

Will the United States Remain an Actor in European Security?¹

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Introduction

This paper addresses one fundamental question: will the United States remain active in European security policy in the medium term, or even the long term? By medium-term, we mean a period until the end of the first decade of the new millennium. By long-term, a phrase, which necessarily implies less precision than medium-term, we here mean a period up until about 2020. By "remain active" we mean a situation in which the US maintains a fairly substantial force of soldiers, say 50.000, on European soil, and remains the leader of the Atlantic Alliance.

The force level indicating whether the US is "active" in European security can, of course, not be given in exact numbers. "Leadership", however, requires capability to direct large-scale military operations, here identified as the army corps level, with air support and substantial "bridgehead infrastructure," as well as naval forces that could form the nucleus of a US "fleet," primarily in the Mediterranean. The 50.000 level would certainly be the minimum for such capacity.

The key question is, of course, why the US is in Europe. The simplest answer is that the Americans are here in order to defend their interests and to protect their investments. Both interests and investments are economic as well as political and now include not only Western and Central Europe but also Eastern Europe, i.e., Russia and the Ukraine.

There is still, no doubt, an element of deterrence in the presence of the US in Europe – directed both against a strategically resurgent Russia (at the moment of writing a rather unlikely possibility over the short and medium term) and against a more general re-emergence of the old European great power game (and not only Germany). Presence is thus intended to prevent a return to the past of pre-1914 Europe as well as to renewed threats as emerged in both 1914, 1939 and with the Cold War in 1947-48.

US presence serves to guarantee both influence and a power base (and a military staging area) that can be used to keep the Europeans partners of the US, and burden-sharing partners at that, as well as give support to European integration in so far as it provides the US with such partners in carrying the burdens of hegemony – but not with serious rivals over economic and political power. Europe is a staging area not only for operations in Europe but also to give the US "reach" towards the Mediterranean, the Middle East and Central Asia. Thus, the US military presence and its active role in European security also give it the ability to shape Europe's peripheries.

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The very simplest way of putting things used to be the observation that the US had twice intervened (in the second case, risking a fighting landing in Normandy) and as one would not like to have to do this again – it would be best to just stay in. Today, the active and cooperative aspects of American Europeanises are more important than the purely garrison-like. The US is still in Europe in order to do things with the Europeans, not just to sit on them. Putting pieces together from the European security debate, it seems that the Europeans also, willingly or unwillingly, assume that European as well as global security will continue to depend on cooperation with the United States. The British Strategic Defense Review published a couple of years ago, put an enormous emphasis on cooperation (and interoperability) with US forces.

Since then, however, the United Kingdom has shifted its stance with regard to co-operation within the field of security policy in the EU. Indeed, developments within the Union can be said to have placed the issue of the future of the transatlantic link on the political agenda once again. As the 20th century turns into the 21st, the future of this tie is intensively discussed but only in small, specialised circles. It is remarkable that this issue, which is so important, and carries such a potential for far-reaching changes, is hardly discussed among the general public at all, either on the US or the European side of the Atlantic.

There are, as this paper documents, several factors working in favour of continuity in terms of US engagement in European security affairs. Factors working in the opposite direction, towards a diminished US role, are also presented in this paper. Our judgement is, however, that, at least in the medium term, the factors working for continuity are clearly stronger when taken together, than are the factors working for a severing of the security-related links between the US and its Western European allies. The balance between the factors working for change and those working for stability has, however, changed somewhat since the autumn of 1998, in favour of the factors working for change. It is natural that our judgement about what we call the long-term will be more hedged. It is, we believe, most likely that some sort of security link will remain between the transatlantic partners beyond 2010 as well. By that time, however, the forces that we identify here as potential underminer of the security link are likely to have begun to be so potent as to really alter the fundamentals of the relationship.

Factors Bolstering Continuity

One very basic factor working in favour of retaining US security ties to Western Europe can be called the working of history. The transatlantic relationship has by this time functioned successfully for roughly 50 years. Among the most well established lessons in the study of modern international relations is that a security strategy that is successful tends to be continued. It would be hard to argue that the transatlantic security relationship has been anything other than a success, indeed a resounding one. This assessment is true for the West European members of NATO, and it is equally true for the United States. Washington was able to maintain its close security relationship with its main allies in Europe for more than 40 years, and, equally importantly, the transatlantic relationship was, in Washington's view, crucial for the

success of the containment strategy. The Soviet Union not only does not pose any threat of expansion any longer, it does not even exist. The very fact that the NATO experience is regarded as so successful, will, we believe, continue to support a continued security engagement by Washington in Western Europe – at least over the medium term.²

The second factor is connected to the first one. This is the fact that the transatlantic links are by no means exclusively security-related in the strict sense. On the contrary, it is hard to find two regions of the world as linked across several dimensions as Western Europe and the United States: ethnically, culturally, in political philosophy, economically etc. Why should the Administration in Washington, any administration, work to sever an important aspect of a multi-faceted link that they (virtually) all realise is of truly vital importance to their own nation? Indeed, posing the question in this way, we find it difficult to comprehend the doomsday scenarios sometimes uttered in the debate on the future of transatlantic security relations.

