

Strength in numbers

**Europe's foreign and
defence policy**

Charles Grant

ABOUT THE AUTHOR

Educated at the universities of Cambridge and Grenoble, Charles Grant started writing for Euromoney, the financial magazine, in 1981. He joined the economist in 1986, becoming a city reporter, and then from 1989 the Brussels correspondent. He returned to Britain in 1993 and is now the defence editor of the Economist. Publications include “Making the City work”, a Fabian pamphlet written with David Goodhart (1998); “Delors: Inside the house that Jacques built”, a political biography (Nicholas Brealey, 1994); and, as co-author, “Eminent Europeans” (Greycoat Press, 1996).

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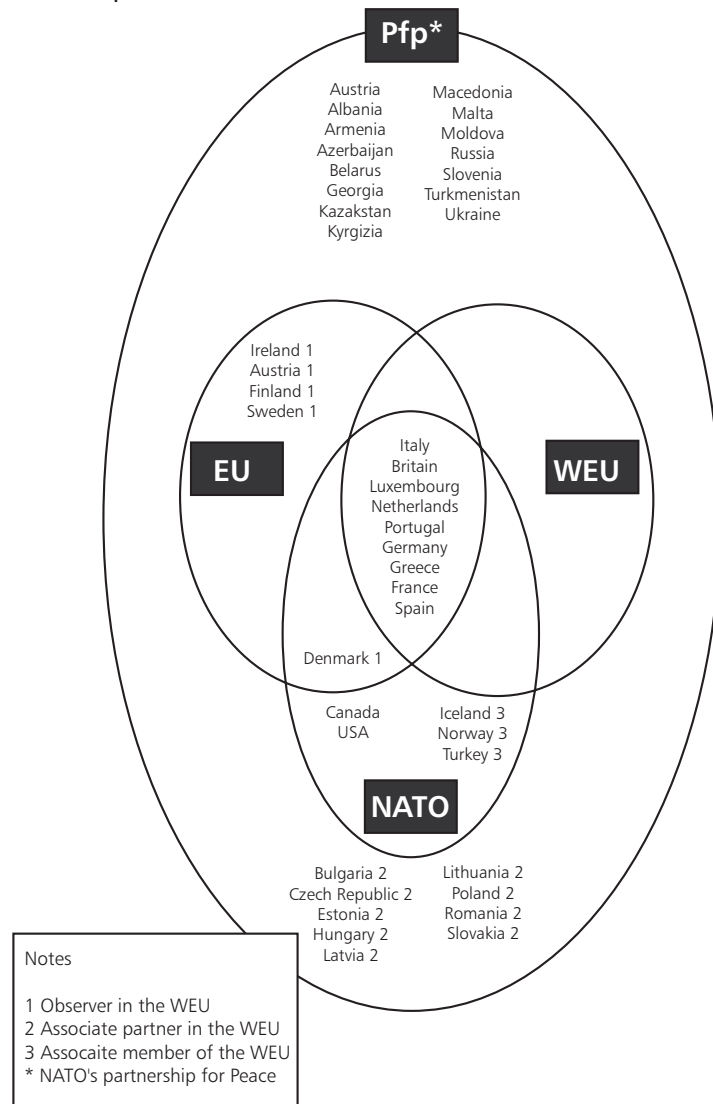
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Europe's clubland



1 Introduction: European integration and the nation-state

The array of institutions that is supposed to make Europe a safer place is both confusing and inadequate. The European Union lacks an effective means of organising foreign policy. The North Atlantic Treaty Organisation, following the waning of the Soviet threat and the democratisation of Eastern Europe, cannot remain relevant without drastic reforms. The Organisation for Security and Co-operation in Europe has no authority over its 53 members and therefore cannot achieve much. Meanwhile, the Western European Union (WEU), the defence arm of the EU, is desperately seeking a role, while no multinational institution has any influence on the European armaments industry.

This pamphlet argues that Europe needs a stronger identity in foreign policy, but that when it comes to defence – whether military alliances or the management of arms industries – integration has to be not so much European as transatlantic. That said, the Europeans will need their own defence club, the WEU, for modest military missions that do not involve the Americans. Given the sensitivity of these subjects, the institutions managing European security must be, to a large extent, “inter-governmental” – in the sense that governments rather than an independent power centre, such as the European Commission, are in control. But if these institutions are to be effective, there will have to be some, albeit modest, supranational elements, as indeed there are in NATO today.

Several long-term trends suggest that international bodies should take on more responsibility for Europe’s foreign and defence policy.

These include shrinking defence budgets; the spiralling costs of new military technologies; the intermingling of what were national defence industries; the increasing orientation of military forces toward multinational peacekeeping; the desire of many policy-makers in America and other parts of the world for Europe to speak with a more coherent voice; and the growing sentiment among Europe's diplomatic corps that they could exert more leverage by action in unison than separately. International co-operation is becoming no less essential for safeguarding "internal security", matters such as immigration, asylum and the fights against drugs and terrorism, though that is beyond the scope of this pamphlet.

Despite these trends, European leaders have to contend with the fact that, in many countries, public opinion still looks to the nation-state to provide the essentials of security. They face an enormous task of trying to convince often sceptical public that, in many respects, the state can no longer cope on its own. Few of those leaders, however, have yet made much effort.

Many sorts of nationalism have the potential to thwart progress towards more integrated foreign and defence policies. American unilateralism threatens to undermine NATO, as it is already weakening the United Nations. French Gaullism, despite Jacques Chirac's recent *rapprochement* with NATO, still has the potential to be prickly. The obsession of some British Conservatives with sovereignty makes it harder to build common foreign policies. Atavistic ethnic sentiments in Eastern Europe may prevent some countries from joining western institutions. And resurgent Russian nationalism may force NATO to remain, in part, an anti-Russian alliance.

The record of the past half-century suggests that European states find it much easier to integrate economic policy than security policy. The project for a European Defence Community collapsed in 1954. General de Gaulle's scheme for inter-governmental bodies to manage European foreign and defence policy, known as the Fouchet plan, folded in 1962. The idea of "political union" raised much

excitement in 1990 but turned out, in the Maastricht treaty, to be something of a damp squib. Despite the difficulties, however, the task of building better institutions to manage European security remains worthwhile.

2 Creating a voice: European foreign policy

Do the European nations really need common foreign policies? Their interests often conflict and many people remain attached to the nation-state. So should the European Union stick to external trade, a single market and the environment, leaving diplomacy to democratically-elected national governments?

I believe that it is in Britain's national interest to pool a large part of its diplomatic effort with that of its partners. Most EU governments have similar foreign-policy goals. As the example of Bosnia shows, the Americans sometimes have different objectives. The EU's current, woefully inadequate arrangements for diplomatic co-ordination are in bad need of reform.

The failing of the EU's foreign-policy machinery is sometimes more evident to Americans than to Europeans. It was Henry Kissinger who complained, in 1973, that when he wanted to talk to the Europeans he never knew who to telephone. And in early 1996 Richard Holbrooke, President Clinton's Bosnian peace-broker, described the EU's basic problem as reliance on "lowest common-denominator foreign policies, in which any one country can veto a collective decision, based on its own parochial views ... when it comes to security disputes, either like Bosnia of the Aegean [where Greece and Turkey had nearly come to blows over some uninhabited islands], the Europeans have to figure out a way to deal with them."¹

¹ Richard Holbrooke, *Financial Times*, 23rd February 1996.

Holbrooke is right. The EU's poor performance during four years of war in former-Yugoslavia does not mean that it should not try to cope with future crises more effectively. So long as the European

nations can find the right mechanism for pooling some of their collective interests, a single voice should give them more clout than 15 separate foreign ministries.

The quest for that voice is worthwhile, in part, because Europe is a meaningful geographic, economic, political and cultural area, with its own identity and values. With the exception of some British Eurosceptics, most of the people who live in the EU, and many of those to the east of it, feel in some measure European – even if they identify more strongly with nation or region. The project of European union supposes that there is some kind of “community of interest” among EU citizens. Thus many Germans do not object to a slice of their taxes paying for infrastructure projects in Spain and Portugal. They know that Germany benefits from belonging to the same market as the Iberians and think that within the EU, as within a nation-state, some solidarity between rich and poor is justified.

The enlargement of the union is bound to strain this sense of community: the Poles and the Portuguese may not feel they have a great deal in common. But however stretched this community of interest may become, it does exist, at least tenuously, and the EU could not work without it. Indeed, opinion polls show that the idea of letting Poles, Hungarians and Czechs into the EU is quite popular in Western Europe, presumably because they are considered to be “like us”. No mainstream political party in any state has yet suggested the abolition of transfers between rich and poor countries, and there is not much reason to believe that such a policy would pay electoral dividends.

Jacques Santer, the European Commission president, has said that the ultimate purpose of European integration is “to construct a European design on a feeling of belonging to a genuine community.” Those who find such sentiments irrelevant or laughable should still try to make European foreign policy more effective for one very down-to-earth reason: most EU countries share essentially similar interests. These include: keeping America involved in European

security; a stable, liberal, non-expansionist Russia; promoting political and economic reform in Eastern Europe; a strong, Western-leaning Turkey, that treats its Kurdish minority better; supporting economic growth and political moderation in North Africa, so that neither waves of immigrants nor Islamic fundamentalism threaten Europe; democracy and economic reform in sub-Saharan Africa; a China that continues to welcome foreign investment, treats its own people better and does not bully its neighbours; and free flows of trade and investment with the Asian tigers and Japan. Britain, for instance, has few fundamental foreign-policy interests, which diverge from those of its partners (one exception could be Hong Kong, which, even after the transfer of authority to the Chinese, may make it hard for Britain to take a tough stance on China.)

The United States, of course, shares most of these fundamental interests. But sometimes its concerns differ from those of the Europeans. That is to be expected, given that America is a superpower with a global reach, and the EU is not. For instance the Europeans find it natural to work with international bodies such as the United Nations, while the Americans do not. In trade disputes the United States is prone to take unilateral action, while the Europeans are more inclined to involve the World Trade Organisation. Europe is more protectionist of agriculture and television programmes, America of financial services and shipping. Most Europeans support a model of society based on comfortable welfare provision, relatively high taxation and trade unions rights; many Americans prefer a model based on a purer form of the market, a smaller role for the state and fewer rights for workers. Europeans and Americans often differ on the Middle East: the influence of Washington's Israeli lobby means that – the United States is incapable of impartiality; thus the Clinton administration, unlike EU governments, would not condemn Israel for the massacre of Lebanese refugees at Qana in April 1996.

