

A NEW AMBITION FOR EUROPE

A Memo to the European Union Foreign Policy Chief

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Carnegie Europe spearheaded a review process to assess the European Union's foreign policies. Drawing on consultations with experts from around the world, this memo proposes a new strategy for turning Europe into a more effective international actor.

EXPANDING GLOBAL ORDER

- 1) **The European Union (EU) should become a powerhouse of global order.** Europeans should not be satisfied with merely defending the global status quo, expecting to decline gracefully inside an imaginary EU fortress. Great changes threaten the current international system. To secure the future global order, Europe must change greatly too. The EU was built as a peace project among its members, but the peace of Europe now depends on events outside the EU. Foreign policy should therefore be at the heart of the EU's peace project, not on its fringes. Europeans must be prepared to expand the liberal world order and to push for the widening and deepening of international and regional governance.
- 2) The main **European foreign policy interests and goals are easy to agree on:** To improve their prosperity, Europeans need an open global trading system and access to energy sources and other raw materials. To protect their security, Europeans want a more stable neighborhood and the ability to cope with crossborder threats such as terrorism and cybercrime.
- 3) **The EU will need to do three things to expand global order:** internally, it will need to become more unified, more attractive, and more powerful; it will need to build stronger alliances both regionally and globally; and it will need to invest in effective international institutions. To many non-Europeans, the EU is perceived more as a declining and fragmented grouping of governments than as an essential world power. But the Brussels-based institutions and the member states need to collectively show more determination to shape international developments beyond the EU's borders.
- 4) Overcoming the economic crisis and strengthening solidarity among member states remains crucial. An economically strong and politically coherent EU would be a more credible international actor. **EU foreign policy starts at home.** Moreover, even with an economically stronger Europe, the power

And Europeans would like all governments to comply with global rules, not only to safeguard Europe's prosperity and security but also with the intention of spreading respect for democracy, human rights, and the rule of law.

of attraction alone would not be enough to secure European interests. Military strength remains a key factor in international relations, and the current demilitarization of Europe has to stop. Given European countries' enormous equipment shortages and falling overall defense spending, Europeans have to cooperate on military matters. In partnership with the North Atlantic Treaty Organization (NATO), the EU foreign policy chief and the EU institutions must keep pressing member states to pool and share the almost €200 billion (\$250 billion) they collectively spend each year on military resources.

- 5) The EU must try to keep its most important international partner, the United States, engaged in global politics. But the emergence of other powers means that **the traditional model of the EU and the United States acting as Western stewards of global order is reaching its limits**. The EU needs to develop stronger partnerships with countries across all continents—especially like-minded democracies—and prod them to confront global challenges and develop sustainable rules-based regimes. The EU should support the efforts of countries in other regions to develop their own intergovernmental cooperation, particularly for mediating disputes and pacifying conflicts. Examples of such cooperation include the Association of Southeast Asian Nations (ASEAN) or the African Union.
- 6) At the international level, **the EU should relentlessly pursue the application of multilateral rules on global issues** such as trade and investment, the environment, territorial integrity, cyberfreedom, and security. The EU represents the primacy of the force of law over the law of force. But the union needs to contribute much more to strengthening multilateral structures, even if this might sometimes come at a cost for its own representation. The EU should use all of its economic and diplomatic clout to counter the corrosion of existing multilateral

problem solving, for example in the Organization for Security and Cooperation in Europe, the World Trade Organization (WTO), and the Council of Europe, as well as under the Treaty on the Non-Proliferation of Nuclear Weapons. The EU should also side more visibly with those institutions at risk. None of this activity will generate headlines like military interventions or economic sanctions will. But this rules-based back-office diplomacy is crucial for helping ensure a more peaceful, secure, and prosperous global order.