The third factor that, in our opinion, works in the same direction is connected to the growing importance of the European Union (EU) in European political affairs more generally. As this has occurred, say from the mid-1980s on, the leadership in Washington has recognised that this development necessitates new types of interactions between the US, on the one hand, and the EU, on the other. The result is a multi-faceted relationship stretching all the way from annual summits, to fairly mundane interactions of a very technical nature concerning various impediments to trade between the two parties.³ The result of these interactions is likely to be even stronger ties between the two partners. Increased mutual interdependence in the economic and diplomatic spheres will, we believe, serve to make the security ties even harder to sever or alter fundamentally.

The fourth factor has to do with the domestic context of foreign and security policy-making in the United States. After the end of the Cold War, international affairs are clearly less on the public's mind than they were before 1990.⁴ From one perspective, this frees US decision-makers to pursue those policies they perceive to be in the national interest, without running the risk of electoral retribution. Maintaining the strategic link across the Atlantic Ocean is perhaps

² For an argument resembling ours on this point see Miles Kahler: "Revision and Prevision: Historical Interpretation and the Future of the Transatlantic Relationship" in Kahler and Werner Link: *Europe & America: A Return to History* (New York: Council on Foreign Relations Press, 1996).

³ See, for example: Miles Kahler: *Regional Futures and Transatlantic Economic Relations* (New York: Council on Foreign Relations Press for the European Community Studies Association, 1995); John Peterson: *Europe and America: The Prospects for Partnership*, 2nd ed. (London/New York: Routledge, 1996).

⁴ One indicator of this is the regular opinion polls in which respondents are asked which is the "most important problem" facing their nation at a certain time. During the presidential campaign years of the Cold War, "foreign affairs," "security policy", and "defence issues" collectively typically gathered more than 20% of the answers. In 1992 and 1996 the corresponding figure was below 5%. There is at the time of this writing (September 2000) no indication that these issues will be any more important in this sense in the 2000 Presidential election.

the strategy that is at the top of the agenda for internationalist-minded politicians in the US.

The fifth factor is, likewise, rooted in US domestic politics. The bulk of leading US politicians, by which we here mean the members of Congress, tend to remain internationalists, that is, their preference is for a very active US role globally. A central aspect of such a world-view is a belief in the transatlantic security relationship.⁵

The sixth factor is strongly linked to the fifth one. It has to do with the financing of US presidential elections. These elections are financed by contributions from donors of various kinds, from individuals, to corporations, to so-called political action committees (PACs). During the 1996 campaign, the frontrunner for the nomination in the Republican Party, Senator Robert Dole, was strongly challenged, not least from Pat Buchanan, a populist, favouring, among other things, a much less active US international role. As the crunch came in the campaign in the spring of 1996, it was obvious to observers that the bulk of the main donations, prominently including capital from corporations, were flowing to the spokesman for US internationalism, that is Senator Dole, rather than to the spokesman for neo-isolationism, Pat Buchanan.

An established lesson from the last several presidential campaigns in the US is that, in the race for the nomination as either party's candidate, the ability to attract new funds is an important factor that often divides the winners from the losers. One prominent example is the race among the Democrats in 1988 where Governor Michael Dukakis of Massachusetts defeated Congressman Richard Gephardt of Missouri, to a very large extent due to the fact that the former was able to carry out a multi-pronged campaign in all states where primaries were held, whereas the latter had to refrain from campaigning in several states due to lack of funds. A threat from an early challenger may in this way over time be beaten back by the establishment candidate who tends to receive a steady stream of funds to his campaign. The tendency in the last campaigns is clearly that an important part of this type of money goes to a serious candidate who espouses internationalist policies, to the detriment of his fellow candidates who have a less internationalist posture. In the election of 2000, this aspect has been less important as all the major candidates have expressed support for various kinds of continued US internationalism. Pat Buchanan is once again in the running, but his role this time appears more peripheral.⁶

⁵ For data on this issue see the paper by Major Daniel Ekberg: "USA som säkerhetspolitik aktör i Europa (The US as a Security Policy Actor in Europe)", Stockholm: National Defence College, 1998. Major Ekberg has made a study of 14 roll calls in the House of Representatives and 15 in the Senate on internationalist issues in the 1990s. He finds that the old internationalist coalition still dominates in both chambers.

⁶ On the role of campaign financing in general in US Presidential elections see chapter 2, pp. 26-64, of Stephen J. Wayne: *The Road to the White House 2000: The Politics of Presidential Elections* (Boston/New York: Bedford/ St. Martin's, 2000).

Factors Working to Lessen US Security Ties to Europe

There are, we believe, three interconnected factors which may, over time, work to lessen the active involvement of the United States in European security affairs. The fact that these three factors are to some extent linked to each other may, as time passes, serve to gradually strengthen their impact.

