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## PROCEEDINGS

MS. HILL: Ladies and gentlemen, I'd just like to welcome all of you here to our seminar today or presentation and all kinds of things that we're going to do. I hope all of you have got a copy. Did you all find one as you came in? We should have had enough for everyone, and if we didn't, we have some hidden. And I can always give up mine to the first person who persuades me nicely at the end of the presentation because I've got another one in my office.

In any case, I'm Fiona Hill, the director of the Center for the United States and Europe, and we're delighted today to be able to rollout what is the project of a joint venture between our colleague, Justin Vaïsse, senior fellow here at the center and our director of research, and a whole range of colleagues at the European Council on Foreign Relations in London who have been out and about for the last year scaring various officials in European countries and grilling them on the outcomes of their foreign policy actions. And we did this experiment last year in 2010, which was the first year of the combined European foreign policy and the rollout of the European Action Service and it also was quite a momentous year because the focus of the scorecard in looking at European foreign policy ended just as the Arab Spring began. So the big event of the year or the end of the year of course we missed because we were looking at the

events of 2010 and the beginning of the year.

So this one actually covers last year, 2011, in spite of the fact that it says 2012. And I just actually noticed that

SPEAKER: It's a marketing trick.

MS. HILL: It's a marketing trick. I was going to say because when you put them on the shelf it looks like there's a year missing even though this is just the second edition. So for those of you who had the version of 2010, this is 2011's version. And what the focus of this was, as I mentioned, is the great year of political upheavals, both in Europe's neighborhood and the Mediterranean and North African region, and also in fact, in Europe itself. We might have equally called it the European spring or winter or fall or any other term that we might have come across because not only have governments been falling all across the Arab world but quite a few have also fallen in Europe as a result of the crisis in the euro zone and a number of other issues.

So this is an exciting discussion we're hoping to have today about this experiment that we have been undertaking with our colleagues at the Council on Foreign Relations and also with some support from our colleagues at the Heinrich Boell Foundation, some of whom are in the audience with us today who have made an ongoing program on the future of Europe possible for us.

The impact of this report is actually been already quite far-reaching. Justin has just returned after a tour of various European capitals and other places talking about the report. There has been considerable media coverage across Europe. Foreign ministers have been tweeting about it. In fact, maybe they're doing it right now, particularly Radoslaw Sikorski of Poland and Carl Bildt of Sweden. And I notice some people have their BlackBerrys out so maybe this is already happening again

It was also discussed at the annual Foreign Policy Debate of the Swedish Parliament on February 15th. One nameless country, although maybe Justin might mention it, has actually had government hearings to figure out how they can improve their ranking in the report. And the Dutch Parliament has been asking rude questions of the government about the fact that they didn't rank quite so highly. So as I said, Justin may actually be persona non grata in some places in Europe at the moment.

But the big questions at the center of the scorecard have been what impact has the euro zone crisis had on European foreign policy? The results for 2010 for the last report obviously were not so good. And I'm sure Justin is going to tell us that they were not a great deal better for 2011. And one of the other questions that we've been trying to look at and that we'll be looking at in the future is what impact this

will have on the future of international organizations, on the transatlantic relationship, and also on the future of critical organizations like the European External Action Service. 2011, this past year, was really the first year when we could really have an assessment of many of these issues

We're also delighted, in addition to having Justin as one of the authors of the scorecard, to have two very important commentators. The first actually is a product of all of the heads rolling across Europe. Marta Dassù, who as a result of the new government in Italy of Mario Monti has just in the last couple of months been appointed as the undersecretary of the State Ministry of Foreign Affairs in Italy, and we're really pleased that Marta could be here today. She's here for consultations in her new role, but as many of you know you've seen Marta many times before here in Washington. She has also been for many years the head of Aspen Italia, so she's a colleague from around DuPont Circle in many respects. And she's also had a very distinguished career as a foreign policy advisor. Now she's putting everything into action for the Ministry of Foreign Affairs and advisor to the president of the Italian Republic and also many advisory positions for different parts of the Italian government, in addition to being a very distinguished professor and author and commentator.

Our next commentator, again, another very familiar face here in Washington, D.C., our very good colleague and one of the top U.S. commentators on Europe and international affairs, Charles Kupchan from the Council of Foreign Relations and also from Georgetown University. And as I was perusing Charlie's extensive biography, I also noticed that he was extraordinarily prescient because I see that you have in your portfolio here, Charlie, just when everybody is worrying about you're finished, you started off as an East Asian studies major. I hadn't realized that. So he can bridge for us all of the big debates about the potential rise of Asia, the loss of the West, and the rise of the rest. All of these topics. So we're very fortunate to have Charlie here as well, who can put a lot of this into an even larger perspective

Now, we're also going to try to do some technical maneuvering here. Stanley is going to present a PowerPoint. And this means that now Charlie, Marta, and I will all have to try to leave the stage without falling down as a big screen will descend and Justin will tell you all the things that you need to know when you're perusing your copy of this at home later. So thank you very much, Justin. Thank you to all of you for coming and joining us today. (Applause)

MR. VAISSE: Thanks, Fiona, for the kind words of introduction, and I'm really looking forward to listening to Marta and

Charlie and having a debate. But before we do this, before we get to this I would like to present the scorecard of this year. Some of you might be familiar. We presented the first edition a year ago here and basically we have tried not to change the methodology and the approach in order to get the possibility to compare one year over the other.

So basically what the scorecard is is informed, I would say, expert political judgment. It remains political judgment but it's based on a very wide range of information that we collected through a core group of about 8 to 10 authors led by Hans Kundnani and myself, all experts at the European Council on Foreign Relation -- ECFR -- except for myself. And also, 27 national researchers who helped us in each of the member state countries. And this group of more or less 40 people was sort of supported by a steering group of elders, people like Wolfgang Ischinger or Jean Marie Guehenno, Antonio Vitorino from pretty much all of the member states and helped us realize that annual assessment.

This year again we are assessing Europe's performance on six main issues. However, we introduced two novelties and one of them is the fact that we combined two of the chapters of last year -- crisis management and multilateral institutions -- into one chapter. And more importantly, we added one chapter that was missing last year which was Middle East and North Africa. Obviously, last year, the first year we didn't

have the resources to do it properly and so we decided not to do it. And, of course, the Arab Spring came and so we looked really done. But then after that we gathered the necessary resources and so the six issues, as you can see, are Europe's relation with China, Russia, the U.S., wider Europe, which is a combination of the Balkans, the Eastern partnership countries and Turkey, Middle East and North Africa, and lastly, crisis management and multilateral organizations.

Very rapidly -- I don't want to spend too much time on the methodology -- we evaluate through the prism of three grades. Two are given for policy -- the policy that Europeans have led in 2011. Unity graded out of five and resources graded out of five. And the rest of the grade, so half of the grade is for the result or what we call the outcome and it's graded out of 10. It's actually a pretty simple set of questions that we ask -- where Europeans united around clearly defined foreign policy objectives. That's the first question. Second, did they put resources -- did they put their money, troops, rhetoric, political capital, development aid programs, et cetera, behind their objectives where their mouth was. And the last question is also pretty simple: Did it work or not?

