

THE POLITICAL ECONOMY OF SECURITY: THE EU AND THE USA AT THE CROSSROADS

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Introduction

The projection of new strategies towards a comprehensive action-map that might weld together different actors and various endeavours aimed at closing the gap between goals and means in fighting terror is the most significant issue in the old transatlantic relationship today. The economic methods of assessment have always proved to be a very reliable means for introspection into the large array of political concerns in the broad field of international security studies. As two reputed authors keenly remarked, "by using economic methods while accounting for political and institutional factors, we put forward a political economy view point, where a primary purpose is to examine policy concerns"¹.

Certainly, we can develop an all-embracing approach in order to highlight the interplay between the ever growing divergence opposing US to EU on the sensitive topic of how to tackle the uneasy world at hand, as plunged into turmoil by September 11th, and a resilient necessity of keeping both sides of the Atlantic welded together into a spearhead of democracy and hope for the benefit of people all over the planet. But this would only be a bridge too far for this paper. This is the reason why concentrating on the most debated issue in the front against terror that the US and the EU are already embarked upon is a better option. This issue is reflected by the term

capabilities and definitely points out to "patterns of burden sharing"² in the common endeavour of providing security to a shattered world whose enemy is no longer an easy target and has new and deadly means to sow death and destruction where no power on earth dared during the Cold War.

Many people within the institutionalist school of international relations are firmly of the opinion that "the expansion of trade, finance and investment between the USA and the EU has brought their citizens, companies and government officials into closer contact with each other"³, which might ensure a strong common view on international security. After all, NATO as a collective defence organisation is precisely the offspring of these very close approaches on a shared vision of how to defend the foundations of civilisation in the Western world. "However, many institutionalists also believe that heightened interdependence does not happen automatically – it has to be managed by political leaders who understand the value of international cooperation"⁴. Unfortunately, the value of international co-operation has been always understood quite differently as soon as the common enemy is less common than expected and seems⁵ to pose a bigger threat to some but not to all members of *the common good*, be it an alliance such as NATO or any other international organisation.

The goal of all goals: Capabilities

Eleven EU members are also NATO members. Still, in spite of having accepted the development of a European security dimension within NATO under the aegis of EU countries, according to decisions by the North Atlantic Council in Washington and by the European Councils in Cologne and Helsinki in 1999, the US and the EU clashed several times on very sensitive issues such as the European access to NATO assets and planning in the case of EU-led operations and the degree of autonomy the EU would be entitled to against this background. The whole issue of the European Security and Defence Policy (ESDP) is under scrutiny here and how it was born and developing out of the European Security and Defence Identity (ESDI)⁶. This was due to the way the Europeans redirected the issue of ESDP from its initial NATO framework (ESDI)⁷ towards a much more salient "European Integration" (ESDP) approach than the original "Security for All" approach. This is trouble enough for the US and the EU to sort out without having to

assess their positions on international security issues after September 11th.

Faced with the horrors of the gloomiest day in American history, the Administration decided on a daring project aimed at protecting its citizens and safeguarding the USA security interests all over the world which meant unrelenting war on terrorism and those entities supporting it. This decision triggered the huge state mechanism providing resources for war on an unprecedented scale in the post-Cold War era. The path led a \$355,100 million defence spending bill for fiscal year 2003, giving the US military its largest increase in two decades. The American philosophy on waging war against terrorism is built up in one single word: capabilities. Even before September 11th, if we look at the following table showing defence expenditures of NATO countries during 1980-2001, it will be easy to assess the huge gap between US and its eleven EU allies within NATO⁸.

