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**A NEW GRAND BARGAIN: A TRANSATLANTIC SECURITY  
RELATIONSHIP FOR THE 21<sup>ST</sup> CENTURY**

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# **A New Grand Bargain: A Transatlantic Security Relationship for the 21<sup>st</sup> Century**

## **Introduction**

At the dawn of the 21st century, the transatlantic security relationship between the US and its European allies remains locked in the paradigm created during the second half of the 20th century. This Cold War relationship was essentially "The Grand Bargain", whereby the United States provided nuclear deterrence and an overarching security umbrella for Western Europe, in return for being allowed to call the shots. It persists despite a radically changed security environment prompted by the two most dramatic phenomena of the old century's last decade--the abrupt, peaceful end to the Cold War and the acceleration of worldwide interconnectedness known as "globalization."<sup>1</sup> Within Europe itself, much has changed since Eastern Europe's "velvet revolutions," the collapse of the Berlin wall, and the consignment of the Soviet Union to history's dustbin. The most salient events revolve around integration in Western Europe and disintegration in southeastern Europe. The half century-old process of "building Europe," propelled forward by the Maastricht Treaty, has continued apace, deepening economic and political ties among European Union (EU) members, as they simultaneously took the first small steps to forge their own security and defense policy. The Balkan "troubles"--the bloody wars of Yugoslav succession--revealed fissures among transatlantic allies, a seeming European inability to act concertedly or decisively in their own "backyard" absent American leadership, and a substantial gap between US and European military capabilities.

Consequently, given the altered global and regional security environments, there have been questions about the purposes--ends and means--and even continuing relevance of the transatlantic security relationship, and especially of its principal institution, NATO<sup>2</sup>.

This paper enters that debate by taking the position that, not only despite this changed environment, but because of it, a viable security relationship between the US and Europe remains essential to the larger purposes of US--and European--interests and values. The authors frame the following question: given the changed--and dynamic--global environment, and common US-European interests and values, what is the optimal transatlantic security relationship for the US

to pursue? We believe that the current historical moment, especially the likely absence for decades, at least, of a serious external threat to the survival of the allies, offers an ideal time--a window of opportunity--to rebalance the transatlantic security relationship in a way that will more likely guarantee a long term association that will benefit both the US, as well as Europe. Simply stated, it is time to formulate a new "Grand Bargain".

In the most general terms, we subscribe to a goal formulated by former US president George H. W. Bush--the US and Europe ought to become "partners in leadership."<sup>3</sup> We believe that the US should remain a leader, while simultaneously becoming more of a partner--a "nation among nations"--in the transatlantic alliance. We describe this policy as a "Cooperative" approach. More specifically, this means recasting the US position in NATO to cede the dominant military role to the EU and rebalancing the transatlantic alliance. Our recommendation envisions the transfer of many current NATO security functions--to include stability operations within or adjacent to Europe--to the EU. It is important to note that this option emphatically is not a call for US disengagement from Europe, or a turn to either isolationism or unilateralism. Rather, the US role becomes one of coordination, support, and selective participation in operations, while provisions for collective defense among transatlantic partners against external aggression remain in place. The change we advocate would not occur precipitously, but neither would it languish indefinitely. Rather, the US and its European partners would agree on a "transatlantic security end state" and establish a glide path--specific events keyed to time--to get there by 2020. We choose this terminal point mainly to synchronize this rebalancing of the transatlantic security relationship with the current temporal boundary for the US Defense Department's and Joint Chiefs of Staff "Joint Vision" for the transformation of the US armed forces.

In determining that the "Cooperative" approach was the optimal course for the US to follow, the authors have followed a deliberate problem solving methodology. We began by posing the question referenced above and restated here: given the disappearance of the Soviet threat, which constituted the purpose of creating NATO and sweeping global changes--political,

economic, and military--that have taken place over the past decade, what is the optimal transatlantic security relationship for the US? We then gathered facts and made assumptions relevant to the problem, including those based upon US interests and values, points of agreement and differences with the Europeans, and potential threats to mutual security. Next, we examined possible courses of action that the US could follow. In addition to our recommended "Cooperative" option, we also analyzed--and ultimately rejected--following currently stated US policy, what we called "Status Quo Plus", a "Minimalist NATO" Option, and a maximalist NATO option--"EuroNATO." Using our facts and assumptions, we then developed evaluation criteria, which we employed first to determine specific advantages and disadvantages for each course of action, then as the basis for comparison of the courses of action to each other.

### **Interests and Values--Why Europe Matters to the US**

Whether one accepts or rejects Richard Holbrooke's contention that the US "has become a European power,"<sup>4</sup> it is indisputable that the US has vital security interests centered upon Europe<sup>5</sup>. Zbigniew Brzezinski flatly declares, "The transatlantic alliance is America's most important global relationship."<sup>6</sup> The most fundamental US interest is simply put--that its European allies continue to survive as free and independent states.

While during the Cold War contest with the Soviet Union the preponderant reason for this was military-strategic in nature, today and for the foreseeable future the rationale for this interest is more diffuse. Economically, notwithstanding sometimes-bitter disagreements and competition, Europe and the US remain critically necessary to each other in terms of trade and capital markets. Politically and diplomatically, the US often requires European support, whether from the EU or on a bilateral basis, in order to advance its security interests around the globe on a broad range of issues that include everything from dealing with other powers or rogue states, to combating international crime and terrorism, to preventing the proliferation of weapons of mass destruction. And in the military-strategic sphere, forward basing and prepositioning, overflight rights, and access to infrastructure in Europe confer upon the US significant power projection advantages in support of extra-European interests. On a more intangible, but no less profound

social-cultural level, in their liberal democratic political systems and market economies, and in their commitment to human rights, our European partners are more like us than anybody else on the planet. Sharing our values as they do, they are less likely to challenge our vital interests and more likely to be capable of helping us protect and advance them.