The first factor serving to dilute the security ties between Washington and Europe has to do with the changing composition of what may be called the political class in the US. For five decades, the members of Congress have predominantly been Caucasian males. They have often personally experienced the importance of Europe for the United States – in several cases, personally taking part in the common effort to defeat Nazi Germany. For this political class, support for strong ties to Europe, including in the security sphere, has been almost as natural as a support for policies to strengthen the US economy. The role of Congress is central to the long-term development of Washington's international posture. The President may pursue a policy at odds with the majority in Congress, in crises and the like, but over the long-term, the will of the majority of Congress is likely to prevail.

Now, this political class is changing in two respects. The first is the natural demographic rate of attrition; the number of members of Congress who fought in World War II is dwindling. The same is true of members of the legislature who were politically active in the 1950s and 1960s, when the Cold War was still carried out in the traditional way, though there are still many members of Congress in this category. One effect of this demographic trend is simply that there are a smaller number of federal legislators in today's Washington, as compared to, say, two decades ago, who have a natural tendency to support an internationalist-minded president's policies for maintaining US forces in Europe. A member of Congress from the new generation may say to herself: "The partnership we in the US have had with Europe in the security sphere for more than five decades has been extremely successful. But, why should the US give similar support to a group of very wealthy European allies as it did when they were weak and impoverished four decades ago? Isn't it time," this member of Congress may ask herself, "to let Europe defend itself?" This argument can only be strengthened by the developments in the EU that are presented below. The present (2000) Republican majority leader in the House of Representatives, Dick Armey of Texas, represents this type of legislator. He is claimed to have stated: "I've been to Europe once. I don't have to go again."⁷

The second sense, in which the political class is changing, this time more indirectly, is in its racial composition. For most of the post-WWII period, the typical congressman has been a white, Caucasian male. The demographic composition of many states is changing, and the percentage of white men of European ancestry will not forever remain at the 85-90% level that is still the case today. A larger percentage of leading politicians with Asian or Hispanic heritage will, just like the generation shift just mentioned, result in a growing number of politicians who are not automatically inclined to support spending \$40-50 billion every year to defend Europe.

⁷ Alison Mitchell: "Party Infighting Hobbles Republican Efforts in Congress," *The New York Times*, August 11, 1998.

During the summer of 2000 the Census Bureau reported that the development alluded to here has taken one more significant step in California. It was estimated that by mid-year only 49,9% of the population of that state were white non-Hispanics.⁸ This is the first time that any of the larger states in the US has a population where the majority are not white non-Hispanics. Even if the estimations as to when this trend will manifest itself in the US are disputed, taken as a whole, this case is a clear indication that this is an ongoing trend.

The second development in the US that is bound to affect the transatlantic security link is the discussion concerning the eventual deployment of a Ballistic Missile Defense. To make a long story short, in 1999 the Clinton Administration requested an additional \$6.6 billion for the eventual deployment of Ballistic Missile defense; the President thereafter signed a law stating that it was the policy of the United States to deploy a National Missile Defense (NMD) system "as soon as technologically possible."⁹ According to US specialists, what finally turned the long-standing debate on missile defense in favour of deployment was the fact that North Korea tested a multi-stage missile, the Taepo Dong 1 in the summer of 1998.¹⁰ The original plans were for the Clinton Administration to first conduct several tests of relevant technology and then to decide, before the Presidential Election of 2000, whether or not deployment of NMD could go ahead, with a deployment date estimated to be 2005. After several failures in testing, however, President Clinton decided in early September to defer the decision of deployment, leaving final say to the President to be elected in November 2000.¹¹

President Clinton's decision in early September does not mean that NMD will not be deployed. Both major candidates for the Presidency, Al Gore and George Bush state their official positions on this matter on the respective homepages of each campaign. Al Gore states:

"...at the end of the day, I would not be prepared to let Russian opposition to this system stand in the way of its deployment, if I should conclude that the technologies are mature enough to deploy and are both affordable and needed. I would also work to persuade the Chinese that a US NMD system is not intended to threaten them, and to allay the concerns of our allies."¹²

Governor George W. Bush is more straightforward. One of his "Proposals for a Strong National Defense" is to "Defend the American Homeland". Governor Bush will:

⁸ William Booth: "California Minorities Are Now the Majority," Washington Post, August 31, 2000.

⁹ John Steinbruner: "National Missile Defense: Collision in Progress," Arms Control Today, November 1999, p. 3. See also Michael O'Hanlon: "Star Wars Strikes Back," Foreign Affairs, November/December 1999, pp. 68-82 and Dean A. Wilkening: "Ballistic Missile Defence and Strategic Stability," Adelphi Paper 334, London: International Institute of Strategic Studies, May 2000.

¹⁰ See O'Hanlon: "Star Wars Strikes Back," pp. 70-71.

¹¹ See Robert Suro: "Clinton Defers Missile Defense," The Washington Post, September 2, 2000.

¹² Statement by Al Gore On National Missile Defense, August 31, 2000, available at www.algore.com/briefingroom/releases/pr_083100_none_none_18.html.

