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Revitalizing the Transatlantic Security Partnership

An Agenda for Action



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A Venusberg Group and Rand Corporation Project

Report written by

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<http://hiram7.files.wordpress.com/2007/04/us-eu-flags.jpg>

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During the course of 2008, the RAND Corporation and the Bertelsmann Foundation's Venusberg Group sponsored a series of U.S.-European discussions examining future security challenges confronting the United States and Europe in the context of the election of a new American president. This report by F. Stephen Larrabee (RAND) and Julian Lindley-French (Netherlands and United Kingdom Defense Academies) refers to those discussions, although the two authors are solely responsible for its final content. Participants in the series of meetings are listed on page six. Their participation in the meetings does not mean that they endorse the report in its entirety, but that they are familiar with its content and are willing to have their name listed as participants in the process.

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1 Glossary of Acronyms and Abbreviations

AFRICOM	Africa Command (U.S.)
ASEAN	Association of East Asian Nations
CENTCOM	Central Command (U.S.)
CFSP	Common Foreign and Security Policy
ESDP	European Security and Defense Policy
ESS	European Security Strategy
EU	European Union
EUPOL	EU Police Mission Afghanistan
FATA	Federally Administered Tribal Areas
G8	Group of Eight
G20	Group of Twenty
G77	Group of Seventy-Seven
IAEA	International Atomic Energy Agency
IEA	International Energy Agency
IMF	International Monetary Fund
ISAF	International Security Assistance Force
MAP	Membership Action Plan
NATO	North Atlantic Treaty Organization
NPT	Non-Proliferation Treaty
OAS	Organization of American States
OECD	Organization for Economic Cooperation and Development
UN	United Nations
U.S.	United States
WMD	Weapons of Mass Destruction

2 US Participants and the Venusberg Group

US Participants

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3 Vision Statement

The election of Barack Obama as the new U.S. president provides an opportunity to overcome many of the divisions that have bedeviled U.S.-European relations in recent years and give the transatlantic partnership new dynamism and vision. In the coming decade, the United States and Europe face a daunting array of challenges. These challenges are so complex and demanding that neither the United States nor Europe can manage them on their own. They require close and sustained collective action.

To manage these challenges successfully, the transatlantic relationship needs a new mindset based on the premise that a multipolar world is emerging—one that will affect foreign policy options and consequently the ability of Americans and Europeans to shape others. To that end, a new transatlantic security partnership must be crafted that reflects both the new global realities and the political realities in Europe and the United States.

Central to such a partnership will be shared interests and values and a mutual commitment to the projection of stability and the anchoring of emerging powers in effective multilateral institutions underpinned by a strong commitment to the international rule of law. Specifically needed is a new architecture founded on a strong U.S. involvement in NATO, NATO-EU relations aimed at promoting and projecting effective civil-military security beyond the Euro-Atlantic area and an EU-U.S. security relationship that assures the protection of the home base.

This report is aimed at furthering that goal. It seeks to define the substance and parameters of a new security partnership between the United States and Europe as well as to outline an Agenda for Action for the new partnership.

As a step toward creating this new partnership, President Obama should meet early in 2009 with key European leaders, as well as the Czech presidency of the European Union (EU) and NATO Secretary-General Jaap de Hoop Scheffer, to review the transatlantic security agenda with the aim of concretely defining the key common priorities for the future.

4 Executive Summary

Afghanistan: Afghanistan is entering a critical period. If demonstrable progress is not evident by 2011, it will be difficult for several members of the Coalition to sustain the stabilization and reconstruction (S&R) effort. The current strategy needs to be revised to put more emphasis on political reconciliation. The new strategy should distinguish between the Taliban, which poses a local threat, and al-Qaeda, which is an international terrorist organization, and should encourage a dialogue between the Taliban and the Karzai government aimed at promoting a new balance between central and local power in Afghanistan and the security of the wider region.

- Specific proposal: The United States and Europeans should move to create a new Contact Group involving Afghanistan, China, the EU, India, NATO, Pakistan, the United States and the United Nations to de-Westernize the identity of the stabilization effort.
- Dialogue should be sought with those senior Taliban leaders willing to join a new political process committed to building a stable and democratic Afghanistan.
- Greater effort is needed to ensure that civilian agencies work more closely with their military counterparts in the International Security Assistance Force (ISAF), particularly the United Nations and the EU.
- More influence must be exerted on the Afghan government to tackle corruption within its ranks.
- In line with the Declaration of the June 2008 Paris Conference, the Afghanistan Compact needs to be extended, expanded and properly funded, with an emphasis on better promotion of good governance.
- Much greater effort needs to be invested in the generation, organization, training and recruitment of police forces. Successful counterinsurgency efforts hinge on the competence of local security forces, not international ones.
- The ability of Afghanistan to absorb aid and development needs to be significantly enhanced.

Pakistan: The United States and Europe need to develop a coherent and comprehensive strategy toward Pakistan that balances aid and development with enhanced governance. The insurgency in Afghanistan is fueled by radical Islamic groups based across the border in Pakistan's Baluchistan Province, the Federally Administered Tribal Areas (FATA), and North West Frontier Province. What is needed is a broad regional strategy that recognizes the important linkage between the insurgency in Afghanistan and its roots in Pakistan and a political strategy to expand the political process to Pakistan's northwest. This should include a coherent package of economic assistance.

Specific proposal: The United States and the EU should coordinate aid and development, with Europeans taking a leading role in improving the quality of life in Pakistan's northwest.

- The United States and Europe need to develop a coherent and comprehensive strategy toward Pakistan distinct from that of Afghanistan aimed at improving life quality and breaking the continuum between Pakistan's conflict with India over Kashmir and its tensions with Afghanistan.
- The United States and Europe should launch a diplomatic offensive to co-opt the support of China and India with the aim of decoupling tensions over Kashmir and Nepal from those over Afghanistan and Pakistan.

- A coherent package of economic assistance will be vital to ease mass anger at rising food prices and electricity cuts that could undermine democratic government.
- International assistance needs to be directed specifically toward Pakistan's tribal areas.
- The Saudi government must be persuaded by both Americans and Europeans to prevent support from factions in Saudi Arabia for extremist Pashtun groups.
- Pakistan's Army should be reinforced by further training, with Europeans playing a far stronger role.
- India should be encouraged to scale back its development presence in southern Afghanistan until a more stable environment is established.
- A new regional economic initiative should be launched involving all of Pakistan's neighbors, underpinned by the EU, the United States, the Gulf Cooperation Council and ASEAN.

Iran: The new U.S. administration should signal early its willingness to open a dialogue with Iran in conjunction with its European partners that covers all relevant security issues. Tehran is not likely to bargain seriously until Washington sits at the table and engages in direct talks with the Iranian regime. Iran could be permitted to enrich uranium, but only if it accepts all IAEA safeguards. If Iran does not respond positively, Europeans must be willing to impose tougher sanctions.

Specific proposal: The United States and the EU launch a new security dialogue to focus on all Iran's security concerns and thus include Iraq, Afghanistan, Lebanon, Syria and the Israeli-Palestinian conflict.

- The United States and Europe should move quickly to put forward a new comprehensive package that would permit enrichment of nuclear fuel in return for a commitment by Iran to renounce any move toward weaponization.
- If the Iranians are not prepared to respond positively to a reasonable U.S. offer (alone or with Europeans) to engage in direct talks, Americans and Europeans together should impose tougher sanctions on Iran.
- A New Stability Initiative should be sought that would involve the United States, Europe, China and Russia as guarantors against nuclear threats in the Middle East.

Proliferation of weapons of mass destruction: A new, more proactive Euro-American strategy is needed to prevent the further proliferation of weapons of mass destruction. Europe and the United States must also recommit to the Non-Proliferation Treaty (NPT), strengthen the Chemical Weapons Convention and Biological Weapons Convention and offer the possibility of deep cuts in strategic offensive forces. Equally, counterproliferation must be strengthened to prevent treaty break-out and vertical proliferation of first-generation nuclear arsenals.

Specific proposal: The United States and Europe should move to coordinate their position prior to the 2010 NPT review meeting.

- The International Atomic Energy Agency (IAEA) and the Non-Proliferation Treaty must be strengthened.
- China and India could be invited to join by adjusting the rules concerning states outside the treaty framework that already possess nuclear weapons.

- Europeans and Americans will need to consider the renovation of multilateral structures to deal with noncompliance.
- Further development of the Proliferation Security Initiative, as well as enhanced intelligence sharing, must also be explored to ensure that treaty compliance can be policed credibly.

The Arab-Israeli conflict: The United States and Europe should start work immediately to harmonize their respective visions for the Middle East through a new strategic dialogue. Active European engagement alongside the United States could help to shorten the time it takes for the Obama administration to establish its position. Such a vision would necessarily include agreement on the early establishment of a Palestinian state as part of a new vision for the Middle East, backed up with sufficient aid and development to ease the suffering of the Palestinian people.

Specific proposal: The United States and the EU seek a coordinated U.S.-European strategy in pursuit of a two-state solution and offer to provide a stabilization force to ensure separation of the parties.

- Work should commence to more closely harmonize American and European approaches to the Middle East, with a specific objective of speaking with one voice in the Contact Group.
- The immediate focus should be a new strategic dialogue aimed at the creation of a stable Palestinian state with full control of all state instruments balanced by security guarantees to Israel.
- A new aid and development package is needed for both the West Bank and Gaza, funded in partnership with the Gulf Cooperation Council.
- Discreet and coordinated European and American diplomacy with key partners in the region is needed to prevent conflict from expanding into an Arab-Israeli conflict that Iran could exploit. Saudi Arabia will be a vital partner.
- Americans and Europeans should where possible coordinate and increase their respective economic, security and political investments in the peace process to bring Israelis and Palestinians closer together in preparation for a two-state solution.
- Also needed are joint efforts to roll back Iranian influence, with a particular emphasis on reengaging Syria to lessen its support for Hamas and Hizbollah. Europeans can play an important role in engaging Damascus. The return of the Golan Heights to Syria should be actively explored.
- Turkey, which played a valuable role in facilitating the establishment of talks between Israel and Syria, needs to be brought into U.S.-EU deliberations.
- Stronger U.S. and European support also needs to be given to Algeria, Morocco and Tunisia in their attempts to reform and contain radical Islamists, with the EU in the lead. The United States should support the EU's Union for the Mediterranean.

Terrorism: Terrorism remains a strategic threat, but the concept of a "global war on terror" should be abandoned. It wrongly suggests that terrorism is primarily a military problem that can be countered mainly by military means. A new counterterrorism strategy is required, with much greater focus on a shared strategy that balances dealing with terrorism with understanding the motivations of terrorists and changing the conditions in which terrorism flourishes.