Here again we conceive of Europe as seen from say Beijing or New Delhi. That is to say the Europeans in general. That is to say both the EU institutions; Catherine Ashton, the A.S. and the 27 member states.

We are grading the collective, the sum total of what Europeans are doing in the world. And one other innovation that we introduced this year, even though we're not entirely satisfied with the methodology but as Fiona was mentioning it already has had some impact or some echo, is we're trying to go into the black box. That is to say we consider Europeans as a whole, but then we are also trying to see how Europe -- why European performance was good or bad and what role did certain member states play in some specific policy shoes. That's why we try to categories them as either leaders -- that is to say when they put themselves forward or acted in an exemplary way slackers, meaning when they failed to pull their weight behind a common and constructive policy or even try to block it or the default category, which is that of supporters, of followers if you'd like, and you have a complete table at the end of the scorecard on the 30 issues, the 30 components on which we graded countries.

So now let me turn to substance. 2011 was not a very good year because of the euro zone crisis. Europe -- usually Europe is a net contributor towards a problem and is a solution to world problems. What is part of the solution, in 2011 it became a problem for others to deal with because of the euro zone crisis. And the euro zone crisis, you know, there's no doubt that it had a significant impact on Europe's place in the world, a negative impact on its foreign policy. You know, obviously there

were some successes and we'll mention them. There was the, for example, the Durban climate change negotiation which was, you know, not entirely satisfactory but still much better than anyone expected.

And a constructive move, there was Russia's entry into the WTO after European-led negotiation. There was Libya and a couple of other successes. But basically the euro zone crisis prevented Europeans from building up on the effort that that made in previous years and reached their full potential. The first casualty probably is Europe's soft power. It's the idea that because Europe was weakened, what Europe represented, that is to say a model of regional integration on the one hand and a sort of country standing up for ever increasing effective multilateralism was weakened. You know, one way to put it is to say that fewer people wanted to be like Europe or the idea of Europe was less powerful than it was even a year ago.

More concretely, the euro zone crisis constrained Europe's ability to react to the Arab awakening, to the revolutions in the MENA region. You know, one of the main responses to the Arab Spring was what Catherine Ashton articulated as money market mobility. Well, money, of course, was short and so the total of the sums that Europe could muster was not very high compared to what they could have done even two or three years before. Markets, of course, and in spite of the

success of two days ago of opening up negotiations with Morocco and on agricultural products which is a key to enhancing the economic prospect of North Africa was very timid and mobility, you know, obviously because of the crisis and the mood in Europe is certainly not to the opening of more mobility from North Africa. And so this is a direct consequence and in our estimate Europe's reaction to the Arab awakening was not a disaster but it could have been much better absent the euro zone crisis.

In the same vein, it is clear that the crisis has triggered a wave of budget cuts, international affairs budgets, and this is especially true for the defense budget. One analyst has recently evaluated the total of cuts between 2006 and 2014 in defense budget to a third, a full third of defense budget. And so, you know, we're talking about defense budget cuts in this town but certainly not by such magnitude -- an order of such magnitude.

Lastly, the euro zone crisis has probably led -- and that is what we detect and I'll come back to this theme a bit later on -- to a creeping renationalization of foreign policy. In the years leading to the Lisbon Treaty and after the Lisbon Treaty was adopted there was a hope that there would be more unity but also more common action. What we saw in 2011 was not going in this direction and I'll elaborate on this a bit later on. You know, the bottom line is that in 2010, in the first edition of

the scorecard, we wrote that because leaders were distracted by the crisis because the crisis was using up all of their bandwidth, if you'd like, or their attention. Europe was distracted in 2011. We think it was diminished by the crisis.

So let me give you another view of the European performance on the sixth large issue. This was another -- I mean, 2010 was not a very good year and 2011 was not much better. There's actually a great stability from 2010 to 2011 but you can see an erosion of what we called last year a key diplomatic -- that is to say this set of policies where Europeans cooperate and to see things in pretty much the same light and have processes and common instruments and tools to respond to them. And China is a good example of the erosion that we see. So the grades, I mean, the drop is certainly nothing dramatic and when we talk about the effect of the crisis it's largely sort of forward looking. If things continue like they have been in 2011, we are very worried but the effect for now has not been tragic.

Let me get into greater detail. China is a good example of how Europe's standing in the world is declining. In 2009 and 2010 in particular there was a common effort among Europeans to try to strengthen their position vis-à-vis China. that is to say to avoid being the object of China's usual policies of Europe, which is to divide countries and

emphasize bilateral ties. And so on a number of issues, like reciprocity and access to public procurement or global political dialogue there was an effort by Europeans to talk together to China. But because of the crisis Europeans have been largely going to Beijing separately and competing. So the issue was not any longer how can we best enforce reciprocity with China but how can we attract Chinese investment and also Chinese cash basically to respond to the euro zone problems.

One symptom element of this was when President Nicolas Sarkozy called Hu Jintao between the EU summit at the end of October and the G20 summit that he was hosting in Cannes in early November of 2011 and asking him to contribute to the ESSF or to a rescue plan for Europe. Obviously, when you're in this situation it becomes much more difficult to establish a power relationship or a balance of power that is favorable. That is to say on other issues, like Russia things were not as bad and, you know, once again the entry of Russia in the WTO was an important milestone.

On Middle East and North Africa, you know, once again there was no disaster but certainly the answer once again that was given by Europe to the Arab awakening was disappointing and the long-term approach which was largely based on a vision of the problems that sort of replicated the approach that was done during the enlargement period of

conditionality and more for more, et cetera, was probably not exactly measuring up to the extraordinary magnitude of the event.

I'll go faster on the U.S. and wider Europe and I'll let you read in the interest of time. You know, probably it could be said that Europe got back to the front burner of the Obama administration, whereas it was largely absent from it in 2009 and 2010 but probably not for the right reasons. That is to say the first reason is that Europe became a problem again with the euro zone crisis and so got more attention than it used to; and second, in a more positive light, there was cooperation in the Arab awakening and especially on the Libya operation which was a transatlantic success. One could say, even though what I mentioned before about the declining defense budget sort of cast a shadow on the ability of Europeans to do the same thing a couple of years from now.

In the interest of time I will skip the most successful and least successful -- you have them in the report itself -- and focus on what we call the "cross-cutting themes." That is to say, you know, beyond the sort of stovepipe issues that we're looking at, we're also looking at, for example, things like climate change. That is to say relations with Russia, China, the U.S., and other countries on the issue of climate change. And so we aggregate this grade and see what are the areas. Once again, you know, transversal areas where Europe is doing well or not doing well.

