

# The European Convention and EU Foreign Policy: Learning from Failure

Steven Everts and Daniel Keohane

The Iraq war divided Europe at one of those moments in its history when it was striving to complete another ambitious project of unity. The Convention on the Future of Europe was established in early 2002 to solve the problems of coherence, effectiveness and legitimacy that would arise when, in June 2004, the current union of 15 states will take in 10 new members. The Convention finished its work in June 2003 with a 'Draft Treaty Establishing a Constitution for Europe'. For both supporters of deeper integration and those made more fearful by the prospect, the word 'Constitution' is full of portent. There were inevitable allusions to the American Constitutional Convention of 1789 in Philadelphia.

That the EU had so recently flunked the Iraq test, however, cast a deep shadow over the Convention. It seemed fatuous for the EU to come up with bold new initiatives – like a fully-fledged constitution – at the very moment of its failure to stick together on the dominant strategic issue of the day. After Iraq, it was a common view that it would take decades, at best, to shape a credible EU foreign policy, and that EU credibility in general had been badly damaged. Yet, in truth, EU foreign policy has been adapting significantly during the past months of crisis. Some have suggested there is a 'new realism' in EU foreign policy, or that the EU is 'losing its innocence'.<sup>1</sup> At the Thessaloniki summit in June 2003, EU heads of government approved a draft Security Strategy, prepared by Javier Solana, the EU's foreign policy chief, modelled loosely on the US National Security Strategy of September 2002.<sup>2</sup> EU foreign ministers have also agreed to a more pro-active stance on nuclear, biological and chemical-weapons proliferation.<sup>3</sup> Crucially, this more assertive EU posture is not limited to general principles only. For example, the EU has in recent months adopted tougher stances on

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Myanmar, Iran and Cuba. The EU is now also running military operations in Macedonia and Congo – the latter even without recourse to NATO assets.

Euroscptics had earlier dismissed the Convention itself as nothing but a talking shop, producing endless verbiage but no real decisions. More recently they have opted for the opposite conclusion, portraying the Convention as a mortal attack on the proud independence of Europe's ancient nation-states. The truth is less dramatic but more interesting. At its heart, the Convention is an exercise in EU self-definition and institutional reform. The Convention has focused on the questions of what the EU is for, how it allocates power and how it takes decisions. Some of the proposals already agreed in the Convention will undoubtedly make the EU a more united and effective actor.

So, EU foreign policy is subject to two contradictory realities. The EU has experienced the biggest row over a major foreign policy issue in decades. And yet a more credible EU foreign policy is slowly taking shape.

### **The European Convention – Philadelphia it was not...**

For most Europeans, never mind non-Europeans, the EU remains a baffling and distant organisation.<sup>4</sup> Even Brussels insiders find it hard to explain how the EU works and who is responsible for what. Over the past 20 years the founding Treaty of Rome has been revised four times – yet each time the institutional set-up became more, not less, complex. EU citizens still perceive the EU as opaque and undemocratic. Decision-making procedures are too complicated. Policies are often ineffective. With ten new members gearing up to join in May 2004, the pressures for a fundamental rethink of the way the Union works had become irresistible. The governments therefore established a 'European Convention' in early 2002. Former French President Valéry Giscard d'Estaing was appointed Convention President, and steered debates among 105 delegates – national and European parliamentarians, Commissioners and government representatives, from the candidate countries as well as the current members. He presented the draft constitution to EU leaders in June 2003.<sup>5</sup>

From the start, the EU's international role was a central part of the Convention's deliberations. This was true for the institutional and functional aspects of both the Common Foreign and Security Policy (CFSP) and the European Security and Defence Policy (ESDP). But it was also the case at a deeper level. For the Europeans to maximise Europe's international influence, they have to define more clearly what kind of union their project seeks to establish. Foreign policy, in turn, is a key means of expressing that identity. For all its faults, the EU is a highly

successful example of conflict resolution through integration. So to the extent that the Convention was about clarifying the EU's purpose it also held the prospect of increasing its attractive potential – its 'soft power'. Many countries want to get closer to the EU and know they have to abide by certain rules to do so. The potential value of the Convention rested in its capacity to structure this process of self-definition in a transparent and fluid manner, rather than through the familiar 'trench warfare' of inter-governmental negotiations and backroom deals.

The governments will argue over the final text at an 'inter-governmental conference' (IGC) that will start in October 2003, and could take up to six months. Once the member-states have reached an agreement and signed the new constitution, they will submit it to their parliaments for ratification, and several governments are planning to hold referenda. IGCs are the traditional method for revising the treaties – but this one will be different. It will probably be shorter and less politically charged. If each government proposed hundreds of changes, it would defeat the Convention's purpose, which is to establish a more open method of changing the treaties. Because the Convention has produced a single text, the governments will be able to propose only a few amendments.