*"Deploy national and theatre antiballistic missile defences, as soon as possible."*¹³

The issue of ballistic missile defense, whether in the form of national missile defense, or theatre missile defense, is an enormous one with potentially vast consequences for strategic relations over large areas of the globe. The main issue here, however, is the potential impact that this development could have on the transatlantic security relationship. The European allies are involved in this in two senses, at least. The first is that any changes in the strategic relationship between the US, on the one hand, and Russia and China, on the other, is bound to impact upon the security of the European NATO members. The second, more direct, involvement of the European allies in the BMD project is that the radar facilities on British and Danish soil will have to be upgraded if the US plan for deployment of a Ballistic Missile Defense System is to be implementable.¹⁴

The very least that can be said is that there is a potential for misunderstandings between Washington and its European partners with regard to the US plans for a missile defense. From a European perspective, it will not be easy to simply swallow the statements in US policy-making circles that the debate on BMD in Washington has been "won" by the side that supports deployment, and that the European allies will have to adjust to this situation. In particular in a situation – further outlined below – where the European allies are making concentrated efforts themselves to create forces that will serve, at least in the first instance, to strengthen the European leg of the transatlantic alliance, it is easy to foresee that those allies will not necessarily take the very first US word about the necessity of NMD and TMD deployment at face value.

The scenario sometimes cited in the debate between armchair strategists in which the US packs up and leaves Europe to turn towards the more important shores of the Pacific is simplistic. This is not what we predict here. What we believe is plausible, however, is a gradually changed political context within the United States in which the special place that Europe has had, not least in the security sphere, for so many years in the determination of US foreign policy will gradually disappear. Europe will, we firmly believe, remain of crucial importance to US policymakers for as long as we can project scenarios. But, the type of security link we have seen for five decades now will not necessarily be sacrosanct to the new political class whose changing composition we have sketched here. Indeed, a gradual reduction of US forces permanently stationed in Europe could seem natural in the perspective discussed.

The third factor serving to gradually change Washington's security stance in Europe has to do with the development of European integration. To put it very broadly, transatlantic cooperation has been the fundamental way in which (Western) European nations have assisted each other in the security sphere after 1945, while the European Union (EU) has mainly focused on many forms of economic cooperation.

¹³ Available at "www.georgebush.com/issues.asp?FormMode=FullText&ID=9".

¹⁴ See, for example, James Brooke: "Greenlanders Wary of a New Role in US Defenses," *The New York Times*, September 18, 2000.

January 1, 1999, however, meant the start of the third stage of Economic and Monetary Union (EMU). Even if this development is still within the economic sphere, the fact that it is the most fundamental transfer of political power from sovereign nations to a supranational authority in modern times means that it has wider ramifications than just economic. This project will, among many other features, entail the introduction of a common European currency – the Euro – in 2002. It is very difficult indeed to assess all of the ramifications of this development at the present time. The first 18 months of EMU can perhaps be characterised as a mixture of accomplishments and disappointments. The accomplishments, which, to us, far outweigh the disappointments, include the very fact that this vast project itself has, in all important respects, been successfully implemented. As of July 1, 2000, eleven of the fifteen member states of the Union participate in this third step of EMU, with Greece officially set to enter on January 1, 2001. During the second half of 2000, France, which is serving as chair-nation of the EU, has indicated that it intends to pursue a more developed cooperation among the 11 nations currently in the third stage of EMU.¹⁵

The disappointment in terms of EMU's development has been in terms of the value of the Euro. The Euro started its existence in 1999 at a higher value than the US dollar. By the time of this writing, in September 2000, the Euro is worth less than 0,90 versus the dollar. There are, however, at least two comments that could be made to put into perspective. The first is, of course, that the value of currencies has been mostly floating on the global market since 1973. There is, in principle, nothing unusual about upward and downward currency movements; this has also happened to the US dollar. The second comment is that the Euro, between early 1999 and the first half of 2002, is a "currency" that is not yet in public circulation. Given the successful introduction of the currency, in all aspects of that term, by the first half of 2002, plus the entry of two or even all three remaining EU members that do not participate in EMU at the present time, an appreciation of the Euro versus the dollar is to be expected. If, however, one or even more important both of these undertakings fail, the development of the Euro will in all likelihood be negative, instead, versus the dollar.

In our view, the most likely development in this context is that what political scientists call "actor capability" – that is the ability of an actor to take and implement decisions autonomously – is bound to increase for the EU as a result of a functioning EMU. We believe that the EU's capability is likely to be positively affected in two ways. The first is that the EU will naturally come into a situation in which it, and its currency the Euro, are competitors of the US and its dollar. From being a "world power" only in trade negotiations, the GATT talks, the EU will have a second distinct power base internationally.

