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**PREPARED STATEMENT**

**Dr. Simon Serfaty**  
Professor, U.S. Foreign Policy, Old Dominion University, Norfolk, Virginia  
Director, Europe Program, Center of Strategic and International Studies,  
Washington, DC

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**Before**  
**The International Relations Committee**  
**Subcommittee on Europe**

**Hearing**  
**The U.S.-European Relationship: Opportunities and Challenges**

**House of Representatives**  
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**Introduction**

Mr. Chairman and Members of the Committee, I want to thank you for the invitation to appear before you today. It is an honor to discuss with you the state of the U.S.-European relationship on the eve of a new century. This is America's most "complete" and, arguably, most important relationship, and, as requested, I will specifically focus on the state of the European Union and the opportunities and challenges it raises for the United States. Before starting my remarks, however, let me compliment you, Mr. Chairman, and your colleagues and staff for your leadership in re-launching this important subcommittee at this crucial time—a time that will be viewed and reviewed by historians as a defining moment for Europe and the transatlantic relationship.

**I. Over There and Over Here**

The quest for unity in Europe was initiated after two World Wars had brought the continent to its knees. For the countries of Europe, the idea was not new. During much of their history, it had been an elusive dream. But unity, it seemed all too often, could only be achieved through war, while peace could only be maintained with a delicate balance of power between the main protagonists organized into fragile alliances.

After 1945, however, the time seemed especially propitious for ending anarchy in Europe. With the main exception of a still-proud and arguably victorious Britain, Europe west of Russia was populated by defeated, ruined, demoralized, and dependent states that were all eager to bid farewell to their nationalist pasts. And for those who might still entertain hegemonic delusions of grandeur, there was an unprecedented American commitment of money, security, and leadership that was only refused by those countries in the East that were under Soviet military and ideological occupation.

So it was, then, that after three decades of total wars the second half of the twentieth century came to be dominated by the construction of a European Community, now a Union, that reversed the course of Europe's history—from divisions and worse to integration. And so it was, too, that after 150 years of isolation from a continent in opposition to which the American republic was born, the second half of the century witnessed the rise of a transatlantic security community that also changed the course of U.S. history—from separation to cooperation.

Now, Mr. Chairman, the “over there” of yesteryear has become the over here of today. Now, as we enter a new century, the logic of unity in Europe and cooperation across the Atlantic transcends the logic of cleavage. The logic works to the advantage of all. A united Europe needs a strong Atlantic Alliance, and a united Atlantic Alliance needs a strong Europe. But even as we praise the immense achievements of American and European visionary leaders, we must also recognize the challenges that lie ahead.

## **II. The European Challenge – The Risk of Agenda Overload**

For the past 50 years, the agenda for the integration of Europe has not changed: deepen, widen, and reform. Translated in simple English, “deepening” is Euro-speak for doing more. It has to do with strengthening institutional cooperation in an increasingly large number of areas, thereby leaving less room for the exercise of national sovereignty in increasingly significant areas. At first, the spillover from one initiative into the next was somewhat automatic—a matter of time more than a matter of substance. Over time, as these initiatives became more important—from a Common Market to a Single Market, from a European Monetary System with an Exchange Rate Mechanism to an Economic and Monetary Union with a single currency—the spillover resulted from complex tradeoffs tediously negotiated by and among the member states.

“Widening” is Euro-speak for bringing more members into the community—from six to nine to ten to 12 to 15, with another ten to 15 new members expected to join over the next decade. There are limits to such enlargement, however, even though how and where these limits are set is unclear—part geography, part cultural, and part organizational. Both processes, deepening and widening, are parallel as neither unfolds without some sense of the other's prospects. For example, some members may insist on widening the community as a prerequisite for deepening it—as then-prime minister Margaret Thatcher did immediately after the Cold War. A commitment may follow, as was done in

Copenhagen in 1993, but its enforcement usually takes time as aspiring members prepare themselves for membership while the Community prepares itself institutionally.

