaders, con-

(359) Statement of Gen. Joseph W. Ralston, US Congress Committee on Armed Services, *Hearings on National Defense Authorization Act for Fiscal Year 2002*, Washington, 29 March 2001 (commdocs.house.gov/committees/security/has088000.000/has088000_0.HTM).

cluding that "NATO's attempt to quell the growing conflict in the Balkans is being hampered by Americans" reluctance to risk casualties"⁽³⁶⁰⁾.

Actually, the European and US commitment was to grow as the fighting expanded and the risks for the allied operations in Kosovo increased. As already mentioned, the intervention of external mediators was decisive at both Prizren (the agreement between the Albanian parties and the guerrillas) and Arcinovo. In the latter case, it was not only a matter of reaching a ceasefire between the two parties, but also of NATO evacuating the Albanian fighters (escorted in NATO buses across the Macedonian lines to where they had come from)⁽³⁶¹⁾.

With Aracinovo, the risks for the international operations in Kosovo (civilian as well as military) became much more evident. An increase was immediately registered in the alarm level in Washington. The communication of the State Department on 11 June read: "with the occupation of Aracinovo, the extremists have escalated the conflict and pose a potential threat to NATO supply lines"⁽³⁶²⁾. A sign of this growing concern was that the allied authorities had no qualms about having to evacuate the Albanian fighters safely, even if this would lead to a strong reaction against the allied forces on part of the ethnic Macedonian population (among other things, the convoy of NATO trucks carrying the Albanians was halted a number of times by road blocks set up by the inhabitants of towns along the road and, in the following days, there were uprisings in Skopje and attacks against the seat of the government, calling for its evacuation). This strong and lasting resentment (together with respect, as discussed below) was to continue during the coming months.

This external solution to the Arcinovo episode (there are conflicting accounts of the direction the battle was taking, but it seem likely

(360) Michael Smith, Ben Felton and Anton La Guardia, "American "Body-bag Syndrome is holding back NATO"", in *Daily Telegraph*, 21 March 2001 (www.telegraph.co.uk/news/main.jhtml?xml=%2Fnews%2F2001%2F03%2F21%2Fwbalk121.xml).

(361) Information received during interviews carried out by the author. See also, Ian Fisher, "US Troops get Involved", *International Herald Tribune*, 27 June 2001.

(362) US Department of State, *National Liberation Army Escalates Conflict*, Press Statement, 11 June 2001 (usinfo.state.gov/regional/eur/macedonia/escalate.htm).

that the Macedonian forces, given their superior means, could have prevailed and inflicted a sounding defeat on the Albanians) was the sign of a more intense, concrete and lasting commitment of allied capitals towards the crisis from that moment on. All of this while the allies continued to maintain that the episode did not represent a change in their attitude toward direct NATO intervention in Macedonia. Threats and incentives were used on both parties to the conflict in an attempt to induce them to reach a compromise. The pressure on the Albanian side involved preventing them from moving freely or receiving supplies from across the border. Above all, the involvement of external actors was fundamental to obtain results from the Macedonians – an involvement that, from a certain point in the crisis onward, probably became the centre of the Albanian fighters' strategy. The importance of this increased commitment by the western allies was noted by a leader of the NLA when he referred to the ceasefire in Aracino (5 July) as "different from previous ones and more important because the agreement was reached under the auspices of the EU, the US and NATO and designed to create the conditions for the resumption of the political dialogue"⁽³⁶³⁾.

Indications of a new willingness to participate in a force for Macedonia now came from various allied capitals. And on 27 June, Washington manifested its desire to intervene determinedly when the President, overturning the positions previously expressed, pointed to the possibility of making troops available for a mission and warned that no option was excluded. On the same day, the American administration took concrete measures to limit the mobility of capital and persons – a measure aimed at the Albanian fighters in Macedonia.

As for the European Union, international observers spoke of more intense involvement in this phase, above all by summoning an extraordinary Council of Foreign Ministers meeting in Luxembourg to discuss the crisis. The EU had already committed itself at the beginning of the crisis, taking on a new visibility in international security affairs, above all when Macedonia initialled in April the first Associa-

(363) See Joseph Fitchett, "Early Signs of Success in Macedonia", *International Herald Tribune*, 9 July 2001.

tion and Stabilisation Agreement⁽³⁶⁴⁾ in the Balkans as an incentive to form a government of national unity.

At the Luxembourg meeting on 25 June, it was made clear to Macedonian Foreign Minister Ilinka Mitreva, also invited to attend, that the condition under which Skopje could hope to receive international financial aid was achievement of a compromise with the ethnic Albanians. In addition, keeping open the prospect of integration into Europe, it was pointed out, hinged on the same condition. In fact, in this phase, the strongest pressure was put on the Macedonian government through both the threat of negative sanctions and the promise of important rewards. In addition, French constitutionalist Robert Badinter was called in to suggest constitutional reforms for the country. Finally, the Foreign Ministers Council decided to send a special envoy to Skopje, in the person of former French Defence Minister François Leotard, with the task of assisting negotiations between the two sides. This decision was immediately replicated by Washington with the nomination of Ambassador James Pardew. Special envoys of the allied countries (of NATO, one de facto for the US, etc.) had already been active in the preceding phase; the new envoys, however, came to Macedonia with a very precise mission and backed with a higher degree of political commitment from the countries they were representing and, therefore, more leverages at their disposal. International observers all report particularly strong pressure by the external actors on Macedonia and the Albanian militants after the Arcinovo incident⁽³⁶⁵⁾.

The European Union, the United States and NATO were not only the mediators that led the local parties to an agreement, but they are also integral parties to the agreement itself. Quite aside from the incentives offered to both sides, the negotiations revolved above all around the role of NATO in the agreement itself. Disarming the Albanian fighters was to be carried out – as it was – by NATO. And the

(364) The first, most important step along the road to integration of new member states in the EU.

(365) See, for example, Ian Fisher, "Macedonia and Rebels Sign Truce", in *International Herald Tribune*, 6 July 2001.

various stages of disarmament were coordinated with the progress that would be made in legislating the reforms set down in the Agreement. Furthermore, while the reforms were proceeding, it became obvious from September onwards that a continued NATO presence was required to prevent fighting from resuming and to ensure the political survival of the Framework Agreement.

Among the incentives offered to reach the August agreement and implement it, were more generous economic aid from both the United States and, above all, the European Union. It is difficult here, as part of a political analysis, to determine how much foreign actors have to invest to make it worthwhile for a country under pressure to change its course. It must be realised, however, that the promises of substantial aid and threats of penalties were being made to a country with a per capita income of \$1200 per year, a total GDP of \$3.5 billion, a troubling foreign debt (with the added financial burden incurred by the war) and an unemployment rate in 2001 that was twice what it had been ten years earlier. The most effective inducement of all for the leaders of the country probably was and still is future prospects, including European integration as the most visible, important and successful with public opinion.

The role of NATO was equally important, but more complex in the way it developed. Throughout the first phase, relations with Skopje progressively deteriorated. Top-ranking officials in Brussels still speak with evident resentment of the constant accusations in the press linked to the ethnic Macedonian parties during the months that led up to the Ohrid Agreement. Afterward, as in the communication cited above, the accusations and resentment of the Macedonians turned to the activity of the external actors as a whole. But, as concerns NATO, the resentment towards it was (and is) accompanied by definite respect. There are a number of reasons for this. Above all, among the moderates there is the clear perception of the vulnerability of their country (a state not welcomed by its neighbours during its formation and later put under pressure by Milosevic's Serbia). That is why Macedonian leaders often recall the experience of the international UN-PREDEP force (the UN Preventive Deployment Force) which until the beginning of 2000 carried out a compensatory function with respect to that vulnerability and Macedonia's security deficit. To some

extent, NATO seems to have filled the position left by the UN force and it is, in any case, an important sign of that international presence and commitment which moderate public opinion and leaders on both sides feel is a necessary condition to maintain the country's territorial integrity and its internal stability: in other words, a guarantee against the extremists of both sides and, therefore, against the possibility of the country precipitating into civil war. Shortly after the signing of the Agreement, Prime Minister Georgievski, considered rather inflexible although capable of important compromises, made a statement in Parliament against the Western pressure that had compelled his government "to accept to reward terrorism", and warned that "it is obvious we should not gamble with NATO's authority". Finally, on part of the Albanian militants, NLA leader Ali Ahmeti declared in an interview that whether the Albanians could remain a stable part of the Macedonian state depended entirely on the engagement of the international community. It was necessary, he said, for NATO to prolong its presence (beyond the month called for in the Agreement for Operation Essential Harvest, that is disarmament) because the Macedonians could not offer the guarantees he wanted⁽³⁶⁶⁾.

3. A NATO force composed entirely of Europeans

For a number of reasons, the European Union responded to this crisis with a much higher profile than in other previous Balkan crises. Undoubtedly, the limited dimensions of the crisis should be kept in mind, especially if compared with Bosnia-Herzegovina or Kosovo. But there was also a structure for coordination of foreign policy led by Javier Solana, who, probably because he had been Secretary General of NATO, showed particular skill in working together with that organisation. Finally, there were a number of new developments that led to greater visibility on the part of the European countries and, in particular, the European Union, during this crisis.

First of all, with respect to the evident initial reluctance of the entire alliance, it was important that the need was nevertheless recognised for an external presence, a strong commitment aimed at compensating the vulnerability and security deficit that has characterised

(366) Joseph Fitchett, "Early Signs of Success in Macedonia", cit.

the Macedonian state from its birth in 1991. A by-product largely of the need to give Slovenia and Croatia the independence they sought within the borders of the old republics, the birth of this state led to the imposition of an international border on the Albanian community which previously resided in a continuous territory, that is, the Yugoslav Republic of Macedonia and the Serb province of Kosovo. And the resulting hostility of the Albanian community towards that international border (considered, as stated in the report of the UN High Commissioner for Refugees, as an “unnatural imposition upon their traditional habits and rights”) constituted *per se* a structural political problem undermining the foundations of the state. With respect to that problem, therefore, the international presence introduced an absolutely indispensable element of compensation. This is the lesson that the leaders of both the EU and NATO learned from the Macedonian crisis of 2001.

Secondly, in this case it was important that, while there was reluctance to become involved militarily in a third Balkan mission, also because of the links with the Kosovo problem, the allies nevertheless tried to intervene immediately by means of political mediation and economic pressure. In April already, the formation of the government of national unity was a result of the determined diplomatic involvement of EU institutions. And while an international military presence was a necessary condition for maintaining the internal equilibria of the country, the Arcinovo incident demonstrated that diplomatic pressure and the use of economic incentives were not sufficient, thus leading to the intervention of NATO.

Finally, the new developments which gave rise to the military response involve NATO itself and the evolution of relations between the Atlantic allies in the management of problems in the Balkans. There can be no doubt, in fact, that the initial reluctant and, in the opinion of some, tardy response was conditioned by expectations linked to NATO's traditional *modus operandi*, that is, Washington's will – or lack of it – to intervene. But rather than entering into discussion of whether the intervention was late or not, what is of interest here are the differences with the past. The need for an international military presence, recognised from June onwards as a necessary condition, was seen in January and in March as going against the allied capitals' long-term plans for progressive disengagement in the Balkans. This

was particularly so in Washington (but also in some European capitals): in addition to statements made on entering the White House, the Bush administration continued, up to the Arcinovo incident, to exclude unconditionally any form of military commitment in Macedonian territory. The statement of Secretary of Defence Donald Rumsfeld during a press conference on 21 March denying any intention to send troops to Macedonia was quoted earlier. On the same occasion, Rumsfeld denied that there was any need to strengthen the allied mission to Kosovo in relation to the events in Macedonia. Then again, this position ran counter to those in the US and Europe who felt it wise to respond as soon as possible and give signals of determination. Among others, Democratic Senator Joseph Biden, in a hearing of the Foreign Relations Committee, accused the administration of procrastinating and forgetting that on two other occasions in the Balkans, it had moved "much too slowly to deal with what was, in the eyes of most informed observers, inevitable"⁽³⁶⁷⁾. As indicated previously, this US attitude came up against growing criticism in Europe.

Undoubtedly, this reluctance conditioned the allies' choices in responding during the first stage of the conflict and suggested putting pressure on the Macedonian authorities to moderate their reaction in the hope that the conflict would not escalate. The main risk was that the guerrillas would win broader support among the ethnic Albanian population. In parallel, western officials were making contact with Albanian extremists. This mediating role continued to be played mainly by NATO for the duration of the crisis and after the Ohrid Agreement (on 15 August, two days later, it was up to Peter Feith, the NATO mediator, to reach a separate agreement with the leader of the NLA, Ahmeti, for their demobilisation under NATO control). Therefore, in spite of requests for more determined western action, the response remained conditioned by that strong resistance to an expansion of allied military commitments in the Balkans.

Arcinovo, as already mentioned, led to a rapid evolution and change in the western line. Actually, and despite the signal he sent out the day after the episode, warning that no option was ruled out, Presi-

(367) US Senate Foreign Relations Committee, "Hearing on the nomination of Marc Isaiah Grossman to be undersecretary of state for political affairs", Washington, 20 March 2001.

dent Bush did not change his position of excluding a US armed intervention, but left it up to (and to some extent encouraged) the Europeans to carry it out. On 15 June, when the initiatives that were later to be carried out within the framework of the agreement were already being discussed, Bush warned the allies that Washington did not intend to contribute US forces to the proposed mission in Macedonia, even if it was not opposed to other countries setting up such a force. An important point is that this position was linked not only to the US intention to disengage progressively in the Balkans (already started by President Clinton), but also to President Bush's positive disposition towards the possibility of autonomous military initiatives by the European allies. From the first meeting with European heads of government in early 2001, Bush moved beyond the reluctance of the Clinton administration for solely European forces and military operations conducted without US participation.