### **Differences--The US and Europe: Bound to Bicker?**

Why then do the US and Europe so often seem to be at odds these days? At a most fundamental level, sovereign and democratic states will never have identical interests. "Differences in geography, history, political culture, and, of course, military capabilities still count."<sup>7</sup> Stephen Walt cogently addresses the two most obvious explanations, which are inherent in the preceding discussion of interests. The disappearance of the Soviet menace removed a factor that tended to override differences among the partners and cause them to hang together.<sup>8</sup> And economic friction is real. Additionally, he suggests that US demographic factors--increasingly large percentages of Americans with non-European ethnic origins--and generational changes on both sides of the Atlantic, as the political elites, whose shared experiences of waging the Cold War bound them together, pass from the scene, inevitably are leading to a fraying of ties.<sup>9</sup> Beyond these, even in refuting Walt's thesis that the US and Europe ought to discard NATO, Joseph Nye adduces other factors that seemingly condemn the US and Europe to be "bound to bicker,"<sup>10</sup> including name-calling and demonization on both sides over subtle cultural differences between the US's more individualistic ethos and the more communitarian social democracy found in western Europe. He also points to coordination difficulties driven by two conditions: the primacy of domestic preoccupations among the concerned parties, which leads to a lack of interest and time to resolve alliance disagreements, and the complicated policy-making institutions in both Washington and Brussels, which make bargaining difficult even when good will and time are present.

Additionally, there is the hardy perennial of intramural arguments over burden sharing versus free-riding. This is compounded in European eyes by what appears as American schizophrenia<sup>11</sup> --the US demands that the Europeans do more about defense, yet, as in the case

of the European Defense and Security Identity (ESDI), when the Europeans attempt to do so, they receive stern warnings about subverting NATO's integrity. More ominous for transatlantic comity is what some Europeans perceive as an overweening American "arrogance of power," often voiced as concern about US "hegemony" or "hyperpower," over an array of topics as trivial as McDonald's and Mickey Mouse to ones as serious as the military capabilities gap and National Missile Defense.<sup>12</sup>

### **Threats**

Unlike during the Cold War, there exists no single, overwhelming, mortal danger to the survival of the US or Europe, and none appears likely out to 2020. Nevertheless, there is a new array of potential security menaces that require consideration in determining if or how to recast the transatlantic relationship. One can broadly characterize these as external and internal threats.

#### *External Menaces*

In many ways the most alarming external threat--because it threatens national populations directly-- is the unholy trinity of so-called rogue states equipped with, or actively seeking to develop or acquire, weapons of mass destruction (WMD)--that is, nuclear, biological, and chemical (NBC) weapons--and ballistic missiles to deliver them. There are a number of such states throughout the world, including three on Europe's threshold--Iran, Iraq, and Libya. In the past, the US and our European allies have disagreed on the severity of this threat and how best to counter it.<sup>13</sup>

Another set of very real threats to critical, shared US-European interests lies in the "Greater Middle East"--an area encompassing North Africa through Egypt, Israel, and the Tigris-Euphrates valley, the Persian Gulf region into Turkey, and the Caspian Basin. In addition to the WMD threats emanating from this region, other dangers include the challenges of radical Islamic fundamentalism, inimical to the West; terrorism; denial of access to crucial energy resources; and the potential of a major conflagration between Israel and its Arab neighbors.<sup>14</sup>

Finally, there is Russia. While the successor to the Soviet Union is not a superpower, it still disposes a vast stockpile of nuclear weapons and possesses considerable latent power due to

its size and resources. The US and Europe must find ways to encourage and assist Russia's transition to a stable, liberal, democratic Western partner while hedging against a "worst case" that has two extreme variants. One is a total Russian collapse that results in nationalist and ethnic conflict spreading to Europe, and exacerbates an already existing concern about "loose nukes"--control of Russia's nuclear arsenal. The other nightmare scenario is for "Weimar" Russia's fragile democratic experiment to succumb to a newly authoritarian, aggressively revanchist state that clashes with former Soviet republics from the Baltics to the Caucasus and Caspian Basin, while making mischief and challenging US and European interests at every turn.

### *Internal Dangers*

Internal to Europe--broadly conceived-- is the danger of failed states in southeast Europe, to include the Balkans, and among the former Warsaw Pact nations or Soviet republics of central and eastern Europe. Besides the affront to US and European values that the humanitarian suffering--poverty, hunger, and disease--associated with the collapse of governance in these parts of Europe would bring, there would also follow direct challenges to mutual security interests. Among these one can envision ethnic and national conflicts that rage out of control, refugees from want or fear spilling over into western Europe, and the predations of transnational terrorist organizations and crime syndicates that breed and thrive in the fetid soil of failed states.

There is one other potential internal European danger, so unlikely and impolitic that one might refer to it as the "fear that dare not speak its name." When invoked at all, it is usually in the most general terms and euphemistically called the problem of the "renationalization of European defense." In a period of somewhat lessened sensitivities, Ernest Bevin, Great Britain's blunt, post-World War II Foreign Secretary, is alleged to have described NATO's purpose as keeping the US in, Russia out, and Germany down. Should the transatlantic alliance somehow decouple or European integration founder, Europe could face the prospect of a powerful Germany in its center contemplating rearmament--to include nuclear weapons--and overshadowing its neighbors. This scenario would be a recipe for destabilization throughout the continent and beyond.

## **More Unites Us Than Divides Us**

Clearly, in spite of old tensions muzzled by Cold War and new ones brought about precisely because of the Cold War's end and the phenomenon of globalization, the US and Europe still need each other--and the world needs them. As Brzezinski observes, together Europe and America "serve as the axis of global stability, the locomotive of the world's economy, and the nexus of global intellectual capital as well as technological innovation."<sup>15</sup> In other words, acting as partners, they wield the preponderance of what Nye has called "hard and soft power" to compel and attract others.<sup>16</sup>

Thankfully, US and European values and basic interests are reasonably in harmony. The important differences exist over questions of roles, priorities, and emphasis, and upon the best means to safeguard and advance our shared interests and values in the face of a sometimes-bewildering array of compelling new threats. Rebalancing the transatlantic alliance to account for the changed security environment and address all these questions is the best way to ensure that our shared, enduring values continue to prosper into the 21st century.