Thus, reforming the institutions, the third aspect of the agenda, has to do with devising new ways to enforce an expanding institutional discipline—the *acquis communautaire*—on an expanding community. Predictably enough, as the community becomes wider and deeper, more institutional reforms are needed. These are negotiated with Inter-Governmental Conferences (IGC) held to modify the existing treaties—as was the case in 1996-1997 and 2000, and as is scheduled next for 2004. Standing at the margin of these IGCs, but still a central feature of what can be done, is a budgetary debate, as every new initiative and every new member impacts the distribution of costs and benefits, privileges and burdens among existing and entering members within the union.

Admittedly, each of these broad challenges has been faced before, and what makes the current EU agenda unprecedented is both the enormity of each agenda item considered separately and the finality of all of them addressed collectively. Thus, enlargement does not involve only one, two or three new members as it did in 1973, 1981, 1986, and 1995—but at least 13 applicants all engaged in separate negotiations for quick accession. Similarly, new initiatives are not merely matters of trade or regulations over relatively marginal dimensions of the nation's life. Rather, these initiatives relate to the traditional pillars of each member's national sovereignty and the identity of its people, including money and force. Accordingly, reforms, which raise questions of representation when decisions are being made, become even more important as few members consider any issue small enough to be left to the good will or common sense of their partners.

To complicate matters further, these issues can no longer be decided one at a time, but must instead be viewed collectively, as the ability to proceed with one determines, and is determined by, the ability to address the others. In other words, the task is not only to deepen, *or* to widen, *or* to reform, but to deepen in order to widen, to widen in order to deepen, *and* to reform in order to do both. Thus,

- The enlargement of the EU remains difficult without a credible reform of its institutions lest these institutions be unable to function after enlargement has begun.

For the most part, the European institutions are still governed by the Rome Treaties that were signed in June 1957 for a community of six states only. After membership had doubled to 12 countries following the entry of Spain and Portugal in 1986, the union (then still a community) already seemed unmanageable, thereby prompting a first round of reforms toward a new Single European Act (SEA) in 1987. After further expansion to 15 (with Austria, Finland, and Sweden) in 1995, and in anticipation of the enlargement to the East decided as early as December 1993, conditions threatened to become anarchical. Hence the pre-enlargement IGC that ended in failure in Amsterdam in June 1997; hence, too, the IGC that ended with mixed reviews at the EU Summit in Nice, France, in December 2000. Hence, finally, the IGC that the 15 EU states have scheduled for 2004 in order to pursue, and hopefully enforce, the decisions made in 2000.

Most generally, but also most significantly, the Nice summit of December 2000 agreed on new formulas of EU governance, including a redistribution of votes allocated to member states and new applicants (except Turkey) and an extension of qualified majority voting. The decisions outline a sort of Electoral College that accounts for differences in size, population, and even status among all member states. Thus, while a larger Germany will maintain parity of representation (29 votes in the Council of Ministers) with Europe's three other large states—France, Great Britain, and Italy—other demographic criteria will give it more seats in the European Parliament. While the Netherlands was allocated one more vote (13) than its historic rival Belgium, the three Benelux states will hold, as a matter of status, a combined number of votes equal to each of the Big Three (as well as Great Britain) that signed the 1957 Rome Treaties. Meanwhile, Poland, a candidate country, received the same number of electoral votes (27) as current member Spain, the EU fifth largest state, but Romania was granted only one more vote (14) than the Netherlands, only two-thirds Romania's size.

Mr. Chairman, the Nice Summit set the stage for a difficult and contentious constitutional debate that Germany's foreign minister, Joschka Fischer, initiated informally in May 2000. That debate may well peak with some kind of a "constituent treaty" that would be held in, say, 2007, for the fiftieth anniversary of the Rome Treaties. Meanwhile, the post-Nice reform agenda includes organizing an increasingly cumbersome European Commission, reviewing the adversarial relationship between the Commission and an internally divided Council, and defining the balance of power between each of these bodies and the European Parliament. That, too, will not be easy and much will have to be achieved by the time of the next IGC, already scheduled for 2004, if enlargement is to start by that time.