All western governments, on occasion, have to balance their wish to promote commercial interests with their desire to champion human

rights. But the Europeans are sometimes less willing than the Americans to lecture unsavoury regimes, especially if export opportunities are at stake. The difference was evident in a clutch of transatlantic disputes that emerged in the spring of 1996:

- ★ When Cuba shot down two small émigré aircraft, America's Congress passed the Helms-Burton Act, penalising companies from third countries that trade with Cuba. The EU's foreign ministers condemned this "extra-territorial" legislation and prepared counter-measures.
- ★ When Israel claimed that Iran was behind the Hamas bombing campaign, the United States called for an economic boycott of Iran. The European Union refused to comply, noting the lack of hard evidence of a link between Iran and Hamas. The Europeans did not want to jeopardise their lucrative trade with Iran.
- ★ When China embarked on extensive military exercises near Taiwan, firing live missiles into the sea, President Clinton sent a fleet to the area and warned China not to invade. European governments issued a limp and forgettable declaration. Soon afterwards China said it would spend \$2 billion on passenger planes from Airbus, rather than Boeing.
- ★ America tried to persuade the Europeans to sign up for economic sanctions against Nigeria, as a way of putting pressure on its generals to restore democracy. The EU turned this down, arguing that only an oil embargo – which the United States was not prepared to consider – would inflict real damage on the military regime, and that sanctions would hurt ordinary Nigerians. European companies have more invested in Nigeria, and thus more to lose, than American ones.

Of course there are times when the divisions are inter-European rather than inter-continental. For instance France has long favoured

loosening UN sanctions in Iraq, while Britain and the United States have taken a tougher stance. In September 1996, when President Bill Clinton launched cruise missiles at Iraq, Britain supported him but France did not. But Britain and France usually see eye-to-eye on the big issues of foreign policy. And that is not surprising, given their similar sizes, their common colonial history; their ability – unique among Europeans – to project power abroad; and their habit of seeing complexity and shades of grey, where Americans see simple choices of right and wrong.

Philip Gordon, an American at the International Institute for Strategic Studies, has written that one reason for the many transatlantic disputes on Yugoslavia is "the US tendency to see conflicts in black and white terms, with victims and aggressors, and the Europeans' tendency to view conflict in a more subtle – some would say more cynical – manner".² To the British and the French, the Americans are sometimes naive and over-idealistic in their conduct of foreign policy. To the Americans, the British and French are inclined to be unprincipled and world-weary.

² Philip Gordon, *'Recasting the Atlantic alliance', Survival, spring 1996.*

A brief glance at the past five years of Balkan diplomacy reveals much about the differences of mentality and interest – even though the first year of the Yugoslav conflict (summer 1991 to summer 1992) will be remembered for the EU's failure to prevent the country breaking up. The Americans, like the Europeans. Wanted to prevent Yugoslavia from fragmenting, lest its example affect other places such as the Soviet Union. But President George Bush, believing that Yugoslavia was not, in itself, of importance to the United States, was content for the Europeans to lead the diplomacy.

The EU governments, engaged in the inter-governmental conference which would lead, in December 1991, to the Maastricht treaty, were delighted to have an opportunity to flex their budding diplomatic muscles. In June and July the "troika" of foreign policy ministers from the EU's past, present and future presidencies embarked on

several missions to Yugoslavia. At one stage, when the troika appeared to have brokered a settlement, Jacques Poos, Luxembourg's foreign minister, proclaimed: "This is the hour of Europe, not of the United States". Gianni de Michelis, his Italian counterpart, said that the Americans had been "informed but not consulted". Notwithstanding such foolish comments, the EU's first attempt to bring peace to Yugoslavia stumbled over the refusal of the factions to honour their pledges, rather than to ineptness of the European ministers.

When the Yugoslav army marched into Croatia, besieged Vukovar and shelled Dubrovnik, Hans-Dietrich Genscher, the German foreign minister, reflecting public opinion in his country, demanded that the EU recognise Slovenia and Croatia. Britain's Douglas Herd and France's Roland Dumas counselled caution: Croatia's President Franjo Tudjman has given no safeguards to his Serb minority. But when the foreign ministers met in Brussels on December 17th 1991, Genscher said that, if the others did not agree to recognise Slovenia and Croatia, Germany would go it alone. Hurd and Dumas, for the sake of a common front on foreign policy – only a week after the Maastricht summit had affirmed that goal – agrees to the EU recognising the republics in January.

The consequences for Bosnia were ominous. Having recognised Slovenia and Croatia, the EU could not ignore the aspirations of most Bosnians to break free from Yugoslavia. So in January 1992 EU ministers said that if Bosnia voted for independence in a referendum, they would recognise it. The Bosnian Serbs boycotted the referendum, rejected independence and took up arms.

Eurosceptics view this episode as proof that, when the Europeans try to forge common foreign policies, the results are disastrous. Indeed, some of them place much of the blame for the Bosnian war on that December 17th meeting. Yet Hurd plausibly argues that, even if he and Dumas had won the argument on that occasion, the EU would have had to recognise Croatia a month or two later.

Tudjman would probably have provided the required assurances on the treatment of his Serbs. Given the behaviour of the Yugoslav army in Croatia, it would not have been plausible for the EU to go on telling the Croats and the Slovenes – who had both held free elections – that they would always have to remain in a brutal, Serb-dominated state. And once Croatia and Slovenia had been recognised, the EU could not have ignored the wishes of Bosnians and Macedonians.

Some Eurosceptics also allege a shameful and secret deal between Britain and Germany: at the Maastricht summit, it is said, Chancellor Helmut Kohl agreed to John Major's opt out from the new treaty's social chapter, in return for Britain accepting the recognition of Croatia. Having talked to several of the key participants at the Maastricht summit and the Brussels meeting, I do not believe there was any such trade-off.

By the summer of 1992, when the Yugoslav army was helping the Bosnian Serbs to carve out their own state within Bosnia, the Americans were starting to see the war differently from most Europeans. Many EU governments (though not Germany and Italy, because of their presence during the second world war) contributed to peacekeepers to the UN forces in Croatia and Bosnia. European public opinion approved, thinking that something should be done to contain a conflict so close to home. Presidents Bush and (after January 1993) Clinton thought America's fundamental interests were not at stake and, with the support of most Americans, sent no blue helmets.

The Americans' absence from Bosnia soon fuelled diplomatic rifts with the Europeans. Seeing the Bosnian Muslims as innocent victims, the Clinton administration encouraged them to reject any peace plan, which allowed the Bosnian Serbs to keep substantial territorial gains. The British and French, who provided the largest contingents of UN troops, learned at first hand that all sides could behave abominably. More nuances in apportioning blame, they

thought the war would not end until the Muslims faced the reality that they would not get a lot of their land back.

So on each occasion that the Europeans hatched or helped to make a peace plan – the Carrington-Cutileiro plan of spring 1992, the Vance-Owen plan of spring 1993, the HMS Invincible plan of summer 1993 and the EU action plan of autumn 1993 – the Americans undermined their diplomacy by encouraging the Muslims to hold out for a better deal (although it was the Bosnian Serbs who finally killed off the Vance-Owen plan). With hindsight, these American interventions did not do the Muslims much good: each of these peace plans would have given them more than the 27 per cent of Bosnia that they ultimately won in the Dayton agreement – though the Muslims and Croats between them, if their federation works, will have 51 per cent.

Prominent Americans such as Bob Dole favoured a policy of “Lift (the UN arms embargo on former Yugoslavia) and Strike (the Serbs)”. Britain and France opposed this vehemently, believing that if the Muslims were free to arm themselves the war would last longer, and that air strikes would turn their lightly-armed and supposedly neutral soldiers into targets for Serb gunners. After his first few months in office, President Clinton decided – out of deference to his allies – not to support lift and strike. But in November 1994 Congress forced him to withdraw American forces from NATO's enforcement of the UN arms embargo. America's unilateral renunciation of an agreed NATO policy horrified the French and the British.

Germany sometime leaned to the Americans, demanding that more be done to confront the Serbs. But by the time of the “contact group” peace plan of summer 1994, the Germans had fallen into line with the British and French. The establishment of the contact group – consisting of America, Britain, France, Germany and Russia – reflected the widespread view that the EU had had its chance and that America and Russia had to be brought into the diplomacy.

The war moved to an end when, in 1995, European and American policy converged. The Europeans, provoked by the Serbs' hostage-taking, and fortified by the arrival of Jacques Chirac as French president, became readier to use force. In May France and Britain dispatched a “rapid reaction force”, the first combined European military operation since the Suez crisis of 1956. President Clinton, keen to win political capital from peacemaking in Bosnia, launched a new diplomatic initiative. The pragmatic Holbrooke, Clinton's envoy, accepted the European argument that the Bosnian Serbs should be offered effective autonomy and half the country. Battered by NATO air strikes and by Muslim and Croat offensives, in November 1995 the Bosnian Serbs swallowed the peace plan that emerged from Dayton, Ohio.

The point of this diplomatic history is not to suggest that either the Europeans or the Americans were right – with hindsight, the Europeans were sometimes over-cautious on the use of force, and the Americans over-simple in their analyses – but that the French and the British in particular, and the Europeans in general, usually had a common view.

The Europeans and the Americans do share the similar values, but it would not be realistic – in the foreseeable future – for them to take part in some kind of joint foreign policy machinery. The European governments would not want an obligation to consult America before they acted in, say, Eastern Europe. And the Americans would not want to constrain their freedom in, say, Latin America.

That said, there is a strong case for more transparency between Europeans and Americans, to minimise misunderstandings. For instance the American ambassador to the EU could, on certain occasions, attend meetings of European foreign ministers, while a senior European official in Washington could have an entrée to the National Security Council. The disputes over Bosnia would probably not have become so bitter and destructive if each side had better understood the other's case. But there still would have been

arguments, because Europeans and Americans had different interests in Bosnia.

The hand of Heath Robinson

Before the Europeans think of working more closely with the Americans, they need to make a better job of organising their own common foreign policies. They began to co-ordinate their diplomacy in 1969, creating “European Political Co-operation” (EPC), and “inter-governmental” framework not based on the Treaty of Rome. The Single European Act of 1985 expanded the scope of EPC, while the Maastricht treaty of 1991 rechristened it the “common foreign and security policy” (CFSP). The present assortment of institutions, procedure and practises is widely acknowledged to be a mess.

When the European Union's economic interests are at stake, the European Commission speaks for the member-states, negotiates on their behalf and proposes action for ministers to consider. It takes the lead on the economic aspects of foreign policy – such as aid to Tunisia or technical assistance for Ukraine. But when it comes to diplomacy the union had no such strong, central institution. The commission is, in the words of the Maastricht treaty, “fully associated” with the CFSP, and, alongside the governments, has the right to make proposals. However, in contrast to normal EU business, it has no exclusive right of initiative and is not responsible for implementing decisions. Its foreign policy directorate, known as DG1A, struggles, usually in vain, to make an impact.