You know, I think the second edition of the scorecard shows what we call key diplomatic still exists in multilateral institutions vis-à-vis the U.S. You know, generally at the level of the chapter the record is still good on climate change. On issues of low politics, for example, or on Iran, even if the ultimate goal of getting Iran to cease enrichment has not been enriched or not been enriched yet, or the Balkans, which is a typical example of that, a key diplomatic, that is to say a place where Europeans failed miserably in the early 1990s, did better in the mid- and late 1990s, and did much, much better in the 2000s and sort of pooled their weight together.

On the other hand, the collective performance of Europeans remained mediocre on a number of other issues or worsened such as human rights, the Eastern neighborhood and protracted conflicts. And of course, it was still dismal as you may know on Turkey, which continued to drift away from the EU in 2011. And so there's a worry, of course, that the overall assessment will be even bleaker in 2012; so in 2013, if the euro zone crisis is not solved.

So one aspect that came to our attention when we did a bit of number crunching is the fact that the average grade that we give to unity, to the unity of Europeans, was actually lower than last year. And one way to see this is simply in the number of policies that got the top

grade, that is to say 5 out of 5 grade on unity. And there were fewer policies in 2011 than in 2010. And that sort of led us to have a closer look at what we call the renationalization of European foreign policy which I mentioned where countries sort of play more separate and I would say selfish policies rather than pulling their weight together in the same direction. And this was confirmed by this new attempt that we did at sort of categorizing the attitude of member states. We found a number of so-called slackers for each of the issues, and so that was also sort of a sign of renationalization.

Let me get to this slide and get back to the previous one just after this. Let's have sort of a deeper look at European foreign policy, you know, seen from the perspective of member states. So as you can see, Germany here, and this is a result that surprised us but it was a leader on a number of issues especially on multilateral organizations and that's certainly not a result that we would have found a couple of years ago and certainly not 20 years ago, certainly not during the Cold War. However, what we found was that in many cases Germany, and that's hence the assessment that we gave here, sort of because of the euro zone crisis and because of the important role that it assumes in the euro zone crisis having sort of gained more power, certainly also this has translated into more power in the foreign policy realm. But this is only to a limited extent

in the sense that Germany has not, I would say, added to its greater power, a will to lead or clear policies that it would lead other countries with or to and was mostly using its -- was often using its weight to basically serve its interests or prioritize domestic policy. You know, obviously the vote on Resolution 1973 on Libya on March 17th was a good example of this sort of "go it alone" policy.

And surprisingly, Germany, France, and the U.K. are at the top and it's sort of consistent with what we intuitively would say. France was also a very active country for Europe in 2011; however, many of its initiatives were not taken in coordination with other Europeans. You know, a good example or a good illustration of that is the fight that France picked with Turkey or, for example, the Armenian genocide issue which sort of largely gratuitously you could say antagonized Turkey and made EU-Turkey relations more difficult. The U.K. similarly was, as we said, you know, had the potential to be a leader and could have a following but was increasingly passive and marginal in European decision if you take Libya aside. One, you know, good illustration is the sort of guerilla war that was waged by the Cameron-Hague team against EU representation, against the EAS speaking with one voice or articulating common positions in multilateral institutions like the U.N. or the U.S. CE.

There's one surprise that we found which was an interesting

one, was the sort of -- the country's punching above their weight. So, you know, you would expect to see Germany, France, and the U.K. constantly at the top but countries like Sweden and Poland, by their initiatives, it's true that Poland had their rotating presidency and used it to push some of its favorite policies. But Poland and Sweden have been very active in 2011 and have sort of shown the way on a number of issues. And surprisingly, these also are the two countries that suffered the least from the crisis and where the economic situation was the brightest.

I'll just end the remarks and the presentation on just one word about the EAS. This was not a very good year for the EAS. The EAS obviously is just starting. Right? It was instituted at the end of 2009 and only saw the light of day in 2010 but it has been often criticized for a lack of assertiveness. Catherine Ashton has been criticized for her personal lack of interest in all security issues and pushing forward CSDP. And, you know, obviously still an incomplete -- it's still a work in progress institution which is still understaffed, especially in countries like the BRICS or the Gulf. However, this should not distract us from the fact that the EAS started having some successes on Iran and proliferation where Catherine Ashton, as we saw it just in a few days, the recent few days, has played an important role. The Arab awakening and the Balkans, especially the Serbia-Kosovo talks. And, you know, at the end of the day,

and this is probably another illustration of the renationalization effect, the EAS cannot really be much more than what member states make of it.

So this finishes my presentation and so I'll look forward to the comments by my co-panelists. Thanks. (Applause)

MS. HILL: I'm not sure if the mike -- it is working. Okay, good. You never know with mikes.

What we are going to do now, after Justin has given a quick review of the scorecard, is turn first to Marta Dassù and then to Charlie Kupchan for some comments. Now, Marta obviously has her work cut out for her because as some of you will realize when you're looking through the book, she appears frequently and prominently because Marta in her multiple guises -- she really is a woman of Europe -- is also on the advisory board of the European Council of Foreign Relations, was one of the people interviewed, and now she is in a very senior position in the Italian Foreign Ministry. And of course, Justin had up on the charts here that I noticed it was Italy and the Netherlands who had a very tight balance between being leaders on seven of the components and slackers on six of the components. And France was also there in the slacker category.

The charts at the back of the report kind of singled everybody out really quite dramatically here. So we're going to ask Marta to make some comments in her multiple guises, both as a person who is

intricately and intimately involved in Europe itself but also in her position as a representative, a senior representative of the Italian government. Of course, the new government of Mario Monti that came into being just in the past several months.

And then we're going to give Charlie the unenviable position of putting all of this into the context of all of us sitting here in Washington, D.C., and then all of the other thoughts that you have on big global affairs. So Marta, thank you very much again for joining us.

MS. DASSU: Thank you. Thank you, Fiona. Thank you, Brookings, friends.

I'm hesitant since I've seen that Italy is mostly among the slackers, so I don't know whether to walk out saying your scorecard is not (inaudible) at all but I will try to explain a bit better how I see the European problems now.

First of all, I think that this kind of exercise is very useful and yet, in my view, a bit misleading for a fundamental reason. After all, what we have been passing through as Europeans in the last two years were the big political crisis, not only an economic one but a political one inside Europe. So from a general point of view I would say that the real test in foreign policymaking was done inside the European Union. If you wish, it is a bit strange way to put it but I am fairly convinced that the risk was

there that fragmented the European Union in two pieces. The continental core and the famous Mediterranean peaks. So from this point of view the overall performance is very good. We avoided the fragmentation of the European Union that is a big block, 500 million people, and if we devoted resources, energy, attention to this fundamental task it was a good choice.