- On the way to IGC 2004, the will for more reforms and the pace and scope of enlargement will remain dependent on an affluent euro zone at 12 in 2002-2004, and its expansion to all current EU members (including Great Britain) in 2004-2005.

The significance of the euro cannot be overstated. Historically, it may well have been one of the most revolutionary decisions ever made by the nation-states of Europe. Indeed, the very fact that it could be started, in January 1999, was remarkable and helped many in the United States to finally take seriously a process of European integration that had been often neglected or even dismissed in the past.

Admittedly, the performance of the euro has been erratic since January 1999, at times more than 30 percent below its starting rate. Even now, under seemingly favorable conditions, the euro is limping along under or around \$0.90, far from the parity value to which it should aspire. Yet, such persistent weakness should not distract from what it has already achieved. Thus, while the acrobatics of monetary convergence were performed on the EU stage, inflation was conquered, budget deficits reduced, and interest rate differentials narrowed. The euro also transformed policymaking in Europe by eroding national sovereignty over monetary policy and instituting a surprisingly independent

European Central Bank (ECB) whose performance over the past two years has been globally positive.

In short, Mr. Chairman, the gamble made over the euro has worked, despite odds that often seemed insurmountable. There is no looking back, despite the real difficulties that lie ahead. To raise questions about the future of the euro is to raise questions about Europe's ability to have a future, and to raise questions about Europe's future should also be cause for serious concern for the United States.

- Enlargement is likely to begin as the EU's "euroic" reforms proceed further, but even then it is unlikely to take the form of a wholesale—"big bang"—expansion to all current applicants.

Bidding for EU membership are 10 applicants from the Baltic region (Estonia, Latvia, and Lithuania), Central Europe (the Czech Republic, Hungary, Poland, and Slovakia), and Southeastern Europe (Slovenia, as well as Bulgaria and Romania). In addition, access negotiations are under way with the small islands of Malta and Cyprus, and, at last, with Turkey too. Also not to be overlooked, are the few remaining European states that have either denied or ignored the EU up to this point, including Norway and Switzerland (and even Iceland). Finally, also parts of the future are countries in the Balkans, including Croatia and others, and even countries in the East (including Ukraine but not Russia) that will have to find some institutional home in Europe if they are to remain viable.

That is a lot, Mr. Chairman. The original European Community was started with three large and three small countries, including one that was very small (Luxembourg). By these standards, all current applicants for membership in the European Union, except Poland and Turkey, are small or very small, including several—like Cyprus, Malta, Slovenia, Estonia, and others—with populations below or barely above one million. By these standards, too, all current applicants are rather poor or very poor—except the southern part of Cyprus and, to an extent, Slovenia. These features—number and heterogeneity of applicants and costs—explain the delays faced in enforcing a commitment first made in 1993. And even though there is cause for impatience, we should not allow the operating principle that animates the U.S. commitment to European integration—bigger is better—to blind us to the enormity of the EU commitment to enlargement.

However difficult it may be, and whatever the timeline, EU enlargement will take place, and we can anticipate a future European Union with as many as 28 to 30 members at some point over the next 10 to 15 years, beginning in 2004. What the "advanced guard" of new members might be, and how they will be distributed regionally, may be less significant than the certainty that it will take place. I believe, Mr. Chairman, that all four countries in Central Europe and all three countries in the Baltic region, as well as Slovenia, will be in the EU by January 2007. Also likely early entrants are states that would permit immediate political benefits, like Malta and especially Cyprus—assuming some agreement over its division. Poorer applicants like Bulgaria and Romania will remain unlikely to enter the EU until the end of the decade at the earliest. And states like Turkey will have to wait even longer before its European neighbors agree to membership,

if at all. In the meantime, new applicants from Southeastern Europe are likely to be added to the current lot of 13 before the decade has come to a close.