THE GLOBAL PARADOX

- 7) Global politics is characterized by a fundamental paradox. On the one hand, the world is becoming more integrated—economically, socially, and even at the individual level. On the other hand, it is becoming more politically fragmented, conflict-ridden, and dangerous. **Interdependence is racing far ahead of national and global governance**, often causing nationalist backlashes. And all this has been happening while economic power has been shifting from the West to the rest: according to some projections, states outside the Western-led Organization for Economic Cooperation and Development (OECD) will account for more of global gross domestic product than the current OECD members by 2030. In certain respects, the EU has some inherent advantages for shaping the future global order because the emerging messy system of global governance resembles the EU setup in many ways: diverse practices and types of membership for distinct policy areas, with different political coalitions forming around different issues. But three major geopolitical uncertainties may severely test the EU in the coming decades: potential turbulence centered on China; the ambiguous future of U.S. power; and Europe's ever more unstable neighborhood.

- 8) China's future trajectory will be the greatest geopolitical challenge for the current global system of rules and politics. This is because, based on some measures, China's economic output has already surpassed that of the United States, and Beijing's military spending may exceed that of Washington within a decade. **Europeans should not ignore the huge potential for turmoil centered on China** that could affect their interests. This turmoil could include an Asian economic downturn triggered by a Chinese slowdown, a major security crisis arising from one of the many territorial disputes in East Asia, or massive domestic political unrest. The EU should start thinking much more politically about China (and about the U.S.-Chinese relationship), which is also an indispensable partner for coping with global issues like open trade or climate change.
- 9) Economically rising democracies including Brazil, India, Indonesia, and South Africa will likely become more influential, and they could become stronger partners of the EU alongside richer democracies such as Australia, Canada, Japan, and South Korea. But ultimately, the future of global governance will depend mainly on the United States. Although on many measures it currently seems to be in relative decline, **the United States will remain the most powerful country in the world for the foreseeable future**, and a future renewal of its strength should not be ruled out. The United States has some structural economic advantages, such as huge shale gas reserves, that may contribute to a revived surge of the country's economic (and concomitant political) weight in the world in the coming decade. Even so, the United States alone will not be able to guarantee the future stability of global order—nor will any other government. Consequently, the EU should be prepared for different future scenarios for U.S. power, not least since the EU's own security depends on the United States.
- 10) **Most of the states in the EU's extended neighborhood are weak, failing, or failed.** Many Arab countries, for example, face uncertain political transitions against a backdrop of massive demographic growth, economic stagnation, major resource shortages, and deepening sectarian cleavages. And Russia's current strong-arm tactics in its western neighborhood will not mask the country's serious political, economic, and demographic weaknesses for very long. A failing Russian state may become the EU's greatest security challenge.

WHAT THE EU CAN DO, IT SHOULD DO WELL

- 11) Although the combined resources of the EU and its member states are impressive—the world's largest economy, highest development spending, and second-highest defense expenditure—**the union cannot act like other major powers.** What is more, the EU's international credibility has been greatly damaged by its stuttering response to the economic crisis. But as the most integrated form of intergovernmental cooperation in the world, the EU has some unique capacities.
- 12) **Strengthening governance, in particular through state and institution building, should be a key foreign policy objective for the EU.** This task also plays to the union's knowledge and resource strengths. The EU has a strategic interest in helping stabilize turbulent neighboring countries such as Libya and Ukraine, supporting democracy, and promoting regional cooperation elsewhere in the world. All of these aims require elements of institution building that include encouraging security-sector reform, developing democratic institutions in fragile transition countries like Tunisia and Moldova, bolstering regional intergovernmental bodies like the Arab League and ASEAN, and upholding global regimes on trade, climate, cybersecurity, and other issues.