So first of all I would say I don't accept the idea that we had a poor foreign policy performance because we spent a lot of energy on the economic crisis. It was right; it was a good decision. And my overall view on that point is that the crisis, as very often in the life of the European Union, as Jean Monnet said very often and Monti repeated at the Peterson Institute, we didn't waste the crisis. We won. In my view we are at a turning point. We have been able yesterday, in the end, to approve a package for Greece. We have a new treaty, a fiscal discipline treaty, a balanced budget in our national constitutions, et cetera, et cetera. I can go deeper on that but the general point is we improved a lot our economic governance. The euro is still there. Europe is surviving. It's surviving and this is a fundamental achievement. I don't know whether to call it an economic achievement, an achievement in leadership, a foreign policy achievement, but the fact is that Europe had to take care of itself and it was a very good idea because this is fundamental achievement also for the international system.

So my starting point, I think it's clear, 2011 -- you put this question in your presentation -- will be remembered not as the year in which the EU started to decline -- this is your question -- but when the EU began its recovery. And in my view this is the major contribution that the European Union can give to the international system and can give to the U.S. economic recovery by the way. So the first point, it all depends on how you consider foreign policy. For me, there is a foreign policy they mentioned inside the European Union precisely because we have political tensions between the Center and the Mediterranean core.

We can go deeper into the case of the kind of economic management we're able to introduce. Clearly, we were late and this was costly for the entire system but in the end we are getting good results. First, we accepted a higher degree of fiscal discipline. That was largely due to the German position but I think it was right. We have this new treaty and so we have a solid pillar from this point of view. Second, we are going to focus much more from now on on growth, on the restarting growth, and we will do a lot of things. Italy, from this point of view, is on the forefront. Mario Monti is very -- is speaking very forcefully on this point. Precisely because we have a tight budget we cannot restart growth to a Keynesian policy. We have to liberalize to structural reforms. We are doing that. Italy has been doing fantastic things from the point of view of

structural reforms inside, and more or less all the European countries. So my position is the overall performance is good.

The second point, the traditional foreign policy to go to your scorecard. Yes, you could say that given the fact that we had a tight budget, we had to reduce, for instance, defense expenditures. That was done in a badly way. I agree with you, Justin. We can cut but we can pull. We pull too little, we pull too late. We need an economy scale from this point of view and yet we got some extremely interesting results. For instance, I was in the Parliament in Italy yesterday. You know, in Italy the undersecretary of state is someone who goes to -- it's not a foreign secretary -- someone who goes to the House 80 percent of his life. So I stay in Italy on the Foreign Affairs Committee, and this has some advantages. One of these has been to be the first parliament in Europe to sign the treaty on the mission of Croatia.

So in 2013, we will have 28 states in the European Union. That is not completely true that the European Union has lost its power of attraction. Croatia is in, is going to be in. Serbia hopefully will be in. If there is an agreement between the Serbia and Kosovo, there are discussion these days in Brussels but my point is self-power still is there. There are people around the world wishing to join the European Union and this is an unbelievable policy. The degree of transformation you are

able to provoke to enlargement is much higher than any other kind of traditional foreign policy tools.

So my second point is not only the European Union was able to confront the crisis even if lately, I mean, in a hesitant way, but we still have a fundamental component of our foreign policy that is enlargement.

Third point, since Charles is here, it's a bit different one and it concerns the future of the West. I raise this point because we have been discussing the (inaudible) writing different articles. Charlie criticized heavily my article.

MR. KUPCHAN: No.

MS. DASSU: And so I have this occasion to reply. And my point is that given the kind of recovery of trajectory that we are trying to perform in Europe, the possibility of making some steps forward in trade integration across the Atlantic is increasing. This is another point Monti is making very frequently. It is very important. We are pressing for a European transatlantic free trade zone. And we are pressing at least for a transatlantic common marketplace. My reasoning with Charlie was that maybe we could conceive the transatlantic future not only in the Northern Hemisphere, the North transatlantic integration of the last century, but we could look southern. We could look to the Atlantic basin. We could look to Latin America and North Africa so as to create new connections. The

reason is that otherwise we are forced to say that we are in the Asian sanctuary or in no one's world. This is the title of this book. And no one's world means the world of no one. It is empty. Which is not a good recipe, not for Europe; not for the United States.

Thank you.

MS. HILL: Thank you very much, Marta. And you've provided the perfect segue for Charlie to let us know how this all looks from his perspective.

MR. KUPCHAN: Thanks, Fiona.

Let me begin just by complimenting Justin and the team because I think the scorecard concept and last year's report and this year's report are really quite useful. And I think you've found a nice medium between just opinion and description in a study that is quantified into oblivion as some studies are. This is a nice way of coming up with reasonably rigorous measures of what's going on in Europe, and I think it's very useful.

I'll make three points in kind of reflecting on the report and trying to step back from it a little bit. The first is that I think the headline, at least the headlines that I take away are two. One is that because of the euro zone crisis, Europe has gone from being diminished by the financial turmoil to becoming a net drag or drain on the international system as

opposed to a net provider. I don't know if -- that might be overstating it but if that's a conclusion that you come up with I think it's a very important one. And I think it's probably true in the sense that, yes, you still have your neighborhood policy. Yes, you're still engaging in the Balkans. Yes, you took the lead in the Libyan operation. But if you sort of say, you know, how much -- what are the opportunity costs? How much effort, time has been expended in preventing the European economy from descending into chaos, the answer is a lot and that has come at the expense of Europe and other players to manage other tasks.

And the second headline I take away is that there has been a process of renationalization that has advanced over the course of the last year. As someone who is a Europhile and who thinks that the world needs more Europe, not less Europe, that to me is a worrying finding. But again, it's a finding that I would support and that I agree with. I think there are lots of different dimensions of evidence to support that claim. And I think those two findings that Europe has become more inward focused and to some extent a drain on global goods rather than a contributor and that Europe has become more renationalized, this comes at a very unfortunate moment and that is because Europe's main partner, the United States, is also going through a phase of what I would call strategic retrenchment.

And I don't think it is just the Obama administration that is pushing American foreign policy in that direction. I think even if a Republican wins in November the U.S. will continue to be on a strategic course in which it gets out -- finishes getting out of Iraq, downsizes in Afghanistan, slashes its defense spending, and responds to a public that is essentially saying, hey, what about us? Let's spend more time solving our problems and less time -- spend less time solving other people's problems. And so I think it's particularly consequential that Europe's introversion and fragmentation comes at the time when the United States actually needs Europe to do just the opposite, which is to step up to the plate.

That's the bad news. The good news is that I think that the European crisis has actually hit bottom and that it is now moving into calmer waters. One could even go so far as to say that there is a ray of light at the end of the tunnel. And even though I would say that Marta's assessment as a little bit too rosy for me, I think that she is capturing the fact that the last two to three months have been very good months for Europe. And I think that late November, early December were critical months, critical weeks, and that a series of things have come together to create a situation in which Europe has gone from a weakly descent into darkness to a weakly ascent into something that looks more optimistic.

And I think those things that came together were America woke up from a long sleep and realized that she better step up to the plate and start talking about this crisis as something major and she should put her shoulder behind getting Europe out of its increasingly deep hole.