In the specific case of the Balkans, this decision by the Bush administration drastically changed the model of collective international intervention in the Balkans that had consolidated after the major European actors had tried to resolve the crisis of the disintegration of socialist Yugoslavia by themselves, asking Washington to keep out of the matter ("this is the hour of Europe; [it] is not the hour of the Americans' had claimed Luxemburg's Foreign Minister Jacques Poos after the declaration of independence of Slovenia and Croatia in June 1991), and had failed. That failure and years of dramatic conflict in Bosnia had taught Washington that the United States had to take the lead if western international initiatives were to be decisive. And that lesson was behind the Balkan policy developed by Washington in 1995 and subsequently during the Kosovo crisis. In the Congressional debate of 20 March mentioned earlier, Senator Biden warned that the Macedonian crisis was reminiscent of the two previous crises and that it was inevitable that the situation would spiral out of control "if we don't act [...], the Europeans never do – never, never, never do they act responsibly initially – not one time involved in the Balkans have they [...]"⁽³⁶⁸⁾.

(368) US Senate Foreign Relations Committee Hearing, Washington DC, 20 March 2001.

Instead, in discussing a possible mission to Macedonia, Bush had even advanced the hypothesis of a force under the EU flag. But at that point, in spite of the emphasis of recent years (after St. Malo and the Nice summit) on a common European security and defence policy and the setting up of a European rapid intervention force, caution prevailed and the NATO framework was considered absolutely indispensable. Thus, a first mission made up of European troops and with European command, but formally in the framework of the Alliance (Essential Harvest) was set up with the aim not only of disarming the Albanian fighters, but also of establishing a visible and authoritative international military presence to allow the peace process to consolidate. The United States contributed logistic support and transport (and remained intensely committed diplomatically and in terms of aid). The first mission was succeeded by a second (Amber Fox) with the explicit objective of guaranteeing the security of the civilian operators of the European Union and the Organisation for Security and Cooperation in Europe. The mandate of this second mission has been prolonged, and at the beginning of 2002, voices began to be heard in favour of putting it under the European flag alone (the first signal of this kind was sent out by the Spanish Presidency of the European Council).

It would probably be hasty to interpret these developments as the belated arrival of "Europe's hour" in managing Balkan instability. The temperature in the region has dropped considerably since Milosevic left the stage (and before him, Franjo Tudjman), even if the situation remains critical. In addition, the limited scope of the Macedonian crisis made it obviously more easy to manage (Operation Amber Fox involves 700 men). Yet it is undeniable that these are important experiences in a framework that is especially dynamic with regard to transatlantic relations. In fact, the most important development, with respect to previous crises, was Washington's delegation of military operations in the region to its European allies. Thus, an entirely European role in this dimension seems to be taking shape, not so much for the development of the planned new European capabilities, as for the United States' default in managing security in this theatre. And this development, at least with regard to the European region, is not contingent, but probably structural and lasting, in the context of what is now being defined as the united Europe's security policy.

11. THE EU AND TRANSATLANTIC RELATIONS: THE EVOLUTION OF CFSP/ESDP IN THE EURO ERA

by *Roberto Menotti* (*)

Introduction

For most EU member states and citizens, international security has been defined and discussed primarily in a Euro-American, or “transatlantic”, setting for more than fifty years. This historical circumstance has produced major consequences on the political-institutional context of security policy in Europe, from collective psychology to diplomacy, from “chain of command” issues to defence budgets and military training. Thus, it has ultimately determined the prevailing perceptions of what security itself is all about. As we enter the 21st century, international security is a contested concept with shifting contours, far from static and resting on uncertain ethical and legal foundations. The European Union is now an active protagonist in this ongoing debate, through its extensive albeit still dispersed external activities.

The central thesis of this chapter is that the EU’s drive to increase the effectiveness of coordinated action among its members on the international stage will be a key determinant of the transatlantic relationship in the years to come.

Whatever shape it will take, the Common Foreign and Security Policy (CFSP) will help define a “new bargain” in Euro-American security affairs – even if it should fail to become an effective instrument – because its mere existence and selective activation is producing a slow change in attitude on both sides of the Atlantic. Of course, CFSP must be seen in the context of the overall external action of the Union, of which it is just one component.

The next section offers a selective picture of the state of affairs prior to the terrorist attacks on the US of 11 September 2001, looking at the main sources of change in the transatlantic relationship, and the nature and limitations of the institutional foreign policy of the European Union.

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Section 3 analyses three policy areas in which US-EU relations are becoming increasingly bilateral in nature (again, prior to September 2001): the substantial economic relationship, the very broad New Transatlantic Agenda, and the much more focused European pillar of NATO (with its recent *alter ego* the “ESDP” in the EU machinery).

Section 4 attempts to develop scenarios for the CFSP/ESDP tandem, based on the assumption that certain priorities have changed but that the deep currents of transatlantic relations remain what they were before 11 September. The challenges ahead will be reviewed in the context of the new strategic environment.

Section 5 briefly ventures into a more theoretical field of analysis with the aim of shedding light on some of the different futures that may lie ahead.

This will be followed by a few concluding remarks on the need for credibility in any choices the Europeans will make, for the sake of the EU, above all, but also of a healthy and adaptable transatlantic link.

1. The state of play, pre-11 September 2001

The external action of the European Union is clearly a blend of formally “common” policies and positions, more loosely coordinated initiatives and national policies. In assessing the relevance of CFSP as such, a working assumption should be that, in the EU context, institutions are substance. The logic of European integration is predicated upon an institutional dynamic, and this peculiarity should not be overlooked.

Yet, a narrow and purely legal understanding of the EU’s external action would unduly limit the analytical scope, since the focus of the present study is the external projection of the Union rather than the specific set of activities which goes under the label of CFSP. It is worth bearing in mind that, although the common foreign and security policy is currently intergovernmental in nature, it is at the same time – by its very name – an aggregate, i.e. “common” policy. Thus, it is potentially the nexus of the evolving external activities of the Union as a whole, when understood as the sphere in which the diplomatic, economic, security and ethical implications of disparate sectoral policies are assessed and coordinated. In this perspective, the consolidation of CFSP could represent a major innovation in Euro-American relations.

As many observers have sceptically remarked, the “common” feature of CFSP is more aspiration than reality at the present stage, and on several issues policies emanating from Brussels are “concerted” at best. Yet, various conditions of the international environment are enhancing the impact of EU policies – and even the absence thereof – on external actors, to begin with the closest ally, the US⁽³⁶⁹⁾.

At a general level, there is what we could call the overall “EU posture” on the international stage: this includes both style and substance, which combine to produce influence. Negotiating positions in the WTO, support for UN Resolutions, or commitments made to protect the environment are all areas in which the Union pursues common interests *vis-à-vis* various actors including the United States. The EU posture is obviously an aggregate concept, consisting of various institutional channels, and thus is not easily measured. However, it is certainly a significant factor for those countries that wish to trade with the EU, entertain political-diplomatic relations or address specific problems. In part this is done precisely for “diversification” purposes *vis-à-vis* the US: Russian openings to the EU immediately come to mind in this respect, but Latin American countries, Arab countries, Iran, China and even India have all played a “European card” at one point or another. Of course, the EU exercises the highest degree of influence on those who are engaged in accession negotiations or plan to be: the impact of EU enlargement on the shape of the continent is very significant and intersects American interests in enlarging NATO, building partnerships and “reaching out” to former adversaries in and around Europe.

A more specific area of analysis concerns those issues and initiatives where there is a direct overlap with NATO’s distinctive func-

(369) The difficulty in assessing the EU’s external action *vis-à-vis* the US is compounded by the different levels at which an international posture can be developed, some of which are not cast in terms of open policies but are relevant nonetheless. For instance, according to Christopher Hill, for the Europeans the “main concern on the global stage remains that of “minding” the United States – using a mixture of support and restraint to ensure that the world’s greatest power, and Europe’s security guarantor, does not get itself into conflicts which could escalate internationally, and with unpredictable consequences.” For all its priority, this concern is invisible in the EU’s declaratory stance. See Christopher Hill, “The EU’s Capacity for Conflict Prevention”, in *European Foreign Affairs Review*, Vol. 6, No. 3 (Summer 2001), pp. 315-333.

tions. Due to its novelty, the latter sphere of concerted action – initially labelled ESDI (European Security and Defence Identity) in NATO parlance, and more recently enshrined in plans for an ESDP (European Security and Defence Policy) in EU jargon – has attracted considerable attention in transatlantic circles, although there is indeed a continuum between the growing economic role of the EU in commercial matters, the EU's increasing global presence, the launch of the euro, and the evolution of a foreign policy and security projection.

It is useful to recall where the impetus for an enhanced EU security role originates. The transformation of NATO in the course of the 1990s produced a European “security architecture” in which the Alliance has a much broader range of functions than many expected at the beginning of the decade: it has served as the core transatlantic forum for consultation and coordination, the symbolic locus of Euro-American solidarity and institutionalised cooperation, as well as the most capable military alliance in the world. In other words, NATO's political role has apparently continued to grow, certainly in the region of Southeast Europe because of the Yugoslav crises, but also in Central Europe through the enlargement “process” and the related “open door” policy with its outreach activities (centred in the Partnership for Peace - PfP).

This set of circumstances explains why a growing EU international role in security affairs is sometimes perceived (in both the US and Europe itself) as a fundamental change of direction. It is being pursued later than many expected at the beginning of the decade, but perhaps too early for some advocates of a strongly NATO-centred European security arrangement.

Of course, these institutional changes are occurring in a dynamic political context, whose main features are well known but bear recapitulating:

- the economic weight of the EU is growing and expanding into new areas, such as monetary policy;
- the geographical scope of the EU is growing through the enlargement process – with economic, political and security implications;
- in spite of continuing strong dependence on the US for operational capabilities, the European members of NATO are laying the

foundations for a partly autonomous EU role in security and limited military activities (defined as the “Petersberg tasks”, as will be seen later).

The “fundamentals” of Euro-American relations reflect the fluid conditions of the international system since the end of the Cold War and the EU as an international actor is affected by various simultaneous phenomena:

- the various processes we generically term “globalisation”, which open up opportunities while demanding more effective coordination with the US in order to provide a degree of collective governance;
- a level of physiological competition with the US in the economic arena;
- its own process of “deepening” which some in the US interpret as an inevitable push toward even more competition.

These basic features have not changed in the aftermath of 11 September and are not likely to change in the foreseeable future. We will probably experience a continuation of the hybrid relationship that evolved during the 1990s. While the structural conditions of the Cold War era were crystal clear – American political leadership was essentially taken for granted and rarely contested by its allies in diplomatic and security affairs on a “global” scale – a more nuanced perception has developed over the past decade: although Washington’s economic prominence has not been challenged, its clarity of purpose and readiness to take risks has been seen as less than optimal.

Although a US leadership role has been expressed most clearly in the operational dominance of multilateral military operations and in the constant calls for American diplomatic involvement in crisis management, a “variable geometry” type of leadership has emerged in the multilateral undertakings of the Western allies.

The Europeans have progressively attempted to raise their profile in the 1990s, and by looking at official statements it appears that the EU is now staking a claim for a kind of political co-leadership at least in selected areas of activity. In other words, the EU is working to become a counterpart to the US across the board⁽³⁷⁰⁾. This marks a fun-

(370) According to EU External Relations Commissioner Chris Patten, who tackled the issue in a speech at the Royal Institute of International Affairs of London in June 2000, one

damental breakthrough because, in the past, any economic friction that arose would be played out within the boundaries of a rather stable political-security relationship based on US predominance.

In order to ascertain what the EU's external action has represented so far in terms of projecting EU presence and developing the Union's *actorness vis-à-vis* the United States, we need to disaggregate the Union's international posture and look at how each component relates to the transatlantic link.

First, let us look at CFSP proper, as defined in EU treaties, initially limiting ourselves to those actions which technically fall under the CFSP heading. CFSP can be described, in a kind of concentric circles fashion, as:

- A decade long Western Balkans exercise, given the overwhelmingly greater number of "juridical acts" (formal decisions with binding value for the member states) than in any other region of the world. In response to events in other geographical areas, the Great Lakes region of Africa and the Middle East rank (quite distantly) second to the Western Balkans. It is clear that the dissolution of former Yugoslavia has been the single key stimulus for the development of CFSP, at least at a conceptual level, as well as the main motivation and testing ground for the adaptation of NATO after the disappearance of the Soviet Union.

- A set of three "Common Strategies" toward Russia, Ukraine and the Mediterranean region. These have produced few tangible results in terms of altering the existing "balance of influence" relative to the United States. Incidentally, NATO too has launched "outreach" activities in the same regions (the "special partnership" with Russia, the "distinctive partnership" with Ukraine, and the "Mediterranean Dialogue" with six Southern shore countries).

Segue nota

of the central overall goals the EU should set itself is "to become a serious counterpart to the United States". In a rare manifestation of candour, he went on to argue that although there is very much to admire in the US, "there are also many areas in which I think they have got it wrong. The UN, for example, environmental policy and a pursuit of extraterritorial powers combined with a neuralgic hostility to any external authority over their own affairs". Only by improving the effectiveness of CFSP, Patten concluded, may the EU "hope to contribute to a healthier global balance" (Chris Patten, "Projecting Stability", in *The World Today*, Vol. 56, No. 7 (July 2000), pp. 17-19). This is probably as close as a high-level EU official has ever got to articulating the EU's role as a restraint on US international action.

- A steady producer of official statements on world issues. In this respect, few diplomatic statements have placed the EU in open opposition with the US on issues of major relevance, and it is no accident that a somewhat surprised reaction came from Washington only when Javier Solana ventured into – of all places – diplomacy on the Korean peninsula in Spring 2001⁽³⁷¹⁾. This single largely symbolic gesture, with the Union's common foreign policy representative taking a highly visible stance on a traditional US strategic concern, may have captured Washington's attention more than a flurry of previous CFSP communiqués.