Country Pays	Currency unit/ Unité monétaire (million)	1980	1985	1990	1995	1997	1998	1999	200	2001e
Belgium	Belgian francs	115754	144183	156205	131156	131796	133007	136252	139711	138564
Czech Republic	Czech koruny	//	//	//	//	//	//	41057	44314	45277
Denmark	Danish kroner	9117	13344	16399	17468	18521	19071	19428	19339	20456
France	French francs	110514	186715	231911	238432	241103	236226	239488	240762	245537
Germany	Deutsche mark	96975	58650	68376	58986	57602	58327	59854	59758	59858
Greece	Drachmas	48518	321981	612344	1171377	1510684	1724621	1853189	2017583	2128597
Hungary	Forint	//	//	//	//	//	//	187672	226926	266426
Italy	1000 Italian lire	7613	17767	28007	31561	38701	40763	43062	47100	46009
Luxemburg	Luxembourg francs	1534	2265	3233	4194	4797	5197	5330	5613	8667
Netherlands	Neth. guilders	10476	12901	13513	12864	13345	13561	14534	14284	15582
Norway	Norwegian kroner	8242	15446	21251	22224	23010	25087	25809	25722	26853
Poland	Zlotys	//	//	//	//	//	//	12599	13418	14287
Portugal	Escudos	43440	111375	267299	403478	418772	420664	452843	479663	504480
Spain	Pesetas	350423	674883	922808	1078751	1123046	1124054	1180075	1264299	1302877
Turkey	1000 Turkish liras	203	1235	13866	302864	1183327	2289430	4167636	6248274	9030392
United Kingdom	Pounds sterling	11593	18301	22287	21493	21612	22477	22548	23632	23772
NATO-Europe	US dollars	111981	92218	1861189	184352	172732	175183	179668	164349	158957
Canada	Canadian dollars	5788	10332	13473	12457	10831	11716	12360	12314	12174
United States	US dollars	138191	258165	306170	278866	276324	274278	280969	301698	305886
North America	US dollars	143141	265731	317717	287933	282176	282176	289288	309990	313725
NATO-Total	US dollars	255122	357948	503906	472284	456879	457359	468957	474339	472682

The problem of capabilities is not a new one in the relationship between the US and its European allies. It was only enhanced by the September 11th events. Asked about the American project called the Defence Capabilities Initiative (DCI) launched as far back as 1999 at the NATO summit in Washington, D.C., in order to spur the US allies in NATO on the path of updating their military capabilities and narrowing the gap between America and Europe in terms of military performance, according to the Alliance rules of engagement, the NATO's Secretary General, Lord Robertson gave an astounding reply: "And just let me address the first point about the American driven agenda. This is not an American-driven agenda, nor was the defence capabilities initiative a failure, **it was not a complete success** (*our emphasis*) but it was not a failure. A lot of capabilities were delivered by the defence capabilities initiative, but some of the bigger ticket items have not yet been delivered or are only going to be delivered so far down the line that they are almost out of sight, and that is why all of the Ministers recognise the responsibility they have to the safety of their

populations and the responsibility they have now deliver those capabilities that they are well aware must be obtained"⁹.

It was indeed the first time in history when the NATO Secretary General admitted that the Alliance did not get a complete success in such a significant endeavour as the one agreed upon by all members and regarding nothing less than keeping NATO alive in terms of operational capabilities. And this conclusion on the inability of America's European allies to live up to their own commitment in terms of military capabilities came up just after America had engaged in the most demanding war of its history, the war against terrorism which made USA "increase its defence budget by some \$48 billion [\$48,000 million] for 2003 – an increase larger than any single European country's entire defence budget"¹⁰. The move "will only make this capabilities gap worse. To the extent that the war on terrorism leads the United States to undertake military operations in other distant theaters, and to the extent that the Europeans are unwilling or unable to come along, NATO's centrality will be further diminished"¹¹.

Some old still fast changing ... contradictions

Another significant development refers to the consequences of Europe's lack of will in undertaking the necessary changes within NATO that might enable NATO's European members to narrow the capabilities gap. Compelled by the crude reality of Europe's not doing enough in order to narrow the capabilities gap, Lord Robertson set another extraordinary precedent when he admitted backed by all allies including the US that the 58 areas identified within DCI¹² are to be reduced to four: "First, they (*the Allies-our note*) agreed that to carry out the full range of missions, including defence against terrorism, NATO should focus on *four critical military capabilities* (*our emphasis*): secure, modern communications and information systems; the ability to move forces quickly to where they are needed, and to stay there as long as necessary; the means to work together seamlessly, and to win in combat;

and last but certainly not least, defenses against chemical, biological, radiological and nuclear attacks"¹³.