The draft constitution represents a carefully crafted compromise between the positions of the 'federalists' and the 'inter-governmentalists' while also bridging the divide between the larger and the smaller countries. It contains a raft of practical reform proposals. For example, the various treaties that determine the EU's organisation and policies will be consolidated into a single treaty. The EU – heretofore a confusing amalgam of several legal entities – will also gain a 'single legal personality', which will make it easier for the EU to negotiate and ratify international treaties. The EU will also be able to become a member of certain international organisations. But the draft constitution is less successful in making the EU a more democratic and transparent organisation. The draft is a long and intricate legal document, and the average citizen will still find the EU hard to understand. It preserves many of the EU's complex structures and procedures, which are the result of political deals struck over the past half-century. Giuliano Amato, Convention vice-president, summed up the ambivalent mood when, asked whether he was proud of his 'baby', he

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replied: 'Yes, I am proud. But I wanted a girl, and we have given birth to a boy'.<sup>6</sup>

### **Who shall lead?**

The politically most contentious question at the Convention was: who should lead the EU? On paper the answer is the European Council, which brings together the heads of government and the president of the European Commission. It meets quarterly to set the Union's broad strategy and priorities. But a real problem of the European Council is that its presidency shifts from one member-state to another every six months. This 'rotating presidency' is widely recognised as inefficient and inordinately susceptible to national politicisation: each country uses its stint in the chair to promote its own pet projects, while countries outside the EU perceive discontinuity and instability in the constant change in leadership. Moreover, the European Council will grow to unwieldy proportions following EU enlargement in 2004 – with all the negative consequences for timely decision-making and strategic thinking this implies.

The Convention has proposed that instead of a country chairing the European Council, a person should do the job. Advocates argue that a Council president or chairman, appointed for two-and-a-half years (with the possibility of one further term), would provide greater coherence and continuity, and remind prime ministers of the promises they make at summits. The President's main task would be to 'drive forward' the work of the European Council, 'ensuring proper preparation and continuity', and to facilitate 'cohesion and consensus' within it. The European Council president should also represent the EU externally, 'at his level', for example to visit President Bush to discuss major international issues. The European Council President cannot 'hold a national mandate', so serving heads of government are excluded. But candidates for the job could include former prime ministers or foreign ministers. The President would be elected by majority vote. However, many small member-states suspect – rightly – that this new post would enhance the influence of the European Council, where the big countries have enormous influence because they have more weighted votes and because, informally, they tend to dominate the debates. The European Commission – a supranational body that looks after the broader European interest and initiates most legislation – dislikes the plan for a European Council President for two reasons. First, it would constrain the Commission's ability to set the EU's policy agenda. Second, it would confirm that the Commission alone cannot claim to speak for Europe on the world stage. In foreign and security policy, the centre of gravity would remain with the Council of Ministers and, by extension, the European Council President. In general, the small countries see a strong

European Commission as the best insurance against the bigger member states' throwing their weight around. Of course, smaller member states are divided, just like larger ones, on whether deeper European integration is desirable and, if so, in what areas and at what pace. But they all want to preserve the institutional balance between the European Council and the Commission. That is why the small countries insist that the EU also needs a stronger Commission.

One important way to strengthen the Commission is to give greater authority to its president. The Convention has proposed that the European Parliament should 'elect' the Commission President. Members of the European Parliament (MEPs) would vote on the candidate chosen by the European Council by majority vote, 'taking into account' the European Parliament election results. This greater involvement of the European Parliament would, the argument runs, enhance the legitimacy and thus power of the Commission President.

### **A foreign minister without a policy?**

In foreign policy, the main innovation of the constitution is the idea of establishing a new post of EU 'minister for foreign affairs'. The basic idea is to merge the roles of Javier Solana, the High Representative for Foreign Policy, and Chris Patten, the Commissioner for External Relations. Such a reform should ensure that in future the two arms of EU external relations – broadly, diplomacy and aid – work better together. Creating an EU foreign policy supremo to promote European interests around the world should make a difference. The draft makes clear that the new foreign minister would be a member of the Commission but an agent of the Council of Ministers, whose meetings on foreign affairs he or she would chair. The main centre of gravity of his activities would lie within the Council of Ministers. The EU minister for foreign affairs would be answerable to – and get his mandate from – his fellow foreign ministers, not fellow Commissioners.

How far this innovation will take the Union towards a truly common foreign policy is impossible to predict. Some defenders of national sovereignty worry about a 'loyalty clause' contained in the draft, which says that 'member-states shall support the Union's common foreign and security policy actively and unreservedly'. In fact those words are taken from the Maastricht Treaty of 1992. The crucial question about EU foreign policy is, who takes the decisions? The answer, confirmed in the draft constitution, is national governments, acting largely by unanimity in the Council of Ministers and the European Council.

The draft does not extend the Commission's powers over foreign policy and it explicitly preserves every country's right to wield a veto.

The maintenance of this veto right is superficially appealing but in reality a huge obstacle for a more credible EU foreign policy. Only a few months ago the vast majority of EU member-states – including the UK, France and Germany – indicated that they could accept more majority voting on foreign policy. However, the UK subsequently backtracked on this position and, regrettably, the draft retains the unanimity principle. Thus a veto from a single country – including such tiny states as Malta, Luxembourg or Cyprus – could block an effective EU joint action supported by 24 countries. The conservative reflex to insist on unanimity reflects a lost opportunity. Countries like Britain should remember, for instance, that if majority voting had applied when most countries wanted to ban Zimbabwean President Robert Mugabe from visiting Europe, France would not have been able to wield its veto. The preservation of the unanimity rule is a recipe for avoiding hard choices and, ultimately, EU inaction.