The decisive and formative influence of the Balkan crises on the post-Cold War evolution of crisis management and NATO's functions, in particular, is well known. Seen in terms of the first manifestation of CFSP indicated above – the overwhelming Balkan focus of EU common positions – it is worth noting that European involvement in former Yugoslavia (plus Albania) has forced a redefinition of the geopolitical understanding of "Europe", by shifting the centre of gravity of EU activities eastward in a much more dramatic fashion than most expected⁽³⁷²⁾. In terms of instruments and type of involvement, the Balkan conundrum has starkly demonstrated the natural attraction exercised by the Union and the need for a coercive capability in addition to inducements. This circumstance has profoundly affected – perhaps irretrievably – the nature of the transatlantic link: as is well known, the deep frustration generated among European leaders and public opinions by the Yugoslav experience is due in large measure to the widespread perception that the Western Balkans are part of a "European space" where the EU has a direct responsibility⁽³⁷³⁾. However vague the geographical and legal definition of such a space, the perception of being politically and morally responsible has grown very real indeed. At the same time, the lack of a shared "security culture" at the strictly EU level, and the recurrence of intra-European divergences, have made the EU's common action patently insufficient.

(371) The High Representative participated in a visit to South Korea and North Korea on 2-4 May 2001, alongside Commissioner Patten and the rotating President of the EU Council, Swedish Prime Minister Göran Persson.

(372) See the chapter by Mario Zucconi in this volume for an analysis of the Macedonian case as a sign of the EU's evolving role in the region.

(373) Frustration is also the feeling that several policy-makers in the US have experienced with regard to Balkan interventions and the division of labour with the European allies, at least until the stage of post-conflict stabilizing missions which started at different times in Bosnia-Herzegovina and Kosovo. This mutual frustration was a hallmark of transatlantic relations in the 1990s.

American leadership, however necessary, has been accepted as a second-best solution, at times grudgingly if not with open resentment, especially when Washington's military dominance has forced EU governments to make hard choices on whether and how to use military force. The US role as main broker and enforcer in former Yugoslavia has been a logical political choice only if viewed through the prism of the Cold War American guarantee in support of European security, but it is certainly inconsistent with a European Union which takes charge of the well being of the continent.

As regards the three Common Strategies and the extensive declaratory activity under the CFSP umbrella – i.e. the macro-regional and global concentric circles of EU common policies – they seem designed to enable the EU to participate in a kind of global cooperative discourse, based on the belief that talking and exchanging views is valuable in itself. Therefore, this exercise has been pursued largely for its own sake, i.e. precisely to give the EU a common stance in talking to other important actors or regional groupings. Such diplomatic activity is not to be dismissed as irrelevant, since nurturing a discourse is clearly significant to the process of “identity building” which is a permanent feature of the EU as a whole (both internally and externally). However, given the density and sophistication of existing Euro-American channels of communication, declaratory CFSP can hardly have a major direct impact on transatlantic relations. As will be seen in a later section, the exception may be the largely indirect influence of international principles developed by the EU in its dealings with third parties. But even in this area, practice matters more than lofty rhetoric, as a credible international actor needs to back principles with action.

In spite of the dense political/diplomatic, economic and social web connecting the US and Europe, the two sides have set up a specific forum, called the New Transatlantic Agenda, which explicitly recognizes the European Union as a counterpart to the United States. The second half of the 1990s saw an attempt to focus this bilateral channel of communication increasingly on practical issues, although its political relevance has remained sharply limited so far.

The other major innovation in the transatlantic relationship has been the breakthrough in security affairs since late 1998 initiated by the UK and France, which in turn has made possible the launching of the project for a European Security and Defence Policy (ESDP).

2. *A Growing EU-US bilateral agenda? Economics, the NTA, and the European Pillar of NATO*

On a global scale, the US and the EU represent two economic giants, and the level of exchange across the Atlantic makes them highly interdependent. Given the nature of the market system, a degree of competition is inherent in any economic relationship, but the largest and most powerful actors have a major common stake in the functioning of the system. The centrality of the US economy for the global outlook is such that European policymakers view their American partner as a major focus of their daily concerns, in both good and bad times.

At the same time, when Europeans watch their own aggregate economic weight, they logically cultivate the ambition of playing on a par with the US in the economic arena: at the dawn of the 21st century, it hardly makes sense to just pursue cooperation with the US regardless of the conditions attached. It is equally true that America's desire to reduce its burden in support of the international economic system has gradually made US commitments more partial and conditional than in the past. Both tendencies are perfectly legitimate and understandable but require a more complicated give and take than before.

As political scientist Robert Gilpin has recently argued, "the political foundations of the international economy have been seriously undermined since the end of the Cold War. [...] The forces of economic globalisation have made the international economy much more interdependent. At the same time, the end of the Cold War and the decreased need for close cooperation between the United States, Western Europe and Japan have significantly weakened the political bonds that have held the international economy together"⁽³⁷⁴⁾. This decade-long situation has af-

(374) Robert Gilpin, *The Challenge of Global Capitalism. The World Economy in the 21(st) Century*, Princeton, Princeton University Press, 2000, p. 9.

affected the transatlantic relationship at all levels, stimulating competition (albeit largely regulated) just when the need for coordination is heightened by the unaddressed requirements of global governance.

The relatively positive conclusion of the WTO summit of Doha in the autumn of 2001 was the result of a coordinated effort to revive the organization after the 1999 Seattle debacle, in the wake of the 11 September attack on international stability. However, several issues of contention remain, as evidenced by the American refusal to sign the Kyoto protocol on greenhouse gases, which largely relates to diverging interpretations of economic priorities and interests.

Although the US and EU economies are bound by close ties, and very few analysts would deny that the American “engine” for global growth still has no substitute, fierce transatlantic competition and often open disputes are nearly as distinctive a feature of the world economy as Euro-American cooperation. When either of the two giants throws its weight around, no one can fail to notice and, in this sense, EU *actorness vis-à-vis* the United States is already a fact of life.

Let us shift our focus from the very substantial set of economic relations across the Atlantic to the broad forum for consultation that was created to somehow formalize these intense links, channel cooperation and perhaps help manage differences. A kind of “holistic” bilateral framework for EU-US relations is provided by the so-called “New Transatlantic Agenda” (NTA), launched in 1995 as a sign of maturity in the relationship (although diplomatic relations between the EEC and the US were established as early as 1961 with the US Mission to the ECs, and there has been a Commission Delegation in Washington since 1971). In practice, the NTA reflects the fluid state of the EU’s international role, caught between an exclusively “civilian power” status (i.e. diplomatic/security dwarf, to its critics) and the greater ambition of becoming an active international player in its own right, committed to both deepening and expansion. The preamble of the NTA founding document recalls that “for fifty years, the transatlantic partnership has been the leading force for peace and prosperity for ourselves and for the world. Together, we helped transform adversaries into allies and dictatorships into democracies”⁽³⁷⁵⁾. It goes on to as-

(375) All the documents mentioned in this section can be found on the official EU web site (europa.eu.int/comm/external-relations/us/new-transatlantic-agenda/).

sert that “we share a common strategic vision of Europe’s future security”, based on the famous *interlocking institutions* design, and then recites the classic formula on the Atlantic Alliance, namely that “NATO remains, for its members, the centrepiece of transatlantic security”, in which the emerging ESDI is meant to strengthen the “European pillar of the Alliance”.

As will be seen in a later section, the 1995-2001 period has been a sort of high-speed movie, whose plot has practically superseded the original limited notion of ESDI.

Indeed, the NTA itself has reflected the acceleration of both NATO reform and the emergence of the EU as a prospective security actor. The trend is evident in official documents: the “Transatlantic Declaration” of 1990 (a precursor to the NTA) centred on cooperation in the fields of economic exchanges (such as liberalization, the OECD, competition policy), education, science and culture. There was a mention of “transnational challenges” but no reference to security and defence – then the undisputed functional specialization of NATO. Five years later, the December 1995 “New Transatlantic Agenda” document, signed at the EU-US Madrid summit, formalized the NTA framework. It contains four chapters, in which the order of priorities is considerably different than in 1990: promoting peace and stability, democracy and development around the world (starting with former Yugoslavia, central and eastern Europe, relations with Russia, Ukraine and the newly independent states, the Middle East); responding to global challenges (which were identified primarily as international crime, drug-trafficking and terrorism, the needs of refugees and displaced persons, the environment and disease); contributing to the expansion of world trade; building bridges across the Atlantic. Finally, in the Bonn Declaration issued at the June 1999 EU-US summit, the two sides committed themselves to a “full and equitable partnership” in economic, political and (by now) security affairs.

The introduction to the final communiqué of the second EU-US summit of 1999 (Washington, 17 December) explicitly stated that “The European Union has become a strong and credible global partner for the US, and this fact will undoubtedly play a positive role in helping to reach good results”.

The document also shows how broad-ranging the consultations have become in the context of the Transatlantic Agenda, covering the following “external” issues: Chechnya, southeastern Europe, northern Europe, small arms and light weapons, and the WTO. As an interesting consequence of this broadening scope on the European side, it is now impossible to attribute the exclusive competence for the NTA as a whole to the EU Commission (which was the case in the early stages) given the obvious relevance of many of the issues under consideration for the Union’s interests in terms of “foreign and security” policy (currently intergovernmental in nature).

Naturally, the growing emphasis on broad diplomatic and strategic issues does not detract from the solid economic foundation of the NTA, which on the whole would make little sense if the EU’s international presence were not already well established in the field of trade.

This focus was further confirmed by the launching of another framework agreement in 1998, the Transatlantic Economic Partnership, whose specific purpose is to tackle, on a bilateral basis, technical barriers to trade, while also encouraging further multilateral liberalization⁽³⁷⁶⁾.

On the basis of the Union’s institutional set-up, the Commission adopted a Communication, on 20 March 2001, in which a series of priorities were set to address the need for “streamlining” the NTA and producing more concrete results. However, the list is remarkable for its broad scope (including important non-economic matters, ranked in the following order):

- emerging security challenges;
- globalisation and the multilateral trading system;
- the fight against organised crime;

(376) The Transatlantic Economic Partnership (TEP) was launched at the London summit in May 1998: “the TEP is an extension of the approach taken in the NTA. It includes both multilateral and bilateral elements. Bilaterally the purpose is to tackle technical barriers to trade. The purpose of the second part is to stimulate further multilateral liberalisation – by joining forces on international trade issues. An innovative aspect of the proposal is to integrate labour, business, environmental and consumer issues into the process. It is however too early to say what will come out of this partnership”.

- energy issues;
- consumer protection;
- macroeconomic issues;
- the fight against poverty in developing countries;
- the digital economy.

The Commission's concern with such a large array of issues can also be interpreted as a sign of the ongoing turf battle among the key EU institutions to establish control, or at least joint influence, over emerging policy areas. Of course, this contributes to the multi-layered structure (networked rather than hierarchical) of relations with the United States.

Indeed, the economic foundations of the transatlantic relationship are very solid because of their density, but also very complex and multi-level – thus hardly manageable through any top-down approach. As noted in a recent study of transatlantic governance in the global economy, we can identify three distinct levels of relations: intergovernmental, transgovernmental, transnational⁽³⁷⁷⁾. Clearly, no single unilateral policy or bilateral/multilateral agreement can hope to manage such a complex relationship between the two most powerful economic actors in the world. In addition, it is a widespread belief among economic experts and practitioners that in an era of rough balance between the US and the EU, economic competition left to its own devices could easily spin into outright political competition (and “balancing”, with its well known risks). In sum, although economic trends and policies are not the central focus of this analysis, they do provide an essential part of the background against which the EU as an international actor has to be evaluated. After all, economic success is at the heart of the well being, international influence and security of any advanced democracy.

(377) Mark A. Pollack and Gregory C. Shaffer (eds.), *Transatlantic Governance in the Global Economy*, Lanham, Rowman and Littlefield, 2001. The intergovernmental level is where chiefs of government and high-level officials negotiate on behalf of US and EU interests; the transgovernmental is where lower-level officials work with their counterparts to coordinate specific domestic policies; the transnational level is where private actors coordinate efforts to advance their respective goals.

In light of the NTA's evolution and continuing limitations, it should be recognized that this forum reflects a close and complex relationship, but has not had a decisive impact. Despite its interesting evolution to cover a growing range of interrelated issues, it has remained what it was designed to be: a framework providing an additional channel for communication. Transatlantic economic relations continue to be affected by a variety of business trends and public policies at several different levels, although it is true they are becoming more bilateral as time progresses; the Euro will likely accelerate this process.

As for CFSP as such, this policy appears to be caught in a dilemma. It has not been central to transatlantic relations in the most relevant policy fields, such as trade and economics, on one hand, nor in "hard security" issues, on the other, and yet its ambitions continue to grow. Enlargement, which is the other major policy with great potential implications on the "transatlantic deal", is also outside the scope of CFSP.

However, this should not lead us to conclude that developing CFSP will have no significant effects on transatlantic relations: to the contrary, the determination to pursue "common" positions, thus potentially presenting a unified front to the US, can bring a new quality to the EU as an international actor. This becomes especially clear if we focus on the more specific field of security and defence policies.

When the effort to coordinate policies among the Europeans moved into the field of security and defence, the notion of the EU as international actor began – however slowly and with considerable scepticism – to intrude upon the very core of the transatlantic link. Of course, the whole process was initiated in the NATO context, through the proposed creation of a "European Security and Defence Identity" (ESDI) within NATO.

The original ESDI approach (formalized at the Berlin Atlantic Council of June 1996) was to encourage the emergence of a "European pillar of NATO", by using the Western European Union (WEU) as a counterpart. WEU was then the only locus of European defence coordination, but it lacked both political clout (being disconnected vis-

à-vis the EU and involving just 10 member states) and military resources. In sum, it could in no way provide symmetry in the security field to the embryonic US-EU relationship embodied in the New Transatlantic Agenda, but it could serve as a stepping stone.

Yet conceptually, even this initial compromise was aimed at a more bilateral NATO, based on the US and a “European pillar” – also referred to as the partial “Europeanisation” of NATO. The Alliance could never become fully bilateral for the obvious reason that Canada, Turkey and two non-EU members (five since April 1999) could not easily fit into such a simplified re-arrangement. But the thrust of the ESDI concept seemed indeed to encourage the emergence of a two-pillar Alliance.

It is worth remembering that the attempt to give Europeans a stronger voice in NATO and develop common European instruments in foreign policy and security reflects problematic trends in US-European relations and is the result of a thinking process stimulated by recent experiences (which culminated in the Kosovo crisis of 1999)⁽³⁷⁸⁾. The search for practical solutions has inevitably included institutional responses also at the EU level (reflected in the new acronym ESDP invented in 1999), which, in turn, are now producing a series of gradual shifts in mutual perceptions.