- 13) As a union of democratic states, the EU must support democratization efforts around the world. However, the union should take a more realistic approach than it currently does. **Democracy can only be supported with those governments that really want it**, for example those of Georgia and Burma/Myanmar. With regimes that are not yet fully committed to developing democratic institutions, such as those of Azerbaijan or Algeria, the EU cannot pursue a transformative agenda. In these cases, the union must protect narrower European security and economic interests while continuing to criticize human rights abuses, engage civil society, and stand ready for democratic reform in the longer term.
- 14) Trade matters greatly for prosperity, but it is also a foreign policy tool. **Trade agreements, such as those currently being negotiated with key partners like India, Japan, and the United States, are in the EU's strategic as well as commercial interest.** Granting access to the EU's single market not only helps economic development but can also reinforce other foreign policy goals such as stability and political reform, for instance in Ukraine. Furthermore, the political ramifications of EU trade policies deserve much more consideration from the outset of trade agreement processes—not after accords have been signed. The EU foreign policy chief therefore needs to assume a leading role in shaping the EU's trade policy.
- 15) Development assistance is a significant instrument for EU foreign policy. In 2013, the EU institutions and member states collectively spent €56.5 billion (\$73.5 billion) on development assistance, of which some €12.0 billion (\$15.6 billion) came from the institutions. But the traditional separation between such aid and foreign policy is obsolete. Since bolstering weak states and improving governance should be a key foreign policy objective, **development policies should be firmly integrated into the mainstream of EU external action.**
- 16) The use of conditionality—offering money and market access in return for domestic reforms—needs to be deployed in much more targeted ways, focusing on countries that are serious about economic and political reform. **The union should also rethink the metrics used to measure success**, customizing conditionality to individual countries and developing a “good enough” rather than perfect model. Conversely, when countries make no effort to meet any conditions, the EU must consider withdrawing its financial support.
- 17) The EU cannot afford to be myopic geographically, and events in South and East Asia matter greatly for the union. However, European interests are currently most threatened by developments in the extended neighborhood. Two priority areas stand out. First, **the EU must take care of unfinished business in the Western Balkans.** By the end of the mandate of the incoming EU leadership, in 2019, all countries in that region should have made sufficient progress to start membership negotiations with the EU. Second, the EU needs to enhance relations with Turkey as both an accession candidate and a strategic partner.
- 18) The EU's main policy instrument toward the rest of the neighborhood, **the European Neighborhood Policy, should be scrapped in its current form** and should distinguish clearly between European neighbors and neighbors of Europe. The prospect of EU membership for Eastern European neighbors should be kept on the table. The EU should customize relations with each neighbor and strongly support the most advanced transition countries: Georgia, Moldova, Morocco, Tunisia, and Ukraine. In addition, the EU should promote regional cooperation to tackle regional problems such as water shortages and poor infrastructure. But U.S. reluctance to intervene militarily in large parts of the EU's neighborhood

means that Europeans cannot ignore the potential need to carry out more autonomous military operations in the future. Sometimes, Europeans may have to go to war alone.

A DIPLOMAT, A STRATEGIST, AND A COMMUNICATOR

- 19) The job of EU foreign policy chief—formally both the high representative of the union for foreign affairs and security policy and a vice president of the European Commission (HR/VP)—is not equivalent to that of a national foreign minister. **The HR/VP should play a similar role to the U.S. national security adviser**, with the European External Action Service (EEAS) matching the analysis and coordination work that the National Security Council performs for the U.S. president. This is because the HR/VP's most crucial relationship is with the EU's 28 member states, advising them with EEAS analysis. The European Council, which brings together heads of state and government, has only recently embraced its assigned role as the key decisionmaking body on EU foreign policy. The high representative, who participates in European Council summits, can provide EU leaders with expertise and strategic advice. Consequently, a close working relationship between the HR/VP and the president of the European Council will be enormously important. There are three ways the HR/VP should operationalize this adviser role.
- 20) First, she should **start developing the EEAS into the main source for European strategic analysis**, alongside daily policymaking and crisis management. That means exploiting the local knowledge in the 139 EU delegations worldwide and creating substantial capacities for strategic analysis across the EEAS. The service could fill major gaps in information and analysis for most member states, and the HR/VP should produce a strategic assessment every year and present it in public. The good news is that the 28 EU governments have already tasked the HR/VP with producing an assessment of the international strategic environment by June 2015. This task is an opportunity to kick-start the process of developing strategic analysis capabilities.
- 21) Second, the HR/VP should assert her authority as vice president of the European Commission. This means bringing to life the commission's new so-called "cluster" arrangement (in EU jargon) and ensuring that this setup results in truly integrated external policies. The clusters approach requires other European commissioners and their directorates general, which have considerable foreign policy expertise and resources—especially in the areas of development, the neighborhood, and trade—to overcome their current silos and work as a team. This will not only make the HR/VP more valuable to national governments, it will also mean that **the high representative is the fulcrum for implementing EU foreign policies**.
- 22) Third, the HR/VP needs to counteract the creeping renationalization of foreign policy in many member states. Without member-state support, the HR/VP is little more than a spokesperson producing vast numbers of press releases. As chair of the EU foreign ministers' council, **the HR/VP should take risks and mobilize member states around meaningful common policies, not lowest common denominators**. This means both representing and energizing all 28 members. Giving foreign ministers concrete tasks to carry out on her behalf would be a good way for the high representative to increase buy-in from member states. However, not all member states