Ideally, majority voting should apply to all foreign-policy questions. But, to allay the concerns of London and other capitals, a compromise might retain the unanimity principle for proposals coming from the

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member-states. On the other hand, the governments should accept that proposals from the EU's foreign minister would be subject to the new rules requiring a majority vote (more precisely, the support of a majority of capitals representing at least 60% of the EU's population). As a balancing move, member-states should retain the right to veto decisions in exceptional circumstances, for matters of 'supreme national importance'. But any government that invoked this 'emergency brake' would have to explain its motives to the European Council. The aim of this compromise proposal would be to strengthen the role of the EU's foreign minister and speed up decision-making. However, unanimity should always apply for decisions involving the deployment of military forces.

One last-minute – and potentially very significant – change involved an agreement to create an 'EU diplomatic service'. The idea is to follow from the proposed merger of the jobs of Chris Patten and Javier Solana and make sure that officials 'downstream' work better together as well. After laborious

negotiations, the Convention has agreed details for a new diplomatic corps consisting of officials from the Council, the Commission and national diplomatic services – all working for the new EU foreign

minister. The importance of this idea is to create an integrated set of officials, coming from all relevant centres of power (Commission, Council and member-states) to promote joined up policies for EU external action. EU nationals will in future have the option of working directly as EU diplomats or join their respective national services. The whole point of EU foreign policy is to protect shared European interests by agreeing on shared objectives and by then pooling diplomatic, financial and other resources. An EU diplomatic service working on European solutions to global problems is a significant step towards that objective and deserves full support.

### **In defence of the Union**

The Constitution's most controversial articles dealing with defence policy would allow smaller groups of member-states to cooperate more closely on military matters. At the moment, all member-states (except Denmark) decide on all forms of military cooperation (whether mutual defence commitments, headquarters or capabilities cooperation) for the Union. Given that EU countries have very different military capabilities, closer cooperation among a smaller group of states makes sense as it could do much to improve the EU's overall military effectiveness. Aside from the much-documented transatlantic capabilities gap, there are also large gulfs separating EU member-states, and they will widen with the accession of ten new members in 2004.

The Convention draft proposes that an avant-garde group of states with higher-level capabilities and a willingness to carry out the most demanding tasks should be able to collaborate more closely using EU institutions. There are no details in the text, but closer cooperation would presumably involve harmonising military planning and pooling existing capabilities. Member-states could also choose (but would not be obliged) to sign up to a mutual defence clause, which would allow an EU country that comes under external attack to ask for military help from other members. In essence, this pledge is similar to NATO's Article 5 commitment.<sup>7</sup> The articles embodying the pledge are controversial because they could allow Belgium, France, Germany and Luxembourg to go ahead with their 'European defence union' proposals of 29 April, whereby they would commit to defending one another from external attack, set up a European military headquarters, and pool some of their military resources within the EU framework. Some EU countries with strong transatlantic ties, including the UK, the Netherlands and some of the new members, argue that the EU does not need a mutual defence commitment since NATO already provides adequate defence guarantees. In addition, the Atlanticist countries argue that a new European military

structure outside the NATO framework would be financially costly and politically divisive.

The draft constitution also foresees a new 'capabilities agency' to coordinate defence technology research, encourage harmonisation of arms procurement procedures and ensure that national defence

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equipment is compatible throughout the EU. The capabilities agency would build on the work of existing institutions such as the Organisation conjointe de coopération en matière d'armement (OCCAR) and agreements like the 'Letter of Intent', which are trying to bring about the efficient management of multinational armaments programmes.<sup>8</sup> The agency is a good idea in principle, but the question of political leadership remains unresolved. A technocratic head of the capabilities agency is unlikely to command the respect of EU defence ministers. That is why EU member-states should appoint a defence deputy – a 'Mr ESDP' – to Javier Solana, to press the member-states to meet their promised contributions towards the EU's equipment goals. Every year he or she should publish a progress report on the EU's military assets, and then 'name and shame' those governments that fail to fulfil their commitments. Such a position would help to ensure that the proposed capabilities agency delivers tangible progress and that European military forces have the necessary equipment.

Because of the highly charged atmosphere at the Convention after the Iraq war, much less attention was paid to what security tasks the EU should be able to perform. For internal security the Convention text proposes that the EU adopt a 'solidarity' clause. This clause would guarantee mutual assistance – including military aid – in case of a natural disaster or a terrorist attack on EU territory, but not in the case of an attack by an external state. Although seemingly innocuous politically, a 'solidarity' clause is highly ambitious in practical terms. Terrorist attacks are much more likely than a Russian invasion. EU leaders are right to focus on the common threat of terrorism, but they should also be wary of raising expectations they cannot yet meet. To fulfil such a commitment, at a minimum the EU would need to be able to coordinate soldiers, policemen and emergency response services across borders and create a high-level intelligence body.