The best indicator that this policy field is crucial to the stability of transatlantic relations is the serious concerns generated in US policy circles by the prospect of enhanced European coordination of security/defence matters. Every modest move in that direction has been scrutinized very carefully, and the result so far is a somewhat intricate

(378) For an in-depth review of the state of the NATO alliance by the end of the 1990s, see David S. Yost, *NATO Transformed. The Alliance's New Roles in International Security*, Washington, United States Institute of Peace Press, 1998. For perceptive analyses of the current pressures for change, see William Hopkinson, *Enlargement: A New NATO*, Chaillot Papers No. 49, Paris, WEU Institute for Security Studies, October 2001 (www.iss-eu.org/chaillot/chai49e.html), in particular pp. 24-31; and from a specifically European perspective, François Heisbourg et al, *European Defence: Making it Work*, Chaillot Papers No. 42, Paris, WEU Institute for Security Studies, September 2000 (www.iss-eu.org/chaillot/chai42e.html).

compromise, as will be seen: in fact, the gradual emergence of the EU itself as the locus for these European efforts has made the necessary arrangements more – not less – complicated.

Another sign that even just setting the ESDP process in motion has begun to transform the transatlantic landscape is Turkey's reaction to recent developments: holding an operational NATO-EU arrangement hostage to the issue of "discrimination" against non-EU members for several months reflects a Turkish worry that we are entering uncharted waters.

For all the risk of misunderstanding involved in this endeavour, the process of adaptation and innovation is bound to continue because there are strong and lasting incentives on both sides of the Atlantic. From a European viewpoint, NATO has become more demanding than in the past (especially because of the way it has been activated in a strongly US-led mode in the Balkans) while still subject to impulses and priorities set by Washington (witness the first round of enlargement formalized in April 1999). From Washington's perspective, redressing major imbalances in burden-sharing for "common defence" has become a top priority, and has been cast as a litmus test of Europe's true attachment to the Alliance in a new era.

It is well known that the EU 15 devote a combined 150 billion euro to the defence budget, while the US spends about twice as much (before 11 September 2001). But what is much more relevant is the widely accepted estimate that the combined military capability of the EU 15 corresponds to about 10% of the military capability of the US. The inevitable and logical effect of this has been a growing recognition that serious efforts need to be made to rationalise, coordinate and integrate Europe's defence resources. At the same time, these numbers indicate that when discussing "European defence" as a collective effort we are actually looking at about 10% of the US military capability, assuming that each EU member will make its entire national capability available. In other words, unless new capabilities are developed and very smart ways to use them devised, the EU's distinctive contribution to the common transatlantic defence can only be objectively modest. On the other hand, it is equally true that the indirect contribution made by the EU as a stabilizing factor in Europe and along its periphery, however hard to measure precisely, is much greater than de-

fence budgets would suggest. In particular, it's not hard to quantify the financial contribution of the EU countries combined to pacifying and stabilizing the Balkans – a showcase of Europe's seriousness in assuming a larger political role, beginning with its "geopolitical courtyard".

Given the practical concerns that have generated it, the process of building "European defence" has been based on pragmatic steps, since its inception with the Franco-British St. Malo agreement of December 1998. All parties involved seem keen to avoid philosophical discussions, but *actorness* (or "identity", as the "I" in the ESDI acronym) is a practical, not theoretical, problem when understood as decision-making authority. Who decides, and how, is indeed a matter of power and influence.

It is beyond the purpose of this study to trace in detail the origins and evolution of what three influential analysts have rightly termed "Europe's military revolution" since St. Malo⁽³⁷⁹⁾. Suffice it here to recall that the key compromise reached between the EU and NATO – pending a more specific arrangement on possible access to so-called "NATO assets" – is based on the EU Council declaration of 3 June 1999 in Cologne: "The Union 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 without prejudice to actions by NATO".

A more explicit way to describe the proposed arrangement is that ESDP would be activated only "where NATO as a whole is not engaged"⁽³⁸⁰⁾ and in the limited scope of the so-called "Petersberg Tasks"⁽³⁸¹⁾.

(379) Gilles Andréani, Christoph Bertram and Charles Grant, *Europe's Military Revolution*, London, Centre for European Reform (CER), 2001.

(380) This is the formulation adopted by the Presidency Conclusions of the Helsinki European Council of 10-11 December 1999: "the European Council underlines its determination to develop an autonomous capacity to take decisions and, where NATO as a whole is not engaged, to launch and conduct EU-led military operations in response to international crises".

(381) The Petersberg Tasks were incorporated in the Treaty of Amsterdam, and consist of: humanitarian missions and rescue operations; peacekeeping missions; and tasks of combat forces in crisis management including peacemaking. These tasks were defined as

The 1999 Cologne compromise remains valid even after various decisions moved the process forward, especially from a technical viewpoint, to the point that in December 2001 ESDP was declared operational, or more precisely “capable of carrying out crisis management operations”⁽³⁸²⁾. It is worth noting the generic reference to “international crises” as the trigger for possible activation of ESDP, as well as the geographically open character of the “Petersberg tasks”, which still define the parameters the EU has set for itself in the security and defence realm. Therefore, the limitations of ESDP do not stem from any inherent constraint, nor from the nature of CFSP – which is clearly global in scope, as we noted above – but rather from existing capabilities and “combined” political will.

When American observers remark that Europe’s weight in the defence sphere is ultimately determined by its aggregate military capabilities, they undoubtedly have a strong argument.

Speaking of “autonomy” makes little sense as long as there are insufficient capabilities available to mount even a relatively limited military operation in the Balkans without depending on American assets.

The content and scope of the CFSP/ESDP tandem will most likely be determined by crises and specific contingencies, only to be codified *ex post* rather than systematically articulated in advance. Thus, it has been possible (and for many, prudent) to procrastinate the thorny issue of “autonomy” favoured by the classic EU method of dealing with a shaky political will: to press forward with institutional commitments in the hope that a solid consensus among governments (and publics) will follow. However, the Rapid Reaction Force currently being constituted will be no more than a dormant capability, or a kind of stored asset, as long as it lacks an operational doctrine – essentially a policy committing its members to make use of it under given circumstances.

Segue nota

early as 1992 in the WEU context and are thus a decade old – which means pre-Bosnia, pre-Kosovo, and of course pre-11 September 2001.

(382) This is the expression adopted in the conclusions of the Laeken EU Council of 14-15 December 2001, which raises questions as to whether this capability is actually usable, lacking assured access to NATO assets. An arrangement on the latter is still pending after a Greek veto followed the informal agreement reached with Turkey earlier in December.

And an even more central question cannot be evaded forever: this is whether CFSP can be theoretically autonomous – as the institutional manifestation of a commonality of interests and goals among EU members in their external projection – while being practically constrained by an ESDP that remains a “second choice” mechanism – subordinated to a NATO decision. An EU that makes “sovereign” decisions with regard to the use of military assets pre-assigned to it by the member states will simply not accept indefinitely the notion of a veto power granted to NATO as a whole.

Even in a very pragmatic spirit, if NATO is to retain a right of “first refusal” (most likely as a transitory compromise), it will have to provide something that the EU does not already provide its members. But in the macro-regional European setting that the Bush administration (from before its inauguration) considered sufficiently benign to allow for a moderate US retrenchment, it is not clear where and how NATO remains irreplaceable.

One could argue that even the latest crisis management (or prevention) missions in former Yugoslavia in the post-Kosovo period, “Essential Harvest” in Summer 2001 and its current successor “Amber Fox”⁽³⁸³⁾ in the former Yugoslav Republic of Macedonia (FYROM), are technically NATO operations; however, they are both strongly European-led. What this circumstance indicates is that the NATO “hat” may still be reassuring to both western participants and local actors, essentially for reasons of credibility. If so, this illustrates a serious weakness of the EU as a “security provider” that can only be addressed by effective actions on the ground over a sustained period of time. Credibility can only be built by setting relevant precedents. In any case, we should ask whether the current compromise solution – a NATO mission with an overwhelming European contribution – is a viable model for the future.

So far, the conspicuous lack of a strong EU strategic purpose has prevented any serious clash between NATO and the EU over primacy in the “European space”, but this may not last. Ultimately, the underlying problem today is that the EU-US link remains structurally asym-

(383) The possible transition from this mission under NATO’s responsibility to a true EU mission is under consideration as this text goes to print.

asymmetric and overlaps with the pre-existing political bargain based on NATO. Rendering the link somewhat more symmetrical by assigning the EU a serious security role will be a delicate and long exercise. On the other hand, everybody is aware that the traditional arrangement – and therefore the Atlantic Alliance in its current form – is no longer adequate for the most likely contingencies. Pretending that this is not so would further undermine an organisation which is already facing major challenges. The strains experienced in the 1990s in dealing with “crisis management” were serious enough; the aftermath of 11 September may definitely tilt an already fragile balance in favour of an innovative relationship, both within and outside of NATO. The decisive push may come not from the sheer attraction of an elegant system of “interlocking institutions”, but from the pressure to make a virtue out of necessity.

Broadening our analytical scope to include the NTA track, it becomes even more evident that we are witnessing two partly contradictory trends: on one hand, the attraction of a “bilateral” EU-US relationship is growing and is increasingly recognized as an important dimension; on the other, both in the economic and in the security/defence field, significant costs are being incurred by the erosion of the multilateral character of transatlantic relations that so many “Atlanticists” cherish.

3. Post-11 September scenarios: What to expect from CFSP/ESDP

Pondering the aftermath of 11 September 2001, it is clear that we are facing a potential “paradigm shift” in international relations: the present is one of those rare formative moments when international politics move to a new state of dynamic equilibrium and produce a new landscape. The shift also represents a window of opportunity for the EU’s external role, although seizing that opportunity requires a clarity of purpose and a degree of cohesion that have been in short supply so far.

In this context, one reason – sometimes overlooked – why CFSP is likely to become increasingly relevant to transatlantic relations is that the common foreign policy of the Union, particularly at the declaratory level, will tend to focus on issues of *global order*, which are precisely the ones on which differences in emphasis between Europe and

the US can have significant long-term impact⁽³⁸⁴⁾. As exemplified by the problem of “humanitarian intervention” in the former Yugoslavia, but also in places like Somalia, Sierra Leone and East Timor, issues relating to global order are often raised by tackling local problems which have a spillover potential in terms of principles and rules of behaviour. Involvement in a local crisis may thus become a normative exercise with profound and wide implications for generally accepted (or at least debated) norms.

The human rights clause incorporated in EU trade agreements, or the “precautionary principles” regarding genetically modified organisms (GMOs) are other relevant cases where the Union is framing its external relations in a rule-based (or, looking upstream, value-laden) fashion.

The EU will want to have a say in global rule-making even when its actual “hard security” contribution may only be minor as long as its economic or diplomatic role is significant if not predominant: the European contribution to “economic” conflict management in the Korean peninsula through KEDO (the Korean Energy Development Organization, created to internationalise measures to control North Korea’s nuclear programme in exchange for energy assistance) seems a perfect example. The same can be said of the long-awaited birth of a Palestinian state: if and when that day should come, it will probably have the EU as its main source of financial support. Another instance is the possible international reintegration of Iraq in a post-Saddam Hussein scenario. The reconstruction/stabilisation effort in Afghanistan may become an additional practical case where the EU may wish to raise its profile against considerable odds.

In this context of diplomatic activity across the board, instances of systematic divergence with the US can be grouped into two major ar-

(384) Actively promoting certain global norms by supporting global regimes is one of the prescriptions put forth, for instance, by Steven Everts as a way to enhance the EU’s international role: as Everts puts it, “Play to your strengths: champion international organizations and global roles”. He adds that this should be done by combining a distinctive European approach (in the face of US reluctance to commit itself fully to multilateralism) and a constant effort to work closely with the US. See Steven Everts, *Shaping an Effective EU Foreign Policy*, London, Center for European Reform (CER), 2002, p. 7. However, one could argue that the main difficulty is precisely in finding the correct balance.

eas: the first is the inherent value of “multilateralism” as the most effective instrument to tackle complex international issues; the second is the best way to exercise influence over countries (and at times non state-actors) that are ready to openly antagonise the West but do not pose an overriding and focused threat of the type posed by the Soviet Union. The readiness to incur short-term costs while sustaining multi-lateral practices and rules has a direct bearing on transatlantic cooperation, as US policymakers and public opinion seemed to be much less at ease than their European counterparts with a world in which national sovereignty is constantly constrained by the need to act multilaterally. As for “rogue states” and diffuse threats, the EU seems more inclined to adopt positive inducements than sanctions and punitive measures.

On the whole, pressures for a more coherent and coordinated EU international capacity to act are mounting. Somewhat paradoxically, just when the security link to the US becomes more valuable – as evidenced by the race to Washington by all European heads of government in the 11 September aftermath – the perceived need to restrain the US grows in intensity. A more autonomous and credible external policy may be the best way to influence the lone superpower when the need arises, while preserving transatlantic cooperation.

With the launch of the US-led operation “Enduring Freedom” against targets in Afghanistan, attention was swiftly diverted away from the technicalities of constructing a mechanism for ESDP or ESDI. Putting these efforts in perspective may actually be a healthy exercise in that it exposes the wide gap between the global ambitions and the very selective activation of CFSP. To be fair, the ball was in Europe’s court well before 11 September with respect to giving substance to its security ambitions. Since its inauguration, the Bush administration had been sitting on the fence, more preoccupied with missile defence, China and economic forecasts than European tactical squabbles over vastly insufficient defence budgets and more weird-sounding institutions. Today, more than ever, ESDP will be what the Europeans make of it. So far, they have not been willing or able to translate their ambition into reality for lack of capabilities and, to some extent, solidarity in times of pressure. The immediate effect of the terrorist attack of September 2001 on this process has been to

show its grave but already well known limitations. Yet the process is set to continue, albeit under new circumstances.