Member-states take it in turns to hold the EU “presidency” for six-month periods. The presidency represents the CFSP to the rest of the world and implements any common measures that are agreed. The presidency's foreign minister sometimes travels with his predecessor and successor, as the “troika”. The presidency, like the commission is tasked with making sure that CFSP works in harmony with the EU's other policies. Some countries fill the presidency admirably. But those with less experienced diplomatic corps can be an

embarrassment. America insisted on the establishment of the Bosnian “contact group”, in part, because Greece was due to assume the EU presidency, and thus a leading role in Balkan diplomacy, in the first half of 1994.

A team of some 30 diplomats, housed in the Council of Ministers' Brussels secretariat, helps the presidency to run the CFSP. They draft anodyne declarations – typically along the lines of the Union “regrets/deplores/welcomes” some or other event – that have to be acceptable to 15 foreign ministries. This CFSP secretariat prepares the foreign ministers' meetings. The more frequent “working groups” that bring together national diplomats, and the presidency's negotiations with third parties. Being too short-staffed to provide ministers with much in the way of analysis, it seldom influences policy.

The Political Committee, which consists of the “political directors” (senior official in each foreign ministry), is potentially a more powerful CFSP institution. But the political directors, who meet twice a month, usually keep to already-formed national positions and seldom engage in meaningful discussions of policy. Unlike “Coreper”, the committee of ambassadors to the EU, the Political Committee lacks the confidence to take low-level decisions itself and thus allow ministers to focus on the big issues. A British paper for the current inter-governmental conference chides the Political Committee for giving inadequate advice to the foreign ministers for failing to follow up on the results of “joint actions”.

The Treaty of Maastricht makes an esoteric distinction between “common positions”, which are supposed to cover general orientations, and more specific “joint actions”. Because the treaty says that joint actions “commit the member-states to the positions they adopt and in the conduct of their activity,” they are thought to be more binding. But even EU diplomats get confused over the difference between these two procedures, which suggests that they should be merged into one.

The European Council (this is, a summit of EU heads of government) decides if, on a particular subject, there should be joint action. It lays down the scope of the action, the Union's objectives, and "the means, procedures and conditions for its implementation". The foreign ministers then decide on the action. They may vote by qualified majority – if the European Council has first decided, unanimously, on that procedure. In practise there has not yet been any majority voting.

Despite the unwieldiness and complication of this system, it has borne some useful fruit. In the two years after the Maastricht treaty came into effect, in October 1993, the EU agreed on eight joint actions. It sent aid to the new Palestinian police force and observers to monitor elections in Palestine, Russia and South Africa. It agreed on common procedures for regulating dual-use technology exports. Another joint action led to the "stability pact" which, in 1995, brought together West and East European governments, encouraging the latter to settle disputes over borders and minorities in return for EU aid. The 15 agreed to ban the export of the worst sorts of land mine and to fund a UN de-mining programme. During the September 1995 conference on the extension of the nuclear non-proliferation treaty, the EU's common line helped to win favour of an unlimited extension of the treaty. The EU dispatched humanitarian aid to Bosnia and, from July 1994, a team of administrators to Mostar, a city divided between Muslims and Croats; although they have supervised municipal elections and – as I have witnessed – rebuilt much of the physical infrastructure.

There have also been common positions, such as a ban on arms sales to Nigeria, and economic sanctions against Libya, Sudan and Haiti. And some other EU diplomatic initiatives have made a difference: in 1994 the Baltic republics were persuaded to moderate, to some degree, their nationality laws, to the benefit of their Russian inhabitants.

Significantly, the CFSP's modest successes have all involved the kind of low-intensity problems that can respond to patient diplomacy.

When a crisis requires urgent action the EU is left floundering. When Israel attacked Lebanon in April 1996, President Chirac realised that Susanna Agnelli, the foreign minister of the Italian presidency, would have no clout in the Middle East. So he dispatched his own minister, Hervé de Charette, and the French became the only Europeans to be involved in the negotiation and monitoring of the ceasefire.

The European Union should try to improve its visibility in such crises, when and where its members have similar interests. Suppose that Croatia endangered peace in the Balkans by trying to create a greater Croatia, including the Bosnian Croats. The Europeans could threaten to withhold economic aid, trade treaties, cultural ties and associate membership of the Union, unless the Croat government behaved. How much easier for the Union as a whole to deliver that message, rather than 15 separate foreign ministries.

There are several sorts of occasion when it may make sense for the Europeans to speak with a single voice. One may imagine that, if Russia invaded Moldova, the Germans, possibly, and the Finns, almost certainly, would prefer the EU rather than individual governments to mete out the punishment. Sometimes it suits a country outside the Union to have the EU rather than a member-state intervene in its affairs. In a future Tunisian civil war, for instance, the local people would probably rather have mediation from the EU than from their former colonial masters. And there will be times when the EU should seek to constrain foreign policy of one of its own members. In early 1991, when Soviet troops killed innocent people in the Baltic republics, Germany – worried that the Soviet army might not leave former East Germany – initially opposed EU sanctions on the Soviet Union. But Germany felt the need to stick with its partners and, in the end, agreed to a suspension of EU aid.

Answering Dr K

Any attempt to improve the EU's performance in foreign policy should recognise that the political will of governments to achieve a

result – or the lack of such a will – will count for much more than the precise institutional arrangements. But those arrangements can, at the margin, make a difference, and the current set are far from ideal.

Europe's federalists – and there still a few of them, lurking in the European Commission and in Christian Democrat parties – have a clear programme of reform. They would integrate the CFSP more closely with the Union's normal business, so that the commission had a central role in steering foreign policy, ministers took some decisions by majority vote, and both the European Court of Justice and the European Parliament became involved.

Such a programme is not realistic. Few Europeans would be willing to transfer so much sovereignty to EU institutions. The European Commission does not have enough legitimacy, credibility or expertise to guide foreign policy. And were a member-state to be outvoted on an issue which it considered crucial it might disregard the result and thus bring the Union's institutions into disrepute.

Governments have to remain in the driving seat of EU foreign policy, more than they are for economic issues. The Union should, as now, seek a common policy only when all members agree that it should. However, reaching a consensus with 15 members is hard enough, and it will be even more difficult when membership had grown to 10 or 25. There will have to be some changes in the voting rules.

³ Geoffrey Howe, 'Bearing more of the burden: in search of a European foreign and security policy', *The World Today*, January 1996.

Geoffrey Howe put forward some intriguing ideas in a recent issue of the *World Today*, the Chatham House magazine.³ He argues that the EU's five large members – Germany, Britain, France, Italy and Spain – should be given an incentive to work through CFSP, rather than to go it alone; and that the problem with every country having a veto is that the small states, most of which have a few major foreign-policy interests, gain undue influence. So he suggests a system of majority voting which would allow only the large members to

retain a veto. Currently, they each have eight or ten votes in the Council of Ministers, and the small ones between two and five. The new rules could be that eight votes would suffice to block some foreign-policy decisions.

Lord Howe has been influenced by the example of the UN Security Council, which is a fairly effective body because some members – the five veto-wielding nuclear powers – are more likely than others (Sir David Hannay, a former UN ambassador, backs the Howe proposal). Many of the EU's smaller members support the principle of majority voting on foreign policy, and might conceivably back the Howe scheme if they realised that it was the only sort of majority voting they were likely to get.

Lord Howe's proposal could be combined with one from France and Germany to allow "constructive abstention" from decisions on foreign and security policy. If a government opposed a position that all its partners supported, it could abstain rather than vote against. The EU and all its members would implement the decision, and costs would be borne by the Union budget; but the abstainer could publicly disassociate itself. This proposal might help to reconcile smaller countries to the idea if only large ones retaining the veto: the Belgians, Finlands and Portugals would lose their veto but gain the right to abstain constructively.

And the small countries could, in the last resort, invoke the "Luxembourg compromise". This custom, never codified in EU treaties, allows any member that judges its vital interests to be threatened by majority voting to use a veto. In the 1970s and early 1980s governments often used the Luxembourg Compromise on the pettiest of matters. Since the Single European Act there has been a tacit understanding that it should not, in normal circumstances, be used. However in 1992, during the rows over the Uruguay Round of GATT talks, France dusted off the procedure and threatened to use it to block an EU agreement on cuts in farm subsidies.

The knowledge that the Luxembourg Compromise remains available as a weapon of last resort might help to convince some smaller members that they should give up their veto over foreign-policy decisions. Imagine a situation such as that of the early 1990s when every member bar Greece wanted to recognise Macedonia's independence: if Greece had lost a majority vote it would have been able to invoke the Luxembourg Compromise on what it considered to be a vital national interest. Evidently, this procedure damages the EU unless used extremely sparingly.

Voting rules apart, several reforms could improve the foreign-policy machinery whilst maintaining its inter-governmental character. In the interests of continuity and expertise, the EU's rotating presidency should last for a year and be held only by large countries. A pair of small countries could assist the large one, as vice-presidents. The institution of the presidency is worth preserving, since the incumbent provides the Union with a worldwide network of representation. And it is no bad thing that the government in office is obliged to consider the Union's interests, in addition to its own.

The CFSP secretariat needs beefing up, so that it can provide policy briefings to the foreign ministers; do more to help the presidency implement decisions; and think ahead from a Union, rather than a national perspective. In a crisis the secretariat should be capable of presenting ministers with a series of options. It should recruit staff from both foreign ministries and the commission, to encourage close ties with both. The foreign ministries should share information with the secretariat, as the commission does but they, currently, do not.

The Political Committee would become more useful if it met weekly, set priorities for the secretariat and tried to sort out low-level problems before they reached ministers. It probably needs to be based in Brussels, so that the political directors can be summoned quickly in an emergency, and so that – in the way that city affects most of its residents – their mentality becomes a little less *communautaire*. Some of the political directors want to remain in

national capitals, on the grounds that their utility depends on proximity to ministers. But the fact that permanent representatives to the UN, NATO and the EU manage to wield influence without seeing much of their minister belies that argument. If the political directors insist on remaining in their capitals, an alternative committee of “ambassadors to the CFSP” could meet in Brussels.

Most important of all, the Union needs a foreign policy “secretary general” to give the CFSP more visibility. AS head of the CFSP secretariat, he or she would help the presidency to represent the Union to the rest of the world; replace the presidency as chair of the Political Committee; and have the right to feed ministers with suggestions. “MR CFSP” would provide leadership, when it was lacking, and, where necessary, knock heads together.