During the first 18 months of the Euro, parts of this development have already occurred. In several respects, the Euro now serves as an instrument for the integration of the financial and monetary markets of member countries, in particular, of course, for the 11 members taking full part. There are high trading volumes on the overnight interbank market, some 55 billion Euro per

¹⁵ Laurent Fabius: "France's mission in Europe" Financial Times, "24 July, 2000.

day during the early months of 2000, and rapid growth in the Euro-dominated bond markets, to mention just two indicators.¹⁶

This development is also likely to result in a thrust for the development of more cooperation in other policy spheres. Indeed, it is quite possible to argue that the development of "the Union's military and non-military crisis management capability," during the last few years, has been positively influenced by the largely successful launch of the third stage of EMU. One of the problems of analysing this fascinating development – i.e. analysing what it has meant up to the autumn of 2000 and what it might mean in the future – is that it is portrayed in so very different terms by representatives of different countries. At a speech given in late August 2000, French President Jacques Chirac spelled out the official French view on this subject:

"Mais une Europe forte, c'est aussi une Europe dotée des instruments de son ambition. Le développement des capacités militaires européennes doit y répondre. Il s'agit, à ce stade, de donner à l'Union la crédibilité qui lui fait encore défaut pour conduire efficacement la gestion d'une crise avec ses propres moyens, soit seule, soit avec le concours de l'OTAN. C'est une étape fondamentale. La conférence d'engagements prévue en novembre doit permettre à chaque pays membre d'annoncer les moyens qu'il mettra à la disposition de l'Union pour qu'elle puisse, dans trois ans, déployer 60.000 hommes sur un théâtre extérieur."¹⁷

Mme Nicole Gnessetto, Director of the Institute for Security Studies, Western European Union, characterises developments in this sphere up to mid-summer 2000 in the following terms:

"The creation of a real dynamic 'at 15.' This is no doubt the most surprising outcome of the efforts made since St-Malo [Author's note: A French-British summit in December 1998]. For decades, the inclusion of a defense dimension in the EU's legitimate areas of competence was...one of the major bones of contention among European partners. That all countries of the Union – whether 'large' or 'small', from the north or south, NATO members or not belonging to a military alliance, having an interventionist tradition or not – now subscribe to the political and operational aims set out at Cologne and Helsinki, is certainly a major political revolution."¹⁸

The Swedish Prime Minister, in one of his very first public statements on this subject, chose to be very much more circumspect: "[The European Union] should also be given the capacity to decide upon and carry out limited peace-keeping and crisis-prevention tasks, such as for example mine-clearing and

¹⁶ M Hervé Hannoun, First Deputy Governor of the Banque de France, speech at dinner at Financial Times Gold Conference, 26 June 2000 in Bis Review 25 July 2000, to be found on the Bis homepage "www.bis.org/review/index.htm."

¹⁷ President Jacques Chirac, speech at the Elysée Palace, August 28, 2000, available at "www.elysee.fr/cgi-in/auracom/aurweb/search_ang/file?aur_fle.../AMB0008.htm".

¹⁸ Nicole Gnessotto: "CFSP and defence: how does it work?" Newsletter Number 30, July 2000, Paris: Institute for Security Studies, Western European Union.

border patrolling."¹⁹ It is clear that there is a time difference of some 14 months between the words of Mme. Gnessotto and the newspaper article by Prime Minister Persson. At the same time, we argue that these two statements represent something very close to the end-points on the scale by which diplomats and politicians choose to present this development. In our view, these statements also fairly accurately represent the aspirations of the two countries they represent.

There are, however, several facts about this development that are indisputable. The first is that there is indeed a process underway whereby the Union is working towards implementing the goal, set up in Helsinki, for "Member States [to]...be able, by 2003, to deploy within 60 days and sustain for at least 1 year military forces of up to 50,000-60,000 persons capable of the full range of Petersberg tasks."²⁰

The problems of interpretation of what this means in practice start immediately of course. Two overarching questions may be used to cover a host of more detailed aspects. A first question is: what does it mean that "military forces of up to 50,000-60,000 persons" may be deployed? Does the 50,000-60,000 figure include all support troops, or does it limit itself to simply troops that are to be able to conduct direct battle operations? The second question is: what, more precisely, does "the full range of Petersberg tasks" mean in practice?

The Petersberg tasks were formulated at the WEU ministerial meeting in Germany in June 1992:

*"Apart from contributing to the common defense in accordance with Article 5 of the Washington Treaty and Article 5 of the modified Brussels Treaty respectively, military units of WEU member states, acting under the authority of WEU, could be employed for: humanitarian and rescue tasks; Peacekeeping tasks; tasks of combat forces in crisis management, including peacemaking."*²¹

It is notable that this foundation for the development of the defense aspects of strictly European cooperation is anchored in both the defense obligations from the Washington Treaty establishing NATO and the similar obligations that are contained in the Brussels Treaty establishing the WEU.

More importantly, as the EU members have decided after the autumn of 1998 to increase their cooperation in the security and defense field the

¹⁹ Göran Persson, article in Svenska Dagbladet, June 2, 1999
www.regeringen.se/galactica/service=irnews/o.../action=obj_show?c_obj_id=2952.
Translation by the authors.