- Finally, as if reforming the institutions (and their budget), completing the euro zone, and enlarging the Union to about 30 members were not enough, the EU states also hope to develop a Common Security, Foreign, and Defense Policy, beginning with the 2003 Headline Goals defined at the 1999 Helsinki Summit.

Mr. Chairman, I had the privilege to address the full committee on the issue of Europe's common foreign, security, and defense policy during the related Hearings that were held on November 10, 1999. Let me simply restate that this new attempt by the countries of Europe to add a security dimension to their common institutions should be encouraged. First, this is the first time that any such effort involves all 15 EU members, led by the United Kingdom and including traditional neutral states like Austria and Sweden that are not, or not yet, NATO members. Second, this is the first time that its commitment to respecting NATO as the security institution of choice for and in Europe is credible. And third, during this formative phase, ESDP remains in any case an intra-European debate that need not be obscured by the transatlantic questions it raises.

Hoping for a stronger Europe, Mr. Chairman, is hardly a new view of the transatlantic relationship. It is the postwar view that inspired the bold decisions of President Truman, and Secretaries Dean Acheson and George Marshall and others, with the strong and bipartisan support of Congress. And it is the view that has inspired every administration ever since, always with congressional support even when occasional bouts of discord raised concerns over the state of the relationship. The goal then, and arguably now, was to watch and assist Europe gain the will, unity, and vigor needed to be an autonomous counterpart of American power. Admittedly, there may come a time when concerns over Europe's challenge as an adversarial counterweight of American power will have substance. That is not the case today, when such concerns are premature, and the evidence gathered over the past 50 years suggests that it need not become the case in the future. Now and for the next few years, the real debates over ESDP will be, and should remain, mainly intra-European debates as the most significant obstacles to the fulfillment of its goals are gaps among European states rather than gaps between Europe and the United States.

Reducing these gaps, possibly with efforts aimed at defining criteria of convergence as well as criteria of compatibility, is the daunting task faced by the 15 EU countries committed to deploy a rapid reaction force by 2003 or, more likely, in 2003–2006. That will demand more money for defense, which the states of Europe now spend unevenly; more political will, which they now display erratically; and more policy cohesion, which they now enjoy only occasionally. That will also demand better R&D coordination, improved efficiency in procurement decisions, clearer organizational schemes—in short, more of everything, and better in everything, neither attainable without a continued strong link with NATO and the United States.

### III. Looking Ahead—Opportunities and Challenges

Mr. Chairman, I am bullish about Europe and its union. The European continent today is less divided (West, East, and neutrals) than at any time since the end of World War II. On the whole, it is more united (at 15 and relative to at least 13 applicants) than at any time in the twentieth century. Similarly, Europe is more democratic, more affluent, more stable, and more peaceful than at any time in its history. Nor need we fear changes in the conditions for the immediate future. Economic forecasts for 2001 and 2002 remain good even when they fail to get better, political conditions remain centrist and leaning again from Left to Right, and regional conditions are improving or, at least, not getting worse.

- After a relatively sluggish performance during much of the 1990s, the EU and its members are fighting back. With EU growth still expected to average over 2.5 percent in 2001 (when growth in the United States is projected at 1.7 percent) and beyond, there are grounds for optimism not only for the EU as a whole but for the main and larger EU states. After nearly 25 years of yearly increases in most European countries, unemployment is falling, at last, down to about 8.5 percent for the euro area. Most significantly, more growth and less employment have not caused undue inflationary pressures, or at least not yet.

As could be expected, there are, however, circumstantial and structural causes for concern that represent short- and long-term challenges for the Europeans. Thus, even though the German economy is showing some signs of renewed vigor, it continues to sputter as the German government continues to postpone much-needed structural reforms. The European Union, Mr. Chairman, was started around Germany—to make it historically healthy again—and it will not be completed successfully without a truly healthy Germany. Long-term structural conditions that may stand in the way include the EU's ability to enter and manage the new economy, the final reform of the post-war welfare states (including pension systems and taxes), and a dwindling labor force resulting from gloomy demographic trends. While this is not the place and time to discuss any of these at length, it must be noted that Europe's population is currently turning smaller, older, and more foreign—and that traditionally such demographic trends have been causes for tensions from within and/or decline relative to the world outside.