## **The Assumptions We Make**

In addition to the foregoing discussion, which we believe to be unexceptionable, a number of assumptions undergird our evaluation and comparison of possible options for the US to adopt vis-a-vis the transatlantic relationship. By definition, assumptions are unproven; however, we believe that the ones we offer here are feasible, as well as relevant and necessary to the process of determining the best course of action to adopt. We make these assumptions:

1. The US and Europe share important values and vital interests, face similar threats, yet periodically disagree.
2. The US will remain the globe's sole military superpower, with no peer competitors, out to at least 2020.
3. There will be no mortal threat, that is a threat to the national survival, of either the US or its European partners out to 2020.

4. While recognizing a need for allies and partners, the US will still seek to reserve the right and retain the capability to conduct military operations outside of Europe.

5. The process of EU integration will continue to deepen, primarily in the economic sphere, but also in the political and security/defense areas. Simultaneously, the EU will gradually widen, taking in more members. Nevertheless, a "United States of Europe" will not appear by 2020; rather the EU at its most coherent will resemble "a Switzerland writ large."<sup>17</sup>

6. A better-integrated EU is in the interests of the US, since it will be a more capable security partner. As the EU becomes more integrated, and develops more military capability, it will seek a more equitable security partnership with the US.

7. The US can confidently expect its transatlantic allies to do more in defense of common interests and values, and against mutual threats, if the allies no longer have the luxury of "free-riding" on US power.<sup>18</sup>

8. The EU will achieve its "headline goals" of being able to deploy, employ, and sustain for up to a year, a corps-sized force of approximately 60,000 troops. with supporting air and naval assets. Nevertheless, EU forces conducting independent operations will still need to rely upon the US to provide important enablers such as lift and C4ISR.<sup>19</sup>

9. Russia will not oppose greater EU integration, to include an enhanced security function. Nor will it oppose EU expansion. Russia will, however, bitterly resist NATO enlargement.

10. Given the absence of a mortal threat, such as posed by the Soviet Union during the Cold War, the optimal time to begin rebalancing the transatlantic security partnership is now, when there exists a "breathing space" or "window of opportunity." Given the other trends discussed in this paper--to include globalization, EU integration, diffuse potential threats to stability in non-western Europe and on Europe's periphery--change in the US-EU relationship is inevitable. It is preferable to master this process and attempt to shape the relationship, rather than drift into it.

## The Options We Considered

As noted above, we considered four courses of action for the US to pursue in an effort to forge the optimal transatlantic security alliance. We briefly describe them below.

### *Status Quo Plus*

Status Quo Plus means NATO plus new capabilities—NATO plus additional institutions, like the Partnership for Peace (PfP) and the European Union's European Security and Defense Program (ESDP). This option means NATO must continue to deal with conventional threats, and also must face new challenges such as the threats posed by WMD, terrorism, and cyber-terrorism. Status Quo Plus also deals with concerns beyond traditional NATO territory such as the Mediterranean's southern littoral, the Caucasus region and Africa.

This Option basically reflects current U.S. thinking and attitudes towards the future of NATO and overall transatlantic security relations. Most of its contents are part of both the new NATO Strategic Concept and the U.S. National Security Strategy<sup>20</sup> and is articulated in a recently published DoD report that is intended to offer a clear vision of U.S. policy goals in building transatlantic cooperation.<sup>21</sup>

### *Minimalist NATO*

This option would require NATO to abandon its efforts to "reinvent" itself, and push the EU, not NATO, to enlarge and bring former members of the Soviet bloc into the fold. Unlike Status Quo Plus, which calls for the Alliance to reaffirm its function of collective defense as well as becoming a larger, more capable and more flexible organization willing to respond to crises that may arise from regional or ethnic conflict, Minimalist NATO would reduce the mission to one of "strategic reassurance". This mission would cause NATO's main purpose to be defined as and limited to serving as a hedge against the emergence of a resurgent, hostile Russia; reassuring Germany about its security; and reassuring NATO's other west European powers about their security, thereby helping to prevent the renationalization of west European defense policy.

Additionally, any NATO enlargement would be tied to strategic circumstances: it would offer membership to additional central and east European states if and only if Russia begins to threaten western Europe militarily. While restricting NATO enlargement to this criterion, the EU as the key to promoting stability in central and eastern Europe, should be encouraged to enlarge as rapidly as possible. The best way to do this is to bring NATO enlargement to a halt.<sup>22</sup>

#### *Euro NATO*

Far and away, EuroNATO is the most radical option considered. This option's most dramatic feature is its "structural transformation", which calls for a transatlantic security enlargement that would absorb into one structure all the nations that are currently members of the Organization of Security and Cooperation in Europe (OSCE)—some 55 nations. A tenet behind the EuroNATO option is that more can be done with less. If nations pull together, instead of trying to divide and conquer, the significant redundancies and inefficiencies that exist today can be reduced.

EuroNATO would obviously reduce direct US influence as it subjects American interests to a union of over 50 nations. To accommodate the very large membership, a process, such as qualified majority voting, would be required to determine key policy issues and force deployment. But that is what is called for if it is assumed that US hegemony must be tempered to further an effective security relationship in Europe. This option most significantly departs from "business as usual" by giving all of Europe an equal footing with the US in regional security policy and military activity.

#### *Cooperative*

In short, the EU, not NATO must become the dominant organization for security and stability in Europe. The Cooperative approach calls for the US to embrace Europe, specifically the EU as a true partner, certainly in European security and stability, but also in selective global security matters as well. To make this partnership a reality calls for concrete steps by the US over the next 20 years that will effectively reverse the status quo. NATO would still remain,

albeit in a greatly reduced form, for specific purposes, most important being a hedge against a resurgent threat requiring serious collective defense.