The second thing, the ECB decided to start lending money at one percent for three years. I would love to get a loan on those terms. It really did a lot to reverse the fear, the uncertainty in European markets. And the turnaround has been reflected in equity markets and spreads in the ability of European nations to refinance. That's a big deal.

The third thing that I think happened is the pact, the fiscal pact. Not signed, sealed, and delivered yet but probably will be in the not too distant future. That may give Europe what it has lacked since the late 1990s when the euro was launched, and that is some kind of institutional infrastructure that goes along with a single currency. Everybody knew when the euro was launched that it was being launched on a wing and a prayer and that the institutions that should have been born to go along with the single currency weren't there because the politics weren't there. Well, now those institutions may be coming to life.

And then the final thing that happened that I think has put Europe on this upward trajectory is sitting next to me, and that's Marta and the Monti government. And I think it really matters that -- well, to put it

negatively -- that Berlusconi is gone; to put it positively, that Monti and company are in office because it means, number one, that we have a functioning Italian government but also a prime minister in Italy who has weight, who has expertise, who has a good relationship with Obama, and has the credibility and the political backing to lean on Merkel and to make the case that austerity is not enough. Austerity has to be complemented with stimulus. I don't know whether he'll actually convince Merkel to go to the Bundestag and ask for more money but I think his presence on the European stage is important.

Final comment, I think it's important to discuss what's happening in Europe in a broader light. And I don't think it can be accidental that Europe's fiscal crisis hits renationalization; that America's fiscal crisis and its political polarization; that Japan's fiscal crisis and its effective political paralysis; that all this is happening at the same time. That can't be accidental. And I think what we're witnessing is a kind of fundamental realignment of our politics and our socioeconomic constituencies. That our advanced industrialized societies are going through tectonic changes because of globalization and we witnessed those tectonic changes in the fact that our middle classes are suffering, that inequality is growing, and our parties haven't yet figured out how to make sense of these realignments that are taking place

socioeconomically. And I think it is that disconnect between our institutions and our politics at the elite level and our politics in the street that is in some ways at the heart. This gap between the governed and the people that we really need to focus on to figure out how the West collectively is going to get its mojo back. Nobody I think has the answer to that question but I do think that we need to talk about the European crisis as part of a broader political realignment and political crisis to put it more dramatically, that the Western societies as a whole are experiencing.

And as I said, this comes at a particularly inopportune moment because we need economic strength, we need political solvency if we are going to manage adequately and smartly what I think most people would agree is a changing of the guard at the global level.

MS. HILL: Charlie, I wonder if I could press you just a little bit on some of the last comments that you've made about how the European crisis is being played out in the U.S. I mean, I know you've been following that very closely and you've had your own time in government in the Clinton administration working on these kinds of affairs. Are you surprised at how much Europe has been a focus and perhaps a negative one -- a sorely negative one -- and some of the campaign rhetoric and the Republican campaign and more broadly in some of the commentary in the U.S.?

You know, I think that the euro bashing that takes place among politicians is not to be taken terribly seriously. I don't think that it reflects a deeply rooted Europhobia among Republicans. I think that Europhobia was there in the early Bush years, the George W. Bush years. I think that's gone. And one thing that I think is quite striking about the political debate in this country is with very few exceptions, one or two lone voices in Washington, there is a bipartisan consensus that we need Europe. That the stronger Europe is the better we Americans are. And I think these sort of days of saying all of Europe, don't get too strong, those are over. But the irony is or the cruel irony is that just as we've reached a bipartisan consensus on that Europe has stumbled in a way that we haven't really seen since World War II. And that timing I think is problematic.

But I do think that after 20 plus years of post-Cold War history the resilience of the transatlantic bond should not be underestimated. And I would point out that the Bush people came into office skeptical of Europe and they spent their second term as Atlanticists. Obama came into office skeptical of Europe. He was supposed to be a post-Atlanticist. There was supposed to be a G2, a condominium with China, and last year he spent a week traveling through Europe giving one message: We love you. You are our main partner. And I think that's

because what happened in both cases is the Bush administration and the Obama administration went out in the world. They were going to forge new partnerships. They were going to work with the Turks and the Brazilians, the Indians and the Chinese. And guess what? It doesn't work well. It's bloody difficult. And so at the end of the day you come up and you say we need help in the world. Who's going to help us? Europe, pick up the phone.

MS. HILL: That's great, Charlie. Thanks.

I'll turn over now to our colleagues here in the audience. And if we could, we have a good half hour. I'll take a couple of questions together and then give Marta, Charlie, and Justin the floor. If everybody could introduce yourselves for the purpose of the audience then that will be very helpful. Thanks a lot.

MR. DETTKE: Dieter Dettke, Georgetown University.

I just wanted to mention to you there's a report of the World Bank out which is interesting because it's written by a Chicago economist, not a, you know, warmhearted European socialist. And the report is interesting because it is very positive in many aspects. One is trade, finance. The enormous, enormous impact of European governance if you wish on Eastern Europe and how this convergence really stabilized the whole region and made Europe stronger, environment sustainability, all

these issues, very, very positive, there's only one, you know, slightly negative aspect and that is innovation. Europe is a little weak in innovation.

So my question is this. Would this somehow maybe, if you compare this World Bank report on Europe's economic performance in spite of the crisis, would that maybe change a little bit your judgment or the judgment of the report that Europe is more a drain and a drag and a crisis factor rather than a, you know, positive force? That's one question.

The other is interesting about foreign policy, the C. You didn't give any A and I understand that of course, but the C for China and Russia. I mean, if you consider that these two countries are really the most neo-Westphalian powers in the world, plus others, is it so surprising maybe that Europe can't do very much and maybe shouldn't -- their policy somehow be more reflected in your judgment of Europe and Europe's unity?

Thank you.

MS. HILL: Thanks, Dieter. Clara and then --

MS. O'DONNELL: Thank you very much. Clara O'Donnell, nonresident fellow here at Brookings.

I had a question first for Justin on the methodology on the point of the U.K., which you stress is becoming increasingly passive on

foreign policy issues, striking that it still comes up as third regarding leaders amongst EU members with 17 areas in which it is a leader. So I was just wondering how the report reconciles the fact that it's still number three on leading issues but at the same time it's coming forward as being more passive.

And then my other question was just the panel, how do they see the U.K.'s ties with the EU evolving for the moment and where do they see the U.K. in a few years? And what impact do they expect that to have on European foreign policy? Thank you.

MS. HILL: So I saw a question over here. Yes, Ambassador Burt.

MR. BURT: Hi, I'm Richard Burt. I have two questions. One is what are the potential longer term strategic implications of some of these trends that have flowed out of the financial crisis? I mean, one, for example, it appears to be the growing dominance of Germany's role. Related to that is perhaps the inability of France to kind of keep pace with Germany, both politically as a leader and economically, and does that mean then the Franco-German axis then is thrown into question? And then earlier we just heard this question about Britain. Are we beginning to see Britain's exit from the EU? And does that mean that the triangular relationship between the three leading countries is going to be thrown into

doubt? I'd like to hear your views no how this could reconfigure the kind of power balance we've seen since the end of World War II.