- The euro has also reinforced the need for (and the will of) European companies to restructure, spurring a major wave of mergers and acquisitions in and from Europe that are transforming the protected national champions of the past into competitive global giants.

In this context, Americans and Europeans will have to reinforce their cooperation in developing rules of corporate engagement in an increasingly integrated transatlantic economy, including reinforced cooperation in competition policy. While consultation between the relevant parts of the U.S. Department of Justice and the European Commission's competition directorate has helped develop a de facto convergence of substantive standards for the application of anti-trust regulation, there remain some gaps

and there are some significant procedural differences. These are causes for concern not only because of the consequences of delay or denial on the companies involved but also because of their spillover on other parts of the U.S.-EU agenda. The European Commission's consideration of the merger of General Electric and Honeywell, two U.S. companies with a sizable share of the EU market, is a case in point.

These developments, however, combined with a global strategy for the EU are causing more competitive pressures for the protection of market shares within the EU and the gain of additional market shares elsewhere. The new U.S. Trade Representative, Robert Zoellick, is entirely right to point to the need to address, and respond to, this EU global trade strategy, and, may I add, few Americans are as qualified as Secretary Zoellick to do so effectively and cooperatively. The unprecedented summit meeting between President Bush and all EU heads of state or government in Sweden, next June 14, will be an opportunity to test the U.S.-EU will to resolve small but lingering trade disputes, and the recent resolution of the banana dispute points to the right direction. It should also be the target date for an agreement on a "peace clause" for more serious and contentious disputes, pending a new round of trade negotiations that might hopefully be launched in 2003 at the latest.

- Politically, the fashion for centrist coalition governments, begun many years before the Cold War ended, is lasting. In a continent of centrist republics, the era of political revolutions launched by an authoritarian right or the totalitarian left is over, Mr. Chairman, and the revolutionaries have lost.

This does not neglect, Mr. Chairman, the potential of populist movements that respond to a public anger aimed at institutions that deny the nation's sovereignty and erode its people's identity even as they reverse past gains of the welfare state and impose the pains of the new competitive environment. For many years, the construction of Europe was a top down process that seemed of little public concern so long as it was equated with the economic prosperity and overall societal serenity that seemed to prevail. Occasional referenda on Europe-wide issues were easily won in the 1970s, even in such skeptical countries as France and Britain. In the 1990s, however, such referenda—most recently in Denmark and Switzerland—have confirmed a growing mistrust of Europe and its intrusion into its member's lives. If maintained, these trends would dangerously threaten the governments' ability to make the needed decisions that were outlined above. More ominously, these trends would also encourage anti-European populist voices to redirect the political discourse away from the "Yes, yes, yes" traditionally heard in and about European integration toward an unprecedented "No, no, no."

- Conflicts at Europe's southern periphery are also receding. In North Africa, the civil war in Algeria has receded, and democratic conditions in Morocco and Tunisia have evolved well. Talks of EU membership, an open détente between Greece and Turkey, and a more cooperative relationship between the EU and Turkey make it possible to envision a resolution of the territorial division of Cyprus over the next three years.



Admittedly, conditions in the Middle East are especially troubling—arguably worse than at any time in thirty years. Predictably, a new war in the Middle East would have dire consequences for the EU, as well as for U.S.-EU relations. One reason is economic. While the states of Europe have endured surprisingly well the recent rise in oil prices, a further rise resulting from another war in the region would create especially difficult conditions throughout the continent. If anything, the Europeans may be even more sensitive today to the stability of oil supplies and prices than they were in the early 1970s. Another reason has to do with the domestic dimension of the Arab-Israeli conflict in most European states where Islam has often become the second most important religion.