There is an inherent element of *actorness* in the EU's attempt to develop a louder and more credible voice in dealing – even when mostly in cooperative terms – with the US. A broader spectrum of capabilities may engender, if only for psychological reasons, a degree of increased political autonomy. The launch of the euro on 1 January 2002 marks a milestone on the road to international *actorness*, whatever the short-term difficulties of a young currency. The gradual evolution of CFSP will certainly be affected by the expectation that the EU will, at some point, have at its disposal a new collective tool (or at least a pool of accessible resources), called ESDP⁽³⁸⁵⁾.

In this context, the ‘D’ element – defence – in ESDP is the source of much uncertainty (and some hypocrisy on both sides of the Atlantic) and will have to be clarified. The net effect of the new US priorities after 11 September is probably to render the specific contribution of ESDP almost irrelevant to the immediate concerns of the “transatlantic community”. Indeed, the major European countries themselves have quickly reverted to an essentially national decision-making mode in determining their level of diplomatic and especially military commitment. The initial argument against ESDP was that even this modest, incremental and transparent effort could end up undermining NATO. The scale of the new overriding threat as defined by the Bush administration after September 2001 makes such concern extremely marginal to US core strategic interests today. The worst outcome, as was the case before, would thus be a half-baked ESDP, ineffective as an autonomous force for regional stability but sufficiently visible to somehow loosen transatlantic solidarity. If this combination should materialize, the Europeans would find themselves between a rock and a hard place.

The extant Euro-American arrangement leaves NATO in charge of “common defence”, which means that the Alliance clearly enjoys a

(385) The acquisition of this additional instrument is intended to broaden the “toolkit” available to the EU in order to deal with “complex emergencies” but also with the larger task of stabilisation/pacification/conflict prevention. As such, ESDP is designed in part to make CFSP more substantial in the military realm, regardless of the problems pointed out in the transatlantic relationship.

right of first refusal in this sector and remains “the defence hub” of the new Europe⁽³⁸⁶⁾. On its part, the EU serves as a long-term stabiliser (thus a provider of “soft security”) by virtue of its benign economic and political influence. However, it is not assured that such a clear-cut distinction between “defence” and security, or hard and soft security, or again passive defence of the allied perimeter and active crisis management, will remain sensible and applicable in practice. The troubled story of NATO and EU involvement in the Western Balkans indicates that the dividing line is easily blurred. Looking at the broader canvas of the global fight against terrorism in its various forms (and its presumed backers) makes such a distinction even less relevant.

Continuing US insistence that NATO should maintain the central role in hard/hard security has always meant – even before 11 September – that a delicate European discussion on the meaning of the “D” component of ESDP had to be envisaged sooner or later: that debate has now gained increased urgency.

Indeed, the “D word” may indicate primarily territorial (common) defence – currently the reserved domain of NATO – but it could also indicate the function of defending certain (common) interests, i.e. promoting certain policies and values. In the latter sense, the notion of a “European defence” would almost inevitably usher in a European caucus within NATO – whatever it may be formally called. In terms of the central question posed by this study, such a development would imply that the EU has evolved into a genuine “actor”, not just a “presence”. Metaphorically, the “EU as actor” would sit on the Atlantic Council (NAC – the key decision-making body within NATO), while the “EU as a presence” would remain somewhere outside of NAC, at the most hovering over it: existing but does not actively participating.

As is well known, the “caucus” outcome is traditionally anathema to “Atlanticist” thinking, and is currently opposed by the US and not openly pursued by any European ally (with the partial exception of France). On the other hand, precisely such an outcome might become reality, if and when the European members of NATO were to decide

(386) The expression is borrowed from the Clinton administration’s Deputy Assistant Secretary of State, Ronald Asmus, who testified before the Senate Foreign Relations Committee in February 2001 (www.aei.org/nai/trans010227.htm).

to coordinate their position before each NAC meeting and stick to an agreed EU line. A caucus could then come about in the form of a voting pattern in the NAC, perhaps with no need for controversial public statements. And ESDP is, de facto, a step in this direction: while NATO's ESDI was about giving "visibility" to *the Europeans*, ESDP contains the seed of a cohesive EU security community within (but distinct from) the larger Euro-Atlantic security community.

Of course, it is still hard to imagine a European caucus challenging the US within NATO; but this is precisely because of our ingrained habit of conceiving NATO as a US-led organisation where the Europeans simply do not coordinate their positions. Taking the idea of a two-pillar alliance seriously implies dispensing with this habit.

Furthermore, it is odd to imagine an increasingly proactive EU on the macro-regional and even global stage – via an enhanced CFSP – constrained by an ESDP which is confined to a purely reactive, local, minimalist role subject to a NATO right of first refusal. In fact, the opposite seems more likely, with the EU's external projection possibly "drawing in" ESDP. This could be facilitated by the open-ended nature of ESDP in its current formulation. Simultaneously, developing capabilities calls for a doctrine on how they ought to be used, in other words a clarification and more concrete reformulation of CFSP itself.

In sum, we can expect a delicate "push and pull" effect, and mutual interaction between the broader content of CFSP and the specific role of ESDP in support – or defence – of this very content. Of course, this presupposes that CFSP will continue to raise its profile – an assumption that is reflected in certain current trends but may still prove incorrect.

More specifically, there will be strong pressure to interpret the "D" component in ESDP as the defence – or forceful, coercive pursuit – of broadly defined EU interests, rather than passive territorial defence against a non-existent direct military threat.

The events of September 2001 shattered the hope that CFSP/ESDP could be incrementally developed (and its implications for transatlantic relations properly managed) in a benign international climate. In part because of the nature of the terrorist attacks, CFSP has not been regarded as the most effective tool to employ: an attack against targets

(mostly civilians) on US soil, and a US response consisting of a series of measures against a globalised and diffuse network starting with a “stage 1” focused on a remote landlocked region of Central Asia – not very propitious circumstances for the CFSP-ESDP tandem’s baptism of fire.

But having sheltered this tool of EU external action from early failure by keeping it dormant, strategic choices still remain to be made. One view – a “minimalist” variant – is that ESDP performs a useful function just by providing a framework for European efforts in line with NATO’s “Defence Capabilities Initiative” (DCI, the 1999 guidelines for enhancing the European military contribution to “common defence”⁽³⁸⁷⁾), or by supporting a pragmatic “division of labour” in which the US ensures the heavy-duty warfighting capabilities and the Europeans perform the peacekeeping tasks in Europe’s periphery – a division that some see as quite reasonable, based on the experience of the past decade.

However, to complicate the picture, there are at least two major scenarios in terms of a possible “division of labour”: a geographical and a functional one, each presenting pros and cons⁽³⁸⁸⁾. A geographical arrangement seems sensible from a military viewpoint, but the

(387) The NATO guidelines (agreed at the Washington Summit of April 1999, in the communiqué on the *Defence Capabilities Initiative*, www.nato.int/docu/pr/1999/p99s069e.htm) focus on exactly the same categories of defence assets and capabilities that the EU has identified as indispensable to an “autonomous” role: the deployability and mobility of Alliance forces, their sustainability and logistics, their survivability and effective engagement capability, and command and control and information systems. The underlying concern is to ensure interoperability at higher levels of overall effectiveness.

(388) The geographical division of labour – the EU as the key regional stabiliser of Europe – seems to be in perfect synchrony with current US concerns of American overstretch/over-exposure on the European continent (performing tasks that the military was never intended to perform for much longer periods than ever planned). On the other hand, there are constraints to full pursuit of such a course, given US reluctance to give up on existing political commitments in the former Yugoslavia that are based on a continuing and sizeable American military presence on the ground. This could be called the “threshold” issue: there is indeed a level of military participation below which allied solidarity, and consequently credibility, would be irreparably damaged. Ultimately, maintaining solidarity and credibility requires collective military commitments and deployments involving joint operations. This is well understood in US policy circles, despite the strong temptation (especially among conservatives) to declare victory, leave the EU in charge of peacekeeping, and assign precious US assets to other tasks.

overall economic projection of the EU, as well as the potentially global scope of CFSP, militates against such a hypothesis in the long run.

As for a functional division of responsibilities, the key distinction is between the civilian “stage” of prevention/pacification/management vs. the military stage⁽³⁸⁹⁾, which can also be described as the “low end” of military interventions vs. the “high end”. Both can be understood in terms of security versus defence, a distinction which many believe would erode transatlantic solidarity by eliminating shared risks⁽³⁹⁰⁾. Since this trend is already evident, all the more reason to re-think NATO before the legacy of allied solidarity is irreparably watered down.

A simpler version of these scenarios can be sketched out as a clear-cut alternative between two options.

Option 1 consists of a very limited and gradual increase in the EU’s regional capabilities across the entire spectrum (to be pursued in constant coordination with the US and thus, practically, within NATO). Here, the EU fills the gaps that the US has trouble dealing

(389) As an indication of the dominant view in Washington on the European contribution to the “war on terrorism”, the following statement by the US Ambassador to the EU Rockwell Schnabel is revealing: “what has been behind the astonishingly rapid success of the global reaction to terrorism? Obviously, the unexpectedly swift military success in Afghanistan has been essential. But [...] I believe the world owes much - more than commentators have noted - to the powerful tradition of transatlantic cooperation. Consider all that we’ve accomplished together in the last three months. Domestically, our law enforcement agencies and ministries, despite the real challenges posed by differing legal systems, have made crucial advances in cooperation that will make it much harder for terrorists to operate in the future. [...] We have also beefed up airline security and frozen terrorist-related financial assets on both sides of the Atlantic. Economically, US and European determination made it possible for the World Trade Organization ministerial meeting not only to take place as planned but to launch a new round - thereby giving the world economy a powerful vote of confidence. Diplomatically, US and EU teams have shuttled continuously through the Middle East and Asia, rallying new allies to the coalition and demonstrating our collective resolve to find solutions for a troubled region”. See US Department of State Washington File, 13 December 2001 (usinfo.state.gov/topical/pol/terror/01121307.htm).

(390) General Wesley Clark, former NATO Supreme Commander in Europe, testified to the US Congress in February 2001, strongly advising against such an arrangement and criticizing the proposed distinction between security and defence, which he summarised as: “you will let the European Union handle the problem when it is emerging, and only if it blows up would you call NATO in. But that is what precisely we do not want to have happen” (www.aei.org/nai/trans010227.htm).

with, and remains functional to NATO. This would reduce to a minimum the risks originally associated with excessive EU “autonomy”, or the “three Ds” that Clinton’s Secretary of State Madeleine Albright warned against: “decoupling, duplication, discrimination”.

The alternative is option 2, that is, a more determined push to redress the massive imbalance in NATO by working alongside (but outside) the Alliance to strengthen the EU as an essentially autonomous actor. Here, NATO is transformed into a loose forum for consultation, while the current deal between the two sides of the Atlantic is renegotiated: in this scenario, ESDP can offer new institutional incentives for more intra-European coordination and planning – perhaps to the point of genuine security policy formulation across the spectrum of capabilities. Developing common instruments and a new chain of command would effectively force upon the EU agenda the formulation of precise guidelines, including a definition of the contingencies when NATO would *not* be prioritised as the organization of choice.

In this scenario, activating CFSP (with the possible support of ESDP) will test the EU’s ability to act as a security provider, not necessarily without the US but certainly without US leadership: this would mean not relying on Washington as leader of last resort and actually working, over time, to disentangle some key elements of EU planning from the NATO machinery⁽³⁹¹⁾.

For all the importance of conflict prevention as the preferred strategy – and the one where the EU admittedly has a comparative advantage – the fact is that the entire spectrum of capabilities is an inescapable requirement. But in order to make the best use of these “all weather” capabilities, even military assets are not enough: strong political will and leadership are required, so that the EU will have to invent a functional substitute for US leadership. Since a comparable type of leadership cannot be provided in the EU context by any individual country, some sort of “engine” is needed, not necessarily comprising the same countries every time but instead allowing for a “lead nation” or a “leading group” to emerge in each instance. Of course,

(391) For this argument, see in particular Kori Schake, *Constructive Duplication: Reducing EU Reliance on US Military Assets*, CER Working Paper, London, Centre for European Reform, January 2002.

the mechanism of enhanced cooperation (not yet applicable to defence and never used in practice so far) is based precisely on this logic. In general, the best long-term functional substitute for US leadership is simply increased EU solidarity and unity, which in turn would quite naturally take the form of a European caucus (or actor) within NATO.

What we are observing at present is a kind of mixed scenario, in which option 1 is pursued as a possible stepping stone to option 2. If the EU can gain sufficient collective credibility by achieving the goals set in the context of option 1, then it will have enough political capital (and experience) to shift gear and pursue option 2. Jumping directly to option 2 has been judged by the key European policymakers as imprudent and for most purposes impractical (especially because most of the military planning of each EU country is currently conducted within NATO anyway).

But the focus of CFSP is going to be reassessed in light of the emerging American priorities – and their effects on European options. These have provided new impetus for some bold thinking, best expressed so far in NATO circles (but with profound implications for possible EU responsibilities): with strong British backing, the Alliance's Secretary General, Lord Robertson, put forth a proposal on his visit to Russia in late November 2001, whereby a new forum – possibly a specialized NAC – would be created to enable Russia and the 19 members of NATO to take common decisions (not just consult each other) in a "NATO at 20" format (as opposed to the existing 19+1 provided by the NATO-Russia Joint Partnership Council, or JPC). This would become, under the best of circumstances, a sort of "super-NAC" ⁽³⁹²⁾.

(392) In a speech in Moscow on 22 November 2001, Lord Robertson stated that "now we must take the next step forward, and find ways in which we can move beyond consultations and fulfil the Founding Act's promise of joint decisions and joint actions in some areas". See Lord Robertson, *A New Quality in the NATO-Russia Relationship*, Speech at the Diplomatic Academy, Moscow, 22 December 2001 (www.nato.int/docu/speech/2001/s011122a.htm). The issue was taken up again at the Brussels Atlantic Council and EAPC meeting of 7 December, when the Secretary General declared that: "building on the 1997 NATO-Russia Founding Act, and growing practical cooperation including in the fight against terrorism, the Allies and Russia have agreed to work towards the creation of a new council to identify and pursue opportunities for joint action at 20. We will together be looking for opportunities to engage in joint consultation and cooperation, joint decisions and joint action" (www.nato.int/docu/speech/2001/s011207b.htm).