²⁰ Presidency Conclusions, Helsinki European Council, quoted in Missirolli: "CFSP, Defence and Flexibility," p. 56.

²¹ Declaration from WEU Ministerial Meeting at Petersberg June 1992, as quoted in Stephan de Spiegeleire: "The European Security and Defence Identity: and NATO: Berlin and Beyond," in Mathias Jopp and Hanna Ojanen (eds.): European Security Integration: Implications for Non-alignment and Alliances (Helsinki: Finnish Institute for International Affairs/Bonn: Institut für Europäische Politik/Paris: WEU Institute for Security Studies, 1999), p. 61.

Petersberg tasks, and the WEU as an organisation, have proved to be important tools in this development. The Petersberg tasks serve to present what the EU countries have in mind when they wish to undertake tasks of crisis prevention and crisis management. The main functions of the WEU, excluding among other things the commitments in Article 5 of the Brussels Treaty, will be integrated into the EU in 2001.

This institutional development is one of the indications that the EU is indeed including defense aspects in its activities. Another indication is the efforts that are underway during the second half of 2000 to clarify the commitments that each government is prepared to make to the creation of the headline forces – mentioned above – by 2003.²² The French Government, which chairs the EU during the second half of 2000, intends to hold a special summit on this question later in the year. The French Government has invited all the Commanders-in-Chief of the Union to a meeting in Paris on July 1, the very first day of its chairmanship – another indication of the seriousness by which Paris pursues this track. We are aware that there are clear differences between EU governments when it comes to some of the implications of these developments.

There are several aspects of the development of the EU headline forces that are unclear. In our estimation there are, however, possibilities that this process might affect the future of the transatlantic security link in important ways. One factor is that the EU headline forces mean that a large part of the 15 members' efforts in terms of defense policy, at least in the coming next few years, are bound to be focused on this development. It is easy to imagine that the emphasis of the same countries upon NATO affairs is bound to suffer as a result.

A second factor is that there are indications that politicians in the US view these developments with some apprehension. This is illustrated by the sense of the Senate resolution passed in November 1999 which includes the following passages:

"... It is further the sense of the Senate that – on matters of trans-Atlantic concern the European Union should make clear that it would undertake an autonomous mission through its European Security and Defense Identity only after the North Atlantic Treaty Organisation had been offered the opportunity to undertake that mission but had referred it to the European Union for action:

improved European military capabilities, not new institutions outside the Alliance, are the key to a vibrant and more influential European Security and Defense Identity within NATO;

failure of the European allies of the United States to achieve the goals established through the Defense Capabilities Initiative would weaken support for the Alliance in the United States;"²³

²² See François Heisbourg: "Europe's Strategic Ambitions: The Limits of Ambiguity," *Survival*, Vol. 42, No. 2 (Summer 2000), pp. 5-15.

²³ S.R. Res. 208, November 3, 1999.

It is true that senators fairly often pass sense of the Senate resolutions. Nonetheless, we believe that this resolution does express a concern that is fairly spread among Senators, after the decisions at the Cologne and Helsinki EU summits, in particular. If politicians on both sides of the Atlantic do not keep developments under control, we believe that there is a clear risk that the sense of the Senate presented here may lead to more definite decisions that might have an impact on the future of the US security commitment in Europe.

The perhaps most outspoken comments on the future of the transatlantic security relationship made by the Clinton Administration came from Deputy Secretary of State Strobe Talbott, at a conference in London in October 1999:

"The ultimate verdict on Kosovo will also depend on the effect that the war and its aftermath, have, over time, on transatlantic attitudes, relations and institutions. On this subject, I sense a basic difference of view on opposite sides of the Atlantic. Many Americans are saying: never again should the United States have to fly the lion's share of the risky missions in a NATO operation and foot by far the biggest bill. Many in my country notably including members of Congress are concerned that, in some future European crisis, a similar predominance of American manpower, firepower, equipment, and resources will be neither politically nor militarily sustainable, given the competing commitments our nation has in the Gulf, on the Korean Peninsula, and elsewhere around the world.

Now let me turn to what I think I'm hearing on this side of the ocean. Many Europeans seem determined never again to feel quite so dominated by the US as they did during Kosovo or, for that matter, during Bosnia; in the next crisis whatever, wherever and whenever it is our allies want a say in the conduct of operations more nearly commensurate with the political onus that they bear in supporting the war. At least no one, on either side, is complacent about the status quo. And by the way, it did not take Kosovo for both Americans and Europeans to recognise that there is an asymmetry in the transatlantic relationship, that is unwelcome and unhealthy, and that we must find ways to rebalance our respective roles."²⁴

There is still another track on which European nations are further developing their cooperation in the defense and security sphere. This has to do with the deepening of cooperation in the defense industry sector. This is an extremely complicated and multi-faceted development that it is only possible to outline very briefly here.²⁵ What is clear, however, is that several European governments, most prominently those in France, Great Britain, Italy, Germany, Spain and Sweden have worked together to facilitate the future cooperation

²⁴ Speech by Strobe Talbott on October 7, 1999 at a conference at the Royal Institute of International Affairs, London, available at www.state.gov/www/policy_remarks/1999/991007_talbott_london.html.