Specific proposal: The United States and the EU jointly examine criminal justice on both sides of the Atlantic with the aim of harmonizing the burden of evidence needed to arrest and prosecute suspected terrorists.

- Enhanced intelligence gathering and better intelligence sharing between the United States and Europe will be vital for enhanced counterterrorism.
- The United States and Europe need a better understanding of the process of radicalization in societies both in the West and beyond. The United States and the EU should commission joint studies to that end.
- Where possible, Americans and Europeans must craft a new counterterrorism narrative that avoids demonizing Islam and giving any impression that an existential life-and-death struggle with Islam is underway.
- Both the United States and Europe must strive to address directly the sense of grievance many Muslims feel about Western (especially U.S.) policy in the Middle East.
- Efforts to combat terrorism should not be permitted to undermine the basic liberal democratic principles that underpin North American and European societies.

Protecting the home base: If the American or European home base is not adequately protected, neither Americans nor Europeans will be able to project security effectively. A direct U.S.-EU security relationship should therefore become the forum for the consideration of vulnerability of societies in all forms and a nexus for sharing best practice in dealing with such challenges to build societal resiliency.

Specific proposal: The United States, NATO and the EU should conduct a joint series of exercises aimed at strengthening resiliency and consequence management across the range of potential attacks.

- A range of threats to critical infrastructures—IT, health services, and critical supplies of food, energy and water—will need to be addressed by Americans and Europeans together.
- The U.S.-EU relationship is the natural locus for a joint American and European effort to understand the extent of the threats to the home base and then to develop mutually reinforcing architectures based on building resiliency in both communities, both to prevent attacks and to promote effective consequence management.
- Both Americans and Europeans need to properly address the politics of identity. President Obama is an example of integration, and millions of new Americans and Europeans accept the values and norms of society. However, there are significant sections of society that are not loyal to the state, undermining national cohesion.

Russia: In the wake of the Russian invasion of Georgia, Americans and Europeans need to develop a coherent and consistent policy toward Russia. This policy should be designed to constructively engage Russia in efforts to enhance global and regional security and must be based on mutual respect for international law and norms. While legitimate Russian security concerns should be respected, the United States and Europe must make clear that repeated and continued violations of international norms will inevitably lead to Russia's isolation.

Specific proposal: The United States and EU should establish a new U.S.-EU-Russia Council, similar to the NATO-Russia Council, within the framework of the U.S.-EU Transatlantic Agenda.

- Relations with Russia must be based on respect for international law and the UN Charter as well as respect for the sovereignty and independence of its neighbors.
- U.S. and European leaders should seriously evaluate the Russian call for a new European Security Pact, particularly as it concerns the reinvigoration of the Organization for Security and Cooperation for Europe.
- Russia must not be permitted to block the renovation of NATO's strategic defense architecture, including missile defense and conventional and nuclear deterrence.
- Russia's concerns about the balance of forces in Europe should be addressed as part of a comprehensive review of the Conventional Forces Europe Treaty.
- The West should be sensitive to the fact that Russia has longstanding political, economic and security interests in the post-Soviet space. However, Russia can be given no *droit de regard* over the political development and security orientation of countries in the post-Soviet space.

Enlargement and the European periphery: The United States and Europe together should reaffirm the sovereign rights of all states in the former Soviet space to seek membership in the EU and/or NATO. The candidacy of each prospective member should be evaluated on the merits of its individual case. In the first instance, transatlantic principles need to be reestablished for future enlargement. One of the most important of these principles should be that all border disputes must be resolved before membership can be conferred. Collective defense (Article 5 of the Washington Treaty) should remain a core NATO mission.

Specific proposal: Establish a NATO-EU Working Group to consider the principles and criteria that will govern future enlargements around Europe's periphery.

- All states must be allowed to decide their own political and security orientation, including membership in the EU and/or NATO if they meet the qualifications for membership.
- Before any new round of enlargement, NATO should undertake a thorough assessment of how it would carry out an Article 5 security commitment to potential candidates such as Georgia and Ukraine.
- All outstanding accession negotiations with Albania and Croatia should be concluded as soon as possible.
- Serbia should be encouraged to accelerate its internal and external transformation and improve its qualifications for EU and NATO membership.
- The goal should be to make all Balkan states members of NATO and the EU no later than 2015.
- Future enlargements will require active and coordinated U.S. and EU diplomacy to resolve so-called frozen conflicts around Europe's periphery.

Asia: The United States and Europe need to craft a coherent strategy toward Asia. This strategy should be designed to integrate China and India into international political and economic institutions and to promote reforms that would enhance good governance in both countries. In addition, Europe should work to ensure that the U.S. stabilizing security presence in Asia remains strong by

easing the pressure on U.S. forces in and around Europe. Europe also needs to strengthen its diplomatic engagement as part of a coherent approach to promoting stability in the region.

Specific proposal: The United States and Europe should seek the creation of a new EU-NATO-ASEAN Security Forum.

- The United States and Europe should promote and support the integration of China and India into key global institutions, such as the International Atomic Energy Agency and/or the World Trade Organization, while ensuring that the United States continues to act as an important political-military balancer in Asia.
- The EU's Strategic Partnerships with China and India respectively need to be reinforced with a new diplomatic and economic initiative and strengthened by a political role for the Atlantic Alliance in Asia as part of a new partnership initiative.
- A structured U.S.-European dialogue is needed on Asian security. The focus should be on improving U.S.-NATO-EU mechanisms for discussing Asian security with partners in the region.
- NATO standards for interoperability should be offered to partners seeking a close relationship with the Alliance.
- The United States and Europe should together promote closer political and military cooperation to reinforce stability in a fast-growing region that remains vulnerable to political and economic shocks.

Energy security and climate change: Europe and the United States must reduce their vulnerability to energy leverage, actively lowering domestic demand to reduce dependence on fossil fuels.

Specific proposal: The United States and the EU should adopt a coordinated multilateral approach for the 2009 UN Conference on Climate Change in Copenhagen.

- To reduce vulnerability to oil price shocks, Western economies should seek sufficient stockpiles to operate for at least a year without Saudi oil.
- Even in the midst of recession, higher taxes on refined oil products in the United States would encourage U.S. consumers to become more efficient, thereby lessening the U.S. economy's vulnerability to disruptions in supply and at the same time contributing to the fight against climate change.
- Adaptable government tax levies should be considered to keep prices of oil and gas supply in Europe and the United States.
- A follow-on treaty to Kyoto should be considered that reinforces a multilateral approach to reduce emissions to carbon dioxide.

Global poverty and good governance: Despite the global recession, the United States and the EU should recommit to helping developing countries, especially the least developed countries concentrated in Africa, to achieve their Millennium Development Goals. Through the G8, the OECD and other forums, the United States and Europe have taken the lead in reducing debt for severely impoverished developing countries and in committing their governments to increasing foreign assistance.

Specific proposal: In conjunction with leading bankers, the United States and the EU should produce a detailed plan aimed at increased lending for development and present the plan to the World Bank and the International Monetary Fund (IMF).

- In line with the OECD's Paris Declaration, the United States and Europe should better coordinate their aid and development efforts and their procedures to combat corruption.
- The United States and Europe should go to the 2009 G8 summit with specific joint proposals to reenergize the Millennium Development Goals and the Global Fund.
- The United States and Europe should together consider the status of the G20 and their respective roles in it.
- The United States and Europe should work together to rescue the Doha Round of world trade talks.
- The United States and Europe should jointly take the lead to ensure that the Global Fund is an effective instrument for development in Africa.
- American and European aid and development efforts in Africa should be much more closely coordinated by the United States and the EU.
- The United States and Europe must agree on common standards for fighting corruption, which is having a profound and negative effect on economic growth in many developing countries.
- Most urgent is the need for joint action in the struggle against AIDS, which is ravaging much of Africa.

Reforming international institutions: The Bretton Woods institutions (World Bank, IMF) are as much in need of reform as the West's security institutions. NATO must again become a credible guarantor of the Euro-Atlantic community's strategic defense. The NATO-EU relationship needs to be rebuilt around effective civil-military stability operations (comprehensive approach), the EU needs to strengthen its security and defense credibility and the United Nations needs better tools for effective peacemaking and peace enforcement.

- NATO: The Alliance must forge a New Strategic Concept aimed at modernizing the strategic defense architecture of the Euro-Atlantic community so that an effective layered defense can be established against all threats to territorial integrity.
- EU: Washington should support the development of a strategically capable ESDP that can by 2020 project power and stability well beyond Europe's borders and that can act autonomously, especially in crises where the United States does not wish to get involved, while at the same time turning civil-military security aspirations into reality.
- NATO-EU: Relations between the two institutions should be founded on several practical working groups aimed at enhancing capabilities, improving civil-military effectiveness and looking to the long term.
- United Nations: Responsibility to Protect (R2P) must be strengthened. Europe and the United States must insist upon basic standards of government and governance through the United Nations.
- A new relationship with the G77 countries needs to be built founded on discussion of mutual security concerns, particularly with cornerstone regional powers such as Brazil, South Africa, South Korea and Indonesia.

- Further reform of the UN Department of Political Affairs (DPA) and Department of Peacekeeping Operations (DPKO) is needed to better enable them to lead crisis management and peace support operations.
- G8: Consideration should be given to enlarging the membership of G8 with the objective of involving more large developing economies in the reform of the Bretton Woods system.
- At the very least, the Bretton Woods instruments (the World Bank and the IMF) require new structures, tools and resources to tackle global poverty.

5 The Challenges Ahead

5.1 The multilateral opportunity

The election of Barack Obama as the new U.S. president provides an opportunity to overcome many of the divisions that have bedeviled U.S.-European relations in recent years and give the transatlantic partnership new dynamism and vision. In the coming decade, the United States and Europe face a daunting array of challenges. These challenges are so complex and demanding that neither the United States nor Europe can manage them on their own. They require close and sustained collective action.

The challenge ahead

To manage these challenges successfully, the transatlantic relationship needs a new mindset based on the premise that a multipolar world is emerging—one that will affect foreign policy options and consequently the ability of Americans and Europeans to shape others. To that end, a new transatlantic security agenda must be crafted that reflects both the new global realities and the political realities in Europe and the United States. However, automaticity in the transatlantic relationship is over, if it ever existed. In the absence of a defining threat such as that posed by the Soviet Union during the Cold War, every act of solidarity will need to be negotiated.

The mindset of multipolarism

If the old Cold War call to shared values no longer has the same compelling urgency it once enjoyed, nor can the relationship simply be any longer defined by NATO's perceived wellbeing (or lack thereof). The Atlantic Alliance will remain an important pillar of the transatlantic relationship and, indeed, the ultimate guarantor of its defense. However, it is but one of a range of transatlantic relationships that become broader, more complex and more important by the day.