The proposal is remarkable because, among other things, it opens the way for a radical transformation of US-European relations: NATO could cease to be the main Euro-American forum it has been since inception. In practice, the only such forum would then be the direct link between the US and the EU (in the NTA format, through CFSP or in some other configuration). If, instead, NATO should continue to be seen as the best avenue for Euro-American cooperation, an EU caucus would probably be the only antidote against a dilution of Europe's weight in a "super-NAC" that includes Russia.

It has been clear from the start that, in terms of functional/regional specialization, the prospects of ESDP are intertwined with the future of NATO. This connection is rendered ever more evident by the new opportunity to pursue fuller Russian participation in European (and transatlantic) security affairs.

In theory, the well-oiled mechanism of political consultation (in the NAC and possibly in the above-mentioned super-NAC), and on occasions a consensus-based decision-making system, could be applied to various transnational risks and threats which are by definition global in scope. Perhaps some of the "outreach activities" that NATO has been developing in recent years, primarily in the PfP framework, could be extended to more distant countries than at present. The Caucasus and central Asia, and possibly some Mediterranean countries through an enhanced "Mediterranean Dialogue", could see an increased role for NATO as an "open security community"—broader and less tightly knit than in the Cold War years, or in the 1990s for that matter, but still valuable⁽³⁹³⁾. This would be a sort of broad international security regime centred on NATO.

(393) Charles Kupchan has articulated a similar vision of the future of NATO before 11 September 2001. See Charles A. Kupchan, *The US-European Relationship: Opportunities and Challenges*, Statement to the Subcommittee on Europe, Committee on International Relations, U.S. House of Representatives, 25 April 2001 (www.house.gov/international_relations/72347.pdf). He argues that, should a process of getting Russia into NATO – even as a distant prospect – be set in motion, NATO "rather than being focused on the territorial defence of members, (...) would serve as a more informal and flexible vehicle for coordinating military activities and preserving peace across Europe. But this looser and broader NATO would be in keeping with a much more benign strategic landscape and a Europe that is no longer so dependent upon the United States to ensure its security", p. 9. Of course, speaking of a "benign strategic landscape" after 11 September sounds like a

In such a semi-global and much looser NATO, the key role – though not necessarily the only role – of the Europeans would be to take care of Europe and its growing periphery, by producing security in the areas directly involved or indirectly affected by EU enlargement. This would recast transatlantic relations by extending them beyond the relationship between the US and the western/central portion of Europe. The scope for a new EU-US link would thus grow, realizing some of the promises of the NTA, and possibly allowing ESDP to emerge. This hypothetical configuration would also bring the EU much closer to “full international actorness”, although its precise connotation along the regional vs. global spectrum can only be determined by the EU itself; in any case, the overall framework would allow for a stronger EU on the global stage, provided of course that adequate resources be available.

4. Futures in theoretical perspective

This is not the place to undertake a thorough theoretical international relations analysis, but it can be useful to step back from current events to adopt a more top-down approach based on some of the dominant academic schools of thought in the field of international relations⁽³⁹⁴⁾. The exercise is worthwhile because the more policy-oriented analysis offered above is based on very uncertain and sometimes arbitrary assumptions – for instance, that the overriding anti-terrorism focus of US security policy will continue indefinitely, or that no major crisis in the Balkans or the Mediterranean will require concerted action in the NATO context. Should the assumptions be modified, only a theoretical reflection based on structural factors can offer clues as to the evolution of the transatlantic link.

It should be noted that the following are distinct approaches rather than theories in a technical sense: indeed, according to most scholars in the field, both the first (neorealism) and the third (social constructivism), but to some extent the third as well, offer a theoretical frame-

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misnomer, but in reality the notion is as valid as before in the limited sense of a European security environment lacking present military threats originating either from within or from its immediate periphery.

(394) The same international relations approaches chosen here are adopted in another chapter of this volume by Barbara Lippert.

work but not a theory in the proper sense – i.e. a coherent set of hypotheses with a predictive capability – if only because they all present several versions or variants. On the other hand, each of the three approaches has a set of starting assumptions and a logic that are applicable to the issue at hand.

A “neorealist” approach⁽³⁹⁵⁾ would point out that “counterbalancing” behaviour against the dominant power – the United States – was to be expected since the end of the Cold War, and that the launching and ongoing enhancement of CFSP is just a belated sign of such an attempt on the part of the European allies. They are doing so in a coordinated manner and through a multilateral format for the logical reason that they stand a better chance of succeeding, given the enormous gap in capabilities and size vis-à-vis the senior ally. But CFSP and especially ESDP are the harbinger of a new balance of power. This development will take place because the NATO alliance has served its purpose and has been artificially maintained instead of dissolving after the collapse of the Soviet Union. Clearly, the Europeans (even collectively) cannot match the hard power capabilities of the US, but the latter does not have enough strategic interests on the European continent to continue to pay a disproportionate share of the cost of maintaining an old alliance while more pressing problems are located along the Asian rimland and possibly in Central Asia and the Indian subcontinent. In any case, neorealism would predict growing frictions among the NATO allies, though not necessarily an effective balancing effort by the EU due to the continuous clash between the national interests and aspirations of individual member states.

In evaluating how the integration process at the EU level is leaping into the security and even defence arena once reserved for NATO, a “liberal-institutionalist” approach⁽³⁹⁶⁾ would build on the notion of in-

(395) Neorealism (linked primarily to the name of Kenneth Waltz) indicates here a more rigorous but also simplified version of the broad realist tradition, although some “traditional” realists view it as a departure from the best insights of realism itself. Neorealism focuses on power-seeking states as unitary actors in an anarchical international environment. See Kenneth N. Waltz, *Theory of International Politics*, New York, McGraw Hill, 1979, p. 97.

(396) Liberal institutionalism (linked among others to Robert Keohane and Stephen Krasner) indicates here a school of thought positing that states do, under certain conditions, rationally and voluntarily restrain their own international behaviour and build international

stitutional construction applied to the security field. The transatlantic alliance would be regarded as a "security community" (a particular form of international regime), which has outlived the end of the Soviet threat. A CFSP which specialises in the projection of "soft power" is perfectly compatible with a rejuvenated and adapted security community of highly interdependent advanced democracies, although the tough challenge for the EU may be to transform itself into a more complete international actor to the extent that this entails renouncing its "civilian power" status. In other words, it is ESDP that seems more problematic in a traditional liberal-institutionalist perspective, also because the rational calculation that has made NATO a mutually advantageous institution for the US and the Europeans could be significantly altered by this EU effort. However, it is fair to say that on the basis of this approach technical solutions can be found to facilitate an orderly transition from a Cold War style security arrangement to an even more institutionalised EU-US relationship that better reflects current power realities as well as the ingrained habit of cooperation inherited from the past five decades.

In a "social constructivist" framework⁽³⁹⁷⁾, the "politics of identity" play a major role in the ongoing evolution of the EU precisely because of its growing *actorness*. The process of increasingly perceiving the EU as a common identity transcending national allegiances is linked primarily to European issue areas redefined as "domestic", which create a form of citizenship (thus, the more integrated first pillar and pro-

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"regimes" to make their mutual relations more predictable (and potentially more peaceful). In a highly institutionalised context, "soft power", even when detached from military power, can become an important form of influence. See Robert O. Keohane, *International Institutions and State Power: Essays in International Relations*, Boulder, Westview Press, 1989; and Stephen D. Krasner (ed.), *International Regimes*, Ithaca, Cornell University Press, 1983.

(397) Social constructivism (linked among others to Alexander Wendt and John Gerard Ruggie) indicates a school of thought which posits that interests and identity are closely intertwined in social and political life; norms, expectations and shared ideas are thus central in the complex realm of interstate politics as well as in any other form of social interaction. See Alexander Wendt, "Anarchy is What States Make of It: the Social Construction of Power Politics", in *International Organization*, Vol. 46, No. 2 (Spring 1992), pp. 391-425; and John Gerard Ruggie, "What Makes the World Hang Together? Neoutilitarianism and the Social Constructivist Challenge", in John Gerard Ruggie (ed.), *Constructing the World Polity. Essays in International Institutionalization*, London and New York, Routledge, 1998, pp. 1-39.

gressively the Justice and Home Affairs pillar); yet, an EU external projection can also be relevant, especially as it touches upon two of the central attributes of state sovereignty – diplomatic and military activities – but also more broadly to the extent that it affects the application of general principles such as human rights, democratic governance, or the peaceful resolution of disputes. Projecting values and beliefs is an identity-building exercise and the related political discourse (in the 1990s, focused on humanitarian intervention) has great potential to shape the Union itself. In terms of transatlantic relations, the Cold War bargain was predicated on – or more precisely, was mutually constitutive with – a sense of belonging to the same “western” civilisation; in today’s international conditions, the EU is ambitiously being presented by the advocates of further integration as a great project capable of transforming not only the Europeans’ immediate social environment but also, to a growing extent, the global political order. The reality of overlapping identities – western or “transatlantic”, European, but also distinctly tolerant toward other political cultures in a way that is not antagonistic – is clearly at the heart of the structuring of Europe’s *actorness*; the social constructivist approach is well endowed in this respect, but by its very nature (as an interpretive rather than predictive tool) is not fully suited to provide insights on alternative futures.

A key paradox, or tension, highlighted by a comparison of the three approaches, is that the more the politics of identity becomes crucial to the evolution of the EU, the more difficult it might become to nurture a multi-layered security community also involving the United States (and Canada, and Turkey, and non-EU NATO members). To prevent the creation of an EU identity from tearing apart the fabric of the transatlantic security community, we may need a whole socio-political structure based on a concept similar to Ernest Gellner’s “modular man”⁽³⁹⁸⁾ transposed to the institutional level: policy-makers, élites and decision-making bodies capable of playing multiple roles without suffering an identity crisis. This will also have to occur at the level of public opinion which will be asked to pay a price for support of the EU construction, and which still has to become fully engaged in EU-wide politics.

(398) Ernest C. Gellner, *Conditions of Liberty. Civil Society and its Rivals*, London, Penguin, 1996.

The high “density” that distinguishes interstate and transnational relations among western countries – a sector of the international system that shows high “interaction capacity”, to borrow the expression adopted by Buzan, Jones and Little in their “structural realist” analysis⁽³⁹⁹⁾ – can perhaps allow for a mixture of competition and cooperation based on overlapping forms of *actorness*. In other words, transatlantic and European institutions could be flexible enough to allow for multiple political identities (“the West”, the Atlantic Alliance, some emerging forum including Russia as full and founding member, and of course the EU) without causing the enmity often associated with the construction of identity.

In fact, one could argue, on the basis of each of the approaches recalled above, that there are two security communities, mutually interacting and currently with uncertain boundaries: NATO and the EU itself. This helps explain why the notion of a possible “European caucus” within NATO has, so far, caused so much anxiety among the staunchest Atlanticists: it is viewed as a grave breach in the fabric of the transatlantic security community. Such a concern – which has little to do with actual capabilities and much to do with identity and political solidarity – goes to the heart of potential European *actorness*: in order for NATO to remain functional, the European members of both NATO and the EU need to switch smoothly from a “transatlantic mode” to an “EU mode” and vice versa.

Indeed, there is an element of “polity” in the concept of a security community, though more loosely defined than in a traditional national polity. Cultural and political affinity between civil societies obviously plays a part in nurturing such a complex relationship, with institutions helping to cement mutual commitments. Political rhetoric often deliberately magnifies this underlying reality, as for example when a high level official of the Clinton administration, Richard Holbrooke, wrote that the US is “a European power”⁽⁴⁰⁰⁾. A strong commonality, if not

(399) Barry Buzan, Charles Jones and Richard Little, *The Logic of Anarchy. Neorealism to Structural Realism*, New York, Columbia University Press, 1993.

(400) Richard Holbrooke, “America: A European Power”, in *Foreign Affairs*, Vol. 74, No. 2 (March-April 1995), pp. 38-51.

common identity, remains an essential factor in the mainstream discourse across the Atlantic⁽⁴⁰¹⁾.

This circumstance is very relevant to the future of the EU as a full-fledged political partner of the US. For now, the former still relies heavily on its American ally for key military capabilities, has unresolved coordination problems (which have been circumvented in the past precisely through an American leadership of last resort), and has most of its constituent national units committed by treaty to a larger “security community” – enshrined in NATO.

5. *Credible choices*

Central to all discussions over a stronger EU external projection is the issue of credibility, in terms of decision-making, readily available capabilities, and durability of commitments. This is indeed the thrust of the arguments against raising excessive expectations regarding the euro or the fledgling ESDP: an early (perceived) failure would undermine what credibility the EU now enjoys, and damage, perhaps irreversibly, the process. In the broader context of CFSP, the lesson of the dissolution of Yugoslavia and the alleged “hour of Europe” in the 1991-1995 period is still vivid.

It is equally true, however, that a degree of upbeat rhetoric is understandable as a way to boost confidence and provide galvanizing objectives: when the EU Commission talks of a Union “which can show genuine leadership on the world stage”⁽⁴⁰²⁾, this intention is evident. If we take this ambition seriously, then the EU’s strategic purpose will have to be clarified in general terms, for genuine leadership has to lead somewhere.

Moving beyond that, i.e. getting into the specifics of how the multi-layered allegiances (or “modular institutions”) will work for each EU country along the transatlantic and European axes is probably

(401) A recent book by John Ikenberry reflects the intensity of the transatlantic relationship (with the addition of Japan) as an interest-based, but also a highly institutionalized and cooperative grouping, serving as the core of an expanding international order. G. John Ikenberry, *After Victory. Institutions, Strategic Restraint, and the Rebuilding of Order After Major Wars*, Princeton, Princeton University Press, 2001.

(402) EU Commission, *Strategic Objectives 2000-2005. Shaping the New Europe*, 9 February 2000, p. 4 (europa.eu.int/comm/off/work/2000-2005/com154-en.pdf).

premature for the time being. Constructive ambiguity on the scope of EU solidarity on security issues still appears to be an attractive option, even to the President of the Commission, Romano Prodi, who argued in the aftermath of 11 September that “a true common foreign policy does not yet exist, thus it cannot fail”⁽⁴⁰³⁾. Whether similar statements are wise, in conjunction with growing ambitions, is highly questionable, but they nonetheless reflect the current oscillating mood in EU policy circles.