For external security, the so-called 'Petersberg tasks' set the parameters for EU military missions, which range from humanitarian relief to ending

regional conflicts. The Convention draft does not go beyond these limits. However, the debate at the IGC will be influenced by Javier Solana's June 2003 'Security Strategy', which argues that the EU should develop effective policies (and hence the organisation and capabilities) to combat threats like terrorism and the spread of weapons of mass destruction (WMD), which are not covered by the Petersberg tasks.

### **The security strategy: Europe comes of age**

Jean Monnet, the intellectual godfather of European integration, was right when he emphasised the need to give a firm institutional basis to international cooperation. In his memoirs he famously wrote: 'Nothing is possible without individuals; nothing is lasting without institutions'.<sup>9</sup> But good institutions are no substitute for effective policies; smooth decision-making procedures in themselves do not generate the requisite political will. A European Council President, a new Foreign Minister, an avant garde for defence, a capabilities agency and a 'solidarity clause' are all useful innovations. But they will amount to little without a shared sense among EU member-states about what they want to achieve, what instruments they will use, what strategies they will adopt and what price they are prepared to pay.

Advocates of an EU security strategy have argued for some time that the Europeans must agree on a common view of the nature of the international security environment and the EU's role within it. This would then foster a shared perception of the most serious threats and the most significant opportunities that environment poses. Such a common vision would then lead, the argument runs, to appropriate policy responses.<sup>10</sup> The general aim of the exercise would be to conduct this strategic analysis from a European rather than a national standpoint. Bringing together diplomats and analysts from the member-states would not in itself guarantee agreement. But it would make people more aware where the real fault lines and pressure points lay. Over time, and through hard bargaining, a convergence of member-state perspectives would be likely to emerge. In the past decade, there has already been a gradual convergence of member-state perspectives on, for example, the Balkans and the Middle East peace process. On trade policy, the EU already speaks with one voice despite the clear existence of both free-traders and protectionists within the EU. And the US experience of the inter-agency process shows that divergent opinions held by different actors at the outset does not preclude the emergence of a coherent set of ideas and policies as the outcome of such a bargaining process.

But idea of formally establishing a common international security assessment languished in the never-never land of European debates on

CFSP. It was something people referred to at conferences, but was kept separate from the realm of practical politics. Then the Iraq crisis happened. The absence of a shared threat assessment was an important reason why EU countries ended up so divided. Each country first formed its own national viewpoint, and only then engaged in half-hearted attempts to form a common stance with its European neighbours. EU leaders realised that, based on this dynamic, EU foreign policy would never succeed. A new clause was quickly inserted into the Constitution, stipulating that the EU should work out a coherent vision of its strategic objectives. Concretely, leaders tasked Javier Solana with drawing up an EU security strategy. His mandate was to work out a coherent assessment, from an explicit EU perspective, on the nature and urgency of today's most pressing security problems along with the best ways to respond to them.

For some the EU security strategy was mainly about how Europe should respond to the 'new America' and its attempts to mix its global pre-eminence with pre-emptive strikes. For others the purpose was to get some pacifist countries to take the 'new threats' more seriously – and to convince them of the need, in some circumstances, to use force. Yet others stressed that the Europeans had to develop a more robust form of multilateralism. And everybody agreed that Iraq had highlighted the urgency of agreeing at 15 – before enlargement would make it even harder – on a shared vision to restore the EU's tattered international credibility. As one senior European diplomat involved in drawing up the document remarked in June 2003:

It is not fashionable to say it but the war in Iraq concentrated our minds. It showed that the EU had zero influence if its member-states do not pull together. It showed too why we had to set our strategic objectives ahead of enlargement when the EU becomes 25 countries.<sup>11</sup>

During April and May 2003, parallel to the debates inside the Convention and as the consequences of the Iraq war were sinking in, many heated exchanges took place in the relevant EU institutions and committees. There were inevitably disagreements on who should take the lead in drafting the document – the Policy Unit, the Directorate General for External Relations or Solana's private office. More significantly there were strong debates – with the British and the Germans at opposite ends of the spectrum, and France much closer to Britain – on what language, if any, to use on conditions for the use of force.

To the surprise of many, the document that Solana presented at the Thessaloniki summit was not only an eminently readable but also a very forceful paper. It heralded a desire to develop a more muscular EU foreign policy. It was hailed as a great success by all EU foreign ministers and those of the candidate countries. US officials too welcomed the 'new realism' of the document, describing it as a 'sign of the maturing of the [transatlantic] relationship'.<sup>12</sup> One of the document's attractions is that it resists the EU's penchant for producing endless shopping lists of 'key issues'. It rightly mentions global warming, energy security and other regional crises. But there is a helpful focus on the three main threats to European security: strategic terrorism, WMD proliferation and the nexus of failed states and organised crime. This agenda chimes with US thinking, but the policy conclusions are distinctly European: 'Today's threats are more dynamic and more complex ... none of the threats is purely military; each requires a mixture of instruments'. The document goes on to highlight three priorities: extending the zone of peace around Europe; promoting 'effective multilateralism'; and countering the new security threats.