According to inside assessments "The shopping list will be reduced to between seven and 12 items, ranging from logistics to smart weapons"¹⁴. All good and well. But reducing the shopping list from 58 to 4 items **means specialization within NATO**. Some NATO countries will do the things they can do (according to specific commitments) but not all the things required at all levels. Lord George Robertson admits it by saying: "We decided that the new initiative on capabilities should be based on form, **nation-specific commitments** (*our emphasis*). The NATO countries also agreed to pursue further multinational cooperation in defence, to create synergies, and maximize their defence dollars or Euros. Endorsing the principles of nation-specific commitments, **role specialization**

(our emphasis) and common acquisition and funding of key assets – these represent radical breaks with the past”¹⁵.

But “**role specialization**” definitely means “**division of labour**”. What was Lord Robertson’s opinion on the “role specialization” and “division of labour” just one year before he extended his approval of scaling down the DCT’s shopping list? Lord Robertson: “And when I say ‘NATO’s forces’, I mean the forces of all the Allies. **We must avoid any division of labour within NATO** (our emphasis), whereby the high-tech Allies provide the logistics, the smart bombs and the intelligence, and the lower-tech Allies provide the soldiers – what a NATO official once called “a two-class NATO, with a precision class and a bleeding class”. This would be politically unsustainable. **We must ensure that the burdens, the costs and the risks are shared equally** (our emphasis)”¹⁶. There can be no more obvious contradiction between the two stands extended by the NATO’s highest civilian official. But what comes even more striking is the way the US Administration has switched over from one position to another on the controversial issue of capabilities.

Ambassador Richard N. Haass, Director of Policy Planning Staff at the US Department of State was very resolutely pointing out on 10 June 2002: “it is important to keep in mind that **too much division of**

labour can be a dangerous thing (our emphasis). If the United States and Europe are not making similar contributions and sacrifices, this can lead over time to even greater divergences of view and values”¹⁷. But with only four days before, US Defence Secretary Donald Rumsfeld endorsed the very **division of labour** ambassador Haass was afraid of. “(...) I would say it is – I don’t know quite how to put this – there have been a number of ministers (*these remarks were extended on the margin of a North Atlantic Council in Brussels-our note*) today who have, I think quite properly, pointed up the importance of recognizing that not every country in the alliance is the same size or has the same security needs or is likely to want to have exactly the same kind of military. And therefore, **it makes a lot of sense to do as some ministers are already doing and have indicated that they plan to do, and that is to look at a specific area, and develop a high degree of competence in that either as an individual nation or with one, two, three or four nations, or in the case of AWACS with the entire alliance** (our emphasis). It is that kind of rational approach to expensive businesses like defence with the serious threats that need to be dealt that **reflect to me a very forward looking, rational, sensible way to approach the problem** (our emphasis)”¹⁸.

EU and NATO or the art of being together and apart at the same time

Obviously enough, the positions extended by the two prominent US officials on how the Europeans are to deal with the sensitive issue of capabilities within NATO badly match to say the least. They are perfectly highlighting the inability of those EU members that are also NATO allies to deliver on commitments made within the Alliance in order to close the capabilities gap between America and Europe. This situation exerts a powerful pressure on the American authorities since America cannot push the matter too far in an international context in which the US needs more the EU approval of US initiatives on the anti-terror front

(including a military reaction to Iraq’s blatant breaches of international law) than the EU members states capabilities in a new updated NATO. The series of contradictions continues in the way NATO high officials envisage the New Capabilities Commitment to be approved at the summit in Prague, this November, and how this concept would be related to the European Capabilities Action Plan (ECAP), devised by the EU in order to provide the Union with military means upholding the EU-led operations under the ESDP.