Such an individual would finally give Henry Kissinger's successors someone to telephone when they wanted to speak to Europe. The late Manfred Woerner, NATO secretary-general from 1988 to 1994, provides something of a role model: he had few formal powers but, because of his stature and integrity, had come to clout with governments. The EU's successive mediators of former-Yugoslavia – Lords Carrington and Owen, and Carl Bildt – performed a “Mr CFSP” role, for just one part of the world, and with variable degrees of success. If there had been a Mr or Ms CFSP in March 1996, when China fired missiles towards Taiwan, Europe might not have been so mute.

The secretary-general would have a brief to anticipate future crises. Suppose that the Romanian government was threatening to suppress rebellious Hungarian-speakers in Timisoara. The secretary-general – together with the foreign minister of the presidency – would fly to Bucharest and warn the government that any brutality would lead to suspension of links with the Union. Once crucial part of the job would be to explain EU foreign policy to the United States. Mr CFSP could make frequent visits to Washington and install a deputy there.

A successful Mr CFSP would help to establish Europe's identity in the eyes of governments elsewhere in the world – but also, perhaps within the EU. If Mr CFSP stressed the common values that underpin EU foreign policies – and article J1 of the Maastricht treaty says those values include “democracy and the rule of law, and respect for human rights and fundamental freedoms” – he might help European citizens to appreciate how much they have in common.

If the secretary-general was a mere bureaucrat, afraid of offending ministers, there would not be much point in having one: part of the job would be to cajole and browbeat awkward governments. Yet he would find it hard to become a Jacques Delors-type figure, with his own agenda, for he would be responsible to, and take instructions from, the foreign ministers. His contract could be renewable annually. The secretary-general would not have the power to take decisions or to over-rule governments. If the British, say, refused to join an arms embargo on Nigeria, or the French held out against sanctions on China, following a Tiananmen Square-style massacre, the secretary-general and the other members would have to accept the right of these large countries to block a decision.

The success or otherwise of Mr CFSP would depend, to a large extent, on his personal skills. As the messy search got a NATO secretary-general in 1995 showed, Europe is not over-burdened with determined, hard-working, credible politicians who know something of foreign and defence policy and can communicate well.

The secretary-general would have to tread gently in order to win the trust of governments. If the first Mr CFSP, in his first month of office, launched a peace plan for Cyprus, criticised the French for sustaining unsavoury regimes in Africa and insisted on an urgent summit with the American president, he would achieve nothing. The secretary-general would have to cope with the inevitable resentments caused by future Dr Kissingers calling – at least on occasion – himself rather than national ministers. Once this new office had established itself, the secretary-general – rather than the

presidency – could chair the foreign ministers' discussions of CFSP, just as the NATO secretary-general chairs that body's ministerial meetings.

It is too soon for the EU to seek a single seat on the United Nations Security Council. It is true that the Europeans are already over-represented among its permanent members, and will probably remain so if, as is likely, Germany and Japan gain permanent seats. And if EU governments were forced to deliberate on how their single UN ambassador should vote, they would have to pay more attention to the interests of the Union.

But there would be judicial problems, since the UN is an inter-governmental institution and the EU is far from being a sovereign government. There would also be practical difficulties: what institution would give orders to the UN ambassador, and to whom would he or she be accountable? If Mr CFSP, the Political Committee and the secretariat had grown into a heavyweight, respected focus of power – in effect an embryonic foreign ministry – they might be able to instruct the UN ambassador on the basis of policies agreed by the foreign ministers. That will be a few decades in coming.

In any case, an attempt to create an EU seat on the Security Council would risk alienating Britain and France from the idea of CFSP. Successful common policies require, above all, the support of Europe's two diplomatic heavyweights, which could, if they wished, be thoroughly obstructive. In fact Britain and France already work very closely on the Security Council, and usually vote the same way. It goes without saying that, as the Union develops its CFSP, the British and French ambassadors to the UN – and others from the EU, when it is their turn on the Security Council – should do more to co-ordinate positions and to represent the views of the whole EU.

Whatever the institutional arrangements agreed upon in the current inter-governmental conference, the CFSP is unlikely to become

substantially more effective in the foreseeable future. Philip Gordon argues that European integration “only takes place when the perceived benefits exceed the perceived costs of lost sovereignty, and this condition only applies when perceived national interests and governmental preferences converge to the point that the risks of ceding sovereignty are minimal ... there is little to suggest that EU

⁴ Philip Gordon, ‘Europe’s uncommon foreign policy’, unpublished manuscript, 1996.. member-states are willing to sacrifice national autonomy over questions of foreign policy for the potential gains of a true CFSP.”⁴

True, but it is striking how much, over the past half-century, the foreign policy interests of the West European states have converged, albeit at a snail’s pace. Some of the issues which divided them in the past – colonial relationships, the legacies of the second world war, rival economic philosophies – have disappeared or diminished. Spain has cast off dictatorship. Italy’s leading opposition party is no longer allied to Soviet Communism. France is becoming a little less Gaullist and Germany a little less pacifist. Britain will surely not have a government inclined to dabble in xenophobia for much longer. Every government accepts market-orientated policies and the economies are becoming ever more intertwined.

One measure of converging diplomatic interests in France’s progress towards full membership of NATO; another is that, since the Baltic crisis of 1991 already referred to, the West Europeans have not had any serious disputes on policy towards Russia.

There is no reason to think that, over the coming half-century, these national interests will suddenly diverge rather than continue to converge. Yet there are countervailing forces which will work against more common policies. For one thing, there is not much prospect of some dreadful external threat that would encourage Europeans to pool their sovereignty. Indeed, the absence of the Soviet menace had removed a big incentive for the Europeans to work together. For another, the EU will enlarge. The 15 current members may have more in common than they did 30 years ago, but

it is hard to imagine 25 members believing that they had essentially similar diplomatic priorities.

While the forces for integration and disintegration ebb and flow, central institutions may, on occasion, tilt the balance in one direction or other. Hence the importance of constructing more effective EU foreign policy machinery. Despite the CFSP’s evident lack, so far, of triumphant achievements, it is worth remembering that the foreign policies of the West European states are closer now than at any time this century.

3 Sharpening the teeth: NATO and the Western European union

If the Europeans want more coherent foreign policies, EU institutions must be remodelled; similarly, a European defence identity requires the reform of NATO. Both America's paramount military might, and the unwillingness of Europeans to spend money on defence mean that NATO, rather than any purely European body, has to remain the continent's principal military alliance. That is the difference between diplomacy and defence: it is desirable for the EU and the United States to co-operate closely on the former, but essential that they belong to the same club for the latter. However, that should not prevent the Europeans from undertaking relatively modest military missions of their own.

The end of the cold war led many to question the necessity of NATO. After all, its main job had been to protect Western Europe from a Soviet threat that had all but disappeared. The Americans announced that they would cut the number of their troops in Europe from 300,000 in the late 1980s to around 100,000. Others pointed to the Treaty of Maastricht, which in 1991 promised "the eventual framing of a common defence policy, which might in time lead to common defence". The treaty asked the Western European Union, a defence pact of (currently) 10 EU members, "to elaborate and implement decisions and actions of the Union which have defence implications." The treaty spelt out that this should not damage the Atlantic alliance, but some European federalists hoped that the WEU or the European Union itself would gradually supplant NATO as the continent's principal security organisation.

Half a decade after the collapse of Soviet power, NATO has proved to be more robust than many of its critics had imagined. Nevertheless today's alliance is less stable, cohesive and certain of its future than that of the cold war era. Inevitably, a Europe freed of the Soviet threat is less of a priority for the United States. And other parts of the world are starting to matter more to America: its two-way trade with the EU's current 15 members was worth \$223 billion in 1994, compared with \$256 billion for Asia. Congressmen have not yet turned NATO into a pejorative word, as they have the United Nations, but few of them show any interest in the organisation. In November 1994, when Congress forced President Clinton to renounce NATO's enforcement of the UN arms embargo on former Yugoslavia, many European policy-makers – but few Americans – feared for the very existence of the alliance.

The European nations, too, are less likely than they were to subordinate their interests to those of the alliance. There will probably not be any security crisis that threatens all 16 members at the same time. The new threats may well, like Yugoslav war, be divisive rather than unifying, and cumulative rather than immediate. It took the NATO nations four years to grasp the cost of inaction, namely the longer the wars went on, the greater was the prospect of them escalating, widening and destroying the credibility of the alliance. Faced with conflicts further a field – for instance in North Africa, the Persian Gulf or the Caucasus – the alliance may well find it even harder to reach a unified response. As NATO evolves towards flexible military structures that are suitable for peacekeeping, the commitment of members to provide troops will also become more flexible.

If NATO is to remain an effective body it must reform itself. It changed very little from its foundation in 1949 until 1994. The North Atlantic Council, which consists of the 16 foreign ministers, delegates day-to-day running of the alliance to the 16 ambassadors – who, like the international secretariat, are based in Brussels. The principal organs are the Defence Planning Committee, at which

defence ministers review each others' plans; the Nuclear Planning Group, at which senior officials discuss nuclear weapons; the Conference of National Armaments Directors, at which procurement chiefs talk about industrial collaboration; and the Military Committee, at which top generals debate military strategy.

The crux of the North Atlantic Treaty is Article 5, which commits signatories to treat an attack on one member as an attack upon all. They agree in wartime to put their forces under the command of the "integrated military structure", a hierarchy of 66 headquarters reporting to the Supreme Headquarters Allied Powers Europe (SHAPE) in Mons, Belgium, and to Allied Command Atlantic, in Norfolk, Virginia. Both "Saceur", the supreme allied commander in Europe, and "Saclant", his Atlantic equivalent, take their orders from the Military Committee. By tradition Saceur and Saclant are American, while the chairman of the military committee are NATO's secretary general – currently the Spaniard Javier Solana – are European.

It always used to be said that the purpose of NATO was to keep the Russians out, the Germans down and the Americans in. In some respects, at least, the alliance still has to perform those three tasks in addition to two modern-day jobs:

- ★ The west cannot be entirely certain that a communist or nationalist Russia will never again pose a military threat or brandish its nuclear arsenal.
- ★ NATO helps to keep the United States engaged in Europe, which is good for both places. The example of Bosnia shows that the European may have need of American firepower and that they are most effective when acting in concert with the United States. Furthermore, NATO constrains the behaviour of all its members, America included: the main reason why Congress finally agreed to send troops to Bosnia, in 1995, was that it knew a refusal to do so could have shaken the alliance

apart. The alliance also suits the Americans, for it increases both their influence in Europe and the chances of the finding allies in a crisis.