The strategy's most important political message was its repudiation of the traditional view that the EU believes only in deploying 'soft power' tools such as economic aid, trade or diplomatic pressure and enticements. The EU will not, of course, give up on 'soft power'. But it now accepts that it must use all its instruments – policies on trade, aid and migration – in a politically targeted and conditional manner. EU leaders often stress in their speeches that no other organisation has such a diverse 'tool kit'. That is true in principle. But the weakest link in EU foreign policy has been the poor connection between the EU's wide-ranging instruments and its policy aims. For too long the EU has behaved like the World Bank: an institution that hands out money with few strings attached.

The EU has mostly identified the right objectives: promoting democracy, respect for human rights and political pluralism as well as countering terrorism and WMD proliferation. It has incorporated clauses emphasising the shared commitment to these objectives into its various association and partnership agreements. But the Europeans have been far too timid in invoking these clauses. Encouragingly, the security strategy states explicitly that the EU must be prepared to use the carrots of

*The absence of a shared threat assessment was an important reason why EU countries ended up so divided on Iraq*

financial assistance and the stick of sanctions to encourage political reforms or better standards of governance. That realisation is long overdue but extremely welcome. When describing its call for 'effective multilateralism' the strategy underlines that countries that 'persistently violate international norms should understand that there is a price to be paid, including in the relationship with the EU'. Thus, the EU will continue to champion international law and regimes but would be prepared to act punitively when states or people break the rules. 'If we want international organisations, regimes and treaties to be effective in confronting threats to international peace and security, we should be ready to act when their rules are broken'. This emphasis on the costs to others of breaking international rules is welcome even if the security strategy avoids grappling with the contentious issue of pre-emptive military action.

### **Next steps for the security strategy**

EU leaders have asked Solana to come up with a more detailed version for the December 2003 Rome European Council. To maximise the success of this exercise three additional steps need to be taken. First, the final draft should further sharpen the tools. The EU needs to overcome its habit of reacting to crises with glorified ad hocery. Too often the EU can only agree for ministers 'to monitor the situation' while it remains split on what substantive actions to take. Instead, the EU needs to set out in advance how it might respond to certain types of behaviour and agree to give a mandate to Javier Solana to implement pre-identified responses. A more fleshed-out security strategy would identify what kinds of developments would trigger would sort of responses.

Second, the EU must come up with more precise formulations on the principles governing the use of force. In recent years, there has been a growing acceptance, both in policy debates and in practice, of a qualified approach to sovereignty and the need for international interventions – to end a humanitarian catastrophe, tackle imminent threats of WMD or topple regimes that harbour terrorists. Those pressing for a more interventionist approach have to show they accept a crucial role for international law, and in particular the UN, in legitimising the use of force; and that they understand that a broad range of tools is available prior to military interventions. By the same token, the 'pacifist' camp in the EU must accept that, in tightly prescribed circumstances, military force is called for – and in extreme cases even of the pre-emptive variety. Specifying in advance and in a clear-cut manner when Europeans should use force is nigh impossible, so this legitimacy debate sometimes produces more heat than light. To some extent, it is overdone. In many

instances, what matters more than a specific UN mandate is clear evidence of an immediate threat because of WMD or terrorism or a massive humanitarian crisis necessitating military action. There was clear evidence in Kosovo and no UN mandate, and most Europeans supported the military campaign. Conversely, Iraq remains deeply contentious, more because of the absence of proof than the absence of a clear UN mandate. Arguably the absence of evidence led to the absence of a proper mandate. Even so, at the moment, the security strategy ducks this issue of the conditions for the use of force, even if it rightly says that 'the first line of defence will often be abroad'. There is an urgent need for a debate among Europeans to see whether, in the light of the new security threats, the rules governing the legitimacy of military action – including Article 51 of the UN charter – need re-examination.

*Iran is fast becoming a test case for EU foreign policy*

Third, the EU needs to prove that it does not only agree to a more robust approach on paper but is also prepared to implement it. The case of Iran will be crucial. In recent months, the EU has adopted a more sober assessment of Iran's nuclear activities. This did not happen because of Washington's insistence but mainly as a result of Europe's own analyses and the reports by Mohamed El Baradei from the International Atomic Energy Agency (IAEA). Iran is fast becoming a test case for EU foreign policy and especially for EU attempts to exert influence through 'conditional engagement'.<sup>13</sup> The Europeans want to avoid another transatlantic wrangle. But they are also determined not to let the US determine the agenda the way it did over Iraq. To avoid repeating this outcome, the EU needs to arrive at an affirmative policy and implement it decisively.

Officially, Tehran is denying that it is developing nuclear weapons, even if from Iran's perspective its neighbourhood – with a nuclear Israel and US troops next door in Iraq and Afghanistan – must look distinctly threatening. The Iranians have also witnessed the contrasting treatment that the US has accorded to Iraq and North Korea. Tehran's conclusion can only be to accelerate Iran's nuclear programme: North Korea had, after all, openly proclaimed its nuclear capability, and has so far been spared the fate of the Iraqi regime.