The US would also remain heavily engaged in Europe, but as a partner that works closely with the EU, not as the protecting power, able to dictate policy. The intent of such a policy change would be to facilitate the evolution of the EU into a true regional power—one that through shared interests and values will be a natural American ally, but also one capable and willing to accept a greater share of the burden.

### **Evaluation Criteria**

We evaluated the above options in terms of ten evaluation criteria. We derived the criteria from the interests, values, threats, and assumptions discussed earlier.

#### *Supports US Power Projection.*

This measures how well a particular option allows for and supports the US ability to project military force within Europe and beyond, into such “out of area” regions as the Persian Gulf and Middle East. It concerns itself with issues such as forward deployed forces, access to infrastructure, and overflight rights.

#### *Burden Sharing*

This evaluates the likelihood of an option resulting in a more equal division of labor between the US and Europe in bearing the costs of mutual security arrangements, both in financial means as well as commitment of forces to specific operations.

#### *Narrows the Capabilities Gap*

This is related to the Burden Sharing criterion and assesses the impact an option could have in fostering a significant European improvement in selected military capabilities--to include C4ISR and lift--in order to narrow the gap between European militaries and the US. As such, it rates the potential an option offers for increased transatlantic defense integration and technology sharing.

#### *Enhances US Influence*

This criterion appraises how much leverage a given option is likely to give the US over the security deliberations and decisions of its European partners. As such, it concerns itself with both structures and access, as well as power relations within the partnership.

*Projects Stability*

Over the past decade the most tangible threats to general European security have come as a result of conflict in the former Yugoslavia, both in terms of what actually occurred and in their potential to spread. Additionally, the still fragile states of central Europe--members of the former Warsaw Pact--and the even more politically and economically unstable former Soviet republics, represent further dangers. Thus, this criterion seeks to estimate how an option would facilitate the US and its allies ensuring stability to these corners of Europe.

*Precludes "Fortress America"/"Fortress Europe"*

This standard gauges how likely an option would be to decouple the US and Europe by bringing about increased US isolationism or unilateralism, or a similar "go it alone" attitude on the Europeans' part.

*Prevents Reemergence of the "German Problem"*

This refers to an extreme variant of the "Fortress Europe"--or perhaps more appropriately "Festung Europa"--problem. Should the US and Europe decouple, this would leave Germany as potentially the dominant security actor in Europe. In the past, this has proved disastrous for her neighbors on all sides. This criterion appraises how each option is likely to restrain Germany's dominance in the security arena.

*Deters/Defends Against Rogue States/WMD*

This criterion estimates how effective each option would be in combating threats from rogue states and terrorists disposing nuclear, chemical, and/or biological weapons and the means to deliver them against either the US homeland, US personnel and facilities abroad, or European targets. As such, this criterion concerns itself with intelligence sharing, threat assessment, and possibly ballistic missile defense.

*Prevents Emergence of a Russian Threat*

This criterion not only rates how each option might fare in deterring or defending against a Russian security threat two decades hence, but also how an option might contribute to shaping alliance-Russian relations and making Russia a strategic partner instead of an adversary. As such, it considers how an option might be perceived by the Russians as threatening or, alternatively, as an indication of alliance weakness.

#### *Political and Administrative Feasibility*

This final criterion assesses the relative ease with which a particular option can be “sold” to various US domestic audiences and political/bureaucratic actors, including Congress and the State and Defense Departments.

### **Course of Action Analysis**

#### **Comparison of Options**

This Annex compares and rank orders each of the four courses of action in terms of our ten evaluation criteria. We judge the “Cooperative” option to be the best in terms of seven criteria and second best for three criteria. The decision matrix on page 16 depicts the overall results.

#### *Supports US Power Projection*

“Status Quo Plus” best satisfies this criterion. Of all the options, it provides the best balanced mixture of US flexibility with combined allied power. Because the US retains a still-dominant posture within the alliance, it is more likely to get its way in strategic debates and to be able to form “coalitions of the willing” with some NATO members. Of all the options, “Status Quo Plus” would also retain the most substantial US forces and other assets within Europe, thus further facilitating power projection to Europe’s periphery. “Cooperative”--the second best option here--sacrifices a significant degree of US flexibility to undertake power projection by enmeshing the US in an alliance with a significantly more equal partner--the EU. “Minimalist NATO” is the third best option here because it entails a significant reduction of US force structure in Europe with an accompanying reduction in access to critical power projection infrastructure. “EuroNATO”--the least effective option--in theory would harness the potential

power of Europe from “Vancouver to Vilnius”, but in practice would prove such a cumbersome arrangement that the US would gain no advantage in seeking to project power in support of its interests.

#### Burden Sharing

“Cooperative” is by far the best choice in terms of getting the Europeans to take on more of the alliance’s security costs. Moving toward a decision making equilibrium between the US and European pillars, and encouraging greater EU defense integration should enhance both Europe’s willingness and ability to burden share. “Minimalist NATO” takes second place here--while the US burden would undoubtedly be eased, there is also the danger that the Europeans might not pick it up without the institution of a strong NATO. “Status Quo Plus” is the third best option here because it does less than “Cooperative” to support ESDI. In essence, “Status Quo Plus” provides little incentive for US allies to cease security free riding. “EuroNATO” is the least favorable option because it does even less to promote the development of real European capabilities; in essence it extends the US security blanket--and burden--even further, thus encouraging and creating even more free riders.

#### *Narrows the Capabilities Gap*

Again, “Cooperative” is the most desirable option to fulfill this criterion of narrowing the gap in military capabilities between the US and its allies. It would do this primarily by fostering the growth of ESDI, which, as its European advocates insist is “about three things: capabilities, capabilities, capabilities.”<sup>23</sup> Additionally, the “Cooperative” option, more than the others, deposits the greatest responsibility for security upon the EU, thus furnishing it a powerful incentive to move ahead. The second best option--“Status Quo Plus”--at best most likely might cause some European partners to develop complementary capabilities to those possessed by the US, but will be unlikely to contribute significantly to closing the gap. The third best option is “Minimalist NATO.” As with burden sharing, there is a significant probability that absent a strong NATO, the Europeans might not develop their military capabilities. Additionally, without NATO, it is likely that interoperability problems with US systems--an important dimension of

combined capabilities, would increase. The least desirable option--"EuroNATO"--does nothing to enhance Europe's incentive to develop any more robust capabilities. Rather, it merely integrates and dilutes existing capabilities among a greater number of member states.