- ★ If Germany no longer needs to be kept down, many Germans – and neighbours of Germany – want to be reassured that its foreign and defence policy will remain firmly embodied in multinational institutions. Germany's atypical size and abnormal history make any prospect of the renationalisation of European defence alarming.
- ★ One new task for NATO is to promote the stability and security of East European countries. By developing closer ties with them, the alliance should help to consolidate democracy and control nationalisms. NATO's movement eastwards is as much about extending a democratic, liberal culture – in which, for instance, politicians have a firm grip on the military – as the security guarantee.
- ★ The other new and related job is to tackle threats to peace in Europe and, when they affect the continent's fundamental interests, beyond. NATO showed in Bosnia in 1995 – by unleashing an aerial bombardment and the deploying peacekeepers – that it is the only international body capable of stopping a war. And it is the one forum in which American and Europeans can work together on this kind of fire-fighting.

For all their difference, NATO's members agree that it should undertake these five missions.

Who needs the WEU?

If the Atlantic alliance remains so pertinent, why bother with the WEU? Why add to confusion and cost by preserving a body that is less likely than NATO to incite fear in a foe? And if the Europeans want to take part in a peacekeeping operation and the Americans do

not, why not call it a NATO mission and let the integrated command structure run the show?

The answer to all these questions is that Europe's political identity, although ill-defined, is a reality that cannot be ignored. There will be times when the Europeans want to act as a group, and the WEU provides a convenient legal framework. Most European governments would not accept that an American Saceur should command a mission on which only Europeans fought. If the Europeans did not have the WEU, they could use the European Union itself as an alternative umbrella for military action. But the EU have no expertise or legal competence in that domain, and neither Britain nor its neutral members are keen for it to become a defence organisation. Another way of recognising a European identity would be to revive what was once known as the "Eurogroup", a European caucus within NATO. But most American policy-makers are more hostile to that idea – which challenges the fundamental alliance principle of one-for-all and all-for-one – than they are to a WEU situated outside alliance institutions.

Indeed, American thinking on the WEU have evolved during the 1990s from outright suspicion to moderate support. The Bush administration worried that a strengthened WEU could undermine the alliance. The Clinton team, however, has argued that the WEU is complementary to NATO rather than duplicatory. Many American politicians believe that if the Europeans had a meaningful military organisation of their own, they would be more inclined to devote thought and money to defence.

So there is now a consensus among NATO governments that the WEU can play a useful, if modest role, in European security. The WEU's 10 members (the EU 15 minus Austria, Denmark, Finland, Ireland and Sweden – are bound by Article 5 of their treaty, which echoes Article 5 of the NATO treaty, to help each other if attacked. Lacking its own military structure, however, the WEU had mandated the job of defending its members to NATO. That can only work

because all the Western European Union's members are in that alliance: otherwise, if one of them came under attack, it would have to demand aid from a body it had not joined. That is why the WEU governments will not allow a country to join the organisation unless it is in NATO.

Yet the WEU is not entirely a phantom organisation. The secretary-general – currently Jose Cutileiro, a Portuguese diplomat – heads a team of about a hundred staff, including a planning cell, at the Brussels headquarters. The foreign and defence ministers of WEU members meet together, twice a year, and the Brussels-based ambassadors get together weekly. Paris hosts a WEU think-tank and a parliamentary assembly made up of national MPs. A unit at Torrejon in Spain processes satellite imagery.

The five countries in the EU but not the WEU attend the latter's meetings as observers. Iceland, Norway and Turkey, in NATO but not in the EU, have associate membership, while nine east European countries are "associate partners" of the WEU. The full complement of 27 ambassadors, which meets every two weeks, is the only forum in which East Europeans can regularly discuss security issues.

For a body which holds so many meetings, the WEU does not do a great deal. Founded in 1948, it did not take responsibility for a military operation until 1998, when it dispatched minesweepers to the Persian Gulf. It sent another fleet to blockade the same gulf in 1990, and then shared responsibility with NATO for Sharpguard, the naval enforcement of the UN arms embargo on former Yugoslavia. The WEU helped Hungary, Bulgaria and Romania to enforce the leaky Danube blockade against Serbia, and sent unarmed police to Mostar in Bosnia.

The WEU is less interesting for what it does than for its potential as a manifestation of the European defence identity. The WEU governments agree that in the short term it should gain the capacity to manage low-intensity military missions – such as humanitarian

relief, hostage rescues and the easier sorts of peacekeeping. Thus in 1996 the WEU set up a 24-hour crisis-management centre and an intelligence cell.

But there is no agreement on the long term. On the one hand, Germany, France, Italy, Spain and the Benelux countries argue that the WEU and the EU should merge. The European Union would thus adopt Article 5 of the WEU treaty and gain competence in defence. As an initial step towards a merger, this group would like the EU to be able to "instruct" the WEU, rather than, as now, to request it to act (the difference is largely semantic, since WEU governments are also EU governments and would thus be party to any consensus to instruct or request WEU action). On the other hand the EU's neutrals – which effectively include Denmark, in NATO but not the WEU – and Britain want the two bodies to remain distinct: the neutrals worry that an armed EU could compromise their neutrality; and the British fear that a merger could lead to the commission, the Court of Justice and the European Parliament becoming involved in defence.

Whatever the EU's inter-governmental conference decides on this abstruse argument, the WEU can never replace NATO for the simple reason that the Europeans do not spend enough on their armed forces. In 1995 the United States spent 4.0 per cent of GDP on defence; NATO's European members spent 2.3 per cent. Of that group, the lowest spenders were Italy (1.9 per cent), Denmark (1.8 per cent), Belgium (1.7 per cent), Germany (1.7 per cent) and Spain (1.5 per cent). The best thing about NATO, from the Europeans' point of view, is that it allows them to drive a de luxe sports car for the price of a hatchback. They get such a good deal because American tax-payers are prepared to subsidise European defence.

How much would it cost the Europeans to replace American equipment, if the United States pulled out of Europe? The Royal United Services Institute (RUSI) reckons that the principal extra costs would be logistical support, especially air transport;

intelligence gathering; especially spy satellites; advanced communications systems; more ships, including aircraft carriers, for the Mediterranean; more armoured vehicles; and the full cost of European nuclear deterrence, which now depends partly on American assistance. RUSI guestimates that the price of all that would require NATO's European members to raise defence spending by 1.5 per cent of their GDP for 10 years (\$107 billion a year).

Rand, a Californian think-tank, has published a more rigorous but limited study, on the cost of a "European rapid-reaction corps". This supposed a corps of 50,000 combat troops and a similar number in supporting roles. The Europeans would have to buy extra equipment – particularly aeroplanes and ships for transport – worth \$18 billion to \$49 billion, depending on the capability of the reaction corps (the figures assume an initial investment over five years, and 25 years of operating costs). Rand then calculated the cost of the satellites required to support such a reaction corps as \$9 billion to \$45 billion, spread over 25 years – depending on whether

⁵ MB Merman & GM Carter, 'The independent European force', Rand 1993. the Europeans wanted a few basic spy satellites or a range covering the weather, electronic eavesdropping, communications and a global positioning system.⁵

To express all this in practical terms, consider America's contribution to the deployment, support and protection of NATO's implementation force (Ifor) in Bosnia: warplanes, transport planes, reconnaissance planes, unmanned drones and airborne radar for both airspace and ground surveillance; satellites for telecoms, eavesdropping and photographic espionage; attack helicopters and 18,500 ground troops. Thus the Europeans face a choice: they can revitalise NATO, to encourage the Americans to remain involved in European defence; or agree on a massive increase in defence spending, to fund a European military organisation; or forget the Americans, forget the ability to project power and, like the Swiss, concentrate on territorial defence.

Burying the general

Elected president of France in May 1995, Jacques Chirac considered those options and plumped – rightly, and inevitably – for the first. The alacrity of Chirac's *rapprochement* with the Atlantic alliance has caused surprise, given that he is a Gaullist and that it was General de Gaulle who had taken French forces out of the integrated military structure (but not NATO's political bodies) in 1966. The general acted partly out of pique that America had tried to stop France acquiring nuclear weapons. That was forgotten when, in December 1995, Chirac's ministers announced that France would attend meetings of NATO defence ministers, rejoin its military committee, send staff to SHAPE and consider a complete remarriage.

President Mitterand shared much of the general's suspicion that the Atlantic alliance was a tool for American domination in Europe. When the Russian threat waned, in the early 1990s – making a strong alliance less essential – he hankered after the idea of a European defence organisation, separate from NATO. Chirac has abandoned such musings – but in truth he did not have much choice, Shrinking European defence budgets made the idea of a WEU that duplicated NATO's military capabilities, always unlikely, obviously untenable. Cuts in France's own budget gave its armed forces a strong incentive to save money by sharing some overheads with partners. French forces learned the cost of isolation during the Gulf War, when their role was limited by the incompatibility of much of their equipment and many of their procedures with those of their allies.

The experience of the French in former Yugoslavia, where their ships, warplanes and troops have worked in NATO-commanded multinational forces, helped to convince them that NATO was not quite such a sovereignty-crushing, American-directed organisation as they feared. And the main lesson from the earlier, troubled period of UN peacekeeping in Bosnia was that America's absence led to problems. So the French came round to the view that a stronger NATO was the best means of keeping the United States involved

with Europe. President Clinton had encouraged this thinking by blessing the idea of a “European security and defence identity” at the January 1994 NATO summit.

Only when the rhetoric turns to reality, say the French, will they fully rejoin the military structure. But since 1994 the alliance has been busy with a series of reforms which though not complete, will probably give them what they want. One force for change has been the yearning of the East Europeans for security. In 1994 the alliance said that it would, in principle, admit new members. In the meantime it asked European states that were not in NATO to join a “Partnership for Peace” (PfP), linking the ins and the outs. The cleverness of this scheme was that it offered a kind of associate membership to countries that were keen to join but growing impatient, and a consolation prize to the states, which, even in the long run, were unlikely to become full members.

Unlike the North Atlantic Co-operations Council, which since 1991 had brought together NATO countries and former Warsaw Pact members, PfP is more than a talking shop. The partners discuss procurement and inter-operability of equipment with CNAD. Many of them have joined NATO forces on exercises. Some have opened representations at NATO's Brussels headquarters and submitted their military plans to a review process. About half the 27 partners have worked out, with NATO, an “individual partnership programme”, tailor-made to the needs and expectations of the country concerned. Poland, Hungary and the Czech Republic treat the partnership as a school for full membership and subscribe to the whole range of activities. The partners from Central Asia, much less active, use PfP more as a means of learning about the West.

Russia, too, has become a partner and, after much foot-dragging, agreed to an individual partnership programme. NATO has tried to woo the Russians by offering them, beyond PfP, an as yet undefined “special relationship”. But the Russians, annoyed that NATO seems

bent on enlargement, have not yet done much to define what that could mean; nor do the western governments have many ideas of their own.