An acceleration in Iran's programme cannot be in Europe's interests and the EU should respond accordingly. Iran has legitimate security concerns, but going nuclear is not likely to resolve them. Europe's current position is that it expects verifiable reassurances regarding Iran's nuclear programme and its objectives. The EU, like the US and Russia, is calling upon Iran to

sign and implement the IAEA's additional protocol, which would pave the way for a tougher 'challenge inspection' form of monitoring.

The EU should point out that Iran and the EU have a shared interest in proving, to Washington and to the rest of the world, that inspections can work. It should stress that if, as Iran claims, its nuclear programme is exclusively civilian, it has nothing to fear from tougher inspections. Europe can also promote the idea of regional security talks involving the US to address underlying threat perceptions and military postures. And Europe can sketch out the benefits to Iran, in terms of closer economic and technological cooperation, if it cooperates with the IAEA. But first Iran has to comply. The EU has hinted that if Iran refuses to sign and implement the additional protocol it will soon terminate its trade negotiations. European leaders must have the courage of their convictions when the issue comes to a head later in 2003, after another report from the IAEA's board. If the EU fails to enact its threat, its common foreign policy will suffer a further blow and the progress of the security strategy would have been squandered. Americans will be quick to point out that EU foreign policy is all talk but little action.

### **A European way of war**

If Europeans are serious about meeting the ambitious aims in Javier Solana's security strategy, they have no choice but to increase their military might. Calling for greater investment in European capabilities and research and development by spending more euros more effectively has become a mantra in the European defence debate and recognised in countless proposals. But the results have not reflected the staunch rhetoric. The sad reality is that EU members combined spend around half what the US spends, but they do not get near half the US capability. Yet increasing Europe's military power need not be so hard. For example, one relatively easy move would be for countries to pool more of their military capabilities.<sup>14</sup> In areas such as air transport, maintenance and medical facilities, there is potential to save money. Whether or not governments agree to a 'core' EU group for military capabilities at the upcoming IGC, what is needed now are small groups of countries moving ahead to show it can be done. The decision by the French and German governments in July to set up a joint school for their *Tiger* attack-helicopter pilots and mechanics is a small step in the right direction.

Raising national defence budgets may be a taller order. The UK and France spend 2.5% of their GDP on defence, but none of the other relatively large and rich EU countries come near that figure. Clarifying the palpable benefits of spending parity, however, might provide greater incentives to move towards that objective. For example, if Italy, Spain, the

Netherlands and Germany alone could increase their defence spending to the Anglo-French share of 2.5% of GDP, it would add about 35 billion euros a year to EU aggregate defence spending. If all of that went on military modernisation efforts, modernisation spending per soldier in the EU would be comparable to that in the US.<sup>15</sup> European governments should also use the 'capabilities agency' proposed in the Constitution to extract more value out of each euro spent by conducting more collective research, development and procurement. None of these ideas are revolutionary, but implementing them would be.

While improvements in capabilities are underwhelming, the EU has nonetheless demonstrated serious determination to move ESDP from theory into practice. The EU sent 350 soldiers to Macedonia on 31 March – the Union's first military mission. The Bush administration has already indicated that it may pull its forces out of Bosnia sometime in 2004, leaving the way open for the EU to take over that mission as well. And in June – at the request of the United Nations – the EU deployed 1,500 troops to Congo. These experiences of conducting real missions may do more to galvanise ESDP than the stale debates of the past two years on capabilities or the precise details of EU–NATO relations.

Although small in size and limited in scope, the Congo mission is significant for two reasons. First, it is an autonomous EU mission, not reliant on NATO's help. Second, *Operation Artemis* is the EU's first military operation outside of Europe. For many there had been an (unspoken) assumption that ESDP would only undertake operations in the EU's immediate vicinity. While the EU is likely to focus its attention on its 'near abroad' (North Africa, the greater Middle East, the Caucasus) it is nonetheless good that this unwritten rule against out-of-area deployments has been broken. In other respects, the Congo mission – a classic peacekeeping operation – is not new. European countries already have a large number of troops deployed internationally on peacekeeping missions in the Balkans, Afghanistan, Africa, Asia and the Middle East.

While the EU has broken new ground in going out-of-area, if it is to focus on threats like failed states, terrorism and WMD, then the Union must be able to do more than peacekeeping.<sup>16</sup> At the same time, the Europeans should try to complement the Americans rather than compete with or copy them.<sup>17</sup> Plainly Europe cannot duplicate America's 'full spectrum dominance'. To have a coherent European way of war, the Europeans need to adjust their level of ambition in accordance with the new threats identified in the security strategy, but simultaneously to acknowledge that Europeans will use their military differently from America. Although the Europeans should and will continue to perform