#### *Enhances US Influence*

By keeping the US as the dominant security actor in the transatlantic relationship, "Status Quo Plus" would probably assure that, relative to the other options, the US could retain the greatest level of influence in security affairs. To the extent that the US concomitantly expends less effort to support--or even opposes-- EU security integration as part of "Status Quo Plus", this also contributes to enhanced US influence through something akin to--putting it bluntly--a "divide and rule" mechanism. "Cooperative" and "EuroNATO" are similarly inferior here because they entangle in the US in structures where its formal influence is significantly watered down, though in diametrically opposed ways. Under "Cooperative" the US must share decision making with a much more equal EU; under "EuroNATO" the US would be only one among some fifty plus members--admittedly by far the most powerful, but in a predicament somewhat akin to its status in the UN General Assembly. Under "Minimalist NATO," the least desirable in terms of this criterion, the US would largely forfeit the exercise of the institutional influence it enjoys in NATO.

#### *Projects Stability*

"Cooperative" is the best course of action to enable the maintenance of stability in southeastern and central Europe. This option, more than the others, recognizes that "putting out fires in Europe's backyard"<sup>24</sup> is Europe's responsibility and supports the building of EU institutions that can conduct peace operations and nation building with minimum US support. "Minimalist NATO" is the next best option to the degree that it envisions EU political-economic integration and expansion as the keys to greater regional stability; however, while it would likely employ an attractive "carrot," it would not be as likely to develop the security "stick" that could be necessary if EU blandishments fail. "EuroNATO" is the third best choice here, as it envisions a more tightly knit Europe; however, it does not facilitate the creation of the same sturdy EU

security structures that a two pillar NATO would require. "Status Quo Plus" would most likely retain the current situation wherein the Europeans look to a reluctant US to take the lead, leading to recriminations, delays and prolonged instability. As such, it is the least advantageous option here.

*Precludes "Fortress America"/"Fortress Europe"*

"Cooperative" is the most likely of the three options considered to prevent the rise of either US or EU isolationism or an equally undesirable variant, unilateralism. It does this primarily by envisioning a more equitable division of roles and responsibilities between the European and American pillars of the transatlantic alliance, and removing the irritants of perceived US "hegemony" on the EU side and European free riding on the US side. "Status Quo Plus" is the second best option here. It retains, in only slightly modified form, the same structures that held the alliance together for half a century. Nevertheless, while building upon shared institutions, interests, and values, it fails to account for a radically altered threat environment and does little or nothing to address European concerns with US dominance.

"Minimalist NATO" is the third best option. In many ways, a vigorous NATO has served to keep the US engaged in Europe. Without a vital NATO to maintain, the US may often find no compelling reason to engage itself and be tempted into unilateralism or isolationism.

"EuroNATO" is the poorest option here. Given the bureaucratic snarl entailed in such a drastic recasting of the alliance, with "no one in charge," the US is likely, more often than not, to rely on unilateralism or forge "coalitions of the willing" from a handful of close allies when it wishes to achieve strategic goals, much as it does on the global scene when frustrated by the UN's institutional arrangements.

*Prevents Reemergence of the "German Problem"*

On the surface, it might appear that "Status Quo Plus" would be the best means of insurance against the unlikely recurrence of German *Machtpolitik*. After all, this option envisions a strong and dominating US role in Europe which would certainly balance against a resurgent Germany. Nevertheless, linked to the reasoning discussed in the preceding paragraph,

prolongation of the status quo is likely to lead to an American-European divorce, or at least a separation. This in turn could create a power vacuum, especially with a weakened Russia, that could foster a militarily renationalized Germany. Instead, the "Cooperative" scheme, with its impulse to deeper defense and security integration is the most sensible way to preclude a return to classical--and historically disastrous--European balance of power politics. "EuroNATO" places second here--there is no single powerful actor to balance a resurgent Germany, but the institutions envisioned do promise to enmesh Germany to some degree. This relegates "Status Quo Plus" to the third best option here and "Minimalist NATO"--with the virtual retirement of the US from Europe--to fourth.

*Deters/Defends Against Rogue States/WMD*

Both "hard" and "soft" power considerations make "Cooperative" the optimum course of action for transatlantic deterrence of, and defense against, these threats. As noted above, the "Cooperative" approach offers the best chance of eliminating European security free riding and getting the allies to develop the "hard" military--especially intelligence and precision strike--capabilities required to combat rogue states or terrorists equipped with WMD. At the same time, a more equal US-EU partnership may lead to greater emphasis on preferred European "soft" diplomatic approaches to states such as Iran, which may also be effective in reducing WMD threats. In sum, "Cooperative" promises to facilitate the widest menu of possible responses to this serious threat. "Status Quo Plus" and "Minimalist NATO" are both likely to witness the continued US-European split on the correct approach to follow, with potentially disastrous consequences for one or both parties. If "Status Quo Plus" and "Minimalist NATO" will maintain a fundamental split on this issue, EuroNATO is even worse because its unwieldiness will likely result in no coherent alliance policy.

*Prevents Emergence of a Russian Threat*

A "Cooperative" strategy of reforming the transatlantic partnership is the optimal choice here because it neatly manages to strengthen the potential military muscle of the alliance without threatening Russia. It does so by supporting gains in EU military capabilities, while reducing the

US footprint in Europe. It thus retains a robust alliance defense capacity while appeasing Russia in the best sense of that word by responding to that country's legitimate concerns about US power. "Minimalist NATO" is likely to please Russia, although somewhat paradoxically, could fuel Russian concerns about a revanchist Germany. Additionally, if appeasement fails, the absence of US military power from a vibrant NATO would be highly problematic. "Status Quo Plus," particularly with its penchant for NATO enlargement, is likely to provoke the Russians without establishing significantly greater military power than already exists. "EuroNato" is the least effective option here because what it does more than anything is attempt to recreate, at least in Russian eyes, a "*cordon sanitaire*" around Russia. This can do nothing but provoke hostilities between a latently powerful Russia and a relatively militarily incoherent alliance.