Yet other concerns have to do with the unfinished business of the Cold War and the many other European wars that preceded it. Persistent risks of armed conflicts in the Balkans are especially urgent. Europe's Headline Goals for 2003, Mr. Chairman, must not be allowed to emerge as America's Deadline Goal for a withdrawal from a region to which we returned on behalf of our interests in Europe. More generally, outside the Balkans and far to the East, conditions in Russia are likely to remain troubling for the indefinite future. Neither we nor the EU and its members seem to know what to make of Russia and how to handle it. What we all seem to accept is that Russia is too close to ignore, too big to integrate, too nuclear to offend, and too fragile to rattle. We need to define, refine, and coordinate our policies on Russia. No less significantly, we need to make sure that transatlantic differences over issues that involve Russia are not used by Moscow to build a wedge between the two sides of the Atlantic, as was often attempted by the Kremlin during the Cold War.

#### **IV. The End Game – The Transatlantic Dimension of the Finality Debate**

In short, then, being bullish on Europe is being bullish on Europe's ability to attend to its agenda over the next several years. At half before Europe, this is the time when the end game is being played out—when, that is, the nation-states that have prevailed in Europe since Westphalia might be recycled into member states of the institutions to which they belong or hope to join.

Thus, what Europe will be like by the year 2010 can already be told generally: it will be wider, deeper, and more supranational. This means that:

- There will be many more members, including all four states of Central Europe, all three Baltic states, at least one state from Southeastern Europe (Slovenia), Cyprus and Malta, and even, arguably, Norway and Switzerland.
- There will be a functioning Euro zone with all 15 current EU members (including Britain) plus a few (but not many) of the new members. Within that Euro zone, the single currency will have acquired a global dimension, meaning that it will become a reserve currency (though not on par with the dollar) and an occasional currency of choice for some currently dollar-denominated exports.
- Years of steady economic growth (possibly faster than in the United States) will make the EU wealthier—as anticipated by the 10-year-long Lisbon process launched in

March 2000—but also internally less equal as the gap between current and new members is likely to grow for the balance of the decade. In addition, current demographic trends ensure that EU 2010 will be smaller and older, as well as more foreign with expanding inflows of immigrants from outside the community.

Europe-2010 will also be stronger militarily, although it is not likely to regain much of its past taste for armed violence. Interventions, when they will take place, will be prudent – nearly *à l'américaine*, with semi-formulated exit strategies designed to limit casualties or escape the conflict when such limits cannot be maintained. By 2010, the Headline Goals will have developed into a European Security Policy (ESP), well in place by the time the 2007 celebrations for the fiftieth anniversary of the Rome Treaties have been used as a reference date for additional post-2003 steps of defense convergence among the EU countries. A Common Foreign Policy (CFP), but not a European Defense Policy (EDP), will also be emerging with a better policy coordination within the Council in consultation with a reinforced European Parliament.

What the transatlantic partnership will be by the year 2010 can also be told, though with a lesser sense of certainty: closer, larger, and renewed. This means that

- A more responsive transatlantic community will be based on new ties between the United States and the EU. These ties will increasingly give U.S.-EU relations a bilateral form now found between the United States and individual countries. Institutional reforms in Europe will facilitate U.S.-EU consultation before decisions are made. Within this responsive community, there will also be closer coordination between the European Central Bank and the Fed, as well as close coordination between each or most newly formed EU-wide agencies (like a European Food Agency) and their counterparts in the United States.
- A more responsive transatlantic community will also have restored a progressive convergence of EU and NATO membership comparable to the Cold War era, when NATO grew from 12 to 16 (prior to the 1999 enlargement) and the then-EC grew from 6 to 12 (prior to the 1995 enlargement). These separate but mutually reinforcing enlargement processes will have followed new NATO and EU enlargements in 2002-2008 and 2004-2010 – with non NATO-EU states joining NATO (including Austria early in this period), and non-EU NATO states joining the EU (including Norway late during this period).
- Within a more responsive transatlantic community there will also be a process of policy coordination (TAPC) comparable to the EPC launched in the late 1960s, and based on the short-term imperative of complementarity as well as on the long-term ideal of convergence. The process will be helped by progress in Europe toward both ESP and CFP, and across the Atlantic by a sharp improvement in transatlantic defense cooperation (with at least one significant corporate merger by the mid-2000s).