5.2 Five tests of vision and will

The transatlantic relationship has always been about the organization of extremely large means in pursuit of large ends—grand strategy. Today, both the means and ends are in question. Consequently, the political momentum toward a more stable world that was hoped for at the end of the Cold War has stalled. Transatlantic policy therefore faces five tests of vision and will if credible presence founded on credible solidarity is again to be forged through an affordable and sustainable long-term strategy relevant to the 21st century. The five tests can be thus summarized: First, is joint action necessary? Second, is it feasible? Third, will it work? Fourth, will it be effective? Fifth, is there sufficient will to see an action through?

Pivotal will be a new transatlantic security contract that harmonizes approaches to security on the two sides of the Atlantic. Forging such a contract will not be easy because the relationship is likely to be tested early in a very uncertain environment. Indeed, one question this report addresses is both simple and profound: What to plan for? Policy planning involves not simply recognition of what can be done, but a proper grasp of where frictions are likely to emerge and where and how best to invest. Success will therefore depend on whether a cooperative strategy can be forged relevant to contemporary political realities both inside and outside the Euro-Atlantic community.

A new transatlantic security contract

There are several areas of policy friction between the United States and Europe that must be recognized at the outset and are reflected in political, economic and military fundamentals. First, the United States is a far more powerful and unitary actor than Europe and tends to form strategy on the basis of that power. Second, the strategic cultures of the two sides are profoundly different. Third, if the United States tends to over-militarize security, most Europeans tend to over-civilianize it. This is partly because “Europe” is not a state, but it is also born of Europe’s historical experience and a belief that while desirable, democracy does not automatically mean stability in cultures upon which Europe once tried to impose its own creed. Fourth, European governance is still designed primarily to balance power within Europe, not to project power beyond Europe. Fifth, Europeans are used to living with vulnerability in a way that Americans are not (or at least not until very recently). Finally, there is no European ministry of defense that enjoys the same intra-governmental influence as the U.S. Department of Defense. It is this friction that underpins the divergence in strategic culture.

Areas of policy friction

Furthermore, the European Union is grappling with a complex and uncertain future. Consequently, America remains more certain of the idea at its heart than Europe. This difference is reinforced by the election of President Obama: America has become inspirational again, even if some of the hope for the Obama administration may be exaggerated. Indeed, the whole debate over the limits of EU enlargement is ultimately about whether Europe is a place constrained by geography and culture or, like the United States, an idea open to all. Certainly, levels of ambition are markedly different on both sides of the Atlantic. Faced by the twin problems of an aging population and the ever weakening grip of European national governments over events, Europe is confronted by what in effect is a sovereignty deficit: State power accrues to the EU, but the use of power therein remains complex and difficult. Consequently, while Americans reject decline, too often Europeans seemed resigned to it.

The limits of Europe?

5.3 The need for vision

Given the loss of Western prestige of late, it is vital that both Americans and Europeans pool their collective resources to identify the key threats to their security and develop common policies to deal with these threats based on the aggregation of legitimate power and legitimate effect. This will require the United States to accept and actively support the emergence of a strong and credible European Union. Clearly, while Europe needs a strong and enlightened America, Europe will never become an imitation of America and should not be judged as such. Moreover, an America that simply retreats into the mantra that Europeans are but one set of partners will misunderstand the legitimacy and capability that Europeans can bring to bear in all forms of security.

Need for a strong EU

Put simply, the United States should demonstrate that it is more open and sensitive to the views and influence of its partners. In return, Europe needs to develop a more global view, not just in terms of its ability to act militarily around the world, but in terms of the many political, economic and security issues that form the pillars of contemporary security.

Theoretical debates in the transatlantic relationship over the nature of power, culture and leadership need to end. In the first year of the new Obama presidency, it will be vital for the United States and Europe to establish a new culture of partnership built on effective joint action in a complex world. The Obama administration, together with its European partners, must therefore think afresh about how best to deal with challenges that even America's power is insufficient to master. Given the complexity to which much of the first year will be devoted, the first-order priority is to gain a better understanding of the many structural challenges facing the partners, of how those challenges are perceived on both sides of the Atlantic, and of where, when and how to put forth the greatest effort in order to achieve the best effect. The need for a new strategic dialogue is pressing. Early in 2009, therefore, President Obama should hold a meeting with President Sarkozy of France, Chancellor Merkel of Germany, and Prime Minister Brown of Britain, along with the Czech presidency of the EU and NATO Secretary-General Jaap de Hoop Scheffer, to review the transatlantic security agenda.

The changing nature of power

The need to establish an early order of priorities for a new transatlantic agenda in a complex environment is vital. The world today is not one in which a simple zero-sum game exists. While it is intellectually easy to suggest that the rise of one or more powers must come at the expense of existing powers, the evidence suggests otherwise. Neither America nor Europe appears to be declining in economic or indeed military terms, even as China and India emerge as rising new powers on the international scene. Rather, it is the assumption of Western leadership, the nature of Western leadership and what can be achieved by Western power that is

Not a zero-sum game

now in question. If power is the ability to shape the acts and decisions of others, then the American unipolar moment has passed. The problem for both Americans and Europeans is thus how best to turn power into influence at a time when the West has lost much of its credibility in much of the world, with others exploiting the new multipolarity seemingly to greater effect by defining themselves in juxtaposition to the West.

The first step will be more parochial. If a more effective transatlantic partnership is to be achieved, each side will need to make a greater effort to understand the other's security needs and perceptions. Many Europeans perceived the Bush administration as too often oblivious to European concerns regarding issues that were not central to the global war on terror, such as the threat posed by pandemics, carbon emissions, global poverty and global warming. Indeed, for many Europeans the Bush administration provided the perfect excuse for doing nothing and permitted Europe to become even more self-obsessed as it waded through the sticky political mire of the Constitutional Treaty and the Lisbon Treaty. The Obama administration must move quickly to change that dynamic.

Understanding each other's needs

5.4 Managing transatlantic expectations

The new partnership will also require both sides to adjust their expectations. There is a danger that the arrival of President Obama will generate unrealistic expectations in Europe about U.S. policy and that this euphoria may be matched by unrealistic expectations on the part of the Obama administration about European capability. In Europe, the administration will be given a warm reception. However, while the new U.S. administration may be less unilateral in its approach, it is also likely to demand more of its European allies. Many Europeans may be glad to see the departure of President Bush, but they may not welcome the request to assume more of the burden for managing global security that is likely to accompany the new U.S. willingness to consult and cooperate. Therefore, managing expectations, avoiding undue euphoria and containing inevitable disappointments will be central to efforts to develop a new partnership.

The new "not Bush" administration?

On the U.S. side, that will require recognition by the Obama administration both that Europe exists and that its voice matters. Long a rhetorical supporter of intense cooperation among the EU's member-states, Washington should move decisively to reinforce that support with an active diplomatic effort underpinned by a simple message: The United States welcomes and supports the creation of an EU capable of assuming a more global role, but in return Europeans must actively work with Washington across the security policy spectrum. Europe will continue to emerge as an important actor, whether the Lisbon Treaty is ratified or not. However, it is in the American interest for that process to accelerate, for only then will the United States have a partner capable of helping manage the complex and inevitable chal-

US support for a global Europe

lenges that will confront the transatlantic community in the years and decades ahead.

At the very least, crafting a new transatlantic agenda will require a realistic and sober analysis of the state of the partnership. The West is still the dominant political, economic and military bloc, but what passes for transatlantic security policy could fail unless it is well grounded, well crafted and founded firmly on strategic effect and a multilateral approach.

Managing expectations, however, should not prevent the search for a new vision for the transatlantic relationship. The need is pressing: While the West remains the cornerstone of global stability (albeit one that must itself change), there is no clear or agreed strategy for dealing with the new balance of power emerging in the world, the effects of which are more evident daily and which the forces of instability daily exploit. Nothing can any longer be taken for granted.

The Western
cornerstone

5.5 A new cooperative strategy

Therefore, the centerpiece of the new transatlantic partnership over the next four years must be a new cooperative strategy. This does not mean the search for a single strategy but where possible harmonization of existing strategies on both sides of the Atlantic, even at the conceptual and drafting stage. The new U.S. administration will most likely produce a new National Security Strategy built firmly on sound strategic leadership, while the EU has just completed a review of the European Security Strategy (ESS) that seeks to enhance the role of Europeans. Moreover, 2009 will likely see the start of intensive negotiations to craft a new Strategic Concept for NATO. Therefore, as part of that process it is strongly in the American interest for the new U.S. administration to support the emergence of a coherent strategic Europe that expands and extends a NATO-compatible EU role through a revitalized Common Foreign and Security Policy (CFSP). The rationale is quite simple; a stronger and more strategically capable Europe will be a better ally.

A new cooperative
strategy

To that end, the ESS must be strengthened commensurate with a balanced, credible and meaningful role in the world, so that the aspirations explicit and implicit in the strategy are linked with policy and planning. That does not mean per se a European global strategy, but rather a declared level of ambition to be an effective security actor founded on strategy that offers real planning guidance, backed by instruments, decision-making structures, capabilities and capacities that will establish Europe as Europe in its rightful place at the top table of legitimate power. The reason is compelling; When Americans and Europeans choose to act wisely together, they are an irresistible force for leadership.

Strengthening
the ESS

Thankfully, Europeans are beginning to grasp the sheer scale of the challenges posed to them by complexity beyond their borders. Indeed, globalized insecurity will not permit Europeans a free pass. Necessarily, Europe's security effort will involve turning its much-vaunted civil-military concept into reality. Indeed, all new European security documents point toward a new and radically different European strategic concept—the what, the why, the where, the when and the how of European action, focused on the so-called Comprehensive Approach. Moreover, experience in Afghanistan has demonstrated the folly of trying to follow American military transformation on European defense budgets. Europeans can have either a few ever more highly capable boots or more boots. But they cannot have both. Therefore, a new, vital and determinedly harmonized European Security Strategy and NATO Strategic Concept will require a better balance between the regionalism of Europeans and the global reach of Americans.

6 The Agenda for Action

Two sets of challenges will drive the transatlantic agenda in the coming decade. The first set of challenges relates to specific issues that will require the fashioning of a coherent transatlantic strategy very quickly after the Obama administration takes office. The second group of challenges is need to begin to be tackled now but will require a longer-term approach. While different in nature, the two sets of challenges share a number of common characteristics. First, they are issues that are recognized as important by both the United States and Europe. Second, their resolution is regarded as being in the common interest. Third, they require U.S.-European cooperation to resolve. Fourth, they are actionable.

6.1 Afghanistan

Afghanistan is entering a critical period. If demonstrable progress is not evident by 2011, it will be difficult for several members of the Coalition to sustain the stabilization and reconstruction (S&R) effort. The current strategy needs to be revised to put more emphasis on political reconciliation. The new strategy should distinguish between the Taliban, which poses a local threat, and Al-Qaeda, which is an international terrorist organization, and should encourage a dialogue between the Taliban and the Karzai government aimed at promoting a new balance between central and local power in Afghanistan and security of the wider region.