#### *Political and Administrative Feasibility*

Doing little or nothing is almost always the easiest or most feasible route to follow, hence "Status Quo Plus"--"if it ain't broke, don't fix it"--is the easiest approach to implement. The other three options would be considerably more difficult to implement in terms of persuading key US institutional actors (without even considering European actors!). Of these three, "Cooperative" would probably be the easiest US sell, since it still retains the outward structures of the current security relationship. "Minimalist NATO" would likely provoke committed "Atlanticists" with its devaluation of NATO, while "EuroNATO," the most radical of all options considered, would certainly encounter the most vociferous opposition.

#### **Course of Action Comparison--"Cooperative" is Optimal**

As detailed above, our comparison revealed that the "Cooperative" course of action is the optimal approach for the US to take. When compared with the other three options--"Status Quo Plus" Minimalist NATO and "Euro NATO"--the "Cooperative" approach promised the best outcome in seven of the ten evaluation criteria and was the second best in the other three. The table below depicts the results of the comparison in terms of a decision matrix. The four courses of action appear along the side and we array the decision criteria across the top. The matrix is a

“minimization” matrix; that is for each criterion, we assigned a “1” to the option that best satisfied it, a “2” to the second best option, and a “3” to the third best option and a “4” to the least satisfactorily fit the criterion. Adding the assigned values together for each option, the lowest total denotes the optimum selection. We weighted all criteria equally. Annex E provides a discussion of the comparison in terms of each criterion.

### Comparisons of Course of Action

Course of Action	Power Projection	Burden Sharing	Capabilities Gap	US Influence	Projects Stability	Fortress America/EU	German Problem	Rogue States/WMD	Russian Threat	Feasibility
Status Quo	1	3	2	1	4	2	3	2.5	3	1
Minimalist NATO	3	2	3	4	2	3	4	2.5	2	3
EuroNATO	4	4	4	2.5	3	4	2	4	4	4
Cooperative	2	1	1	2.5	1	1	1	1	1	2

Note: Minimum Matrix (Lower number is better)

Status Quo	22.5
Minimalist NATO	28.5
EuroNATO	35.5
Cooperative	13.5

## **Implementation: Building the New Grand Bargain**

“It is only a fully cohesive Europe that can protect us against fragmentation of the Alliance. Only such a Europe will permit full reciprocity of treatment across the Ocean, in facing the Atlantic agenda. With only such a Europe can we have a full give-and-take between equals, an equal sharing of responsibilities and an equal level of sacrifice.”  
John F. Kennedy<sup>25</sup>

“The new security environment offers us a unique luxury – the opportunity to set the security agenda ourselves.”  
Lord George Robertson<sup>26</sup>

As the preceding discussions demonstrate, a more cooperative approach to transatlantic security and defense is the optimal policy for the United States. This calls for an eventual reordering of the priority of institutions for the transatlantic relationship and US involvement in European security away from NATO primacy and toward a greater dependence on the European Union. In fact, we go so far as to suggest that the relationship will evolve to this end state over the next two decades, despite all the current statements to the contrary and despite the many obstacles the EU will have to overcome in order to assume this role. The forces at work today point in that direction. The real US and European policy decisions in this regard are not “whether” to move in this direction, but “how best”? It is this latter question that is the subject of this final section.

## **Implementation and End State**

It goes well beyond the scope of this paper, and the capability of the authors, to list a detailed road map for the implementation of such a program over 20 years. The specific measures recommended below are less important in-and-of-themselves, but rather serve to illustrate the nature and pace of changes that would need to occur. Ultimately it will be a process, much like the evolution of the EU itself, rather than a distinct plan or project. Above, we have compared four relatively stark options for the purpose of discussion and comparison. While one option, the Cooperative Approach, appears to provide more advantages over time, it is far from perfect. The European Union currently lacks the decision-making apparatus and political will to function effectively as a security organization. There are also uncertainties amongst various members over the pace and extent of integration within the EU in all areas, not just security. Most EU nations are not anxious to trade American "Hegemony" for French or German "Hegemony". Nor is there a groundswell of support in European countries for the increased defense budgets and restructuring necessary for the EU to immediately assume the pivotal role in European security. Having said this, it is also equally true that NATO, while currently strong and relatively effective, is becoming less relevant and more of an irritant in US-European relations. Finally, the threats to European security are becoming less traditional and less readily solved through purely military means. Rather, they will be addressed by all means of national power, which NATO does not possess, but the EU does.

### **A Euro-Atlantic Council**

The key to the implementation of this recommendation is to harness the strengths of NATO in the near term to build the relationship of the future. This relationship is based on a cooperative partnership between the US, NATO and the EU. Richard Cohen, writing on the concept of "Cooperative Security", has suggested the need for a reordering of the current relationship and a move toward a greater blending of NATO and the EU in the security arena. As he points out, "The Euro-Atlantic community is not divided within itself by ideas and values,

but by institutions...A way must therefore be found of bringing together the two regional Cooperative Security institutions, NATO and the EU,"<sup>27</sup> This is not only a philosophical argument, but presents a starting point for a practical approach toward implementation of the New Grand Bargain.

We join Cohen in calling for the establishment of a "Euro-Atlantic Council," combining the NATO North Atlantic Council and the Political and Security Committee of the EU<sup>28</sup>. Such an Euro-Atlantic Council offers an excellent means for transforming into the New Grand Bargain by meshing many of the best features of the current system, while breaking down some of the institutional barriers by making them essentially irrelevant. To be practical, however, it should also be necessarily limited to formal members of the two organizations. This does not preclude close cooperation with others, such as the other Euro-Atlantic Partnership Council (EAPC) countries, but it must not become so big or watered down that it becomes little more than the OSCE under a different name. This was the essence of the somewhat utopian EuroNATO option discussed and dismissed earlier. Likewise, the Euro-Atlantic Council must have provisions for the formation of "coalitions of the willing" as the wide disparity in capability and political will makes serious military action difficult in organizations, both of which currently rely on a high degree of unanimity.