are equal in influence and resources, and the HR/VP has to convince the “big three” (France, Germany, and the United Kingdom) in particular to boost their commitment to EU foreign policy.

23) The HR/VP should often make the case for EU foreign policy in the 28 national capitals, both in private and

in public. Foreign policy is no longer an elite game, and it needs public support. Nor is it an optional activity for the EU’s future, and **European taxpayers deserve to know why EU foreign policy matters to them.** Public communication—at home and abroad—is not only a vital part of the job description but also the best way for the HR/VP to increase her influence.

THE INTERNATIONAL SYSTEM

- 1) **Upgrade the EU as a multilateral actor.** The EU is by nature committed to rules-based “effective multilateralism,” but Europeans are often overrepresented and underperforming at international forums. Multilateral institutions, such as the United Nations or the World Bank, need to adjust to a more multipolar world and more intense global challenges. The EU should strengthen its efforts to improve the effectiveness of multilateral structures and persuade others to buy into them, including by building alliances and sometimes by streamlining European representation at international bodies like the International Monetary Fund. This is especially true for global institutions that set rules governing climate change, the environment, trade and investment, cyberspace, and security, as well as those forums that protect the physical infrastructure of the global commons—the movement of goods and people by sea, air, and land.
- 2) **Deepen the transatlantic relationship.** The United States remains the EU’s most important partner on global affairs. Although the world is becoming more multipolar because of the ongoing shift in economic power from the West to the rest, Europe and the United States can still, by cooperating, shape global developments according to their views and interests to a considerable degree. However, the rules-based order they promote should be more inclusive, bringing interests and views of other countries and regions on board. Furthermore, the transatlantic partners should recognize two aspects of the relationship: they will sometimes diverge; and in the future, Europe will be more useful to Washington if Europeans become less dependent on the United States. The Transatlantic Trade and Investment Partnership (TTIP) should be seen not as just another free trade agreement but as a building block for a future common transatlantic market, which in turn would become a core pillar of a renewed transatlantic partnership.
- 3) **Partner with other democracies and promote regionalism.** Other democracies, such as Australia, Brazil, India, Indonesia, Japan, and South Korea, are all potentially strong allies for stabilizing and expanding global order. The EU already has deep commercial ties with each of them, and as democracies, they share many common interests and views with European countries. In addition, the EU should continue to support regional organizations in other parts of the world, such as ASEAN and the African Union. However, trying to simply export the EU model of regional integration will not work. Instead, the EU should focus on being prepared to help other regional bodies—if asked—with money and expertise, as those organizations’ own members develop them.
- 4) **Prod China and Russia to become responsible stakeholders in the global order.** In recent years, both China and Russia have signaled that they wish to revise some core tenets of the current international order. The East and South China Seas as well as Eastern Europe have become targets of attempts by Beijing and Moscow to change the status quo. The EU should show China and Russia that it is committed to upholding the post-1945 order as enshrined in the Charter of the United Nations (UN). In essence, that order means territorial integrity and full sovereignty for all states. Being tougher with Beijing and Moscow will sometimes be necessary to uphold existing international laws.

5) **Engage nonstate actors.** States will remain the most important international actors for the foreseeable future. However, nonstate actors can and often do contribute to achieving the EU's objectives. Private business, for example, is a crucial partner both for fighting climate change and for ensuring cybersecurity.

International nongovernmental organizations are essential for promoting democracy, tackling poverty, and setting human rights standards around the globe. The EU and in particular its foreign policy chief should strengthen the EU's networks and build coalitions with nonstate actors to promote specific goals.