peacekeeping tasks around the world, the EU needs to make a searching assessment of what additional tasks it can and should perform along the military spectrum. These could include special operations for counter-terrorism actions, maritime interdiction and enhanced intelligence gathering in conflict regions. Some European countries are already engaged in so-called 'preventive intelligence-collection deployments' – for instance, in East Africa, independently and with the US.<sup>18</sup> Expanding the EU's military capabilities beyond robust peacemaking and crisis management will inevitably be controversial. The British government in particular remains opposed to the idea of the EU's undertaking counter-terrorism or counter-proliferation outside the EU's borders, maintaining that NATO or member-states themselves should do the job. Whatever the outcome of this debate, the Europeans will need to think harder about the kinds of troops they need. The EU has more soldiers than the US, but too many conscript troops that cannot be used for international missions. Moreover, the enemies that the EU is likely to face are more likely to specialise in guerrilla warfare than in using tanks or aircraft. Thus, along with more troops trained and equipped for robust peacekeeping, the EU also needs more elite troops that can be deployed very quickly. At the Le Touquet summit in February, Tony Blair and Jacques Chirac agreed that the EU should be able to deploy air, sea and land forces within five to ten days – a huge improvement on the present 60-day arrangement for the EU rapid reaction force. EU leaders should support this initiative, and quickly beef up the number of 'special operations forces' available for EU missions.

Europe also needs its own intelligence-gathering assets. Access to as much good information from as many sources as possible is the most important element for any military operation the Europeans can expect to perform in coming years. The French already have two small spy satellites, and more powerful satellites are due to be launched in 2004. Germany is building a series of radar observation satellites that can look through clouds. Helpfully, the output from these satellites will be made available to their European partners. Five European countries (Belgium, France, Germany, Italy, Spain) are currently working out a list of common requirements for their future observation systems, but this process should go further and the Europeans should build an integrated, common observation system. The benefits to the Europeans would be enormous while the costs are not prohibitive. According to French military chiefs, a European observation system would cost slightly more than 2bn euros over ten years.<sup>19</sup>

As well as sharing assets in the sky, Europe should also pool more intelligence assessment on the ground. Member-states are already making

tentative moves to share more internal security intelligence assessments at the EU level through Europol.<sup>20</sup> Europol's brief, however, is confined to law-enforcement agencies. EU governments should start doing the same with military intelligence – and step up the amount of political assessments they share with their EU partners. The Iraq experience clearly shows that they should not rely on American assessments alone. The Convention's draft constitution says that the EU should 'regularly assess the threats facing the Union in order to enable the Union to take effective action'. The thinking behind that clause is correct, and as a start member-states need to create a 'European intelligence committee' working for Javier Solana. This committee would bring together senior intelligence officers seconded from national agencies, and filter various national assessments to produce common assessments for the foreign ministers council and the EU Foreign Minister.<sup>21</sup>

### **School of failure**

The EU's handling of Iraq was an abysmal failure. But there are signs – including the Convention itself, Solana's security strategy and the latest developments in ESDP – that the Europeans are learning from that fiasco. Historically this is how the EU has evolved. After all, the birth of the euro had been preceded by many currency crises and predictions that these had proved that a monetary union simply could not come about. It is probable that in foreign policy too, the EU will regroup, analyse what went wrong and adjust accordingly. If so, those analysts who, at the height of the Iraq crisis, had written off the EU's foreign policy ambitions may have done so prematurely. True, the EU will remain better at conflict-prevention and post-conflict reconstruction than at crisis management. Even so, having failed miserably, the signs are that the Europeans are moving ahead. In many respects, Iraq has been a wake-up call. Robert Jervis was right when he remarked: 'What Victor Hugo said of God, may equally aptly be said of policy-makers: they see the truth, but slowly'.<sup>22</sup>

What can we expect in coming years? EU foreign policy is a work in progress, and over time the EU will take on new missions. But the EU's main geographic focus is likely to be on the so-called 'near abroad': the former Soviet Union, the Balkans, the greater Middle East and North Africa. That is where the EU's collective interests are mostly directly at stake. In functional terms, it will have to concentrate on developing more robust forms of 'soft power' and 'conditional engagement'. Thus far, the EU has been remarkably successful at getting countries to heed EU warnings or advice, but this has been mainly because they wanted to join the EU and were prepared to jump through hoops to do so. The key

question for the future, however, will be whether the EU can exert influence on problem countries to which it cannot or will not offer the carrot of membership.

*The key question for the future will be whether the EU can exert influence on problem countries to which it cannot offer membership*

In coming months and years there will be crises in Iraq, Iran, Israel–Palestine, North Korea, Moldova, Congo and Kashmir, among other places. In each of these cases, there will be growing pressure on the EU to spell out what it can do. Each flashpoint will follow a different conflict dynamic and will thus require a different response. But none will be directly amenable to the EU’s success formula of spreading peace and stability through integration. The agenda in coming years will likely revolve around failed states, crisis management, the ‘new threats’ of terrorism and WMD along with questions of governance and democracy. All these issues will require a strategic and more proactive European response. Ultimately, the merits of the Constitution, the security strategy and enlargement will be judged, at least in part, by whether or not each helped the EU develop more effective policies to rise to these new challenges.