In terms of international *actorness* and identity, from a CFSP/-ESDP perspective the paradox is that the EU seems to be the most logical organization in which a “NATO Art.V-type” guarantee (or even a technically “automatic” clause like WEU’s Art.5) ought to be institutionalized, at the political and operational level. Indeed, the degree of presumed political solidarity and geographical proximity among its members makes it quite obvious that the EU should incorporate such a guarantee as an integral part of its growing political and security role. This would also be consistent with its continuing “identity-building” process.

Of course, should the EU members ever come to the conclusion that an equivalent of NATO’s Art. V is needed, the formulation of an EU “Strategic Concept” would become a matter of priority: a commitment as demanding and solemn as a full security guarantee would require the scope and general goals of common action (and thus of mutual solidarity) to be explicitly clarified. The difficult exercise of agreeing on a sort of Strategic Concept would benefit CFSP and ESDP as well, by expressly identifying the contingencies in which both would be activated, prior to NATO or independently of NATO.

(403) Interview with Romano Prodi, in *Corriere della Sera*, 6 November 2001. Interestingly, a similar argument is sometimes also made on the other side of the Atlantic, as a way of circumventing the problem of a possible European caucus within NATO: US Senator Joseph Biden, among the most active Democrats on issues related to NATO and EU enlargement, argued in the already quoted Senate Hearing of February 2001 that ambiguity over decision-making procedures may be in everybody’s interest: “I do not want to force [the Europeans] to an answer right now, because I think in the abstract they will be more inclined to give an answer we do not like, to satisfy the sense of unity within Europe” (www.aei.org/nai/trans010227.htm – p. 29).

This is especially true in light of the fact that no “automatic” resort to CFSP or ESDP has occurred so far. In the wake of 11 September, the issue of solidarity in the face of a dramatically evident vulnerability has come to the forefront, most immediately in the context of NATO; however, the EU is supposed to have at least as much internal solidarity as NATO. Had an EU member been attacked in the way the US was, the issue would have been absolutely central to the credibility of the Union – and therefore to its future. But even in current circumstances (with European solidarity toward the US expressed primarily through NATO as well as bilaterally), the question of the extent and consequences of EU solidarity cannot be eluded for long.

In practice, we need to recognise that the main reason for a certain reticence of EU institutions in terms of common actions has been the insufficient degree of consensus among EU members on the ways in which military force can be used as one of the responses to terrorist attacks. The easiest way around this hurdle has been to concentrate on national commitments to a US-led multilateral effort, but in the future the EU will have to devise mechanisms to enable some members to take steps in the military field by accessing common European assets, while at the same time avoiding either paralysis or very limited action based on a shallow “minimum common denominator”. Ensuring the possibility of concerted and closely coordinated foreign policies based on a pool of automatically accessible EU resources is probably the best practical stepping stone on the way to a system of “common” foreign policy⁽⁴⁰⁴⁾.

Awareness of these problems is reflected in embryonic form in a few recent EU documents, such as the Commission’s Communication

(404) Without offering details on the defence implications, Giuliano Amato has put forth a similar interpretation of where CFSP is headed: he has convincingly argued that the EU’s common foreign policy has indeed been active in the aftermath of 11 September, but has been hampered by the dual pressure of the major member states and the Union as such (represented essentially by the Commission and Javier Solana); according to Amato, the goal should be to channel the individual voices of the member states into the common EU realm, not the impossible task of erasing those voices. Interview with Giuliano Amato, in *Sole 24 Ore*, 4 November 2001, p. 3.

of 11 April 2001 on conflict prevention policy, and the December 1999 Presidency Report on ESDP⁽⁴⁰⁵⁾. However, these and other policy statements are aimed mainly at identifying unaddressed needs, rather than the specific conditions that would trigger the activation of CFSP/ESDP and criteria for subsequent common action. In any case, the development of an “EU strategic thought” should cease being regarded as an affront to NATO, for the sake of both organisations⁽⁴⁰⁶⁾.

In considering the rationale of CFSP and ESDP, external shocks, and a sense that current instruments are inadequate, clearly rank first in importance. It is also significant that a demand for the development of CFSP and ESDP comes, at the same time, from within the Union itself, with 65% of European citizens in favor of a CFSP and 73% supporting a common defense policy in 2000⁽⁴⁰⁷⁾. Yet, we should ask ourselves whether the supporters of enhanced CFSP and ESDP view these common policies as a true substitute for national policies or rather as an addition to them. A comprehensive “foreign policy system” designed to supersede national policies would in fact require the integration of all major instruments (from diplomatic missions to most military assets, etc.) and a hierarchical decision-making structure. The “common” policy would have to take precedence over the legitimate but subordinate national initiatives, as well as over alternative fora for multilateral action.

(405) The Helsinki Presidency Report of December 1999 does not go beyond underlining the inherent value of a “comprehensive” approach to security that the EU is working to strengthen by developing an ESDP. For the growing emphasis on conflict prevention, see Christopher Hill, “The EU’s Capacity for Conflict Prevention”, cit.

(406) The lack of an EU strategic doctrine (or even, at the present stage, of a well articulated debate on its content) is closely interconnected with the evolution of the transatlantic relationship, as has been convincingly argued by Christopher Hill, who noted (as quoted at the beginning of this chapter) that a central concern of the EU on the global stage is to restrain the US. In particular, Hill went on to observe that “This key objective is too general and too delicate to articulate properly, with the result that there are no clear criteria for assessing which conflicts need most concern Europe, outside the geopolitical logic of its own frontier zones. The EU is at the mercy of events, public pressure and its own lack of parsimony, with the result that policy is bound to be erratic and to be vulnerable to accusations of double standards”. *Idem*, p. 317.

(407) European Commission, *Initial results of Eurobarometer survey No. 54 (autumn 2000)*, IP/01, Brussels, 8 February 2001 (europa.eu.int/comm/public-opinion/archives/eb/eb54/ip-en.pdf).

It is doubtful that there is, as yet, a solid consensus on this goal when applied to relations with the US, especially in the policy areas currently covered by NATO⁽⁴⁰⁸⁾. The situation is somewhat more propitious for an evolution into a genuine “foreign policy system” if one looks at other issue areas, particularly trade, environmental concerns, and the stability of certain key countries along Europe’s immediate periphery (Southeast Europe and the Mediterranean Southern shore, plus to some extent Russia).

On the whole, such a thing as a “transatlantic system” exists: it obviously lacks a common foreign policy but is capable of projecting decisive influence on the world stage if put under strong pressure. For all its flaws and uncertainties in a new era that bears little resemblance to the Cold War, the persistence of the transatlantic link remains a critical factor in the evolution of the EU as an international actor. The Union’s ability to enhance its external projection, on one hand, and the transformation of the Euro-American alliance to make it more responsive to current challenges, on the other, are thus “mutually constitutive”: in other words, they will wax or wane together.

(408) Expressed in a different form, we could assert that in most EU countries, at least on global security affairs, it is hard to detect a much stronger sense of “otherness” (as opposed to “identity”) vis-à-vis the US than towards EU “internal politics” – i.e. dealing with the other EU member states. What we have is indeed two overlapping security communities.

Conclusion

PROSPECTS FOR DEVELOPMENT AND REFORM OF THE EUROPEAN UNION'S FOREIGN POLICY

by *Ettore Greco* (*)

1. CFSP: Still at the embryonic stage

The analytical studies that make up this book show that the European Union's common foreign and security policy (CFSP) is in many respects still at the embryonic stage, even though almost ten years have passed since it was established by the Treaty of Maastricht. A number of new instruments and bodies have been set up recently to strengthen the Union's capability for external projection, but there are still substantial divergences among the Union's member states on the future development of CFSP, in particular its institutional configuration and its linkages with, on the one hand, other forms of Union external action and, on the other, the nascent common defence policy.

A first fundamental factor of uncertainty is the kind of institutional construction required to make the Union's international role more consistent and effective. The inadequacy of CFSP's current institutional set-up, a subject analysed in various chapters, is widely acknowledged. In fact, CFSP is one of the central issues on which the work of the Convention on the future of the Union, which opened on 28 February 2002, and the subsequent Intergovernmental Conference will have to concentrate. But it is significant that on CFSP, unlike the other topics of reform, no convergence has yet emerged on any of the crucial questions under discussion. Substantial changes to CFSP mechanisms would certainly throw into question the present balance of power among the various Union institutions and that between the Union and the member states, and this naturally generates contrasts and resistance.

Uncertain is also the evolution of relations with the United States, the EU's main strategic partner, a subject that Roberto Menotti deals with amply in chapter twelve. Actually, the divergences between Un-

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ion members on this subject were much more marked at the time of the Maastricht Treaty than they are today. In the last decade, a consensus has gradually emerged on the need to endow the Union with its own autonomous capabilities to allow it to deal with a number of international commitments without US involvement or support. The latter has, in turn, given up some of its traditional reservations about closer European integration in the foreign and defence policy sphere. Yet, European capitals still have different views on the future development of cooperative links with the US. How to define the new transatlantic burden-sharing is one of the most complex problems that Europe and the United States will have to deal with in the coming years. Within the Union, in the absence of a shared vision of the kind of new transatlantic equilibrium that will have to be shaped, tensions could continue that would weaken the EU's potential development in the foreign policy sphere and, above all, in defence policy.

Finally, the implications for CFSP of the Union's enlargement process have not been adequately debated among member countries. This may seem surprising, considering the emphasis that the leaders of major European countries have put on the historic significance of the next step in enlargement, but it may be explained by a reluctance to think in strategic terms which, as underlined in various chapters, continues to characterise Europe's attitude towards the potential of the Union's external projection. This is a central question which will be returned to later in this chapter.

In practice, the Union's foreign policy initiatives continue to be largely the result of complex negotiations among the member countries, a common effort aimed at ensuring a sustainable political balance among various national interests, avoiding exclusion or marginalisation which could jeopardise the Union's cohesion. The collective commitments in the various geographic areas are defined by this negotiating process which takes place in the various Union institutions. Therefore, its importance should not be underestimated. On the contrary, it can rightly be seen as the indispensable prerequisite for the Union's assertion of a credible role on the international scene. And it is the internal cohesion thus achieved that opens the window to new horizons of common action.

Nevertheless, an effective foreign policy cannot develop out of a mere negotiating dynamic among actors that continue to concentrate mainly on their national interests. What is needed is more systematic and continuous identification of common interests, and this in turn calls for common instruments of effective analysis and assessment of international events. However, the geographic responsibilities of the member states are not infrequently crystallised even when the problems of a specific area can have an impact on a much vaster area of the Union (for an explanation of how this takes place in the case of the EU's Mediterranean policy, see Roberto Aliboni's ninth chapter). Hence the special attention put in this book on the new instruments and initiatives that could facilitate the working out of a common, more comprehensive and more consistent, strategic vision of the objectives and priorities of the Union's external action.

The recent – rather disorderly – proliferation of CFSP bodies that operate at the intergovernmental level has contributed only to a limited degree to working out new common strategic lines. The CFSP institutional apparatus still lacks the internal coherence as well as adequate human and financial resources to do so. Furthermore, in the absence of a functional link between the Council and the Commission in the field of external action, all attempts to give the Union's international commitments a more definite strategic direction are undermined from the outset.

To date, attempts have been made to define the general principles behind the Union's external action, mainly referring to the Copenhagen principles on which the enlargement process is based. This approach is useful for defining the processes of cooperation and integration with the partner countries – even if it requires greater adaptation to the specific areas – but it is inadequate when the Union is engaged in a more short-term diplomatic action linked to particular international events and, in particular, conflict prevention or crisis management missions. This latter kind of external action should be supported by a continuous and systematic process of threat identification and selection of priority areas of intervention, for which the Union does not yet have adequate instruments. What loses out is the Union's general credibility as an international actor, but also its capability for influence in individual areas.

European countries continue to be conditioned by their conception of the Union as a mechanism for integration and internal stability, the benefits of which can extend to partner countries, especially through the enlargement process, more than as an instrument for active governance of international relations. In order to play a more incisive role at international level, the Union must not only acquire new instruments, but also abandon this historical and cultural legacy. Thus the attention given in this volume to the link between the Union's institutional transformations and the evolution of the characteristics distinguishing its presence and its actions on the international scene. The conclusive considerations of this chapter also focus on this link.

2. Recent progress

As pointed out by various authors in this book, the recent institutional innovations have started to erode the CFSP's purely intergovernmental nature. Mechanisms that seem to point to a gradual evolution towards a community-type model have been introduced. In particular, the setting up of permanent bodies for support and coordination in Brussels could make it easier to go beyond a procedure essentially based on consensual intergovernmental concertation. But this prospect still seems rather distant. The changes made to date have been limited: the new bodies, with the partial exception of the CFSP High Representative, are mainly intergovernmental in composition, play a technical and operational role and have no power of initiative. Then again, the majority of states continue to be firmly opposed to any talk of integrating CFSP into the community pillar.

As Lindley-French underlines, the new bodies, in particular, the Political and Security Committee (COPS) and the High Representative, can contribute above all to reinforcing intergovernmental coordination, thereby shifting the foreign policy centre of gravity from national states to the Union. The Nice Treaty gives COPS a wide range of functions which include, among other things, early warning, the working out of crisis response options and subsequent analysis and assessment of the impact of the initiatives undertaken. The COPS could, therefore, be the body for working out and generally coordinating the Union's foreign and security policy, on the condition that its composition is upgraded, a point which will be returned to in the last section.