Admittedly, the road ahead will not be easy for either the United States or the states of Europe.

- On both sides of the Atlantic, the permissive consensus that allowed the decisions for and about Europe to be driven from the top down has faded. That consensus must be restored not along the same permissive lines as was the case during the Cold War but on the basis of a solid understanding by all of the enormous benefits generated by that consensus in earlier years. The Atlantic partnership needs bullish leaders who boast of past successes to legitimize new advances. President Bush should take advantage of one of his two trips to Europe early this summer to reassert forcefully America's commitment to a united and stronger Europe that is also whole and free.
- New advances are needed in trade relations within the framework of a Millennium Round of Trade negotiations. Yet for such a decision to be effective, some of the debris inherited from the past few years need to be swept away quickly. Too many small economic issues are having too much of an impact on a shared commitment to completing a common economic space between the United States and Europe. At least one more such issue should be targeted for resolution by the time of the next EU summit. Export control legislation, in anticipation of reforms in the multilateral export control system, is an area where prospects of some quick action can have lasting effects
- Opportunities for success also exist in the area of foreign and security policy. In the Mediterranean, Americans and Europeans should be willing to look for areas where their actions can be coordinated for quick and effective action—one on behalf of the other, and both on behalf of all. Thus, in Cyprus complementary action pursued jointly can be effective and should be pursued. Neither the EU nor NATO are full-service institutions: in North Africa, too, interests need not be shared evenly to permit the success of goals that are common and policies that are complementary. There and elsewhere, a succession of new political leaders ought to have tangible evidence that Western countries applaud and support their dynamism and moderation. In the Middle East, a high level consultative group should be formed urgently to review the feasibility of complementary U.S. and European policies to defuse tensions and re-launch the Arab-Israeli peace process. Europe needs to do more even as America finds ways to avoid doing less. This part of the world is just too significant for either the United States or the states of Europe to leave it up to the other, and for both America and Europe to leave it up to the countries in the region.
- In the Persian Gulf, but also in Korea, regimes of concern are not the creation of paranoid American minds in search of an enemy we can call our own. There too, interests are common even when they are not shared evenly. In nearly all instances, intra-European differences may be lesser than transatlantic differences, but rarely do differences between the United States and its most persistent ally in Europe fail to be lesser than U.S. differences with its most faithful ally in Asia. The goal is not a division of labor that expects the weak to stay in the sidelines until asked to pay, while the strong negotiate pending a need to fight. The goal is a compatibility and

complementarity of labor among coalitions of both the willing and the capable. Whether to keep the peace or to make it, not everything will be done by all NATO or EU members all the time, but a lot can be accomplished by many of them most of the time. And even more will be done if NATO and the EU continue to coordinate their action, among their institutional bodies and among a few of their members.