## Acknowledgements

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## Notes

- <sup>1</sup> 'Europe Loses its Innocence Over WMD', *Financial Times*, 17 June 2003; 'EU Weighs More Activist Foreign Policy', *International Herald Tribune*, 20 June 2003.
- <sup>2</sup> Javier Solana, 'A Secure Europe in a Better World', paper presented to the Thessaloniki European Council, 20 June 2003, <http://ue.eu.int/pressdata/EN/reports/76255.pdf>
- <sup>3</sup> The document 'Basic Principles for an EU Strategy against Weapons of Mass Destruction' was agreed in mid-June by EU foreign ministers. See <http://ue.eu.int/pressdata/EN/reports/76328.pdf>.
- <sup>4</sup> This section draws heavily on the 'The CER guide to the draft EU constitution', Centre for European Reform, July 2003, [www.cer.org.uk](http://www.cer.org.uk). Producing this guide was a collective effort, and we are grateful to our CER colleagues for their contributions.
- <sup>5</sup> The text of the draft EU constitution can be found on <http://european-convention.eu.int>.
- <sup>6</sup> Quoted in Quentin Peel, 'EU Constitution Misses its Moment', *Financial Times*, 16 June 2003.
- <sup>7</sup> This mutual defence pledge is similar to the promise contained in the now-forgotten Brussels Treaty of 1948, signed by 10 future EU members, which obliges them to defend each other in case of attack.
- <sup>8</sup> OCCAR is a four-country (France, Germany, Italy, the UK) defence procurement agency that manages multinational equipment projects. The Letter of Intent agreement was signed in 1998 by the six major European arms-producing countries to harmonise some defence market regulations. See generally Daniel Keohane, 'The EU and Armaments Co-operation', Centre for European Reform, December 2002.
- <sup>9</sup> Jean Monnet, *Memoirs* (London: Collins, 1978).
- <sup>10</sup> See Steven Everts, 'Shaping a Credible EU Foreign Policy', Centre for European Reform, February 2002. See also Roberto Menotti and Rosa Balfour, 'Why a Strategic Concept? A Possible Framework for Thinking Strategically: From Vital Interests and Values to a "Concept"', paper presented at the CeSPI Castelgandolfo conference, July 2002.
- <sup>11</sup> 'EU Set to Back Security Doctrine', *Financial Times*, 18 June 2003.
- <sup>12</sup> 'US Arms Talk Test 'Realism' in EU Relations', *Financial Times*, 24 June 2003. One key indication of the success of the security strategy was that almost immediately afterwards nearly every European institution (and even some American ones) working on foreign issues claimed to have been involved in the drafting of the document.
- <sup>13</sup> See also Steven Everts, 'Iran is a Test Case for European Foreign Policy', *Financial Times*, 2 June 2003.
- <sup>14</sup> For more on the benefits of pooling capabilities see Kori Schake, 'Constructive Duplication: Reducing EU Reliance on US Military Assets', Centre for European Reform, January 2002.
- <sup>15</sup> Based on data in US Department of Defense, 'Report on Allied Contributions to the Common Defense', June 2002. All the figures are from 2001. The authors wish to thank Barry Posen for bringing this analysis to their attention.
- <sup>16</sup> Gordon Adams, 'Europe Should Learn to Fend for Itself', *Financial Times*, 1 July 2003.
- <sup>17</sup> Lawrence Freedman, 'A Future for

European Defence', *Financial Times*, 22 April 2002.

<sup>18</sup> Such missions typically involve special forces trying to find warlords so that intelligence officers can try to get information out of them.

<sup>19</sup> Brigadier General Daniel Gavoty, 'L'espace Militaire, Un Projet Fédérateur pour l'Union Européenne', *Défense Nationale*, October 2001. There are, however, serious transatlantic and intra-European sensitivities in the intelligence area. The US, the UK, Australia, Canada and New Zealand reportedly operate a satellite-based surveillance network known as *Echelon* that monitors communications in Europe and elsewhere. In 2000, when it emerged that *Echelon* may have implicated European firms in illegal activities, the French expressed anger over 'Anglo-Saxon' surveillance. Given that capabilities like *Echelon* are rooted in rich Cold War-era partnerships and

now broadly benefit most members of the global counter-terrorism coalition and other strategic partnerships, European initiatives in the intelligence field should be carefully calibrated so as not to create further – and unnecessary – transatlantic tensions. See, e.g., Daniel Benjamin and Steven Simon, 'Who's Listening to Whom, and Why?', *Time* (European edition), 14 August 2000.

<sup>20</sup> For more see: Adam Townsend, 'Guarding Europe', Centre for European Reform, May 2003.

<sup>21</sup> See Charles Grant, 'Intimate Relations', Centre for European Reform, May 2000, which made the case for an EU intelligence body.

<sup>22</sup> Robert Jervis is cited in P.E. Tetlock 'Learning in US and Soviet Foreign Policy: In Search for an Elusive Concept' in: G.W. Breslauer and P.E. Tetlock (eds), *Learning in US and Soviet Foreign Policy* (Boulder, CO: Westview Press, 1991), p. 38.