The NATO Secretary General, Lord Robertson, was very adamant about the

complementarity of the two developments, the new DCI to be adopted this month in Prague by NATO and the EU's ECAP. He made a significant correlation between the two and both the NATO's Response Force in the making¹⁹ and the EU's Rapid Reaction Force²⁰: "The bottom-line is that NATO's Response Force and the EU's Rapid Reaction Force should be – and will be – **as complementary as the ECAP and our Prague Capabilities Commitment** (*our emphasis*)"²¹. The problem is very much related to the way the ECAP and the Prague Capabilities Commitment are really complementary. If we give enough credit to

A touch from beyond Petersberg

But if Solana's "close but not similar" might match in time Robertson's "as complementary as the ECAP and our Prague Capabilities Commitment", though these formulae sound rather strange for the moment, there are several statements among EU leaders that cast a thick shadow on the EU-NATO (NATO is to be seen as the US-led organisation) relationship. And those statements are at the heart of what the two organisations stand for. Regarding the Petersberg tasks that the EU is going to assume under its European Security and Defence Policy (ESDP), they are seen as not duplicating NATO and not competing with the Alliance, which solely retains the self-defence prerogatives. Mr. Javier Solana, the EU's CFSP envoy, has reiterated several times that "the EU is not in the business of collective defence. Nor is it in the business of creating a European army"²³. Moreover, Mr. Solana made crystal clear that the EU would stick to its original blueprint as enshrined in the EU treaties: "I **have no intention to examine the possibilities of going beyond the Petersberg Tasks** (*our emphasis*). The mandate I have is to implement the decisions by Helsinki (*the European Council in Helsinki, 1999, which set the course for projecting a European force for EU-led operations short of collective defence missions-our note*). The only things we are about to do together with the Chiefs-of-Staff

Javier Solana, EU High Representative for the Common Foreign and Security Policy (CFSP), the other voice in the equation, the two Capabilities concepts (NATO's and EU's) are not that close: "The consequences of the new NATO DCI initiative must be fully taken into account. We all have only one set of budgets. **ECAP and the new DCI are not per se mutually reinforcing** (*our emphasis*). We must therefore assure the credibility of the European effort on capabilities, in view of the Prague summit, as a guarantee of the mutual reinforcement of two initiatives. They are close but not similar (*our emphasis*)"²².

is to see if there is a need to change some structural elements coming from the Capability Conference after September 11th **but not for going beyond the Petersberg missions which are the only ones we are entitled to under the Treaty** (*the Consolidated Version of the Treaty on European Union-our note*)"²⁴.

Certainly, there could not be more obvious denying of Solana's assertions than the following statement by President Chirac of France: "The Europe of Defence launched at Saint-Malo needs a new impetus. Three are the immediate objectives to be fulfilled: to implement the agreements between NATO and EU; to mount a ground operation to replace the UN forces in Bosnia and the NATO forces in Macedonia; **establish new missions for Europe beyond those of Petersberg which limit the European ambitions** (*our emphasis*)"²⁵. If we can argue with reasonable pros and cons on the way Solana's "close but not similar" might match in time with Robertson's "as complementary as the ECAP and our Prague Capabilities Commitment", there is no match ever between Solana's "I have no intention to examine the possibilities of going beyond the Petersberg Tasks" and Chirac's "new missions for Europe beyond those of Petersberg". There is no wonder Washington worries about the way the Europeans are able/not able to come to terms with their own disagreements before

disagreeing with their American counterparts in the common endeavour of establishing a new transatlantic security framework. And, of course, the transatlantic disagreements are of no less significance.