Specific proposal: The United States and Europeans should move to create a new Contact Group involving Afghanistan, China, the EU, India, NATO, Pakistan, the United States and the United Nations to de-Westernize the identity of the stabilization effort.

Since 2003, the situation in Afghanistan has progressively deteriorated. The initial success in overthrowing the Taliban regime has been replaced by a violent insurgency as the Taliban and other groups have stepped up their efforts to overthrow the Afghan government. In the last year, the Taliban has made major inroads and reported a number of important successes. As the insurgency has gained momentum, Afghan and Coalition casualties have risen and a number of Coalition members have begun to consider pulling their troops out of Afghanistan.

The 2008 Paris Conference

Recent events suggest that a clear military victory is unlikely, even if the Coalition augments its troop strength. Rather, all indications point to a long, protracted struggle in which neither side wins a decisive military victory. The Coalition needs to face this reality and adjust its strategy. It should open a dialogue with those elements of the Taliban who could be persuaded to return to a political role or normal life. Sufficient evidence exists that many tier-two and tier-three Taliban are not happy with the foreign fighters and seek to have the rights and property seized by the Kabul government restored.

Furthermore, the growing insurgency has been accompanied by increasing corruption and drug production and trafficking, much of it with the collusion of local warlords and officials in the Karzai government. In effect, Afghanistan has become a narco-state under the noses of the Coalition. While the U.S.-led anti-terror mission Operation Enduring Freedom will continue, the NATO mission (ISAF) faces a very real possibility of failing. Failure in Afghanistan would have a profound impact on stability in Central Asia as well as on NATO's own viability. Indeed, NATO's credibility and reputation are at stake. If the Alliance is perceived as failing in Afghanistan, it will be the harder for NATO to remain central to European and American security.

Facing down drugs and corruption

Unfortunately, the current Coalition strategy is not working and needs to be revised with several steps to develop a more effective overall strategy. This strategy needs to be based on a strategic campaign plan that more effectively brings together the U.S. CENTCOM effort, NATO forces, the Afghan government and the United Nations and the EU in theater in pursuit of an agreed definition of success that thus far has been lacking. The main emphasis in Afghanistan now has to be improving the quality of life of the Afghan people. The urgent political challenge is for Americans and Europeans to finally agree on what success might look like. The establishment of a truly functioning, democratic state is not feasible, at least not yet. Rather, the focus now should be on basic but robust instruments of government that reinforce traditional structures in pursuit of a) a reasonable level of stability; b) the prevention of the return of terrorists; c) the reintegration of more moderate Taliban elements as part of a disarmament, demobilization and reintegration (DDR) strategy; and d) basic rule-of-law structures and institutions.

Agreeing on success

On the military side, security and stability in Afghanistan has historically required a balance between top-down efforts to create a central government and bottom-up efforts to secure local support. Since 2001, the United States and the international community have focused predominantly on top-down security efforts, including the establishment of an Afghan National Police Force and Afghan National Army. However, the deteriorating situation and the local nature of the insurgency require a much more intensive effort to work with local tribes, sub-tribes, and clans to establish order and governance in rural parts of Afghanistan.

Reinforcing
local
governance

In addition, successful counterinsurgency efforts hinge on the competence of local security forces—not international ones reinforced by the use of overwhelming military power—that impresses and reassures the people, rather than intimidating them. Therefore, more international forces in Afghanistan may be helpful, but only if they are used to build Afghan capacity. One critical need is to address the international partnering gap that has plagued efforts to improve Afghanistan’s police and army. There is currently a 70 percent shortfall in international mentors for the police and a 50 percent shortfall for the army, weakening the Organization, Mentoring and Liaison Teams (OMLT) central to the strategy.

Building police
capacity

A particularly pressing need is to reestablish a credible presence in southern Afghanistan through a security and defense surge. The Coalition needs to find ways to increasingly shift the center of gravity away from the security-led approach toward one that is more founded in local and regional economic development, particularly in the areas bordering Pakistan.

An Afghan
surge

That is why a new and coherent strategic campaign plan accepted by all partners to the mission—Afghan and foreign, civilian and military—is so important. Indeed, the arrival of the Obama administration together with the appointment of General David Petraeus to lead CENTCOM provides the opportunity for campaign renewal so urgently needed. Equally, a revised Afghan National Development Strategy (ANDS) at its core will be crucial to success. But civilian international organizations such as the United Nations and the EU remain dangerously resistant to the need for more intense cooperation. And while such a plan will help put greater pressure on civilian agencies to work more closely with their military counterparts, far more needs to be done to get key civilians to take ownership of the campaign plan.

Revising ANDS

Moreover, the thinking behind Provincial Reconstruction Teams (PRTs) needs to be revised. The current application of the PRT model in Afghanistan is undermined by national differences on the ground at the expense of strategic effect. It would be useful to make virtue out of necessity by picking one PRT as the “model.” Such a model could then be reinforced with credible benchmarks that would also help to reestablish the Afghan Compact as

Rethinking
PRTs

a credible basis for the construction and development of Afghan institutions and the Afghan economy over a realistic timeframe.

6.2 Pakistan

The stability of Pakistan is central to the stability of the wider region. While linked to Afghanistan, the approach to Pakistan must be distinct and sustained. Equally, while a focus on improving the quality of life in Pakistan's northwest is vital, stronger efforts need to be made to avoid further undermining Islamabad's weak national institutions.

Specific proposal: The United States and the EU should coordinate aid and development, with Europeans taking a leading role in improving life quality in Pakistan's northwest.

The United States and Europe need to develop a coherent and comprehensive strategy toward Pakistan that balances aid and development with enhanced governance. The insurgency in Afghanistan is fuelled by radical Islamic groups based across the border in Pakistan's Baluchistan Province, the Federally Administered Tribal Areas, and North West Frontier Province. Thus any strategy that concentrates solely or primarily on Afghanistan is bound to fail. What is needed is a broad regional strategy that recognizes the important linkage between the insurgency in Afghanistan and its roots in Pakistan and a political strategy to expand the political process to the northwest of Pakistan.

The FATA dilemma

Thus, the United States and Europe need to develop a strategy toward Pakistan as part of their strategy toward Afghanistan. This should include a coherent package of economic assistance. Mass anger at rising food prices and electricity cuts could again lead to widespread protests and undermine support for Pakistan's President Asif Ali Zardari. The resulting instability could wreck any hope of Pakistan continuing, let alone intensifying, its campaign against the insurgents in the largely ungoverned tribal areas that border Afghanistan.

Areas of policy friction

In addition, the United States and Europe need to address the development gap in Pakistan's Pashtun areas, since it is a root cause of extremism on both sides of the border (and well beyond). Government institutions in the tribal areas are weak, and social and economic conditions are among the lowest in the world. Currently, international reconstruction and development assistance has focused on the Afghan side of the border. But this strategy is at best a half-measure that leaves undisturbed the safe havens in Pakistan from which the Taliban and al-Qaeda strike. This is particularly the case with the Taliban leaderships in Quetta and Peshawar. The Coalition could win the hearts and minds of every Pashtun in Afghanistan and still lose the war, since three-fifths of the Pashtun population lives in Pakistan.

Closing the development gap

Security options are limited without a strategy that provides tangible benefit to local disaffected communities. Without undermining the power of militant groups, however, it remains unclear who will benefit from development funds in FATA. At present, the likely beneficiaries are local religious leaders and militant leaders, as well as the military-run Frontier Works Organization (FWO). Political reform may also be critical. This includes encouraging political developments, such as evaluating the Political Parties Act and the Frontier Crimes Regulation. While the Pakistani government is keen to obtain funding for development, it has been less willing to politically liberalize the tribal areas. Discussions of expanding democratic rights in FATA are thus limited by the scope of democracy throughout Pakistan.

Promoting
political reform

The current military strategy also needs to be revised. A much greater effort should be invested in empowering local elements quietly and discreetly. It is vital that the institutions of state are reinforced in Pakistan and not undermined by Coalition action. Current U.S. ground incursions across the Pakistani border have generated widespread public opposition in Pakistan and run the risk of drastically undermining the Pakistani state and creating greater regional turmoil. A more tailored approach is also needed to conduct effective counterinsurgency operations with the focus on generating effective police forces central to such a strategy in both Afghanistan and Pakistan. A light footprint strategy could help enhance intelligence through building local leadership engagement, which is key to successful counterterrorism operations.

Revising the
military strategy

A broader regional strategy is also needed to include India. India is in many ways the key to peace in the region. Many in Pakistan's national security establishment bristle at the Indian government's close relationship with President Karzai, as well as India's wide-ranging development projects in Afghanistan, including on the Afghanistan-Pakistan border. Indeed, Pakistan regards Afghanistan as strategic depth in the event of a conflict with India over Kashmir. If Pakistani anxiety about India could be reduced, it would enable the Pakistani government to direct greater attention and resources to combating the insurgents in the tribal areas along the Pakistani-Afghan border. This in turn would make it easier to combat the threat of insurgency in Afghanistan.

A broader
regional
strategy

6.3 Iran

The new US administration should signal early its willingness to open a dialogue with Iran in conjunction with its European partners that covers all relevant security issues. Iran could be permitted to enrich uranium, but only if it accepts all IAEA safeguards. If Iran does not respond positively, Europeans must be willing to impose tougher sanctions.

Specific proposal: The United States and the EU launch a new security dialogue to focus on all Iran's security concerns and thus include Iraq, Afghanistan, Lebanon, Syria and the Israeli-Palestinian conflict.

Iran presents one of the most pressing challenges for the United States and Europe. It occupies a central place in the region that contains most of the world's exportable oil. It is led by a government that is still unreconciled to the West, still has a hand in terrorism and is stridently opposed to Israel. Indeed, even without the current concerns about Iranian nuclear capabilities and intentions, the West would face a considerable agenda in defining and carrying out common policies toward Tehran. The nuclear issue, however, remains the most immediate preoccupation.

The Iran challenge

While Iran continues to argue that it is only seeking nuclear power for peaceful uses, the West cannot rely on these statements and must assess Iranian intent and actions. The size of Iran's centrifuge program strongly suggests that it is not intended merely to produce enriched uranium for nuclear power plants. Whether or not Iran goes on to produce nuclear weapons, the country has increased its enrichment effort and is closer now than it was a year ago to acquiring a nuclear weapons capacity, should it choose to make that leap.