Secondly, I'm a little bit troubled by the methodology here in terms of rating Europe and European unity. For the most part I sense, and I haven't read your report, but at least in terms of the transatlantic relationship it seems to be does Europe agree with the United States? And it's, of course, speaking as an American, it's wonderful when Europe supports the United States, but what if it's the wrong policy? And I have two examples. One, I noticed you had on your report card Israel and the Palestinians. This is an area where in my view the United States policy has been basically wrong and misguided and is leading to trouble. Couldn't the Europeans play a better role by not necessarily supporting the U.S. but by questioning some of those assumptions?

And secondly with Iran, there we see the Europeans supporting the U.S. sanctions policy, and sanctions could be a part of a solution to the Iranian problem, but -- and I'm not an Iranian specialist but most of those who are argue there has to be at some point not just a stick but a carrot to use with the Iranians. And that's really excluded in terms of U.S. domestic politics I think in any kind of balanced approach with the Iranians. So is there a problem with the Europeans disagreeing with the United States on important issues?

MS. HILL: So there's a number of big questions there. I guess what Dieter was asking is about the economic damages of foreign policy. And actually, you did score in many respects the EU quite highly on issues like trade, trade liberalization, and even on the trade relations with Russia, which doesn't quite get to the point of the question but it is that larger performance issue which also Marta was referring to.

The other aspect of that question, and I'd like to push that out a bit, about how much do you look in the terms of methodology at the behavior over the states. I mean, I think as Charlie was saying, picking up on Great Britishism, sometimes foreign policy is blood difficult because people don't always agree to being the objects of policy. So it would be interesting to hear more.

And just picking up on Ambassador Burt's last -- well, the first part of his question about the Franco-German access, there was talk in the course of 2011 in part because of the Polish rotating presidency of a new Wausau-Berlin access. That may have faded a little bit towards this -- the end of the year. But then there was also questions in the euro zone of a Northern European kind of Lutheran quasi-German-Baltic. It came out in all kinds of strange forms in which it was discussed but the Swedes, the Fins, the Germans, the Poles, and many others all being on a very different page on fiscal affairs which might lead to being on a different

page on Europe itself. So perhaps we could add some of those dimensions to the questions.

Justin, how about you tackle the methodology first and then we'll open the other questions.

MR. VAISSE: Yeah, I guess one way to get at the question that Dieter Dettke was asking was to answer first Ambassador Burt's question. The methodology is basically does Europe get what it wants to get from Americans, from Russians, any multilateral organization? I mean, that's the basic question. So it's a question of relationship between objectives and results. And in the course of trying to evaluate that we see precisely where the objective is clear, where Europeans are united behind them. Did they put resources and did they get what they wanted? And so vis-à-vis the U.S., the question we ask on issues of common, you know, third issues, things we do in the world, Europeans do in the world with the Americans is was the European vision served by the transatlantic partnership? Right? That's the question we ask.

And so Israel-Palestine, for example, 2011 was an exceptional year because of the mishandling of the issue by the Obama administration. Europeans were actually at the center of the game in 2011, at least on the part that concerned the Palestinian quest for recognition at the U.N. I mean, you know, for example, the speech by

President Obama on May 19th, the main target was the Europeans. The question was which way would the Europeans go? And even though it was difficult, even though, you know, other actors played and the Palestinians didn't help much, et cetera, we don't think the Europeans played their cards very well in terms of nudging the U.S. towards their own position, towards offering an alternative to either the veto or full recognition, et cetera. So that's how we sort of evaluate.

On Iran, also, you know, yeah, I mean, bottom-line the scorecard is about political judgment. However, it's also political judgment based on what Europeans say they want to accomplish. So generally there's not one text or one clear and unshaded set of objectives but we know what the objectives are for Iran. For example, they include, of course, first and foremost, the ceasing of enrichment but they also include, you know, hopefully peace in the region, stability, the unity of the international community, human rights concern, and other sort of objectives. And in order to get to these objectives sanctions is the tool that Europeans put forward and have been pretty united behind at great cost to themselves, much greater cost than to the U.S., for example. And that's why the grade is rather good. It's not excellent but it's rather good even though this policy has not worked yet. So that's how we evaluate.

So to the question of whether, you know, an improvement of

the situation, economic situation will change the view, I mean, certainly so. I mean, in terms of soft power it's true we still have soft power in the region. It's true that we still have some countries wanting to join the EU or the euro zone. Countries that are in the EU but not in the euro zone trying to join it. And they still are at the door and wanting to push the door and enter. But at the same time we think soft power has taken -- European soft power has taken a hit but we do think that it's not, you know, that not everything is going down the drain and that if Europe manages to restore its position and solve the euro zone crisis and, you know, there might be a couple of difficult years but certainly it will come out stronger and this will have an impact on foreign policy, on soft power, or other issues.

And briefly for the second part of your question, yes. I mean, there are -- foreign policy is bloody difficult. At the same time we do think that Europe could play its cards better, vis-à-vis China for example, or even Russia by being more united. And one sort of normative question, we don't -- I mean, the scorecard is not premised on the idea that Europe should be more centralized or federal; it's premised on the idea that Europe should be more united and coordinated. That Europeans have an interest in acting in greater coordination that 99 percent of the time they get better results collectively when they act together and it's definitely not the case for Russia and China and they could improve. But

at the end of the day they will never get six straight As simply because things are difficult and because the scorecard will always reflect, you know, the gap between the objectives of Europeans. You know, human rights, people often tell us you're grading human rights, the achievements of Europe in human rights but, you know, there's nothing you can do if there is repression in the Sichuan or in the Caucasus or elsewhere. There's not much that Europe can do so why did you give it a bad grade because it can't really improve it? Well, it's still an objective of Europeans to act in favor of human rights and so the scorecard also reflects that gap between I would say ideals and results. And I'll stop here.

MS. HILL: Thanks. And hopefully Marta and Charlie can also pick up on the question that Clara asked about the U.K., which obviously will have some major consequences for the future of Europe and foreign and security policy if the U.K. is not part of perhaps a tighter integrated EU.

MS. DASSU: Yeah. It's a very good question. It's an important problem because we could possibly end up, in my view, if this new euro setup works with a two-tier Europe. You could internally have this tight core which will become a really tight one because the kind of agreements we are discussing are really tight ones with a high degree of intuitiveness on the part of the communitarian institutions. And so you

could have this tight euro core and then an external ring of countries starting with the U.K. but also the Czech Republic and others. And so there is a warring trend, if you wish. For instance, according to Monti, this is a problem not only because it will be difficult to have a working setup of the Union as a whole when you have two sides of countries but also because if you lose the U.K. you lose something to the general economic mix. Monti's point is that if you have the Anglo-Saxon system out in a sense, if you stay with the German model, the French model and you lose the U.K., you lose something to the general economic setup of the Union. This is a possible argument. Monti makes very often this argument.