EASTERN EUROPE AND RUSSIA

- 1) **See Russia for what it is.** The Russian government today is more authoritarian internally and more aggressive externally than it has ever been since the collapse of the Soviet Union, a trajectory very different from the path the EU would like Russia to travel. The EU must take a more pragmatic approach that understands Russia as it is, not what the EU would like it to be. However, while Russia now looks to be consolidating as an authoritarian power, it remains a fragile country. The economy is too dependent on the exploitation and redistribution of natural resources, and political institutions remain too weak and centralized on the office of the president. The EU has to continue working with Moscow on international issues on the basis of European interests, but the union should be prepared for different scenarios in Russia, including massive political unrest. In the meantime, the EU should continue to invest in its relations with ordinary Russians through visa liberalization and exchange programs.
- 2) **Do not shy away from political confrontation.** The EU has no interest in accommodating a neoimperialist power in its Eastern neighborhood that is keen on expanding control over other neighbors using coercive means including military force. The Ukraine crisis has shown that the EU should be prepared to use many different types of sanctions. To the extent Russia wants to profit from economic interconnectedness with Europe, it needs to stick to the rules. This especially applies to access to the EU's internal market, such as in the energy and finance sectors. Beyond the internal market, the EU also has a strong interest in making sure that Russia adheres to the international laws to which it has signed up, such as the UN charter and WTO rules.
- 3) **Unite the EU approach to Russian energy.** Diversification of European energy suppliers away from Russia should be actively pursued, as should the creation of a European energy union. But it is probably unrealistic to assume that dependence on Russia can be reduced very significantly and very quickly for many EU member states, even with a more interconnected internal energy market and potential new North American supplies. Nevertheless, Moscow may earn less from its energy reserves in the future, perhaps greatly slowing Russian economic growth given the overdependence of the Russian economy on the fluctuations of energy markets. As a result, the EU's energy dependence on Russia may become a much stronger form of strategic leverage with Moscow, if EU governments develop a united approach.
- 4) **Help the EU's Eastern neighbors become more resilient.** The EU—the Brussels-based institutions and the member states—should deepen relationships with the countries of Eastern Europe and the South Caucasus and help stabilize them over the longer term. Relations with Eastern Europe should not be considered a subchapter of relations with Russia, and Moscow should not have a veto over EU relations with other countries in the region. More specifically, the EU should help its Eastern neighbors secure their borders, reform their security sectors, grow their economies, and pacify internal conflicts. More robust and stable states in the Eastern neighborhood should be a priority for the EU.

5) **Do not close the door on potential EU membership for Eastern neighbors.** Although there is currently no appetite for further enlargement in most EU capitals, the EU should not abandon its most powerful geopolitical instrument. The union should support pro-EU reformers in Eastern Europe by remaining

open to the perspective of membership—at the end of their internal reform processes, which remain deeply challenging. In addition, the EU could greatly improve the visibility of the numerous socioeconomic projects it is undertaking in those countries, thereby improving its image and attractiveness.