Gauging Iran's intent

The consequences of an Iranian nuclear capability would be grave, and transatlantic solidarity to prevent it is essential. A nuclear Iran would have a destabilizing impact on the balance of power in the Persian Gulf and could spark a regional arms race, stimulating other countries in the region, particularly Saudi Arabia, Egypt and perhaps Turkey, to seek to acquire nuclear weapons. The Non-Proliferation Treaty (NPT) regime, already under assault, would be seriously eroded and could break down.

Consequences of a nuclear Iran

A military strike to eliminate Iran's nuclear capability would be highly risky. It would not only be difficult to execute militarily but also serve to rally the population around the regime, and spark a strong anti-Western, particularly anti-American, backlash, possibly setting back relations with the West for decades. Iran's nuclear facilities are widely dispersed; many of them are hardened and underground; some are in populated areas, increasing the risk of substantial collateral damage and casualties. Such an attack would also provoke widespread resentment and anger in the wider Middle East (not least in Iraq) including among non-Iranian, non-Shi'a Arab states and peoples, not to mention other Muslim populations around the great belt of instability. And, such a strike would only set the Iranian effort back by five to seven years. It would not halt the effort. Indeed, it would remove any hope that the Iranians could be dissuaded from acquiring nuclear weapons.

The military strike option

The current policy being pursued by the United States and Europe, that no negotiation can take place with Iran until it halts its enrichment program, has failed to achieve its goals. The sanctions applied to date have not deterred

A new policy needed

Iran from enhancing its ability to enrich uranium, which it sees as part of legitimate modernization and a demonstration of national technological prowess, as is its drive to establish itself as a regional hegemon.

A policy of engagement has little chance of success as long as the United States sits on the sidelines and refuses to engage in a dialogue with Iran—not just on the nuclear issue but on all Iran’s security concerns. The EU Three (Britain, France and Germany), along with the High Representative for CFSP (Javier Solana), deserve credit for trying to resolve the crisis. However, their efforts have achieved limited success because they cannot offer what the Iranian leadership desires most: a U.S. commitment to renounce regime change as a goal of U.S. policy and an offer of security guarantees if Iran changes its behavior in ways important to the United States and others (as the United States long ago offered to North Korea). The Iranians regard the United States, not Europe, as the main threat to their security and, by the same token, the only country whose security guarantees have real value. Tehran is not likely to bargain seriously until Washington sits at the table and engages in direct talks with the Iranian regime. Indeed, it is almost certain that Iran will not change its position on enrichment, threats to Israel and support for insurgencies in Lebanon, Iraq and Afghanistan unless it is confident of a reduction of threat both to the regime and to the nation, underwritten by the United States (and backed by the EU) in tangible and credible ways.

The United States and regime change

Any dialogue should include a range of non-nuclear issues—trade, human rights, Iraq and Afghanistan, national and regional security and Iranian support for terrorism. Progress in resolving some of the less controversial issues could help to reduce suspicion and build greater trust over time, making progress on the more controversial issues much easier, including the nuclear issue. Europeans can and should act as honest brokers to that end.

Talking with Iran

Of course, offering to open talks with Tehran is no guarantee of their success or even of Iran’s willingness to respond. However, a refusal to talk has absolutely no chance of bringing positive results—especially in the absence of effective sanctions that have no chance of being realized at the UN. Indeed, since the Russian military invasion of Georgia and the Western response, the chances of further Russian cooperation in imposing sanctions on Iran, or even sustaining the ones that have already been imposed, are next to zero. Furthermore, not offering to talk with Iran plays into the hands of the hardliners in the regime and makes it easier for them to demonize the United States.

Not talking with Iran

At the same time, if the Iranians are not prepared to respond positively to a reasonable U.S. offer (alone or with Europeans) to engage in direct talks, the United States would be far better positioned than at present to obtain European support for tougher sanctions on Iran.

Tougher sanctions?

Therefore, the United States and the EU Three should agree on a new comprehensive package that would permit enrichment, a favorable economic relationship with the West and a return to political normalcy in return for a commitment by Iran to renounce weaponization. This would have to be backed up by an Iranian agreement to accept a robust IAEA inspection regime and nuclear safeguards. The objective should be to convince the Iranian regime that opposition to weaponization is not opposition to modernization, including in the nuclear field. Such an approach would also help to bolster support in Europe for additional sanctions if Iran failed to respond.

A new comprehensive package

In parallel, the United States and Europe should also consider proposing a new stability initiative involving China and Russia to guarantee the region against nuclear threats. Such an initiative would be particularly important for the members of the Gulf Cooperation Council that are vital energy partners. Additionally, the United States and Europe, led by the EU Three, should work for the establishment over the medium term of a regional security framework, which would potentially include all the countries of the Gulf region, including Iran. The objective of such a regional arrangement would be to promote greater cooperation in areas such as arms control, trade, and border controls. Such a regional forum would also likely find strong support in Turkey and Egypt.

A regional security initiative

6.4 Proliferation of weapons of mass destruction

A new, more proactive Euro-American strategy is needed to prevent the further proliferation of weapons of mass destruction. Europe and the United States must also recommit to the NPT, strengthen the Chemical Weapons Convention and Biological Weapons Convention and offer the possibility of deep cuts in strategic offensive forces. Equally, counterproliferation must be strengthened to prevent treaty break-out and vertical proliferation of first-generation nuclear arsenals.

Specific proposal: Americans and Europeans should coordinate their position prior to the 2010 NPT review meeting.

Iran's defiance of the international community highlights the fact that the world is entering an era in which arms control treaties and mechanisms are weakening. With nuclear, biological and chemical mass destruction technology now over 70 years old, there is every reason to believe that proliferation will accelerate unless instruments are strengthened and modernized and new partnerships sought. Indeed, the danger is that given time, patience, resources and networks, criminals and terrorists will in time successfully exploit what are globalized commodities of mass destruction. It is this possibility that makes the threat posed by ungoverned spaces different from any previous age, for it is in these ungoverned areas that such threats

Accelerating proliferation

can emerge. The monopolistic control of WMD by senior states may well be coming to an end.

The first need is to strengthen the International Atomic Energy Agency and the Non-Proliferation Treaty. One option could be to invite China and India to join by adjusting the rules concerning states outside the treaty framework that already possess nuclear weapons, either by changing the rules for accession or by establishing a new partnership framework.

Strengthen
IAEA

Europe and the United States will also need to consider both offensive and defensive policies and how best to promote an effective multilateral regime to cope with non-compliance in a world in which there are many more WMD powers than now. That will require further development of the Proliferation Security Initiative as well as enhanced intelligence sharing, underpinned by credible nuclear deterrence and a credible intent to intervene in extremis with conventional military forces to prevent first use.

Strengthen PSI

6.5 The Arab-Israeli conflict

A two-state solution is needed urgently to prevent the Israeli-Palestinian conflict from quickly turning into a religious struggle that could trigger a wider Arab-Israeli conflict. Efforts are also needed to bring Hamas into dialogue and to engage Syria.

Specific proposal: The United States and the EU should develop a coordinated U.S.-European strategy in pursuit of a two-state solution and offer a European-led stabilization force to ensure separation of the parties.

To date the Arab-Israeli conflict has been a nationalist conflict, but the accession of Hamas to power in Gaza could turn it a religious conflict. If the conflict is transformed into a religious conflict, it will be virtually impossible to resolve. Ironically, with many contacts extant between Western powers and Hamas, it may be that the Gaza leadership represents the strongest bulwark against Al-Qaeda. At the very least, such a threat gives finding a resolution to the conflict a new urgency. The immediate focus, therefore, should be a new strategic dialogue aimed at the creation of a stable Palestinian state with full control of all state instruments, balanced by security guarantees to Israel.

A new religious
conflict?

However, finding a common U.S.-European approach will not be easy. Many European states have problems with Israel on policy, to include settlements, the heavy use of force in the war in Lebanon, economic disruption and the treatment of Palestinians. Europeans also feel that their U.S. counterparts too often regard them as payers but not players.

Seeking a
U.S.-European
consensus

There are important obstacles on the American side as well. Any bold new initiative or shift in the U.S. position on the Middle East is bound to be controversial domestically and fraught with political risks. Thus, President Obama needs to be sure he has strong domestic support for any such policy shift before introducing a new Middle East initiative.

Domestic U.S.
pressures

The United States and Europe therefore should start work immediately to harmonize their respective visions for the Middle East through a new strategic dialogue. Indeed, active European engagement alongside the United States could help to shorten the time it takes for the Obama administration to establish its position. Such a vision would necessarily include agreement on the early setting up of a Palestinian state as part of a new vision for the Middle East, backed up with sufficient aid and development to ease the suffering of the Palestinian people. .

A new vision

The now stalled Road Map should be scrapped and a new approach designed that involves discreet and coordinated European and American diplomacy with key partners in the region. The aim would be to prevent the conflict from expanding into a wider Arab-Israeli conflict. Rather, the United States and Europe need to work with those in the region who are interested in stability and isolate those who are not. A key element would be a new economic relationship between the Middle East and the European Union, in support of the political process initiated by the EU at the Union for the Mediterranean conference that took place in Paris in summer 2008. Indeed, the United States and Europe need to make far greater efforts to coordinate and increase the economic, security and political investments in the peace process to bring Israelis and Palestinians together and may consider sending a European-led stability force to promote confidence between Israel and a new Palestinian state.

Bury the Road
Map

Also needed are joint efforts to reengage Syria. One mistake made by the Bush administration was not to engage President Assad in the peace process. This approach focused attention on the administration's refusal to talk to Syria rather than on Syria's behavior. Assad needs to be persuaded to change his attitude toward Hizbollah and Hamas. This could only be done in response to movement from the Israelis over the return of the Golan Heights to Syria. Europe could play a constructive and leading role in this effort.

Engaging Syria

Turkey also has an important role to play. Turkey has good relations with both Iran and Syria. Ankara played a valuable role as an intermediary in facilitating the establishment of talks between Israel and Syria. Rather than regarding these ties as a source of concern, as Washington has often been inclined to do, Ankara's good ties to Tehran and Damascus should be seen as an asset; more use should be made of Turkey's ability to serve as an interlocutor and facilitator, especially with Syria.

In addition, the United States and its European allies need to better coordinate in the Contact Group. It is vital that the partners speak with one voice and are seen to do so to counter the Russians. This is all the more important in the aftermath of Russia's war with Georgia. At the same time, joint action is also needed in North Africa. Stronger support needs to be given to Algeria, Morocco and Tunisia to reform and contain radical Islamists. Here it may be best for the EU to take the lead, as the EU already has a well-articulated program of engagement with these countries through the Barcelona process, which is being deepened and expanded. However, support from the Obama administration would certainly reinforce the effort.

Coordinate in the Contact Group

6.6 Terrorism

Terrorism remains a strategic threat, but the concept of a "global war on terror" should be abandoned. It wrongly suggests that terrorism is primarily a military problem that can be countered mainly by military means. A new counterterrorism strategy is required, with much greater focus on a shared strategy that balances dealing with terrorism with understanding the motivations of terrorists and changing the conditions in which terrorism flourishes.