The operational planning, for instance, as a point of dispute, in the case of the EU-led operations, is already too old to raise any new excitement on both sides of the Atlantic. The former US Defence Secretary William Cohen underlined as far back as 2000 that: "What we've indicated is that we want NATO assets to be available in peacetime, during crises, during a time when the EU may want to operate on its own. But we have to have complete transparency, and **there should be a single planning operation** (*our emphasis*), and not duplicative and redundant, because that will only weaken NATO itself. So, I think that we, the overwhelming majority, want to achieve that"²⁶. The French answer to this elaboration by the French Foreign Ministry's spokesperson was as clear as Cohen's remarks only a few days after: "Consequently, this European defence is naturally to be co-ordinated with the

Alliance, but as regards its elaboration and setting up, it **has to be independent of SHAPE: co-ordinated, but independent** (*our emphasis*). And this is the best way to strengthen the whole of the Atlantic Alliance. So, there is no need to worry. But Europe is determined to bring its share to its own security"²⁷.

This entire struggle on both security concepts and their implementations is ongoing in a heavily changed international environment after September 11th. If the fight against terrorism is to succeed, the USA and the institutionalised Europe can no longer linger behind missed opportunities and unfulfilled designs of co-operation. Striving for a new type of togetherness in stepping up the process of creating a united front to stop terror cannot be based on scarce resources, underfed political ambitions and limited capabilities. International terrorism would only grow stronger and all-pervasive if not stopped by the very nature of civilisation: awareness by all that the common good cannot be achieved except by common endeavour.

¹ Todd Sandler & Keith Hartley, *The Political Economy of NATO: Past, Present, and into the 21st Century* (Cambridge: Cambridge University Press, 1999), p. 12.

² *Ibidem*.

³ see Terrence R. Guay, *The United States and the European Union. The Political Economy of a Relationship* (London: Fitzroy Dearborn Publishers, 1999), p. 100.

⁴ *Ibidem*.

⁵ Which is always a false perception.

⁶ As far back as 1999, Strobe Talbott, US Deputy Secretary of State, made very clear the US position at a conference on the future of NATO, at the Royal Institute of International Affairs, London, U.K., 7 October 1999: "We would not want to see an ESDI that comes into being first within NATO but then grows out of NATO and finally grows away from NATO, since that would lead to an ESDI that initially duplicates NATO but that could eventually compete with NATO. That's a long-term concern, obviously, but NATO, after all, is about the long term, and so is this conference (*our emphasis*)". And he continued: "Our ministers committed themselves to precisely these principles first in Berlin in '96, then again in Washington this past April. However, two other meetings seem, to our ears at least, to have emitted a somewhat different set of signals. The Anglo-French Summit at St. Malo last December raised concerns among non-EU Allies that they might not be sufficiently involved in planning and decision-making structures. Then came the EU leaders' declaration at Cologne in June, which could be read to imply that Europe's default position would be to act outside the Alliance whenever possible, rather than through the Alliance". More recently, Colin Powell extended the same concerns over how ESDI/ESDP developed: "We agreed that we need to ensure that ASDP complements NATO, that there is no duplication of planning or operational capabilities, and that all NATO members are assured the fullest possible participation in EU defence and security deliberations affecting their interests" – see U.S. DEPARTMENT OF STATE, Office of the Spokesman, March 6, 2001, JOINT PRESS AVAILABILITY WITH HER EXCELENCY ANNA LINDH, MINISTER OF FOREIGN AFFAIRS OF

SWEDEN AND SECRETARY OF STATE COLIN L. POWELL, March 6, 2001, Benjamin Franklin Room, Washington, D.C.

⁷ For a very interesting approach to the equation ESDI-ESDP, see Robert Hunter, *The European Security and Defence Policy: NATO's Companion – or Competitor?*, RAND, Document No: MR-1463-NDRI/RE, Year 2002, Chapter One. Background.

⁸ Cf. NATO Press Release (2001)156 – December 2001, Updated: 18-Dec-2001, NATO Financial and Economic Data, Relating to NATO Defence, Defence Expenditures of NATO Countries (1980-2001).

⁹ NATO Speech: Transcript of Press Conference given by NATO Secretary General, Lord George Robertson – NATO HQ, Brussels, 6 June 2002.

¹⁰ Philip H. Gordon, "A CHANGING NATO AFTER SEPTEMBER 11", 28 March 2002, Byliner: Brookings Institution Expert on the Changing Nature of NATO (this byliner by Philip Gordon was published in the electronic journal, U.S. Foreign Agenda, on March 27).