- As mentioned, there is also, of course, the matter of Russia: by 2005, Russia's democratic experiment will be a mere 14 years old, which was the age of the Weimar Republic when Hitler won the 1933 elections. There is no transatlantic asymmetry there. To argue that the EU is more vulnerable to instabilities in Russia than the United States is to argue that U.S. vital interests are not vulnerable to instabilities in Europe. A Euro-Atlantic Ostpolitik begins with transatlantic consultations about Russia and its needs, rather than with consultations with Russia over each other's policies and intentions. In this context, consultations over missile defense should be intensified. The transatlantic partnership need not be made the hostage of a consensus over NMD, but Europe's support for, and involvement with, (N)MD development and deployment will help. Our European allies and friends often misunderstand the U.S. interest in NMD as a replay of past debates over missile defenses or as the hidden reflection of a continued interest in disengagement. The reverse is true on both accounts: missile defense is the down payment for a major debate over the nature of deterrence in the twenty-first century, and it is a precondition for the continued engagement of U.S. forces abroad during and beyond the coming decade.
- Finally, related to, but independent of, Russia is the status of Europe's orphans—states, that is, that are unlikely to join, or even be considered, for membership in any of the Western institutions, either the EU or NATO. Some of these states, too, are too big and too European (and even, in a few cases, too nuclear) to be ignored. Ukraine is a case in point. A united and stronger Ukraine guarantees a smaller and less imperial Russia. For these orphans of the Cold War, more needs to be done to avoid the rise of the EU as the new dividing line across the continent. Prospects for growth and stability should not be defined merely by expectations of membership. For other states, prospects of membership are more real, but so distant as to deny them whatever significance such membership may have. Admittedly, the difficulties of EU and NATO enlargement vary from one institution to the other, and both processes must remain, therefore, distinct. Yet, as shown during and even since the Cold War, however separable these two processes may be, they cannot be entirely separated. Past the IGC Summit that will end the year 2000, and as we move toward the 2002 NATO summit, the European members of NATO and the EU need a robust and credible strategy of dual enlargement and engagement that will end the institutional fragmentation within Europe.

After 1945, when a few European states entered the *terra incognita* of territorial consolidation, the finality debate was muted by a widespread apprehension that continued fragmentation would perpetuate the conflicts waged during the previous 50 years. This shared vision of a failed past served as both a catalyst to get started away from the darkness behind, and as a flashlight to keep going through the darkness ahead. Now,

growing anxieties over the enormity and the consequences of what remains to be done can hardly be overcome by the sightings of past ghosts. In other words, a debate over Europe's finality, however politically dangerous, may well be overdue. Each of the decisions in and about Europe will be made more readily if the sum total of the choices entailed through the totality of these decisions is better explained and properly understood.

Yet, no debate over the finality of Europe can be complete without an explicit transatlantic dimension. The postwar idea of Europe was an old European idea that was made plausible only after the United States had endorsed it with a series of bold economic, political and military commitments. To this extent, the idea of Europe challenged the history of both America and Europe, ending at last a history of transatlantic separation in whose name the American Republic was born and matured for more than 150 years after that. Now, America and Europe have regained an intimacy that is no longer reversible: the United States is not a European power but it is a power in Europe. This is not a hidden invitation to debate U.S. membership in the EU but it is an open plea to accept the reality of the U.S. presence as a non-member member state within the EU. In short, Mr. Chairman, a vital but covert dimension of the end game in Europe has to do with completing the transformation of a responsive community across the Atlantic that parallels the organization of an integrated political community within Europe. For the coming years there is no greater challenge and no greater opportunity than fulfilling the vision that was started 50 years ago and stands now on the verge of completion.

Simon Serfaty is the director of the Europe Program at the Center for Strategic & International Studies (CSIS) in Washington, DC, and professor of U.S. foreign policy with the Graduate Programs in International Studies at Old Dominion University in Norfolk, Virginia. From 1972 to 1993, he was associated with the Johns Hopkins School of Advanced International Studies (SAIS), serving among others as the director of the Center of European Studies in Bologna, Italy (1972–1976), as director of the Washington Center of Foreign Policy Research (1978–1980), and as executive director of the Johns Hopkins Foreign Policy Institute (1984–1991).

Dr. Serfaty is the author, coauthor, and editor of numerous publications. His most recent books include *Taking Europe Seriously* (1992), *Stay the Course: European Unity and Atlantic Solidarity* (1997), *Memories of Europe's Future: Farewell to Yesteryear* (1999). His many reports include, most recently, *Bigger is Better: A U.S. Perspective on EU Enlargement* (2001), *Europe 2007: From Nation-States to Member States* (2000), and *NATO at 50* (1999). His articles have appeared in most leading professional journals in the United States and Europe, and he has been a guest lecturer in 40 different countries in Europe, Africa, and Asia. Dr. Serfaty holds a Ph.D. in Political Science from the Johns Hopkins University. He speaks French fluently.