²⁵ For more details see: Burkard Schmitt: "From Cooperation to Integration: Defence and Aerospace Industries in Europe," *Chaillot Papers*, 40, July 2000 (Paris: Institute for Security Studies, Western European Union). Martin Fisher at Boeing (martin.fisher@boeing.com) keeps track of "Europe's Interlocking Corporate Structure" in the defense industry field. The result is, at least as of September 2000, an extremely complex table with dozens of firms linked to each other in a web that is hard to fathom.

between, as well as strategic alliances among, several of the most important European defense industries. One of the ways through which this has been done is what is called the Letter-of-Intent-initiative, whereby defense ministers in the six nations mentioned have sought, with some success, to create new rules for the working together of industries based in their respective countries. A second initiative has been the creation of EADS (the European Aeronautic Defense and Space Company). This company, a merger of Daimler Chrysler Aerospace of Germany, Aérospatiale Matra of France and Construcciones Aeronauticas of Spain. EADS is the world's third largest aerospace company.²⁶ A third initiative can be grouped under the heading of common acquisition of defense equipment. Worthy of mention here are, in particular, the Meteor missile²⁷ and the military transport plane, Airbus 400M.²⁸ In both cases, important European nations have chosen to acquire important weapons systems in European, rather than transatlantic cooperation.

In sum, there is a construction underway in Western Europe aimed at strengthening EU defense policy. The fact that this development is multifaceted and bound to continue for at least several years means that a strong argument can be made that a self-sustaining process is underway. It is easy to imagine that the solidarity between the 15 in the defense field is increasing as a result of this development.

The development of EMU is a simultaneous process that may also lead to increased solidarity and cooperation between the 11 first, and most likely the 15 thereafter. It is at least conceivable that these two processes may feed into and strengthen each other.

At the same time, at first mostly disparate voices in the US are making statements to the effect that at least some expects of these developments in Europe are worrying for the future of the transatlantic security relationship. It is not hard to picture a scenario where misunderstandings on both sides, leading to too far-reaching demands on the other party, may come under way.

The very fact that EMU probably will lead to a situation in which the EU becomes the natural competitor to the US in monetary affairs may well serve to lessen the willingness on the part of the US to station troops in Europe. In assessing this, we as analysts have to try to see how the situation in the first decade is likely to be quite different from the current situation in this sphere. This has to do with the competition that will develop between the \$ and the € in terms of the international functions of a global currency. Such a currency serves several functions, including serving as an asset in currency reserves, as a medium of payment in merchandise trade and as a medium of exchange in the transfer of currencies. On all three of these measures, the position of the US dollar has for decades been much stronger than the strength of the US economy, measured in GNP, relative to world GNP. The most likely scenario, in our view, is that the Euro will gradually come to rival the dollar in all these

²⁶ See Alexander Nicoll: "EADS Debut Fails to Take Off," Financial Times, July 12, 2000.

²⁷ Nick Cook: "Meteor delivers jolt to US dominance of sector," Financial Times July 24, 2000 and "UK defence orders go to Europe: US rebuffed over Pounds 5bn contracts despite intense lobbying," Financial Times, May 17, 2000.

²⁸ Alexander Nicoll: "Eight nations back Airbus aircraft," Financial Times, July 28, 2000.

three respects. The indications that this is occurring are perhaps somewhat less prominent than might have been reasonably expected, but in terms of development, the Euro is still at a very early stage.

Political scientists tend to talk about power, and bases of power, when they compare the strength of actors in the international arena. The US dollar has, from this perspective, been an important aspect of US power after the Second World War. We find it hard to see how the Euro can fail to become a challenger to the US dollar in this respect, assuming, of course, that EMU is at least reasonably successful. Such a development would, in our view, mean two things. First, it would mean that US policymakers would conceive of the EU as more of a competitor than is the case now. This is bound to lead to renewed criticism in the US against a policy that entails the continued expenditure of several tens of billions of dollars every year, as well as the stationing of tens of thousands of US soldiers, in an area that serves as an increasingly serious power policy competitor to Washington. Second, if the positive scenario for the future of the Euro that underlies this analysis turns out to be correct, this may serve to further enhance the prospect for even more cooperation between the EU countries, including in the field of security policy.

To the extent that the possible success of EMU may lead to further European cooperation in the security sphere, in form that exclude the U.S, the trend of US reassessment of its security links to Europe will be hastened.

The United States in Northern Europe

US strategic interests in Northern Europe were taken for granted during the Cold War. As Eisenhower is supposed to have observed in 1960: "If Sweden falls, Norway will fall and if that happens then we will no longer be able to hang on to our bridgehead in Europe" – or words to that effect. The Swedes thus, at least after the Cold War, seem to have assumed that they were under the nuclear umbrella despite not being members of NATO. With the Soviet nuclear as well as conventional buildup in the "Strategic North" during the Bresjnev years, the US could not possibly avoid being engaged in the area – as also indicated by the US Maritime Strategy of the early 1980's.