#### A New "Minimalist" NATO

NATO would remain and retain several critical roles, but it would gradually become more "Minimalist". It would remain the ultimate guarantor of European security and collective defense. It would also be a means of facilitating cooperation and security, particularly with countries not in the EU. It would, however, exist in a greatly reduced form and no longer be the central player for most European security functions. The change would occur gradually as the European Union is capable of taking over greater roles and responsibilities. In the end, NATO would be responsible for four major missions or areas:

1. NATO and associated treaties remain in effect for the purpose of Article V collective defense. To this end, Supreme Headquarters Allied Powers Europe (SHAPE) and a

NATO military staff remain to plan and coordinate for such contingencies. Eventually much of this staff would evolve to supporting the Euro-Atlantic Council.

2. NATO/SHAPE headquarters remain as focal points for coordination and integration of American support to what would be essentially EU operations.
3. NATO would be the focal point for interoperability and standardization amongst the EU, the US and other interested parties. The goal would be to facilitate effective coalition operations, regardless of the actual operational command.
4. NATO would operate the missile defense system over Europe, and perhaps North America as well, should such a system be deployed.

The Supreme Allied Commander Europe (SACEUR) would remain an American and the (US European Command) EUCOM commanding general. This would be for several reasons.

First, it reinforces the coupling of American and European defense in the event of a serious Article V situation and retains America as the ultimate guarantor of European security.

Second, given the qualitative and quantitative superiority of American forces geared to fighting a major conflict, they would be the decisive element in any such conflict. Lastly, in the event of a major WMD threat or actual attack, the most likely response would be through the missile defenses; nuclear deterrence or response; or by way of formidable power projection forces (aircraft carriers, massive air attack, etc.), all of which would be heavily American. As with the nuclear deterrence during the Cold War, the United States is unlikely to relinquish control of such elements to non-American commanders.

#### **The EU Security Role**

The European Union would evolve to take the lead in the European security matters, except for serious Article V threats. This is the opposite of the current situation where the European Security and Defense Program (ESDP) is clearly subordinate to NATO, if not formally, certainly in reality. Such a change will be warranted since most of the foreseeable threats, primarily stability related, are those which the EU could clearly handle, given reasonable commitments in resources and, more importantly, the political will to act. They

will not, however, make that commitment until it becomes their mission, along with associated structures and responsibilities. Some specific measures to support this evolution are:

1. Much of the existing NATO integrated command structure would, over a period of years, migrate to the EU, or to a shared organization under a Euro-Atlantic Council. This action, to include the initial stated intention to do so, would be one of the clearest signs of our commitment to this course of action. It would have the concrete benefit of rapidly correcting the current deficiency in current EU capabilities—the lack of robust and experienced operations planning staffs. The first step would be to choose some existing organizations to rapidly bring up to the standards of comparable US headquarters. They would be both a test bed and would jumpstart the rest of the program<sup>29</sup>. As there are complaints about current NATO structure, particularly about redundancy and the need to move away from geographical commands, there would be considerable scope for incremental implementation, without endangering ongoing missions<sup>30</sup>. A logical option would be to transition the current NATO Regional Headquarters Allied Forces North Europe (RHQ AFNORTH – formerly AFCENT) in Brunssum, The Netherlands, into the EU's operational headquarters. This is due to both its proximity to Brussels, easing the process of transition and to the fact that a European already commands it. Some subordinate NATO headquarters, such as Joint Headquarters Center (JHQ CENT), would also be transferred for the same purpose. Meanwhile, RHQ AFSOUTH, in Naples, which is commanded by an American, would become the primary NATO regional headquarters during the difficult transition period and provide the necessary continuity and insurance.
2. The NATO Deputy SACEUR, a European, would also become the commander for the EU structure. This officer would be the *de facto* SACEUR for all but the most serious Article V situations. Aside from being an appropriate command relationship

in light of the increased European role, it would send a strong signal and reduce European concerns about excessive American control.

3. The US would still maintain a significant, but more selective presence associated with this EU structure, based on requirements and agreements. While the model is not exactly appealing to most Americans, it would be much like the French in NATO for the last 35 years, except—one hopes—more positive. As a minimum there would be permanent US elements at most or all major EU organizations as liaison, to ensure the transparency needed, and to provide “plug-ins” of critical and often unique US capabilities (intelligence, information operations, access to precision strike weapons, etc.). Likewise, US forces at various levels may and probably will participate in ongoing, EU-lead operations.

#### **A Transatlantic Relationship for the New Millennium**

Many will certainly not welcome the policy course of action we have suggested and will raise many issues. We understand their concerns. Despite the tone that is sometimes necessary to support an argument, the authors all support the continued strong US involvement in and commitment to European security and stability as vital to American national interests. As military officers who literally grew-up with NATO on the front lines of the Cold War or matured in NATO-led stability operations of the past decade, we are decidedly not anti-NATO. Rather, we recognize that the world is changing and we must look to preserve the best of what NATO represents. We do not pretend that the changes we recommend will be easy. The difficulties, however, will be offset by increases in other factors contributing to stability and security. Regardless, the current situation cannot be sustained and the end result in 20 years will be a EU-centered system of security and stability for Europe. That system may be divided and ineffective, as we fear will be the case if the US tries to sustain the status quo. Rather, the US should exercise its traditional leadership role to shape a more equitable balance between Europe and the United States. This relationship for

the 21<sup>st</sup> Century will be as effective and beneficial as our European policy of the last half of the 20<sup>th</sup>. That will be the basis of the New Grand Bargain.