In chapter three, Raffaella Circelli examines the role and the activity of the High Representative for foreign policy, underlining its "potential for development". Thanks to the action of Javier Solana, who has brought dynamism to the office of High Representative, the latter has *de facto* acquired a capacity for taking the initiative. An institutional strengthening, hoped for by many, could turn it into a fundamental driving force for CFSP able to amplify and make more trenchant the policies aimed at promoting a common interest. The High Representative's diplomatic action has already become one of the crucial instruments of the Union's external projection. More generally, the small but significant contribution that the High Representative has managed to make to the development of common policies, in spite of his limited mandate, has strengthened the perception in the Union that more space should be given within the CFSP institutional set-up to bodies capable of independent analysis and initiative. Fundamental from this point of view is the High Representative's task of establishing functional links with the Commission. The decision to set up a body for support of the High Representative, like the Policy Planning Unit, shows a growing awareness of the need for instruments that can ensure adequate preparation for common actions.

The Union's ambitions and external responsibilities have broadened significantly in parallel to these limited but potentially fruitful steps in the institutional sphere. With the launching of the so-called St. Malo process in 1998 and the subsequent definition of the Headline Goals, especially the objective of setting up a European Rapid Reaction Force to be ready for use in crisis prevention and management by 2003, concrete form was given to the plan to transform the Union from an essentially civilian power into an international actor endowed with the instruments needed for external projection in the security field. The outcome of this process is uncertain, but it is important that it be supported and promoted by countries, such as Great Britain, that have in the past been sceptical or opposed to greater integration in security and defence. In general, the Union's willingness to take on a leading and guiding role in international intervention in crisis areas has increased considerably. In the Balkans, in particular, as underlined by Mario Zucconi in chapter eleven, the political and military responsibility of European countries and of the Union as such has progres-

sively increased. The Balkans are the area in which the Union's ability to commit itself to a stabilisation policy integrating all its instruments – economic, political and military – was first tried out. Greater diplomatic activism has also become evident in other regions, such as the Middle East where the Union never played a central role. However, the real impact of common policies remains fairly limited beyond the European and Mediterranean area.

These developments have been stimulated and made possible by a set of factors. First, the progress made in economic and monetary integration has convinced the national leaderships of the need for active protection and promotion of common interests. Second, the European public opinion, as pointed out by the most recent surveys, is in favour of strengthening CFSP, notably the common defence policy. There seem to be growing expectations for the Union to take on new responsibilities at the international level, overcoming its persistent hesitations and internal divisions. Third, the prospect of a gradual US disengagement from Europe is driving European countries to wonder about the adequacy of the instruments available to the Union for carrying out common policies towards adjacent areas. Finally, it has become increasingly evident, especially after the tragic events of September 11, that the national states cannot deal with the challenges of globalisation individually and that, in order to respond to citizens' requests for greater security, reflecting a growing perception of vulnerability, they must develop new strategies and instruments for common action.

The factors just mentioned are mostly structural and therefore probably destined to influence the perceptions and choices of European countries, not only in the short, but also in the long term. As a whole, they can provide decisive impulse to the progressive transfer of responsibility in foreign and security policy from member states to the Union and the consequent strengthening of its international role. Whether the member states have the ability to adopt policies and institutions that are suitable for the new changed international scene remains to be seen.

3. The challenges of enlargement

The other long-term factor that will influence CFSP and, more generally, the future of the Union's international role is the enlarge-

ment process. In chapter eight, Barbara Lippert offers an overall view of the various connections between current and potential CFSP developments and those of enlargement, underlining how they are still not adequately debated and analysed within the Union. There does not seem to be sufficient awareness that, as a result of enlargement, a number of the Union's external policies will have to be profoundly reconsidered and probably reviewed. The reluctance to undertake this verification process can be partly explained by the fear of upsetting consolidated equilibria among the various national points of view and interests which, as mentioned in the first section, form the basis for many a common policy. In part, this reluctance can also be attributed to a general difficulty in working out common strategies that go beyond existing geopolitical realities. On the whole, Lippert emphasises, although enlargement will necessarily extend the Union's presence, this does not necessarily mean that it will make it more capable of undertaking collective action. Enlargement will produce three main challenges for the Union, which appear to be interconnected.

First, as already mentioned, it will have to update its policies towards those countries excluded from the next enlargement (which may take place in one or more stages, depending on whether the "big bang" option or a more selective procedure wins out). The opportunities and risks deriving from the eastward shift in the Union's borders will have to be re-examined. In particular, there will be – already is – a problem of strengthening the mechanisms of political dialogue and cooperation with the new neighbours.

The Union's ability to open new and credible horizons of cooperation and integration will be put to the test above all by relations with two key actors such as Turkey and Russia. The case of Turkey is thoroughly examined in the essays by Nathalie Tocci and Daniel Gros, who suggest a number of new measures that could provide a new and more dynamic basis for relations with Ankara. But the Union will also have to redefine its strategy towards Russia, which has produced modest results till now, far below expectations. With the entry of Poland and the Baltic countries, there will be a whole series of new problems linked to borders, starting with that of Kaliningrad. But the eastward shift in the Union's centre of gravity could also lead to greater activism in areas such as the Caucasus or Central Asia, where the

European presence is limited and which Russia considers of primary national interest. This will call for the activation of new instruments for political cooperation with Moscow and, in general, more constant and intense attention to its political and security interests.

Secondly, enlargement cannot but affect the Union's internal equilibria and, in particular, the prospects for reform and strengthening of CFSP. It is still not clear what the attitude of the new members will be towards CFSP, but most of them seem to have a clear preference for an intergovernmental approach, which could lead them to hinder more ambitious proposals for institutional reform. On the other hand, the candidate countries have convincingly and consistently supported all the Union's main policies. They have also taken an active part in the major international missions in which the Union has been involved. This constitutes a solid basis for their rapid and fruitful inclusion in CFSP mechanisms. More generally, the new members, mainly small countries, sometimes having to deal with not negligible problems related to areas of instability on their eastern borders, could develop a growing interest in strengthening common capacities for presence and intervention, especially in areas such as the Balkans, Russia the former Soviet European republics and the Caucasus.

Finally, the increase in the number of member countries will certainly have important institutional implications. In particular, it will call for a rethinking of the mechanism for working out and deciding on common strategies and actions in foreign and security policy, the main subject dealt with by Franco Algeri in the second chapter. The need to make up for the shortcomings of the member states' diplomatic and external projection apparatus could push for a strengthening of the new Union bodies operating in the field of CFSP. Furthermore, the prospect of more difficult consensus shaping in an enlarged Union is a solid argument in favour of a revision of decision-making procedures. Nevertheless, given most countries' opposition to replacing unanimity with qualified majority voting, it is likely that the debate will concentrate on less radical options for reform, such as broader recourse to constructive abstention and the improvement and extension of mechanisms for enhanced cooperation. The greater flexibility that CFSP mechanisms would acquire in this way would contribute to containing the drive towards the formation of exclusive *directoires* by the

larger countries outside of the Union context, an objective that is also in the interests of the new members.

4. Consistency and efficacy

Various chapters of this book underline how the strengthening of the Union's role will depend to a large extent on the member states' ability to increase the consistency of CFSP and, more generally, external actions. In the fourth chapter, Antonio Missiroli points out that coordination of the foreign policy initiatives undertaken by the member states has improved substantially in recent years. Efforts to reduce the contradictions between the external actions promoted by the various Union institutions have increased. Today, unlike the past, the Union has mechanisms, albeit still not perfect, that can facilitate the harmonisation of the objectives and the instruments for external projection. Nevertheless, as Missiroli underlines, the ability to create adequate synergies among the various aspects of Europe's international presence and action, allowing it to maximise impact, are still lacking.

The main problem in this regard continues to be the absence of adequate functional links between CFSP and the Commission's international activity. The latter is not only wide-ranging, including key sectors such as commerce, development assistance and humanitarian aid, but appears to be in constant expansion. In particular, through management of the enlargement process and the concrete application of the conditionality policy, the Commission exerts a strategically important influence on countries situated on the Union's periphery. As Lippert notes in chapter eight, the Commission largely determines the direction and structure of the enlargement process. Furthermore, almost all the Commission's main fields of intervention, starting with trade policies and financial assistance, could in the future take on growing importance as instruments for developing the Union's network of foreign relations.

Yet, in carrying out its external competences, the Commission follows its own parameters for political analysis and assessment, often unrelated to the evolution of CFSP. This happens even though the Treaties provide for the Commission to be fully associated to CFSP activity. It is significant that the Commission and the Council have taken almost completely distinct and parallel roads to working out

strategic lines for a sector of growing importance such as conflict prevention. With the result that, while the former, given its competences, has found it natural to concentrate on long-term aspects of conflict prevention, the latter has emphasised only its short-term and diplomatic dimension. Thus, as Aliboni observes in the ninth chapter, the difference in approach has broadened, not narrowed: the Commission has accentuated the elements of abstraction of its vision of conflict prevention, while the Council, through the High Representative, is busy intensifying diplomatic action in the crisis areas. This difference in approach tends to be reflected in the policies pursued towards the individual areas or countries, weakening their consistency and efficacy.

The lack of comprehensive functional links between the external action of the Commission and CFSP has resulted in several embarrassing situations and contradictions in the initiatives undertaken by the Union in various areas. An emblematic case are the activities that form part of the Stability Pact for Southeastern Europe: the Pact is headed by a coordinator named by the Council, but he has only limited access to the technical and operational capabilities of the Commission and little chance of determining the direction of the Commission's intervention in the area. Analogously, in the context of the Euro-Mediterranean Partnership, the Commission's actions have their own dynamics, which are not always in line with the Union's general foreign policy objectives in the area. This lack of harmony among the various external actions is the cause, at least in part, of the modest results achieved to date by the "common strategies" instrument, a subject examined by Circelli in the third chapter.

Besides the creation of new functional links between the external activity of the Commission and CFSP, there is also the need for a common strategic view to guide the Union's numerous external initiatives. This would call for, among other things, the merging of, or at least the establishment of close institutional ties between the bodies that operate today on behalf of the Council and the Commission in the field of analysis and planning (see also chapter three). Common methodological lines and criteria for evaluation should be set down. More specifically in the defence sector, as Missiroli and Lindley-French point out in chapter seven, a common process for the analysis and

evaluation of risks would allow for a shared perception of the areas of CFSP priority intervention. This would probably call for a revision and substantial adaptation of the Petersberg tasks which do not take adequate account of the new emerging threats or the Union's more recent external interventions.

5. Prospects for institutional reform

As already emphasised, the need for reform of the Union's foreign policy mechanisms was highlighted in the Declaration on the Future of the Union approved by the Laeken European Council in December 2001. This opened up prospects that the current process of treaty reform could generate, among other things, a new institutional structure for CFSP.

Among the objectives that appear most widely shared are revision of the relations among the various CFSP bodies in order to strengthen coordination and general direction. To that end, the High Representative should be given power of initiative. Furthermore, an adequate permanent staff responsible for foreign policy should be set up under the High Representative. The Policy Planning Unit, in particular, should be strengthened so that it can promote a more effective exchange of information among the member states, but also to acquire independent capabilities for strategic elaboration. Even the current special representatives who operate in the various areas should be brought under the High Representative's authority. They could be directly nominated by the High Representative or the Council on his proposal. The High Representative should also be given the chairmanship of all COPS meetings, to provide a permanent link between it and the Council. At the same time, the COPS must be made more authoritative: its members should be high-level representatives of national governments.

It is likely that the reform action will also concentrate on the CFSP's system of external representation which, even after the changes introduced in the Amsterdam Treaty, is still too complex and intricate. The High Representative should take over all external representation tasks, which would mean abolishing the current rotating presidency or at least its competencies in foreign policy, as suggested by the experts of the Centre for European Reform, and the Troika

mechanism. This could help to give the Union's international action more continuity and consistency, avoiding those – often abrupt – changes in programme direction and political priorities that take place when one presidency hands over to the next. At the same time, the problem of ensuring unitary representation of the Union in the international organisations must be solved.

The idea of creating a new specialised body for foreign policy in the Council, also recently put forward by Solana in his latest report on the institutional reorganisation of the Council, has been gaining support recently. In practice, the current General Affairs Council could be split into two bodies: one responsible for foreign policy, and the other for general coordination of Union policies. Should this solution be adopted, the High Representative could also be made the chairman of the new Council for foreign policy.

Finally, the crucial question of coordination of CFSP and the Union's other forms of external action must be addressed. The relations between the Council and the Commission are one of the most controversial subjects of the current debate on the institutional future of the Union. There are a number of objections to the proposal to merge the office of the High Representative with that of the Commissioner for External Relations, as Missiroli points out in the fourth chapter. Above all, there is the risk that – quite apart from any benefits that could derive for the Union's external action – it could undermine the Commission's institutional autonomy. Even if this radical proposal were rejected, new mechanisms for inter-institutional cooperation would still have to be defined that allow the High Representative and the other bodies of the Council to count on the capabilities and resources of the Commission. This should include, *inter alia*, the setting up of common inter-institutional bodies for political analysis and planning.

Abbreviations

CEEC	Central and Eastern European country
CESDP	Common European Security and Defence Policy ^(*)
CFSP	Common Foreign and Security Policy
CIS	Commonwealth of Independent States
COPS	Comitato politico e di sicurezza
COREPER	Comitato dei Rappresentanti Permanenti
ECB	European Central Bank
ECOFIN	Economic and Financial Affairs Council
EFC	Economic and Financial Committee
EMU	European Monetary Union
EP	European Parliament
EPC	European Political Cooperation
ESDP	European Security and Defence Policy ^(*)
FRY	Federal Republic of Yugoslavia
FYROM	Former Yugoslav Republic of Macedonia
GAC	General Affairs Council
IFI	International Financial Institutions
IGC	Intergovernmental Conference
IMF	International Monetary Fund
JHA	Justice and Home Affairs
NATO	North Atlantic Treaty Organisation
NIS	Newly Independent States
OECD	Organisation for Economic Cooperation and Development
OSCE	Organisation for Security and Cooperation in Europe
PPU	Policy Planning Unit

(*) As emerges from official documents, CESDP and ESDP seem to be used interchangeably.

PSC	Political and Security Committee
QMV	Qualified Majority Voting
RRF	Rapid Reaction Force
SEE	Southeastern Europe
SG/HR	Secretary General of the Council/High Representative for CFSP
TEU	Treaty on the European Union (or Treaty of Maas- tricht)
WTO	World Trade Organisation

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