Specific proposal: The United States and the EU look jointly at criminal justice on both sides of the Atlantic with the aim of harmonizing the burden of evidence needed to arrest and prosecute suspected terrorists.

Terrorism represents an important strategic threat to Western societies, and combating this threat is likely to preoccupy Western governments for many years to come. The threat, however, has mutated since 9/11. While al-Qaeda remains a potent force, it has suffered a number of important setbacks. It is therefore vital that the United States and Europe move to develop an effective strategy grounded in a sound international legal framework for antiterrorist activities.

The changing threat of terrorism

An opportunity undoubtedly exists. In Iraq, al-Qaeda's use of indiscriminate violence has provoked a backlash among Sunni tribes that previously were among its strongest supporters. These tribes turned against al-Qaeda and cooperated with American forces in what became known as the Sunni Awakening. Muslim leaders are also beginning to question al-Qaeda's tactics given the number of innocent people killed in al-Qaeda attacks—many of them Muslims. The evidence, while sketchy, also suggests that popular support for al-Qaeda outside of Iraq has declined.

Exploiting the backlash

However, al-Qaeda is by no means a spent force. It has shown a capacity to adapt and attract new recruits. Increasingly, however, the terrorist threat has come from spontaneous cells with only a loose connection to al-Qaeda. Many of the recent threats to Europe, such as the subway attack in London,

Spontaneous AQ cells

have come from homegrown terrorists rather than al-Qaeda operatives with direct contact to Osama bin Laden and his close associates.

While the United States and Europe both agree that terrorism represents an acute threat, the effort to combat the threat posed by terrorism is hindered by the fact that perceptions of the nature and the gravity of the threat differ significantly on the two sides of the Atlantic (and even within Europe).

Differing threat perceptions

For Europe, terrorism is essentially an internal criminal justice problem, which was typified by the partially failed trial in September 2008 to convict seven British Muslims of attempting to destroy transatlantic aircraft. Those who plan and carry out terrorist acts are generally citizens or residents of countries in Europe, not persons sent to infiltrate society from the outside. In short, terrorism is largely a domestic European phenomenon, not an imported threat from outside. The United States, by contrast, has regarded terrorism largely as an external threat. The United States believes it is under external attack and responded by declaring a “global war on terror.” European governments reject the idea of a war on terror because that means conducting a war against their own citizens.

European criminal justice

This is more than an issue of terminology and semantic hair-splitting. It reflects a fundamental difference in both approach and the methods used to counter terrorism that has profoundly weakened the fashioning of a coherent western strategy. The problem is complicated by the fact that Americans and Europeans use different legal definitions, have different standards for the use of and burden of evidence, and do not share the same view of cross-border arrests.

Thus the first requirement of any joint U.S.-European strategy to combat terrorism must be an agreement on the nature of the problem, the measures needed to manage it and the establishment of such measures in a legitimate international framework. At the very least, the United States and Europe need to harmonize their approaches. As part of this effort, the term “global war on terror” should be dropped, as should any suggestion that a clash of civilizations is underway. The idea of a global war on terror wrongly suggests that combating terrorism is primarily a military problem and that it must be countered mainly by military means. The evidence suggests otherwise. Moreover, the term plays directly into the hands of the terrorists, who see themselves as soldiers engaged in a holy war. It thus gives the terrorists the status and legitimacy that they seek.

A joint U.S.-European strategy

A successful new counterterrorism strategy must build on enhanced intelligence gathering and intelligence sharing, such as that being developed within the Alliance Base, an informal counterterrorist grouping involving Britain, France, Germany, Italy and the United States. The aim is improved collaboration between U.S. and European intelligence services, as well as better coordination within Europe among national intelligence agencies and

Alliance Base

other international organizations. More systematic surveillance of potential recruiters, through targeted monitoring of Islamic internet sites, chat rooms and blogs, is also a priority, as are greater efforts to reach out to and engage with moderate Muslim groups as well as enhanced control of borders, especially in Europe.

There is also a pressing need to close the gap between the intelligence and security services and academia to get more ideas and external analysis into the process on both sides of the Atlantic. A counterterrorist community is needed as a matter of urgency worthy of the name. For example, there is little understanding in the security services on both sides of the Atlantic of the process through which young Muslim men become radicalized. Such a process could be enhanced at the official level by the exchange of personnel between American and European security and police services.

Talking to
experts

The United States and European governments need to avoid demonizing Islam and giving the impression that they are engaged in an existential life-and-death struggle with Islam or that there is an inexorable clash of civilizations between the West and the Muslim world. Such a narrative plays directly into the hands of Islamic radicals and makes it easier for them to justify their extremist acts and use of violence.

Do not demon-
ize Islam

Equally, to be effective counterterrorism needs to address the sense of grievance many Muslims feel about Western (especially U.S. policy) in the Middle East. Here the Israeli-Palestinian conflict plays a critical role. The Bush administration's reluctance to actively engage in a search for a settlement of the Arab-Israeli conflict until the waning months of President Bush's second term seriously damaged U.S. credibility and reinforced the sense of grievance felt by many Muslims, especially younger Muslims. A more active engagement by the Obama administration in helping to resolve the Arab-Israeli conflict would enhance the credibility of U.S. policy and undercut the influence of extremists within the Muslim world.

Addressing
Muslim
grievances

Finally, counterterrorism must not undermine the basic liberal democratic principles that underpin North American and European societies. The measures employed by the United States during the war on terror have done significant damage to its reputation in Europe, especially the detention of European citizens in Guantanamo Bay, extraordinary renditions and the use of torture. Most Europeans do not believe such acts to be simply the work of renegade agents acting at the tactical level. Guantanamo Bay should be closed, and quickly.

Protecting
Western
principles Iran

6.7 Protecting the home base

If the American or European home base is not adequately protected, neither Americans nor Europeans will be able to project security effectively. A

direct U.S.-EU security relationship should therefore become the forum for the consideration of vulnerability of societies in all forms and a nexus for sharing best practices in dealing with such challenges to build societal resiliency.

Specific proposal: The United States, NATO and the EU should conduct a joint series of exercises aimed at strengthening resiliency and consequence management across the range of potential attacks.

Terrorism is by and large an issue of law. Classical territorial defense, albeit modernized for the 21st century, will largely remain the preserve of NATO. However, a range of threats to critical infrastructures will need to be addressed by Americans and Europeans together if societal resiliency is to be strengthened. With the move toward ever more centralized computer-controlled systems and infrastructures, a better understanding is needed of vulnerability to catastrophic penetration through the cybersphere. Recent cyberattacks on Estonia suggest that the West is vulnerable not only to terrorist exploitation of such media, but also to states seeking to make an asymmetric attack on the West.

The need for
resiliency

Furthermore, with the advent of global mass travel and financial systems, attacks on the West could come in the form of induced (or accidental) pandemics or attacks on the banking system. The current financial crisis has demonstrated all too well the vulnerability of the West's financial system to shocks.

Vulnerable
systems

Both Americans and Europeans need to properly address the politics of identity. President Obama is an example of successful integration, and millions of new Americans and Europeans accept the values and norms of society. However, there are small but significant sections of Western society that are not loyal to the state and pose a threat to national cohesion.

The U.S.-EU relationship is the natural locus for a joint American and European effort to understand the extent of the threats and then to develop mutually reinforcing architectures based on building resiliency in both communities. Indeed, the new transatlantic relationship will become increasingly triangular—founded on a strong U.S. involvement in NATO for territorial defense, NATO-EU relations aimed at promoting and projecting effective civil-military security beyond the Euro-Atlantic area, and an EU-U.S. security relationship that protects the home base.

A direct U.S.-
EU relationship

6.8 Russia

Russia is and will remain a major actor in world affairs and an important factor influencing security in Europe. In the wake of the Russian invasion of Georgia, the United States and Europe need to develop a coherent and

consistent policy toward Russia, This policy should be designed to constructively engage Russia in efforts to enhance global and regional security and must be based on mutual respect for international law and norms. While legitimate Russian security concerns should be respected, the West must make clear that repeated and continued violations of international norms will inevitably lead to Russia's isolation.

Specific proposal: The United States and EU should establish a new U.S.-EU-Russia Council, similar to the NATO-Russia Council, within the framework of the U.S.-EU Transatlantic Agenda.

Managing relations with Russia is likely to present one of the most important and difficult policy challenges facing the United States and Europe in the coming years. The United States and Europe have different views of and approaches to dealing with Russia, as evidenced by the varying responses to the Russian proposal for a New Security Pact. While Russian proposals to strengthen the Organization for Security and Cooperation in Europe are to be welcomed, any attempt to marginalize NATO or to demand the right to interfere in the sovereign rights of states on Russia's borders must be resisted firmly by both the United States and Europe. At the same time, both the United States and Europe have a strong interest in the development of a stable, democratic Russia that can actively contribute to enhancing European and international stability. A cooperative relationship with Russia would make the resolution of many international issues easier.

U.S.-European
divergence

Developing such a relationship, however, will not be easy. Russia today is in a self-confident and assertive mood. Moscow believes that the West, above all the United States, sought to exploit its weakness after the collapse of the Soviet Union. Now that it perceives itself as stronger, it is determined to renegotiate the terms of its relationship with the West, a relationship which it feels has been far more advantageous to the West than to Russia. At the same time, it is also determined to reassert its influence over the former Soviet space, which it regards as part of its historical sphere of influence.

Dealing with an
assertive
Russia

The United States and Europe thus need to develop a coherent, coordinated strategy toward Russia as a matter of urgency. This strategy must be firm but not provocative. It should be designed to underscore that the United States and Europe desire close and friendly relations with Russia but that these relations must be based on respect for international law and the UN Charter as well as respect for the sovereignty and independence of its neighbors, especially those in the former Soviet space.

A coherent
strategy toward
Russia

In formulating its strategy, the West should be sensitive to the fact that Russia has longstanding political, economic and security interests in this former Soviet space. However, being sensitive to these interests does not

Ensuring politi-
cal sovereignty

mean that Russia should be given a *droit de regard* over the political development and security orientation of countries in the region. These nations must be allowed to decide their own political and security orientation, including membership in NATO and the EU if they so wish and meet the qualifications for membership.

6.9 Enlargement and the European periphery

The United States and Europe together should reaffirm the sovereign rights of all states in the former Soviet space to seek membership in the EU and/or NATO. The candidacy of each prospective member should be looked at on the merits of its individual case. In the first instance, transatlantic principles need to be reestablished for future enlargement. One of the most important of these principles should be that all border disputes must be resolved before membership can be conferred. Collective defense (Article 5 of the Washington Treaty) must also remain a core NATO mission.