THE MIDDLE EAST AND NORTH AFRICA

- 1) **Develop a long-term approach.** The EU's primary interest in the Middle East and North Africa (MENA) region is sustainable stability. But the EU should try to avoid the "Mubarak trap" it fell into with the former Egyptian president of favoring authoritarian leaders in the short term at the cost of other, longer-term policy goals. Alongside security concerns such as terrorism, the EU needs MENA markets and energy resources and will increasingly need immigrants for its continued prosperity. The EU's influence in the Middle East and North Africa is limited. The union needs to have patience, invest in regional expertise, and develop a long-term approach. At the same time, it needs to become more capable of protecting its interests in a rapidly changing environment.
- 2) **Be prepared to adapt to change.** Disorder and shifting alliances are the new normal: the combination of regional power struggles and jihadist terrorism is destabilizing the Middle East. The involvement of the United States in the region is oscillating, which may leave the EU more exposed, while some other major powers like China and India have increasingly high political stakes in the region because of their growing economic need for Middle Eastern energy resources. The EU should think harder about the implications of a U.S.-Iranian deal (or nondeal) on Tehran's nuclear program for European interests, and about the impact of other increasingly emboldened regional powers, such as the Gulf states. Overall, the EU has to get better at understanding the dynamics of change by drawing on the expertise of its delegations on the ground. The rigid programming of the EU's instruments needs to be modified to allow the union to respond faster to changing circumstances.
- 3) **Emphasize political processes, not players.** The EU should not get involved in identity politics such as sectarianism or Islamism and should avoid picking winners and losers. Instead, the EU should focus on supporting stronger political processes and try to help develop concepts of citizenship, in part through institution building. In other words: do not back political parties, but do back parliaments. The EU should not give up on supporting democracy, but its democracy support policies may be too focused on civil society rather than on institution building.
- 4) **Bolster security-sector reform.** Since the weakness of state governance is a major issue in most countries across the region, state building will remain a challenge for many years to come. But the EU has to be realistic about what it can achieve in terms of improving security. The EU should focus its security-policy efforts on security-sector reform by helping to improve Arab security sectors through aid and training, alongside existing member-state efforts especially in Iraq, Lebanon, Libya, and Jordan. Within that context, there is plenty of scope to reconsider how the EU can use its security and defense policies more usefully.
- 5) **Focus economic policies on investment.** MENA economies face a huge investment deficit, alongside rapid demographic growth and resource shortages in some cases. Too many MENA economies depend on a rentier model and subsidies to function, with very little economic integration across the region. To support the aim of sustainable stability, one of the EU's top economic interests in MENA should be job creation for youth, which will depend as much—if not more—on ramping up foreign direct investment as on trade pacts or aid programs.

THE ASIA-PACIFIC

- 1) **Prepare for geopolitical turbulence.** Europe has huge interests but little influence in the Asia-Pacific. In particular, Europe's economic interests in the region are considerable since the EU is one of the top three trade and investment partners for most Asia-Pacific countries. The region is currently optimistic economically, but pessimistic politically. Supporting a regional order capable of coping with crossborder problems and disputes should be the main overall EU objective. Many European governments are not currently focused on the large potential for geopolitical turbulence in East Asia. Numerous territorial disputes, mainly centered on China, could evolve into hard conflicts that would greatly harm Europe's economic interests. The EU should try to help its member states be aware and more informed of prospective instability in the Asia-Pacific.
- 2) **Develop an Asia strategy and a China policy.** The EU should be clearer about its interests and goals in the Asia-Pacific and develop a European vision for the region. The EU currently lacks credibility in the region, and this will improve only if member states overcome their ambivalence and act in a more joined-up fashion. In addition, the EU needs to make itself much more visible throughout the Asia-Pacific. EU leaders should show up at high-level EU-Asia meetings and develop more personal contacts. And the union should continue to develop its technical support for managing crossborder challenges in the region in areas such as fisheries, water, and energy. More specifically, the EU cannot continue to dodge the inconsistencies in its policies toward China. These inconsistencies arise not only in the links between human rights and trade but also in the EU's approach to the U.S.-Chinese relationship. European governments must learn to resist Chinese attempts to divide the EU.
- 3) **Clarify the EU's partnership with the United States on security challenges.** The EU should not play the role of an American junior partner nor automatically side with the United States. But it should cooperate and coordinate with Washington whenever possible, as not only do interests on many issues converge but the United States is also the EU's closest international partner. The EU should define its own positions on Asian security challenges based on international law (such as the UN Convention on the Law of the Sea) and communicate these positions to all sides. Militarily, the EU cannot do much, but it can help build a multilateral order and security architecture in the region to the extent that governments in the region are interested. ASEAN, although a Southeast Asian grouping, could be the nucleus of a new Asia-Pacific rules-based order, for instance via the ASEAN-affiliated East Asia Summits, and the EU should support such efforts. There may also be potential for offering EU experience with nonmilitary approaches to security, such as mediation, crisis management, confidence building, and application of the rule of law, to help reduce geopolitical tensions.
- 4) **Consider the consequences of an economic downturn in East Asia.** Europeans may not be able to ride on the coattails of projected Asian economic growth as much as they hope to in the coming years, and any Asian economic slowdown will have major consequences for the global economy. Perhaps more worrying is that China already feels encircled by the U.S.-led Trans-Pacific Partnership (TPP)—alongside U.S. security alliances in the Asia-Pacific. The EU should try to convince China to remain on a cooperative path within existing global economic governance bodies. The union should also explore