¹¹ *Ibidem*.

¹² See *ibidem*.

¹³ "TACKLING TERROR: NATO'S NEW MISSION", Speech by NATO Secretary General, Lord George Robertson, At the American Enterprise Institute's New Atlantic Initiative, Washington, D.C., 20 June 2002.

¹⁴ Judy Dempsey, "NATO considers role in fight against terrorism", in *Financial Times*, FT com site, Jun 06, 2002.

¹⁵ "TACKLING TERROR: NATO'S NEW MISSION", Speech by NATO Secretary General, Lord Robertson, At the American Enterprise Institute's New Atlantic Initiative, Washington, D.C., 20 June 2002.

¹⁶ Speech by Secretary General of NATO, Lord Robertson, NATO, Parliamentary Assembly: 2001 Vilnius Spring Session, The 2001 Vilnius Spring Session, Contemporary Art Centre, Vilnius, 31 May 2001.

¹⁷ Ambassador Richard N. Haass, Director, Policy Planning Staff, US Department of State, *Remarks to the Centre for European Reform*, London, U.K., 10 June 2002.

¹⁸ US Defence Secretary Donald Rumsfeld, Press Conference at NATO Headquarters, Brussels, Belgium, Thursday, 06 June 2002.

¹⁹ The NATO's Response Force is to address the threats posed by international terrorism and it will be assumed by the NATO allies at the North Atlantic Council in Prague, this November.

²⁰ This is the reflection of the decision by the European Councils in Cologne and Helsinki in 1999, endorsed by the Treaty of Nice in 2000, according to the Consolidated Version of the Treaty on European Union (TEU), towards creating a European force by 2003 (under the so-called Headline Goal) which might enable EU-led operations to fulfil Petersberg tasks (the Petersberg tasks, so named for a WEU council of ministers' meeting at Petersberg, near Bonn, in June 1992, include as defined by TEU: humanitarian and rescue tasks, peacekeeping tasks and tasks of combat forces in crisis management, including peacemaking. The Petersberg Tasks officially have nothing to do with collective defence which lies with NATO).

²¹ Speech by the Secretary General at the EU Committee on Foreign Affairs, Human Rights, Defence Policy and Common Security, Brussels, 8 October 2002.

²² Javier Solana, EU High Representative for the Common Foreign and Security Policy, *ECAP and the Improvement of European Military Capabilities*, Summary of the interventions by Javier Solana at the two informal meetings of EU Defence Ministers, Rethymnon (Greece), 4 and 5 October 2002.

²³ SPEECH BY DR. JAVIER SOLANA, HIGH REPRESENTATIVE FOR THE EU COMMON FOREIGN AND SECURITY POLICY, ORGANISED BY THE LIBERAL INTERNATIONAL (NETHERLANDS CHAPTER), The Foreign Policy of the EU, THE HAGUE, 7 NOVEMBER 2000.

²⁴ *Idem*, NATO-EU Joint Press Conference – Brussels – 6 December 2001, Justus Lipsius Building, Brussels, Transcript of Press Conference, given by the Belgian Foreign Minister, Louis Michel, NATO Secretary General, Lord Robertson, Javier Solana and Commissioner Chris Patten.

²⁵ DISCOURS DE MONSIEUR JACQUES CHIRAC PRESIDENT DE LA REPUBLIQUE LORS DE LA RECEPTION DES AMBASSADEURS, PALAIS DE L'ELYSEE, JEUDI 29 AOUT 2002.

²⁶ NEWS BRIEFING OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE (PUBLIC AFFAIRS), WASHINGTON, D.C. 20301, DOD News Briefing, SECRETARY OF DEFENSE WILLIAM S. COHEN, Monday, December 4, 2000 (Media availability en route to Brussels, Belgium).

²⁷ Cf. Ministère des Affaires Étrangères, 13/12/2000, POINT DE PRESSE DU 13 DECEMBRE 2000.