Specific proposal: Establish a NATO-EU Working Group to consider the principles and criteria that will govern future enlargements around Europe's periphery.

Enhancing stability and security on Europe's periphery should be an important transatlantic goal, one which will require close U.S.-European cooperation and coordination of policy. This coordination is particularly important because Russia is highly sensitive regarding the involvement of Western institutions, particularly NATO, in the post-Soviet space. Thus, while Russia cannot be given a *droit de regard* over the security orientation of its neighbors, the enlargement of both institutions, especially NATO, into the region must be carried out prudently and take Russian security concerns into account.

At the same time, as it enlarges, NATO must avoid making hollow commitments. Before proceeding with concrete steps toward a new round of enlargement, the Alliance should undertake a thorough assessment of how it would carry out an Article 5 security commitment to potential new members such as Georgia and Ukraine. It would be extremely dangerous (indeed irresponsible) to extend a security commitment to either country until an assessment has been made of how the Alliance would carry out such a commitment. A hollow commitment not backed up by the will and capabilities to carry it out would be worse than no commitment at all.

Given this, as well as the lack of internal consensus within NATO about enlargement to Georgia and Ukraine, the Alliance should keep the door open to Georgian and Ukrainian membership but postpone any consideration of the Membership Action Plan (MAP) for Georgia and Ukraine until after the NATO summit in the spring of 2009. This would give the Alliance

Assessing
Western
commitments

Postponing the
MAP

more time to develop an internal consensus regarding the feasibility, strategic consequences and timing of admitting Georgia and/or Ukraine. It would also be easier to restart a strategic dialogue with Moscow if the dialogue is not immediately burdened by the question of Georgian and Ukrainian membership. Conversely, pressing forward with MAP before or at the NATO summit could inflame relations with Russia and prompt Moscow to increase pressure on Ukraine, sparking a new crisis with Moscow that could pose a serious threat to European security and jeopardize any chance of putting relations with Russia on a more cooperative footing.

At the same time, the Alliance should weaken the linkage between MAP and membership. To date, MAP has been seen as an automatic path to membership. However, if the linkage between MAP and membership were weakened, MAP would no longer be regarded as automatically implying that a candidate would become a NATO member. Some candidates who received MAP might become members while others might not. This could help to defuse the controversy surrounding MAP and transform it into an additional layer of stabilization around Europe's periphery.

The link between MAP and membership

All outstanding accession negotiations with Albania and Croatia should be concluded as soon as possible. Serbia should be encouraged to accelerate its internal and external transformation and improve its qualifications for membership in NATO and the EU. The goal should be that all Balkan states should be members of NATO and the EU no later than 2015. All future enlargements will require active and coordinated U.S. and EU diplomacy to resolve so-called frozen conflicts around Europe's periphery.

6.10 Asia

The United States and Europe need to craft a coherent strategy toward Asia. This strategy should be designed to integrate China and India into international political and economic institutions and to promote reforms that would enhance good governance in both countries. In addition, Europe should work to ensure that the U.S. stabilizing security presence in Asia remains strong, by easing the pressure on U.S. forces in and around Europe. Europe also needs to strengthen its diplomatic engagement as part of a coherent approach to promoting stability in the region.

Specific proposal: The United States and Europe should seek the creation of a new EU-NATO-ASEAN Security Forum.

One of the most important challenges facing the transatlantic partnership in the coming decade will be how to deal with an increasingly dynamic, diverse and economically powerful and yet unstable Asia. In the past, Asia has not figured prominently on the transatlantic security agenda. In the future, however, Asian security is likely to become a much more important

Dealing with Asia

issue. The Asian continent is the most dynamic region in the world and is emerging as the motor of the global economy. If the current rates of economic growth are maintained, economists estimate that the Asian economy will contribute almost half of the global product by 2025. Equally, nationalist tensions abound, reinforced by a new sense of global empowerment and the rapid modernization of armed forces.

The key drivers of this growth have been China and India. Both are likely to sustain significant growth rates for the foreseeable future. Japan, while in relative decline compared to China and India, will remain a major economic power and an important source of technological innovation. These three countries will remain the key regional actors in a rapidly changing Asian continent.

The Asian
power balance

The rise of China and India is resulting in a diversification of power around the globe. This development should be seen not only in terms of potential threat but also as an increase in the management capacity to tackle complex issues. China's economy is today the second largest in the world when measured by purchasing power, and it could overtake the U.S. economy at some point in the future. China's economic expansion has derived from trade-driven growth, whereas India's growth has resulted primarily from the liberalization and expansion of its domestic economy. This internal and external growth has created increasing mutual dependence in the Asian economic system, with China one of the hubs. It is hoped that such interdependence will offset nationalist pressures but that cannot be guaranteed.

The role of new
powers

Even as power moves eastward, however, there is as yet no coherent Asia, although the Pacific could in time become a global inland sea with the importance of the U.S.-Japanese relationship significantly enhanced as a key strategic link. Indeed, the graver danger is that a heady mix of overheating economies, resurgent nationalism, internal divisions and arms competition will lead to a dangerous implosion of the Asia-Pacific region. In such an event, it is hard to see Europeans idly standing on the sidelines. This explains why the British and French are now reconstructing global-reach armed forces.

No coherent
Asia

The objective of American and European strategy in Asia should be to build stability in the region and foster partnership and confidence with Asian powers. A four-step strategy would be helpful in this regard. First, the United States and Europe should promote and support the integration of China and India into key global institutions while the United States continues to act as an important political-military balancer in Asia. Second, a structured NATO-EU dialogue is needed on Asian security, as are better U.S.-EU mechanisms for discussing Asian security. Third, NATO should develop partnerships with key countries in Asia that share the Alliance's democratic values. These partnerships should be designed to promote closer political and military cooperation in specific areas but not involve an

Fostering
stability

extension of formal membership. Fourth, the EU's strategic partnerships with key states in the region need to be reinforced politically, diplomatically and economically to emphasize the strategic importance of Asia and Asian stability to Europe.

If the United States and Europe do not begin to shape a coordinated response now, these challenges could lead to major dislocations with far-reaching consequences for international stability in the decades ahead.

6.11 Energy security and climate change

Europeans and Americans must reduce their vulnerability to energy leverage, actively lowering domestic demand to reduce dependence on fossil fuels.

Specific proposal: The United States and the EU should adopt a coordinated multilateral approach for the 2009 UN Conference on Climate Change in Copenhagen.

Both the United States and Europe are vulnerable to an abrupt, large reduction in the global supply of oil and, in the case of Europe, imported natural gas. If oil from the Persian Gulf were to be cut off for an extended period of time, both economies would likely fall into a deep and prolonged recession. Although both entities have stockpiled strategic reserves of oil through the International Energy Agency (IEA), the EU may wish to create increased capacity to store natural gas. At the very least, Western economies should seek sufficient stockpiles to operate for at least a year without Saudi oil. Both entities should also encourage developing countries to collaborate with the IEA to establish or expand strategic petroleum reserves. Higher taxes on refined oil products in the United States would encourage U.S. consumers to become more efficient, thereby lessening the vulnerability of the U.S. economy to disruptions in supply. Consumer pain could be eased through the use of adaptable government tax levies to keep prices of oil and gas supply on both sides of the Atlantic.

Building reserves

A follow-on treaty to Kyoto could focus more on encouraging countries to adopt policies that reduce emissions of carbon dioxide. Although the cap-and-trade system in the EU will probably not be changed, the United States should be encouraged to adopt a carbon tax rebate to taxpayers. China and India could also be encouraged to impose taxes on energy, replacing taxes on labor or imports, and in India's case, helping to close the budget deficit.

A follow-on to Kyoto

Equally, the EU and the United States should work to ensure that carbon taxes and cap-and-trade systems do not disrupt trade in energy-intensive products. Manufacturers of steel, aluminum and other energy-intensive

Ensuring fair play

products may need to receive rebates on carbon taxes or payments for carbon dioxide permits so that the production of energy-intensive products is not driven to countries that make no attempt to curb emissions of carbon dioxide.

6.12 Global poverty and good governance

Despite the global recession, the United States and the EU should recommit themselves to helping developing countries, especially the least developed countries concentrated in Africa, to achieve their Millennium Development Goals. Through the G8, the OECD, and other forums, the United States and Europe have taken the lead in reducing debt for severely impoverished developing countries and in committing their governments to increasing foreign assistance.

Specific proposal: In conjunction with leading bankers, the United States and the EU should produce a detailed plan aimed at increased lending for development and present it to the World Bank and the International Monetary Fund.

The global recession will put pressure on assistance budgets at the very time that many of the world's poor may be pulled back into poverty. The United States and the EU should work closely with the World Bank to increase lending for development and address crises and other macroeconomic disruptions so as to mitigate the impact of the recession on the least developing countries. In line with the OECD's Paris Declaration, the United States and Europe should better coordinate their aid and development efforts and to that end agree on common standards and coordinated procedures for combating corruption, which inhibits growth.

Increase lending to the poor

Additionally, the United States and Europe need to jointly take the lead in ensuring that the Global Fund is an effective instrument for development in Africa. The four EU members of G8 (Britain, France, Germany and Italy) represent more than 75% of the total aid and development that was committed at the G8 Gleneagles Summit. Sadly, delivery on such commitments has been weak across the EU. The United States' commitment was smaller than that of the European G8 members in relation to the size of their respective economies. It has thus been easier for the United States to achieve its commitments, but a much greater U.S. effort is needed.

The Global Fund and Africa

Equally, while economic aid is important, it is not the solution to Africa's mounting problems. Growth rates are falling in sub-Saharan Africa because of the high cost of doing business in the region, mainly due to corruption. According to the International Finance Corporation, 24 of the 30 countries with the most costly business environments are in sub-Saharan Africa. African governments should be encouraged to establish a better climate for

Tackling African corruption

private investment. This requires above all a change in the mindset of African governments. Effective use of aid can support African reforms, but it cannot be the organizing principle and driving force for African development. The key to success will be the extent to which African governments provide the private sector with the right incentives to invest so that they can work hand in hand to ensure balanced development and economic growth.

The United States and Europe thus need to encourage African states to better promote sound rule of law and justice as a corollary of development. Too many abuses of human rights are tolerated across the continent. Given the experience that Europe and the United States have gained in stabilization and reconstruction operations, much could be done together to strengthen rule-of-law institutions across Africa. Indeed, African stability is a clear interest for Americans and Europeans and should be a priority for the Obama administration. In addition, the United States and Europe should closely coordinate their military activities in Africa to ensure that these activities complement rather than conflict or compete with one another. The newly formed US Africa Command (AFRICOM) should work closely with its EU counterparts through ESDP to ensure that this is the case.