the potential for a bargain under which Beijing takes East Asian security architecture more seriously in return for more weight in the Bretton Woods financial institutions. The EU should underline to Beijing that China's continued economic and political rise—and regime survival—depend on continued access to and strength of the global rules-based system for the open movement of goods, people, information, and finance.

- 5) **Deepen partnerships with Asian democracies.** The EU should increase its engagement with other like-minded partners in the Asia-Pacific, such as Australia, India, Indonesia, Japan, and South Korea. It is not in Europe's interest that China dominate the Asia-Pacific region more than it does today. However, engagement with these partners should concern not only trade or the implications of the rise of China but also human rights and democracy promotion, for example in Burma/Myanmar.

INTERNATIONAL SECURITY

- 1) **Improve the EU's ability to act autonomously.** The strategic demand for a more active EU may grow. The EU's security depends on the United States, a situation that has encouraged a culture of dependency. Continuing along this path would be risky as the United States is less willing to subsidize European security than in the past and the EU's neighborhood is becoming a much more dangerous place. As a result, the EU needs a keener awareness of its precarious strategic position, a sober threat assessment by the 28 EU governments, and investment in a wide range of security capabilities, both military and nonmilitary. Increased EU strategic autonomy in the extended neighborhood will make Europeans not only less dependent on U.S. services but also more attractive and influential in Washington. The transatlantic glue remains, but to ensure that it continues to stick, the future of NATO will depend on Europeans' ability to get their act together.
- 2) **Invest in EU capabilities.** The shortfalls in European military capabilities, which are almost entirely held nationally, are well known. The European Defense Agency and other EU bodies and institutions, such as the European Commission, should continue to press EU governments to pool and share their defense equipment spending and open up their defense markets. In addition, the EU should develop some capabilities of its own, in particular stronger early-warning capacities for spotting pending security crises that may require EU responses.
- 3) **Develop security-sector reform into a trademark EU contribution.** The EU is already an active contributor to international security-sector reform in the broad sense—including police, judicial, and military reform and training, along with law enforcement and border assistance. Most of the missions carried out through the EU's Common Security and Defense Policy have been civilian security operations. This approach is correct and will continue to be a comparative advantage of the EU, but it needs to be backed up with many more resources and much greater commitment. The EU should push member states to provide more civilian personnel for operations and devote more development spending to security assistance. In addition, the EU should invest more in conflict prevention and mediation.
- 4) **Focus security resources on the broad neighborhood.** Because of finite resources, the EU has to have a “selective ambition” and should focus most of its international security efforts on its broad neighborhood. This large area combines fragile states and crossborder security challenges such as maritime security and terrorism with increasingly multipolar geopolitics. All other major powers including China, India, Russia, and the United States also have stakes in this area. A key characteristic throughout the extended neighborhood is the challenge of state fragility. Across the Brussels institutions, the EU should build on its existing efforts and make state building in the neighborhood a strategic priority. But the EU must be careful in selecting which states its supports and why. For instance, the military regime in Egypt may not be as deserving of EU security-sector reform assistance as Jordan, Iraq, Lebanon, or Libya might be.
- 5) **Make cybersecurity a priority.** The EU has a major stake in and role to play on global security challenges, such as maritime security and the potential security impact of climate change. But cybersecurity deserves particular attention since it will bring about a revolution in security thinking. Protecting the globally

integrated information infrastructure from intrusion and disruption will bring together homeland security authorities, the military, and the private sector in a hitherto unknown alliance. Because of the EU's deep collaboration with the various national ministries invested in protecting cybernetworks, the union is better suited than any other international organization

to develop and implement a proactive crossborder strategy for this part of the global commons. The EU foreign policy chief should dedicate considerable internal resources to staying on top of this fast-developing area and to becoming a valuable resource for EU member states.

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