Do the same factors apply today – with Russia a much weaker power, its conventional forces in tatters and its nuclear capacity also rather quickly declining (with for example Alexej Arbatov predicting a Russian – involuntary – zero level by 2015 or so, because of lack of upkeep and resources)? If no longer a threat – why should Russia scare the US into keeping its forces posed for intervention in the North? If, on the other hand, the Russians succeed in modernising their nuclear forces, such a development seems more likely to involve land based ICBMs rather than maritime systems – again, thus, less of a threat with direct Northern connections.

On the other hand, the US has through the Baltic Charter as well as a number of signals sent up to the Balts (and to the Nordic non-aligned states as their presumptive "protectors") indicated a substantial interest in the region – which also includes some economic investments. Today, the US seems endlessly more involved in Baltic Sea affairs than it was during the Cold War and Polish NATO membership will also largely transform the Baltic into a NATO sea (as well as a PfP exercise area).

An additional factor, of relevance in the North Atlantic, Arctic and Barents Seas, is access to raw materials – oil/gas primarily – where the US will maintain interests – at a minimum to support Norwegian positions in a possible tug of war over the Barents Sea.

It seems, therefore, that arguments could be made both ways – for continued US strategic concerns for the Baltic/Nordic region, as well as for a possible change in the level of interest in the "Strategic North". Over the short and medium term, however, the assumption that US interest will remain seems the safer bet – in more ways than one when seen from a Nordic perspective.

Conclusion

During the first two decades of the third millennium, the relationship between the United States and (Western) Europe is likely to change. This change will, we believe, be a very gradual one. The first few years, perhaps up until 2005, are likely to be mainly characterised by continuity. NATO will remain the most important security organisation in Europe, and the US will remain very active there and will also continue to base troops on US soil.

At the same time, however, the two developments mentioned above, the changing composition of the US political class and the development of European integration, will, in our view, work to gradually alter the structure of transatlantic security relations. It is very difficult indeed to prophesise with any precision in these matters, with so many complex and uncertain developments going on. Given a development that follows even a rough outline of what we have sketched above, our estimation is that the transatlantic relationship will start to change fundamentally probably in the period 2005 to 2010.

It's important to point out that we are not envisioning a fundamental break between the two parties, going from alliance to rivalry. What we do believe is likely to happen is a development where the internal demographic and political changes in the US are interacting with, and made stronger by, a development within Europe itself where the development of the EU will make it both a stronger partner, and, in some respects, something of a rival to the US. Given such a dual change in the fundamental character of both parties, we find it hard to believe that the US would not fundamentally reconsider several aspects of what is its current security posture in Europe. One such change is likely to be a substantial reduction in US troops stationed in Europe. Another such change may well be a smaller commitment to NATO on the part of the US, which is likely to coincide with a diminished role for this organisation in European security affairs more generally.

It is obvious that the most uncertain factor in the scenario sketched here concerns EMU. This project has been the subject of an immense amount of discussion and analysis, particularly during the past few years. Our opting for a scenario in which the EMU project is largely successful is by no means the only scenario in existence. We do believe, however, that this scenario is the most likely one. The members of the EU have invested an enormous amount of political capital, as well as political and economic expertise, into the development of the EMU. This for us makes the scenario in which EMU is successful the most likely one.

The EMU might, in today's increasingly unpredictable financial climate with the "West" seemingly an island of stability surrounded by stormy seas, also be seen as an element in the over all burden-sharing project in which the Americans apparently want to involve their partners, the Europeans. That possibility should not be ruled out – when we choose to see the potential rivalry between currencies rather than anything else.

The United States has, not least from the point of view of a small Northern European state, been a benevolent hegemony. From our perspective, the US looks not unlike the British of the 19th century – as the "once and future protector" in the tradition of the maritime powers intervening in the Baltic Sea to uphold the balance and thereby protecting the small states. However, nothing that is said here should prevent us from seriously considering the potentially troublesome aspects of US hegemony, an over-bearing attitude that may in the longer run also lead to resentment more serious than before. The Vietnam period did, after all, fade away quite fast and with the victory of the West in the Cold War everything seemed so self-evidently "American" that we hardly reflected about the possibility that perhaps neither the world nor Europe were "intended" just to become American.

David Calleo in 1984, before the end of the Cold War, saw difficulties for NATO, what Henry Kissinger had once called "The Troubled Partnership", in his study *Beyond American Hegemony*. More self-assured strategists and victors of the Cold War such as Joseph Nye (*Bound to Lead*) and Zbigniew Brzezinski (*The Grand Chessboard*) tend to assume an "eternity" of continued hegemony supported by loyal allies in Europe and the Pacific. Over the longer run, we should not take this acceptance of US leadership as a given.

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