It is also true in my view that if you have a two-tier Europe as a result, this could make it easier for their enlargement. You could conceive, in theory, countries like Turkey entering this second ring of the European Union. So you lose something at the core, losing the U.K.; you could gain something else in theory in this external ring.

If I may add some other points collecting the questions, yes, we had a very interesting international game. Germany is starting very late at the very beginning as you said, Charlie. After all, we already mismanage the Greek crisis at the very beginning because after all we were speaking of less than 3 percent of the GDP of the Union. We could have acted much more quickly. We didn't do that. In the end the fact is

that Germany discovered that she wanted to save the euro in its current configuration. So given the kind of agreement we reached in the last few days it's likely that Greece will stay in, notwithstanding all the tensions involved.

And it's very interesting to see two recent polls by the Greek people because we only see on the streets, if you wish, the extreme right or the extreme left. The reality is that more than 70 percent of the Greek people wish to remain in the euro. So there is a mainstream opinion in Europe to keep the single currency. And in my view this is important. It is true that Italy has been recovering an important credibility because we made important domestic reforms. This is often overlooked but Monti was able to reform the pension system in one month. So it's a very quick domestic transformation we are trying to adopt and this is what gave Italy the credibility to sit again at the top table and to bring to this table new positions. Monti is not the traditional Italian view of Europe. It's more nuanced. I have to say I like it a lot because really it combines the integration view of Italy per German view of Europe we always had with design emphasis on the single market liberalization sector reforms. So it's a mix and for me this is the right mix for the future of Europe.

Also, I would like to underline that yes, we have got this impression that Europe works only through renationalization -- strong

countries against weak countries, large countries and weak countries. The reality also is that through this new fiscal pact the common institutions are extremely reinforced. They will have these institutions' precise duties in monitoring, sanctioning, et cetera, et cetera. The degree of intrusiveness, if you wish, of Europe within the domestic -- the traditional domestic domain of European states is really high. And so this is an interesting point. Europe really has become a neutral intrusive system which builds up, if you wish, the kind of Europe that we didn't have before as a result of a major crisis.

And lastly, on the transatlantic relationship with the Middle East, the question by Rich, I don't know. My impression is that it's an excuse. The reality is that Europe is divided on the Palestine-Israel question. German as a position, Sweden as another position, Italy is in the middle. So it's easy to say we can't act because otherwise we are going to break up with the U.S. This is an excuse. Unfortunately, the reality is that we are divided. Germany is playing a different policy from time to time. She had a different position on Libya as we all know. She has a particular relationship with Israel as other countries -- the Czech Republic, the current Italian government, in a sense. So it's a problem of fragmentation.

From this point of view, the scorecard really is right I would

say. It is the right picture so if we look to sector our foreign policies I agree with you. We have been entering a renationalization phase but I would like to go back to my initial point, in my view the overriding problem for Europe was really to overcome the financial crisis. I think that we are on the way of succeeding and this is the major contribution the Europeans could give to the stability of the international system. There is no other more important task and so from this point of view it was the right decision to focus on this, to devote financial, political, economic resources to solve our internal problem.

MS. HILL: Charlie, what about you? I mean, how do you see the larger trends going now based on what we've heard in terms of questions and then what Justin and Marta have said?

MR. KUPCHAN: Just to pick up on the issue that Rick raised and Clara's point about the U.K. and where the Europeans are headed in a strategic sense. You know, the U.K. I just don't get. It seems to me the conservative parties should just draft a bill that says we hereby resolve that this country should be geopolitically irrelevant until the end of time because that's what they're doing in the sense that the bridge to the U.S. is gone. That role is never coming back. So what's the option? The option is you try to become an influential player in Europe but the U.K. has done exactly the opposite. So they're sort of standing in the middle of

nowhere. And the rationalist in me would say that this is time limited and eventually they'll wake up and they'll realize they only have one direction to head in and they'll head in that direction but I keep thinking that year after year and it doesn't happen; the opposite happens. And so you, as a Brit, can explain to us what's wrong with you people. (Laughter)

MS. HILL: I don't think Clara is British; she's European.

MR. KUPCHAN: For Rick, you know, I think that no one knows the answer to your question. It's a huge, huge issue. And I'll just make three quick points. One is that what I worry about most right now is the politics. I agree with Marta that the economics are heading in a positive direction but I worry about Europe having a new fiscal pact, that the external actions service finds its legs, but that these institutions get, as you put it, more intrusive, more heavy, more quasi-federal and that the European street is heading in the opposite direction. Right? If Greeks are wandering around talking about the German jackboot on their neck and Germans pick up your language, Justin, and start calling everybody a slacker, then I really do worry that the politics of Europe and the institutions of Europe are going to get more and more divorced. And that's not a recipe for a good ending. The two-tier thing makes sense to me. Europe is now so big and got so many moving parts that the only way I think you will get a kind of stable construction is by letting those countries

that are ready to do it go with it. And those that want to remain on the outer rim, that's fine.

And then the final point I'd make is I think that what's happened in Poland is a big deal. That Poland has gone from a country skittish about Europe, investing almost 100 percent in its relationship with the United States, turning its back on Russia, and I think Tusk and Radoslaw Sikorski have really done a revolutionary job of turning Poland policy around. Reaching out to Russia at the same time it's trying to embed the country in Europe's core. And I think in some ways it's very good news for Europe because I think Poland can help pull the rest of central Europe in that direction and breathe new life into a union that otherwise has been sputtering.

MS. HILL: Well, it's a very positive -- maybe we should just end now because that was a very positive note. We've got five minutes left. But I fear that there's some negativity out there somewhere.

I'll take another couple of questions. The gentleman at the back and we'll turn back to the panel.

MR. LAGADEC: Erwan Lagadec from SAIS and GW.

Question to Justin. Is there implied in there the distinction -- Brussels-based distinction between how the commission is doing versus council versus parliament which of course has gotten more say at least in

foreign affairs in the sense if you look on page 16 and 17, the most successful policies versus least successful, again, is there an implied notion as you talk about a key diplomatic that the commission remains ahead of the game as we know it in spite of the setting up of the EAS. The EAS doesn't encompass the entirety of the open foreign policy that the commission remains where the money is. Commission is in charge of development. Commission is in charge of humanitarian aid. And if you see that implied value judgment if you will as to how the component parts of Brussels are doing should it not be made explicit? I mean, I look at how surely there is a sense of naming and shaming in your list of nation states. They're deducing there would be value in ECFR taking a stand or trying to influence the discussion as to where those turf wars ought to be heading and whether they should stop by grading the component pieces of EU diplomacy. Thank you.

MS. HILL: Very good question. There were two -- a question here and then the gentleman with the camera would like a question as well.