Another force for change has been the alliance's realisation that it is more likely to be involved in peacekeeping than in defending the German plains against Russia. SO in 1994 it launched the idea of “combined joint task-forces” (CJTFs), ad hoc headquarters that will be based on elements of the integrated structure, modified to reflect the nationalities of the troops on the mission. These task-forces, which would answer either to NATO or (if American troops did not take part) to the WEU, will transform the way the alliance works. They have been designed to become its normal method for running “non-Article 5” missions such as peacekeeping; to tighten ties with PfP countries, by giving them a means of working alongside NATO forces; and to support the “European security and defence identity”, by offering the WEU a military capability that would be separable but not separate from that of NATO.

After two-and-a-half years of wrangling over the details, the North Atlantic Council reached agreement on the principles of CJTFs in June 1996 in Berlin. The Americans met French concerns by promising that, in normal circumstances, they would not prevent NATO from leasing assets such as transport planes, spy satellites and communications equipment – many of which are in reality American – to a WEU-led force. But the Americans would have the right, in extremis, to recall those assets. Thus the WEU is becoming less a rival to NATO than a subsidiary of it.

The creation of CJTFs is just one strand of a wide-ranging review, still underway, of the integrated military structure. There is widespread agreement that the existing, cold-war-era version is top heavy, too expensive and insufficiently mobile. It was built to defend Western Europe rather than to assist future members in Eastern Europe or to protect power out-of-area.

The experience of Bosnia had helped the alliance to push ahead with these various reforms. There had been no agreement on the theory of CJTFs by the time that Ifor was deployed in December 1995, yet it was the prototype for such a task-force: its Bosnian headquarters was based on the integrated structure's Rapid Reaction Corps, with France adding officers to reflect its involvement. The Russians had not worked out their special relationship with NATO, but they sent a brigade to Bosnia and a general to SHAPE. The Czech, Polish, Baltic, Romanian and Ukrainian military contributions to Ifor, like Hungary's provision of bases, put the Partnership of Peace into practice.

However much Ifor ultimately helps Bosnia, it has certainly boosted NATO's confidence and made it feel useful. But this short-term success should not make NATO complacent. The alliance can remain neither viable nor valuable unless it embraces further, wide-ranging reforms. Six changes are urgently required.

NATO mark II

The first challenge is to find a way of making the French fully-paid up members. Only two European allies can easily deploy 10,000 troops out-of-area – though Germany may one day become a third – and so long as one of them remains semi-detached, the alliance is weakened. The French should rejoin the military structure, the Defence Planning Committee and the Nuclear Planning Group. Their condition for the first of those moves is that a European identity should be more visible within NATO.

They have suggested that some staff in NATO commands should have an extra, dormant responsibility as Europeans: in the event of a WEU-led mission, these officers would detach themselves and reassemble as a European command. They argue that, although the Europeans would have to spend some time together on exercises in order to be effective in their WEU role, this scheme would neither rival nor copy NATO's existing organisation. Some American

generals worry that such earmarking could undermine the cohesion of the military structure, but in Berlin the French – thanks to support from Britain, Germany and the Clinton administration – won approval for their idea of a European identity within the alliance.

What sort of job could a WEU-led taskforce undertake? Once can imagine that the WEU might embark upon a low-risk military observer or peacekeeping mission in Eastern Europe. Or that the Russians might accept a force led by the WEU, but not by NATO, in an area close to their borders, such as Moldova or the Baltic republics. The WEU might be the right body to lead humanitarian, hostage-rescue or peacekeeping missions in Africa. And finally, the WEU remains an insurance policy for the day when European states want to take military action, but the Americans disapprove and veto the use of NATO.

The NATO meeting in Berlin asked the Military Committee to overhaul the integrated military structure – and not only in ways that highlighted its European character. The alliance's second objective is to design a structure with fewer levels of command, slimmed down headquarters and greater flexibility. NATO should have more mobile forces – and be better able to sustain them out of area.

Some analysts have proposed scrapping the integrated structure altogether. For instance Charles Kupchan, of the Council on Foreign Relations in New York, suggests that NATO should become more of a political and less of a military club, so that the Russians would be less opposed to its expansion (he goes on to suggest that both NATO and the EU should dissolve into a free-trade-and-security Atlantic Union).⁶ ⁶ Charles Kupchan, 'Reviving the West', *Foreign Affairs*, Volume 75, No 3, 1996.

But the fact that future missions are more likely to involve CJTFs than territorial defence does not make the integrated structure useless. A task force that was simply a loose coalition of national forces that had never been trained together would be ineffective.

One reason for Ifor's success is that it has been built around elements of NATO's integrated command, and thus largely run by officers who know how to work as a team. Indeed the experience of Ifor convinced the French that such a large and sophisticated operation could not be managed without the integrated structure.

The problems that French forces faced in the Gulf War suggest that multinational integration matters even more for power projection than for territorial defence. The more that military units share in common – whether equipment, logistical support, training methods or intelligence gathering – the more capably they will perform. And the more high-tech that warfare becomes, the more integration counts: battlefield allies cannot make use of real-time information from drones and satellites unless they are plugged into the same systems.

The third task is for the Europeans to work out how NATO, the European Union and the WEU fit together. It does not make sense for the WEU and the EU to plan a merger, when some of the latter's members do not want to join a defence club. EU members would be treaty-bound to defend each other, yet the WEU mechanism for mutual defence – delegating the job to NATO – would not work since some EU members are not in the alliance and do not want to be. Suppose that, following a EU-WEU merger, Russia attacked Latvia, by then a member of the EU but not of NATO: if Latvia invoked the Treaty of Rome's new clause on mutual military assistance, who would help?

The merger enthusiasts have two answers: that the neutrals should join the WEU (and NATO), rather than free-ride off those willing to pay for the collective of Europe; or that the neutrals would opt out of the Article 5 security guarantee and keep quiet when the European Council discussed the WEU. The first point is, for the time being, wishful thinking, while the second would seem to create extra complications that defeated the purpose of the merger.

A merger would not be feasible unless the EU subcontracted its defence to NATO, through a military treaty. And it is hard to see how that could work until the EU's neutrals are ready to take part in, and pay for, collective defence. In any case, the enlargement of both the European Union and NATO is likely to further differentiate their memberships: the Baltic republics, for instance, have a good chance of joining the EU but, because they would be so hard to defend, will probably not get into NATO. (The special position of the Baltic republics is another argument against a merger: if EU membership carries an explicit security guarantee – which few western countries are willing to give the Balts – they might never be able to join the Union.)

That said, Britain should not be so disdainful of the EU talking about defence. A club which is, in part, a political union cannot ignore it. The EU treaties could provide for the European Council to discuss military matters, for it to instruct the WEU to act on its behalf and for the defence ministers to meet regularly. Such modest changes might help the neutrals to understand that it is anachronistic for them to collaborate with their partners on most areas of policy but not on defence. Already, some neutrals are softening their neutrality: Sweden and Austria have joined the Partnership for Peace, while Sweden and Finland have put troops under NATO command in Bosnia.

Despite Chirac's recent genuflections towards the Atlantic alliance, some of his compatriots still argue that the WEU should develop a military capability that is independent of NATO. Nicole Gnesotto of the French Institute of International Relations points out that if the Europeans tried to embark on a military enterprise of which the United States disapproved, the Americans might refuse to lease their assets or those of NATO.⁷ That reasoning still holds some sway in the Elysée: the French are developing their own spy satellites and are trying to persuade Germany, Italy and Spain to share the cost.

⁷ Nicole Gnesotto, 'Common European defence and transatlantic relations', *Survival*, spring 1996.

Yet the Europeans have no choice but to trust the Americans to keep their word and support WEU ventures – unless electorates are prepared to tolerate much bigger defence budgets, or accept that European countries cannot deploy much force behind their territory. However, if isolationist congressmen took over the United States' foreign policy, every American soldier quit Europe and NATO crumbled, the Europeans would have to think again, splash out on much more than spy satellites and turn the WEU into a serious military organisation.

For the time being the American movement towards unilateralist foreign policy, so evident after the 1994 congressional elections, seems to have halted. Indeed, there is increasingly bipartisan support – among the small number of Americans who think about abroad – for European efforts to develop the WEU. “ Henry Kissinger was right to say that we shouldn't fear the Europeans' desire for a defence identity, since there was more of a fundamental convergence of American and European interests in that area than in economics,” says Peter Rodman, director of the Nixon Center and a former advisor to several Republican presidents. “Some of that desire makes the Europeans want to be independent of us, or even anti-American,

⁸ *Conversation with Peter Rodman, April 1996.* but I think it's healthy for Europe to take on more responsibility. Total dependence on the United States is corruptive and corrosive.”⁸

True, but political leaders on both sides of the Atlantic will have their work cut out to keep the Americans committed to NATO. The alliance's fourth objective should be to find new ways of strengthening that commitment. These days, not many of America's major security concerns – whether Iran making nuclear weapons, Iraq building missiles to fire at Israel, instability in Saudi Arabia, Russian nuclear materials leaking into the wrong hands or attacks on Taiwan and South Korea – are centred on Europe. Political leaders in Europe, often focused narrowly on their own continent, are seldom willing to help tackle distant menaces. In any case, NATO's military organisation is not designed to deal with extra-European dangers.

Robert Blackwill, an influential figure in the Bush administration, has therefore proposed a pact between NATO's European and North American members. The Europeans would share the burden of dealing with global threats that could impact their own security, particularly in the Middle East, and would therefore enhance their ability to project military power. NATO would plan for new sorts of mission beyond Europe. In return the United States would support the Europeans' efforts to stabilise their continent, for instance by helping to pay for NATO enlargement and by supplying peacekeepers on request. And the Americans would consent to deal with the Europeans as a bloc.⁹

⁹ *Robert Blackwill, Ronald Asmus and Stephen Larrabee, 'Can NATO survive?', Washington Quarterly, Vol 19, No 2, 1996.*

Blackwill calls for new institutions to manage this pact. There is little chance of European or American governments agreeing to be tied by formal commitments, but some kind of understanding along these lines would give the alliance a greater sense or common purpose. An American commitment to help keep the peace in places such as Bosnia would certainly diminish strains within NATO. And if the Europeans were ready to intervene in the Middle East they would gain diplomatic clout in that region.

As mentioned in the previous chapter, institutional links between European and American diplomacy could help to prevent transatlantic tiffs. But the practical and mutual benefits that could flow from Blackwill's proposed bargain might do even more good. Another way of keeping the Americans interested in the alliance is to give it the worthy mission of helping to democratise former communists in Eastern Europe.