## Endnotes

<sup>1</sup> Globalization—"networks of interdependence at multi-continental distances—occurs along many axes, to include economic, military, environmental, and social/cultural. David Held et al., Global Transformations: Politics, Economics, and Culture (Stanford, CA: Stanford University Press, 1999) provides a useful survey.

<sup>2</sup> There is an immense literature on this topic. A sample includes Paul Cornish, "European Security: The End of Architecture and the New NATO," International Affairs 72 (October 1996), 751-769; Michael Howard, "An Unhappy Successful Marriage," Foreign Affairs 78 (May-June 1999), 164-175; Stephen M. Walt, "The Ties That Fray: Why Europe and America Are Drifting Apart," The National Interest 54 (1998), 3-11.

<sup>3</sup> Quoted by Timothy Garton Ash in "Comments on Brzezinski", The National Interest 56 (Summer 2000), 32.

<sup>4</sup> Richard Holbrooke, "America, A European Power," Foreign Affairs, 74, (March-April 1995), 38.

<sup>5</sup> See the report of The Commission on America's National Interests, America's National Interests, (Belfer Center for Science and International Affairs, John F. Kennedy School of Government, Harvard, July 2000).

<sup>6</sup> Zbigniew Brzezinski, "Living With a New Europe," The National Interest, 56 (Summer 2000), 17.

<sup>7</sup> US Department of Defense, "Strengthening Transatlantic Security: A US Strategy for the 21<sup>st</sup> Century" at [www.defenselink.mil/pubs/eurostrategy2000.pdf](http://www.defenselink.mil/pubs/eurostrategy2000.pdf), 61.

<sup>8</sup> A useful correction to the idea that today's transatlantic differences are unique or intractable is to recall internecine strife over such episodes as the French colonial wars in Indochina and Algeria, Suez, the US cancellation of Skybolt and the neutron bomb, French withdrawal from NATO's integrated military command, the Euromissile or pipeline crises, or many others.

<sup>9</sup> Walt, "The Ties That Fray," 3-11.

<sup>10</sup> Joseph Nye, "The US and Europe: Continental Drift?", International Affairs, 76, (2000), 51-59.

<sup>11</sup> Exasperated Americans could make similar charges, impugned as they sometimes are on the one hand for being a "reluctant superpower" that fails to lead and on the other for hegemonic ambitions.

<sup>12</sup> See Francois Heisbourg, "American Hegemony? Perceptions of the US Abroad," Survival 41, (Winter 1999-2000), 5-19.

<sup>13</sup> See Richard A. Falkenrath, "The United States, Europe and Weapons of Mass Destruction," in Allies Divided: Transatlantic Policies for the Greater Middle East, ed. Robert D. Blackwill and Michael Sturmer (Cambridge, MA: The MIT Press, 1997), 203-230.

<sup>14</sup> See the essays in Blackwill and Sturmer.

<sup>15</sup> Brzezinski, 17.

<sup>16</sup> Joseph S. Nye deals with the concepts of "hard" and "soft" power extensively in Bound to Lead: The Changing Nature of American Power (New York: Basic Books, 1990). Examples of "hard" power include military might and industrial productivity. Illustrations of "soft" power are ideological values and cultural goods.

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<sup>17</sup> Brzezinski, 20.

<sup>18</sup> See the argument for this in Stephen M. Walt, "Alliance Formation and the Balance of World Power," in Michael E. Brown et al., eds. The Perils of Anarchy: Contemporary Realism and International Security (Cambridge, MA: The MIT Press), 208-248, esp. 221, 245.

<sup>19</sup> For instance, Francois Bujon de l'Estang, French Ambassador to the US, quoting former British Defense Minister Lord Carrington at the EU Center at Harvard, "Towards a European Defense," 12 October 2000.

<sup>20</sup> See "A National Security Strategy for a New Century", The White House, December 1999.

<sup>21</sup> US DoD, "Strengthening Transatlantic Security: A US Strategy for the 21<sup>st</sup> Century."

<sup>22</sup> See Michael E. Brown, "Minimalist NATO: A Wise Alliance Knows When to Retrench", Foreign Affairs, 78, (1999).

<sup>23</sup> For instance, Francois Bujon de l'Estang, French Ambassador to the US, quoting the British official Lord Carrington at the EU Center at Harvard, "Towards a European Defense," 12-13 October 2000.

<sup>24</sup> Sir Christopher Meyer, UK Ambassador to the US, quoting French Defense Minister Alain Richard at the EU Center at Harvard, "Towards a European Defense," 12-13 October 2000.

<sup>25</sup> Quoted by Major General Alain Faupin in "'Atlantic' and 'European' Conceptions of Security in Europe: Diverging or Converging?". The Bulletin, No. 2, November 00, pp 5.

<sup>26</sup> NATO Secretary General's Mountbatten Lecture, University of Edinburg, 15 February 2001.

<sup>27</sup> Richard Cohen, "European Defense: Spreading Cooperative Security", unpublished paper March 2001, George C. Marshall Center, pp. 3-6.

<sup>28</sup> Cohen, pp.6. The tasks envisioned for this council include:

1. Developing common broad strategies in key areas of security in the Euro-Atlantic region and globally.
2. Coordinating policies to prevent and, if necessary, to deal with crises in territories outside its boundaries.
3. Directing the activities of a shared, integrated military structure, based on the current NATO command structure, for crisis management operations and for the defense of its territory from outside threats and aggression.
4. Monitoring human rights within its borders and taking action to remedy violations within the member states.
5. Dealing with disagreements and potential conflict amongst its members.
6. Coordinating joint action to counter threats to internal stability such as cross-border terrorism, organized crime, illegal migration, pollution, etc.
7. Developing deep and active cooperation with its neighbors

<sup>29</sup> Sherwood-Randall, "Managing the Pentagon's International Relations", pp. 259, in Carter, Ashton B. editor, Keeping the Edge: Managing Defense for the Future, MIT Press, Cambridge, MA, 2001.

<sup>30</sup> Parmentier, Gullaume, "Redressing NATO's Imbalances", *Survival*, 42-2, Summer 2000, p. 96.