MR. SCHNELL: Yeah, thank you very much. Uri Schnell with the (inaudible) Nation. Professor Kupchan, you talked about the renationalization or the emergence in Europe. And given the fact that we have upcoming elections in France, Greece, and Slovakia, where all

oppositional leaders are pushing for and I wouldn't say anti-European but clearly a more skeptical approach for all programs. So for the next 12 months or 24 months would you say that especially these cases but in general the anti-European atmosphere throughout all countries is a big threat for policies? Because in my opinion I see a clear danger that the European elites who were talking about more Europe integration have forgotten about the people that are actually behind them. So I would just like to hear your opinion about that.

MS. HILL: All right. So the last question to the gentleman with the camera.

MR. PULJIK: Thank you. My name is Ivan Puljik. I am a bureau chief here for Al Jazeera Balkans, it's a new branch of Al Jazeera in Washington, D.C.

I'm coming from Sarajevo and I remember during the war in Sarajevo how long we would wait for help, almost three and a half years. And now we have a situation at Homs in Syria that is in my opinion a very similar situation in its first neighborhood for Europe and of course the United States as a world leader is always interesting. Do you see the similarity between the situation in Sarajevo and now in Homs? And how to help people, particularly in Homs, a little bit faster than Europe, especially Europe. The United States was more aggressive to help us,

liberating too long in Bosnia and Sarajevo. But how to help and be effective to help people in Homs initiate it but especially in Homs. Thank you.

MS. HILL: Thanks. That's a very good question to ask.

So the role of the component institutions.

MR. VAISSE: Yeah, perhaps I can very briefly answer this question. I know, I think it's a very good suggestion. The idea is to, you know, we see the scorecard as a long-term enterprise; that is to say to try to record each year how Europe is doing in the long-term. And so we try to establish our credentials first but then we slowly increase the, as you say, the naming and shaming part. And obviously, that will at some point must probably include the different components of Brussels Institution. If you look closely actually at the description of each of them there are some successes and failures for the European Parliament, the Commission, and the EAS in different places. You know, if you take relations with the U.S., you know, probably on climate change, Durban, et cetera, the Commission can be largely credited on things like PNR and the discussion on swift. That is to say the protection of privacy when you exchange data, whether they are financial or related to your airline databases. That's probably the parliament should be credited for that. The EAS, as I mentioned, can be credited for things like Kosovo-Serb talks or even the

reaction to the Arab Spring was good. On the other hand, they had some failures but we will most probably include this at some point but it seemed more relevant to start with the member states.

MS. HILL: Did you look, anyway, just before we ask Charlie and Marta, about discrepancies between elite and public views on foreign policy? Did that come in at all in any of the interviews or issues that were raised?

MR. VAISSE: No, we didn't. I mean, the scorecard still reflects sort of a traditional view of foreign policy, you know, the diplomat and the soldier. I would say that is to say mostly based on what governments do.

MS. HILL: I mean, obviously our colleagues at the German Marshall Fund do transatlantic trends but it's also to some degree more of the kind of upper level. I mean, would there be some merit perhaps at looking at some of these dimensions just to pick up on that question?

MR. VAISSE: Sure. I think so, yeah.

MS. HILL: The methodology. Yeah.

All right, Marta and Charlie, your thoughts.

MS. DASSU: I think the risk of disconnect between leadership and public opinion on Europe is a real one. Probably we have

to find out new ways to address the problem because the problem is that, as Charlie was saying before, the fiscal crisis has turned into a crisis of our democracies. We have this problem in the U.S. We call it a dysfunctional democracy. We have a problem in most of our other countries. In the case of Italy, which is by the way one of the few prior European countries. Also, as far as public opinion is concerned, we have a technical government supported by the political parties. Mario Monti defined it as a strange government which is a nice definition but shows the entity of the problem. His view, for instance, is that we must reinforce the European Parliament as a real decision-making body as a way to reconnect the people with the kind of Europe we are building up. He made an important speech and (inaudible) will go the other way which is worth reading from this point of view.

Lastly, on Syria, I see a similarity whenever thousands of people are killed. You have (inaudible) right and this is what is happening in Syria unfortunately, and notwithstanding the fact that we tried to learn the lessons, if you wish, from the Balkans precisely. And we approved in the U.N. a responsibility to protect the report. The reality is that whenever we have a veto in the U.N. Security Council we enter trouble. In this case we are in trouble because really we do not know what to do.

We will have a meeting in Tunisia in a few days We leave a

big role to the Arab League this time because the new role of the Arab League is a new factor in the scenario but it's difficult to conceive an external intervention except then in the humanitarian field. So from this point of view I'm rather pessimistic and I share the psychological background, if you wish, of your question.

MS. HILL: Charlie. And you were in the Clinton administration for quite a considerable period dealing with the issues in the Balkans. What's your perspective on this?

MR. KUPCHAN: Well, on the Syrian issue I don't know how much difference it actually would have made had there been a U.N. resolution. Would there be Italian, French, and American troops in Damascus today? I doubt it. And so I'm not optimistic that we're going to see the kind of action that I think many people would like to see. I think proximity still matters in international politics, and if there were a party that has the proximity and the capability to do something it's Turkey. And so I would probably put my focus on diplomacy with Turkey in terms of actually doing things on the ground and getting assistance into Syria. But I think that some kind of more direct military intervention of the sort that was undertaken in the Balkans is unlikely.

SPEAKER: (inaudible) in Sarajevo and in Homs but particularly in the city of Homs. What is the proper procedure?

MR. KUPCHAN: You know, I think any city that's being bombarded by a government falls into a very unfortunate and similar situation.

On your question, yeah, I mean, it's a problem and the politics right now are kind of anti-Europe. Without naming names there are candidates for office in Europe who are already pandering to the kind of anti-European attitude in the street. It'll probably get worse, not better. And you know, that's the nature of democratic politics.

The one sort of question I'd end with is, you know, Europe has done pretty well over the last 60 years by being reasonably undemocratic. This is to say it's been an elite-led project and the republics have more or less gone along for the ride in a kind of lukewarm passive way. Now Europe has been politicized and it's in deep trouble and that's because the politicization has occurred in a negative fashion, not in a positive fashion.

So what do I take away from that? Not necessary that we need to correct the democratic deficit. Perhaps it's let's go back to a Europe that is more of an elite-led construction. Do things to try to turn the tide at the level of popular imagination but more EU elections, more parliamentary power, you know, going that route could in the end of the day be a dangerous option.

MS. HILL: Well, that was a provocative question.

MS. DASSU: Yes, indeed.

MS. HILL: Perhaps we can have another seminar on that very question and invite Charlie and a whole group of people back again to debate this. It's well past 6:30 now and I'd like to thank everybody for their staying power. Just like our European colleagues you've seen it through to what we hope was a successful conclusion of our meeting.

Thank very much our panelists, Marta and Charlie and also Justin and all our colleagues at the European Council on Foreign Relations for their hard work on this report. And we look forward to seeing many of you again at another of our series that we do with the Heinrich Boell Foundation on the future of Europe.

And again, thank you very much to all of you for being here.

Thanks a lot. (Applause)

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I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

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