NATO's eastern destiny

The alliance's fifth goal should be a slow, measured and determined enlargement of the east. On current plans, NATO will soon pick a group of countries – almost certainly Poland, the Czech Republic and Hungary – from the many which aspire to join, and negotiate

their entry during 1997. Assuming that each existing member ratifies the change to the North Atlantic Treaty, this batch should enter the alliance in about 2000. But it remains for from certain that NATO will open its doors, if only because there are powerful arguments against enlargement.

For a start, many Russians see NATO as a hostile military coalition that is trying to encircle their hinterland. If NATO expanded, Russia could carry out the threats it has sometimes made to renege on arms control agreements. Its nationalists could be strengthened at the expense of its liberals.

The opponents of enlargement then argue that it could not make East European states secure for the simple reason that Russia is no threat to the countries most likely to join NATO. Those which may have cause to fear Russia – the Baltic, Caucasian and Central Asian republics, plus Ukraine – have little chance of joining NATO. A country such as Poland has no alternative but to look westwards, whether or not it is in NATO. If the Poles really believe that they have to belong to an international body in order to breathe easily, let them join the European Union.

Moreover, say the opponents, a larger alliance would be less efficient: all decisions require unanimity, which is hard enough with 16 seats around the table. NATO might start to resemble the OSCE which, with 53 members, can seldom agree on anything other than worthy statements.

And enlargement would be costly, even if, as is likely, NATO chose to defend its new members by the rapid deployment of force, rather than by stationing troops on their land. The alliance and its new members would, between them, have to pay to modernise the East Europeans' forces, making them more compatible with others in the alliance and updating their equipment; to provide them with better "C3I" (command, control, communication and intelligence facilities); and to boost the ability of existing members to project

airpower and troops eastwards, in defence of the new members. To admit Poland, Hungary, the Czech Republic and Slovakia on that basis would cost, according to a recent Rand study, \$42 billion, over ten years (and that is one of the cheaper estimates).¹⁰

Then there is a risk that extending the Article 5 security guarantee would dilute it. The new members are unlikely to contribute as much to the security of their partners as they receive. Suppose that Ukraine attached the Slovaks just after they had joined NATO: would Americans really be ready to die for Bratislava? Would the alliance be prepared to use nuclear weapons to defend Romania from the Russians? The uncertainty over the answers suggests that taking in Slovakia and Romania could weaken Article 5 – and that the American Senate could therefore balk at passing the necessary treaties.

And where does enlargement end? There is a tacit understanding among European governments that neither the EU nor NATO should encroach on the territory of the former Soviet Union (though strong pressure from the Germans and the Nordic countries will probably get the Balts into the European Union). That means that 12 East European countries, four neutral EU members, Cyprus and Malta are potential candidates for NATO. But if Europe is ultimately divided into two gigantic security blocks, an alliance of 34 and the former Soviet Union, would not the dividing line be ludicrously arbitrary? Why should the Romanians have the security of an Article 5 guarantee but not their cousins in Moldova? Why should the Slovenes – and ultimately, in theory, even the Serbs – be allowed into the Atlantic alliance, but not the Estonians?

A partial answer is to minimise the difference between active involvement in PfP and full NATO membership. A partner that trained with NATO, participated in its task-forces and joined its planning process would have the essentials of membership, bar

¹⁰ Ronald Asmus, Richard Kugler and Stephen Larrabee, 'What will NATO enlargement cost?', *Survival*, autumn 1996.

Article 5. In the long term – so long as relations with Russia evolve smoothly – the importance of that collective-defence clause may diminish. In any case, a partner that believes its security to be threatened had the right to “consultations” with NATO. But the ultimate answer to the questions in the preceding paragraph is that it is too bad if some countries are excluded. The continental benefits of a wider NATO outweigh the injustice of a few countries have to put up with PfP status.

The main reason for widening the alliance is to reinforce the security of East Europeans. Even if a country such as Poland is almost certainly safe from Russian aggression, taking the Poles into NATO would help to bind them, culturally, into a democratic, transatlantic community. Furthermore, the alliance probably helps to socialise potentially awkward countries: Greece and Turkey might have exchanged shells rather than sharp words, if their belonging to the same club did not make that prospect ridiculous. If NATO stuck at 16 members, or bolted the door once the Poles, Czechs and Hungarians were inside, some disappointed states might drift towards Russia or face Finlandisation. The prospect of entry into NATO or the EU intimidates extreme nationalist but boosts the confidence of democrats and market reformers.

Robert Zoellick, another senior figure in the Bush administration, believes that enlarging the alliance will help to counteract the hidden and ugly nationalisms of Eastern Europe. “NATO, like the EU, represents an integrationist model of relations among states,” he says. Such organisations seek to promote stability through “adherence to the common norms of an international civil society,” rather than through *realpolitik* and the balance of power. Zoellick hopes that Russia will learn to see NATO enlargement not from the perspective of a “19th century” power

¹¹ Rober Zoellick, *speech to the round table on transatlantic relations, Berlin, April 1996.*

that laments its inability to dominate weak neighbours, but as a welcome opportunity to have strong, westernising economies next door.¹¹

The Russians are not there yet. In 1996 they somewhat softened their anti-NATO rhetoric, hinting that the principle of enlargement might be acceptable – on condition that only Poland, Hungary and the Czech Republic joined, that they stayed outside the military structure and that they had no nuclear weapons on their soil. But enlargement would not make much sense to the countries concerned if they could not be in the integrated structure. As for nuclear weapons, NATO could state that it has no desire to place them in Eastern Europe. But it should understand that East European states have the right to join international bodies. One reason why NATO should enlarge is that, if it were seen to retreat in the face of Russian bluster, its credibility would suffer – and the Russians would only be encouraged to table new demands.

The debate on enlargement often ignores the special position of Germany, which borders nine other countries, worries about its strength and has yet to overcome its history. Many Germans fear that their neighbours may for “19th century” alliances to contain German power. Looking east, they worry about the possibility of economic and political turmoil, mass migration, environmental disaster and even war. Germany does not want to cope with such threats on its own. It is in the interests of Germany and of its neighbours for the Germans to be able to count on the aid of NATO allies when such problems have to be tackled. The Germans are the keenest enlargers of NATO and the EU, in the belief that both clubs will help to stabilise their hinterland and lessen the risk of balance-of-power alliances.

NATO should keep its current plans and aim to admit a group of new members in about 2000 – which would probably be several years before the EU opens its doors. The fact that NATO is likely to widen sooner, but ultimately less far than the EU worries some policy-makers in Bonn and Paris. They point out that, unless the two bodies move together, EU members will have different levels of security: those with and those without NATO’s Article 5 guarantee. And that would make it harder for the EU to become a defence organisation.

But although it would be neater for the EU and NATO to enlarge in tandem, it is not essential. The EU currently had four neutral members without any security guarantee. Each body has its own reasons for widening and has to proceed at its own pace. The European Union is bound to take a little longer, given that it cannot enlarge without undergoing painful reforms of its agricultural and regional policies.

As the Atlantic alliance spreads eastwards, it must – as its sixth goal – work out a new relationship with Russia that extends beyond PFP. There has been loose talk of treaties, charters and “16-plus-one”. For all their opposition to enlargement, the Russians are keen to be included in discussions on European security. NATO should therefore offer them as much consultation as possible, short of a formal role in its decision-making.

Both Christoph Bertram, a German commentator, and Robert Blackwill have come up with similar proposals for a new NATO-Russia forum. A joint committee of NATO and Russian ambassadors, and a common council of defence and foreign ministers would run the forum (to keep numbers down, Blackwill sensibly suggests that the NATO side should consist of the United States plus, to be chosen on rotation, one of Britain, France and Germany, plus another member). The two sides would swap information on defence planning and peacekeeping in a military committee; deal with nuclear proliferation

¹² Blackwill, *op cit*: Christoph Bertram, 'Europe in the balance: securing the peace won in the cold war', *Carnegie Endowment*, 1996. and the dismantling of nuclear weapons in a nuclear planning group; discuss defence exports and industrial co-operation in an arms control group; and send parliamentarians to an assembly.¹²

All these meetings would probably generate more hot air than anything else. But there would be an inherent value in drawing the Russian elite into a regular dialogue with NATO. Each side would have better understanding of the other's policies and actions. If the ambassadorial body convened weekly, NATO would be able to

consult the Russians on any decision that affected them. And it might be easier to find compromised on diplomatic wrangles such as the revision of the Conventional Forces in Europe treaty.

The chances of the Russians agreeing to such a forum are, for the time being, limited. But they may eventually appreciate that they have the power to alter the nature of the alliance: the better they behave and the more they co-operate in various joint bodies, the less NATO will be an anti-Russian organisation.

Russia's own membership to NATO is not a serious option: its size, its very different foreign-policy traditions and its demand for a special status would create too many problems. But there is no harm in holding out the very long-term possibility that, when Russia has fully modernised its political system, society and economy, so that it behaves as predictable and as responsibly as most West European powers, it could become a candidate.

The alliance may, with luck, surmount these six ¹³ Philip Gordon, 'Recasting the atlantic alliance', *Survival*, spring 1996. challenges with a reasonable degree of success. But the result would still be a less coherent and disciplined NATO than that of old. "The NATO of the future will be less about protecting its members from an all-out assault and more about consulting like-minded nations that sometimes have similar interests and values to protect around the world," writes Philip Gordon. "There is little alliance leaders can do to restore a sense of common purpose that is gradually becoming less compelling; what they can and should do is ensure that the lines of communication remain open and that the means for joint action are preserved."¹³ Yet even if, as is likely, Gordon's sober analysis is correct, Bosnia has shown that NATO is far from redundant. It is a useful constraint on nasty and predictable international behaviour, whether of its own members, or of other powers, and thus makes everyone feel a little safer.

4 Forging the sword: an Atlantic armaments market

No supranational body has any sway over the armaments industries of Europe and North America. Neither the EU, nor the World Trade Organisation, nor the WEU, nor NATO regulates the manufacture and export of weapons. It is right that the arms business should be treated differently from other sorts of manufacturing, but wrong to leave it entirely in the hands of national governments. NATO could and should take on the task of promoting and policing a transatlantic armaments market.

American and European defence companies dominate the world's export markets, yet their management and ownership – compared with other industries – is heavily orientated to their home base. There are no truly multinational arms companies, equivalent to Asea Brown Boveri or Unilever. In the leading NATO countries, governments do not allow major defence firms to be foreign-owned. They spend most of their arms procurement budgets at home, to maintain employment and a “defence industrial base” of military technologies. They treat this industry, like no other, as a manifestation of national sovereignty and as a strategic asset to be coddled by national rules and regulations.