Promoting rule of law in Africa

Of utmost importance is for Americans and Europeans together to urgently reinforce the struggle against AIDS, which is ravaging much of Africa. To that end, the work of UNAIDS and other key nongovernmental organizations must be brought together with African governments to decide on a new strategy to fight AIDS in Africa. However, any joint U.S.-European strategy dealing with Africa cannot be imposed from the outside. It must be worked out with the participation of the African states themselves. African governments must have a sense of ownership. Otherwise, the strategy is unlikely to succeed. That is why the focus of much of U.S. and European effort must be the creation of an effective and credible African Union modeled on the EU. It is time for a new partnership with Africa.

Tackling AIDS

6.13 Reforming international institutions

The Bretton Woods institutions (World Bank, IMF) are as much in need of reform as the West's security institutions. NATO must again become a credible guarantor of the strategic defense of the Euro-Atlantic community. The NATO-EU relationship needs to be rebuilt around effective civil-military stability operations (comprehensive approach), the EU needs to strengthen its security and defense credibility and the United Nations needs better tools for effective peacemaking and peace enforcement.

The state of NATO has traditionally been a bellwether of the transatlantic relationship, and the Alliance will continue to play a key role as a forum for coordinating transatlantic security policy. This will be particularly important as NATO's strategic defense architecture must be renovated with missile

Modernizing NATO

defense and nuclear deterrence once again emerging as central issues. Equally, the search for more deployable European forces will remain central to the challenges the Alliance and the EU face. NATO's targets of 8 percent of forces deployed with 40 percent deployable still elude many Europeans; the Alliance should be empowered to examine with the EU why that is the case.

However, as the EU gradually assumes a more global role, the NATO-EU and U.S.-EU relationships are likely to become more significant. NATO remains vitally important, but it will increasingly need to share center stage with other organizations, particularly the EU. There are structural differences in the approach to security on both sides of the Atlantic that need to be understood, confronted and harmonized. Unfortunately, in the pivotal EU-NATO relationship there are a range of both implicit and explicit problems. Quite simply, the NATO-EU relationship has become stymied by internal bureaucratic constraints reinforced by a lack of political vision, to the detriment of both institutions and the wider transatlantic relationship. Rather, the U.S.-EU relationship must now be treated as a truly strategic partnership and given the tools to that end.

Renovating EU-NATO relations

The first problem is that no functioning institutional relationship exists between the two organizations, irrespective of the Strategic Partnership, Framework Agreement or Working Group on Capabilities. This problem has been particularly acute in Afghanistan, where there is no proper link between ISAF and EUPOL, the EU's police training mission. The problem is essentially one of expectations. Often accused of restraining European strategic ambitions, the United States is more worried that Europeans will do too little as an autonomous actor than that they will do too much. This uncertainty has led to a "who does what when" problem for NATO and the EU, which is close to paralyzing both institutions in key areas of cooperation. That paralysis has been exacerbated on occasion by a tendency in Washington to suggest that while it wants Europe to do more, it must do so on American (i.e., NATO) terms and by a European tendency to demand more influence over U.S. strategy than its effort justifies. This conundrum needs to be resolved, and resolved quickly.

The problem of who does what when

For most Europeans, American leadership is still indispensable, albeit not as compelling as in the past. Indeed, most Europeans are more concerned that America is becoming weaker, not stronger, even if they question the wisdom of many American policies. Again, it is time to go beyond theoretical debate, and the arrival of the Obama administration affords an important opportunity to begin to build a stronger, more global security partnership between the United States and Europe, as well as to renovate NATO's strategic defense architecture and to frame a new strategic concept.

U.S. leadership

Several immediate steps need to be initiated to build a sound EU-NATO relationship.

First, the United States should support the development of a strategically-capable ESDP that can by 2020 project both power and stability well beyond Europe's borders. Much of that effort will be civilian, with a focus on making the Comprehensive Approach function. At its core, ESDP must have a force of advanced and deployable expeditionary European forces that can, if need be, be controlled from an EU Operational Headquarters.

A strategic
ESDP?

Therefore, the United States and Europe must make greater efforts to persuade Turkey that strategic interests vital to building a stronger and more viable NATO-EU relationship must be supported. The same is true for Greece and Cyprus. In both cases, national disputes too often block the strategic common good.

Managing
Turkey

The basic problem is that there is a serious gap between ambition and resources in Europe. EU taxpayers spend around €180 billion on defense. Spent properly and creatively, a lot can be achieved in the defense field with €180 billion before governments start raiding the coffers of social security. But even that figure is an illusion. British spending in 2008 on defense amounted to 27 percent of the EU total. French spending represented 23 percent, while Germany spent 15 percent of the total. In other words, the Big Three represent 65 percent of all defense expenditure by the EU 27. The bottom line is this: 19 EU member-states are spending an average of €4 billion per state per annum on defense. This is nowhere near enough to generate the capabilities already identified, whether they are organized through NATO or the EU. Indeed, according to recent studies on current projections, by 2015 Britain and France alone will represent 65 percent of the EU total.

European
ambition
resources gap

France's reentry into the integrated military structure (IMS) of the Alliance will provide an important opportunity to build a stronger NATO-EU relationship. Washington should reinforce the new beginning in U.S.-French relations by accepting that a stronger ESDP is in the U.S. interest and that there will be instances when the EU needs to be able to act autonomously. Washington should also support calls by Paris for a European Security and Defense White Paper. The United States and the EU should endorse jointly the new ideas for European defense that emerged during the French presidency, including President Sarkozy's proposal for an EU force comprised of ten thousand personnel from six EU member-states. In return, EU member-states should commit to move toward spending 2 percent of gross domestic product (GDP) on defense by 2012, and all European states must support the drafting of a new NATO Strategic Concept.

The new politics
of NATO

It is vital that both Americans and Europeans reaffirm the importance of the Lisbon Treaty. If the treaty fails, low defense spending and ad hocery will

Reaffirming
Lisbon

be reinforced, weakening Europe's ability to act as a strong and effective partner of the United States capable of addressing new global security challenges. Permanent structured cooperation, which is enshrined in the treaty, offers an effective way forward for squeezing more capability out of anemic defense budgets that will rise only marginally in the coming years. Indeed, with European defense inflation today running at between 7–10 percent per annum for both personnel and equipment, any nominal costs in defense spending are likely to be wiped out. Certainly, with only five of the twenty-four European members of NATO meeting the NATO minimum defense spending target of 2 percent per annum, the prospects for increasing transatlantic tensions are all too apparent.

The United States and Europe should further develop the G8 into a leadership forum capable of conferring legitimacy on actions if the United Nations is politically paralyzed. Equally, the United States and Europe should together reexamine reform of the UN. The failed Responsibility to Protect (R2P) program has been blocked by authoritarian states that demand their sovereignty be respected. However, together Europe and the United States must insist upon basic standards of government and governance. At the very least, the United States and Europe should seek to build a new relationship with the G77 countries, particularly cornerstone regional powers such as Brazil, South Africa and Indonesia. The United States and Europe should also push for further reform of the UN Department of Political Affairs (DPA) and Department of Peacekeeping Operations (DPKO) to better enable them to lead crisis management and peace support operations. Finally, Europeans and Americans should encourage emerging regional institutions such as the African Union, ASEAN, OAS and even the Shanghai Cooperation Organization, as they are key elements in regional security in a globalized world and help prevent extreme state behavior.

G8 as leadership forum

7 Forging a New Transatlantic Partnership: A Test of Vision and Will

The transatlantic partnership needs to be restructured and revitalized to address the myriad of challenges it is likely to confront in the coming decades. This process demands both will and vision. This report has attempted to lay out the vision. The key question is whether the United States and Europe collectively have the will to implement it.

First, the sheer scale of the challenge needs to be understood and that understanding shared, for only when there is a common understanding can a strategic concept worthy of the name be properly established.

Second, both Europeans and Americans will need to commit themselves to meeting the five tests of vision and will noted at the beginning of this report:

the test of urgency, the test of feasibility, the test of efficacy, the test of will and, finally, the test of relevance to the legitimate grand strategic aims of both Americans and Europeans.

Third, given the shocks and alarms that have so scarred the transatlantic relationship over the past decade, a new story or narrative is needed, because the value of such a relationship is increasingly questioned by publics on both sides of the Atlantic. That will mean firmly and clearly establishing the basis for a new partnership that is both more global and more equal and that moves beyond the traditional mantras of shared values and institutions.

Fourth, expectations will need to be managed on both sides of the Atlantic. Key to that will be an end to each judging the other solely by its own priorities. Americans should stop judging Europeans as failures simply because they fail to be good Americans. Europeans must stop judging Americans purely on the test of institutional legitimacy.

Fifth, European uncertainties will persist because Europe is not a unitary state. It will take time for Europe and Europeans to generate the kind of credible presence in the world that a credible transatlantic relationship so patently needs. Americans must join Europeans on that journey, however long it takes.

Finally, with the arrival of the Obama administration there is an opportunity today to create a new transatlantic partnership based on a cooperative strategy. Differences are likely to continue on both sides of the Atlantic. However, with the right will and vision on both sides, the fashioning of such strategy is achievable. And for much of the world, that strategy will offer the best hope of peace, stability and prosperity.

8 Appendix: List of Supporting Papers

Asmus, Ronald D., Rethinking Eastern Enlargement Strategy.

Boyer, Yves, and Franz Borkenhagen, Uncertain Afghanistan.

Berkovsky, Axel, Asia's Security Architecture: Environment, Actors, Trends and Implications for European Security Policies toward Asia.

Crane, Keith D., The EU and the United States: Energy Security, Energy Prices and Global Warming.

Delpech, Therese, Iran: Options for 2008 and Beyond.

Facon, Isabelle, The West and Post-Putin: Does Russia Leave the West?

Gompert, David C., Transatlantic Agenda 2009.

Graham, Thomas E., Russia.

Hoffman, Bruce, Terrorism.

Howorth, Jolyon, ESDP and NATO: Demystifying the Relationship.

Hunter, Robert E., NATO-EU Relations.

Jones, Seth G., and James Dobbins, Stabilizing Afghanistan and Pakistan: Toward a Regional Approach.

Kemp, Geoffrey, Iran and Gulf Security.

Langhammer, Rolf J., Economic Challenges Facing the United States and Europe.

Lever, Paul, Terrorism: A European Perspective.

Lindley-French, Julian, and Rob de Wijk, Key Challenges: U.S. and European Perspectives

Mabey, Nick, Energy and Climate Change.

Swieboda, Pawel, Policy Approaches to Stabilizing Europe's Periphery.

Ross, Denis, The Middle East and North Africa.

Silvestri, Stefano, Middle East and the Mediterranean: A Perspective from Europe.

Spanger, Hans-Joachim, Europe's Future: Russia.

Tellis, Ashley J., Managing Challenges in Asia.