Yet the defence industry is bursting to break out of the national straight-jackets which governments have fastened around it. Consider some of the forces shaping what must become, in the long run, a more international industry:

- ★ NATO countries have cut their spending on armaments by about 30 per cent since the end of the cold war, yet the real cost of new weapons has grown. Not even the United States can

afford to maintain every sort of military technology within its frontiers. Economies of scale in this industry grow ever larger.

- ★ Information technology is making the defence industry more like other sorts of manufacturing and, inevitably, more dependent on diversified global sourcing. There is more “spin on” from the civilian sector to defence than “spin off” from it. The concept of a specific defence industrial base – one which cries out for protection – is decreasingly relevant.
- ★ There is a growing military need for NATO troops to use common or compatible equipment. In an age of peacekeeping, national armies will seldom have reason to fight on their own.

American arms companies have responded to the shrinking market by embarking on a series of massive mergers and acquisitions. Lockheed and Martin Marietta, having formed the world's biggest defence company in 1995, joined Loral in 1996 to make a behemoth with military sales of \$20 billion a year (three times the size of British Aerospace (BAe), Europe's largest arms company). American firms have thus shaken out surplus labour, cut overheads and concentrated production on the most efficient sites.

European firms have taken a much more leisurely approach to restructuring. They have tied together subsidiaries in particular specialities – such as missile businesses of BAe and France's Matra – but avoided full-scale pan-European mergers. Thus many European firms have not managed to benefit from the kinds of economy of scale that are common in America. The American arms market is about twice the size of that in the EU, but contains only four makers of naval warships, against 14 in the EU; two armoured vehicle companies; against 11; and five makers of missiles, against ten.

European governments have done very little to promote a more radical rationalisation of this industry. They want to keep Article

233 of the Treaty of Rome, which, by allowing governments to exempt arms companies from EU rules on open procurement, state aid and monopolies, hampers the emergence of a single market. And each government has its own, different export control regime – Britain will sell to Indonesia, Germany will not – which creates difficulties for cross-border weapons programmes or mergers.

The fundamental problem is that the governments on both sides of the Atlantic want to preserve national champions for reasons of national security. They do not trust their allies, in a crisis, to supply essential items of equipment, such as ammunition or tanks, and therefore protect domestic manufacturers – even if, as with the case of the British tank industry, the product tends to be of low quality and high cost.

Yet NATO's military structure has taught the allies to depend on each other, in wartime, for such necessities as close air support, submarine hunting and radio communications. Governments should learn a similar degree of trust in the field of armaments. That means accepting that some defence companies may be foreign-owned and that some may have to close. In practice western armaments industries are already becoming interdependent. America, for instance, has to import some of its military microchips. But governments have yet to draw the regulatory and institutional consequences – and thus are hindering rather than helping the internationalisation of the industry.

The European Union could do a lot to encourage a single armaments market, by reforming Article 223, so that it applied only to the most sensitive technologies, and by agreeing on a common regime for arms exports. In 1996 France, Germany, and Britain began to set up a joint armaments agency, but for the time being its role will be limited to the management of common weapons programmes, such as the three-nation Multi-Role Armoured Vehicle. If, as is likely, this agency evolves into an EU body, it may be able to organise pan-European tenders.

However, the point of all this restructuring should not be to create European champions that can sit behind barbed wire and gaze at American goliaths. American firms are so powerful and, in many areas, so advanced technologically, that the Europeans need to work with them. The best way of ensuring competition in both America and Europe is for their companies to collaborate and, ultimately, to merge. For instance BAe, Dassault, Saab and McDonnell Douglas could form one transatlantic team; Aérospatiale, Daimler Benz Aerospace, Finmeccanica and Northrop Grumman could make a rival alliance.

Many Europeans fear that such inter-continental dalliance would end in European firms serving as low-tech subcontractors to American masters. These concerns are not to be dismissed out of hand. If Europe lost the capacity to make some sorts of weapon, global competition could suffer: America itself has only one maker of tanks and one of submarines.

Yet the Europeans should not be too pessimistic. For all their problems, they lead the world in some niche technologies. Thus GEC supplies much of the avionics for the Lockheed Martin F-22 fighter. Between them, Britain and France hold about 35 per cent of the global arms export market. So long as European firms can rationalise more speedily among themselves, they should be able to negotiate transatlantic alliances from position of some strength. BAe, Saab and Dassault combined would have defence sales of about \$10 billion, the same as McDonnell Douglas. That said, American partners would evidently hold the upper hand in many of these alliances.

The creation of Euro-American alliances would help to curb protectionism on both sides of the Atlantic. American legislation forces the Pentagon to acquire many sorts of armaments at home. When foreign equipment is bought – for instance the Harrier jumpjet – it has to be made in the United States by an American contractor. Draconian laws on technology transfer make it hard for

American firms to take part in international programmes. And the Pentagon will sometimes help an American firm to win an export contract by withholding a crucial, American-made part from the weapon system offered by a European rival.

The fact that Europe buys American arms worth six times the reverse flow is prompting many in France and Germany to demand “Buy European” rules. Yet the protection of Euro-champions would erode their competitive edge and probably harm their export performance. The European armaments agency could help to prize open the United States market by allowing American firms to compete for European contracts in return for reciprocal access. The Pentagon will have an incentive to open its market and encourage transatlantic alliances: if it does not, American firms will find themselves excluded from the EU. Furthermore, more competition from foreign suppliers would lower the prices the Pentagon has to pay.

The best way to ensure fair play in the Atlantic armaments market is for an international body to police it. NATO is the ideal body to weld the two sides of the market into a single whole – and not only because it is the only multinational organisation that many Americans respect. Its Conference of National Armaments Directors, supported by a secretariat at NATO's Brussels headquarters, already struggles to get governments to harmonise equipment requirements. For instance it has persuaded them to agree that in 1998 they will start to use a single “friend-or-foe” combat identification system.

The armaments directors have a good track record on technical issues but tend to jib at politically difficult decisions. So NATO should strengthen CNAD by holding regular ministerial meetings to discuss armaments. CNAD's tasks should be: to prevent the duplication of defence R& D; to encourage technology transfer among NATO members but discourage its transfer to rogue regimes; to promote competition by watching cartels, controlling state aid and opening procurement; to forge a common set of rules for arms exports; and to stamp out protectionism.

Realistically, it will be some time before NATO can take on these tasks. As an interim step, the EU should do as much as it can to foster a European arms market – and thus to show the Americans the benefits of multinational co-operation in this field. In the long run, however, NATO is the best place institution to prevent the world's biggest arms companies from forming two competing blocks – one of them inevitably much leaner and meaner than the other. These days, any attempt to foster a specifically national defence industry, or a European one, or even an American one, is *depassé*.

5 Conclusion: in defence of institutions

Multinational institutions have not been in vogue in the 1990s. Many American Republicans despise the United Nations. Many British Conservatives are no kinder to the European Commission. Some scepticism towards institutions is undoubtedly justified. The Euro-enthusiasts who believe that, if only the right kind of majority-voting rules applied, Europe would leap into a federal system of government, are unrealistic. So are the continental politicians who sometimes appear to argue that creating an institution can solve any problem. The sceptics are right to stress the importance of personal leadership and political will, and the continuing relevance of national interest.

But this disdain for international organisations has gone so far that the good they can do is often overlooked. Any overview of the past 50 years' European history must acknowledge that two institutions have been supremely successful: NATO and the European Union. They have constrained and influenced the behaviour of their members, and other countries, usually in desirable ways. The commission thought up most of the good ideas that have come out of the EU – whether big things like the single market or little things like the programme of student exchanges (the French and Dutch governments had the honour of inventing the Common Agricultural Policy).

NATO's integrated military structure had also been a success: it never had to confront a Russian attack but certainly would have met one with stout resistance. If western governments had instead relied on an ad hoc coalition of national armies, coming together at the start of the war, the defence against any invasion would have been

less effective. NATO's tried and tested command and control systems have shown their worth in Bosnia, helping to make it for a fairly well-managed and efficient force.

"The life of institutions is longer than that of men," said Jean Monnet in 1952, when he addressed the first meeting of the European Coal and Steel Community assembly. "If they are well-built they can accumulate and hand on the wisdom of succeeding generations." There is truth in Monnet's dictum, but he oversimplified by categorising international bodies as either the good sort, such as the European Union, which are effective because governments cede sovereignty to supranational organs, or as the bad sort, such as the Council of Europe, which are entirely inter-governmental and therefore so not take useful decisions. Monnet's dichotomy – which has greatly influenced succeeding federalists, such as Jacques Delors – has tended to obscure the fact that the successful European institutions are a combination of the inter-governmental and the supranational.

In wartime, when Article 5 comes into play, NATO takes on a supranational character: SACEUR assumes the command of all forces assigned to NATO. But there are doubts about how strictly members would respect this rule – and there is no alliance court to punish those who breach treaty obligations. At one point during the Gulf War, when SACEUR feared an Iraqi attack on Turkey, he ordered Germany to send warplanes to help protect the Turks. At first the Germans refused, claiming that, since no one had actually attacked Turkey, Article 5 did not apply. Only after a parliamentary debate did they send planes. Nevertheless there is not much doubt that, if the Russians had sought to invade western Europe, Germany and the other allies would have followed NATO rules.

When the European Union deals with economic business, the European Parliament, the European Court of Justice and the Commission give it a supranational character. So do provisions for majority voting. The Council of Ministers and its secretariat, plus

voting rules that require unanimity, tug the Union in the other direction. However, the Union's CFSP is purely inter-governmental. Having neither a powerful figurehead, nor a strong institution nor majority voting, it is ineffective. My suggestion that smaller countries should lose their veto and that a Mr CFSP should give European diplomacy more visibility would make the foreign-policy machinery rather more supranational.

This does not mean that the EU's foreign policy institutions should work against the grain of national policy. They could not do their job if they did so. It would be ridiculous for Mr CFSP to tell Britain that, for the sake of expanding EU trade with Argentina, it should take back the Falkland Isles; or France that, because Morocco mistreated dissidents, it should cut off aid to King Hassan. Yet it would be perfectly proper for the Commission to "take on" a national government that resisted telecoms liberalisation or refused to implement a directive on workers' rights. The difference is that economic issues are – except, perhaps, for the French and their farm subsidies, and the British and their beef – usually less sensitive than foreign and defence policy.

Thus the institutions for handling security policy will always have to be more inter-governmental than those running the market. It would doubtless be more efficient to have a European foreign policy supreme or a NATO secretary-general taking initiatives of their own and telling governments what to do. But many politicians and ordinary people, inclined to see foreign and defence policy as an extension of national identity, would not feel comfortable with that. The institutional architects have no choice but to respect those sensitivities. Equally, those politicians who are capable of leadership have a responsibility to explain to voters that, in many fields, the nation-state can no longer cope with the job of making Europe safe.

