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VISIONS OF EUROPE IN AN ELECTION YEAR

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**Introduction:**

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KEYNOTE ADDRESS: PRESIDENT BARACK OBAMA AND EUROPE – THE RECORD SO FAR

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## PROCEEDINGS

MR. TALBOTT: Good afternoon, everybody. I'm Strobe Talbott and it's my great pleasure to welcome you here this afternoon to a conversation with Phil Gordon. And I do welcome all of you. And Phil, in your case I'm going to say welcome back and welcome home. I think all of you know that Phil was a very distinguished member of the Brookings community here for quite some time. Even more to the point, he was the founding director of the Center for the United States and Europe.

And I might add, it's also a great pleasure to see Ambassador Delattre here this afternoon. François, thank you for the support that you've given to Brookings and your predecessors gave to Phil and you were giving to Fiona Hill, who is the current director of the Center on the United States and Europe. And she would be addressing you from this lectern had the date of this conference not changed to a time when she was locked into a commitment to be in Beijing.

But I want to assure you on behalf of Brookings and the Center on United States and Europe that this does not represent a strategic pivot on the part of the Institution or the Center to East Asia. It has been our pleasure and I hope of some contribution to the policy community in partnership with the Heinrich Boll Foundation to bring this conference to you on an annual basis. And I think it is particularly appropriate that we should have Phil with us today.

He is, as you know, in his capacity as Assistant Secretary of State for European Affairs, responsible for U.S. policy towards about 50 countries as well as 3 key – and I would add to that currently somewhat challenged international institutions – the North Atlantic Treaty Organization, the European Union, and the Organization for Security and Cooperation in Europe. Phil is just recently back from the NATO summit. He is going to talk to us this afternoon a bit about President Obama and his relationship with our European friends and allies, the record so far, and I'm sure he will be looking ahead a bit, as well.

After Phil finishes his opening remarks, there will be a discussion involving as many of you as possible, moderated by Justin Vaisse, who is the director of research at the Center. So Phil, over to you.

MR. GORDON: Strobe, thanks very much indeed for that warm welcome. It is indeed

nice to be back home, so to speak. I'll always be -- always glad to be back here at Brookings, and I see a lot of old friends and colleagues in the room, some distinguished ambassador colleagues, and many others that I'm really delighted to see again.

Strobe, I continue to feel somewhat guilty about the degree to which the Obama administration raided the ranks of Brookings when we took office just over three years ago. I say, though, just somewhat guilty because I think U.S. foreign policy has benefited from the Brookings scholars that are serving in the Obama administration. We've given a few of them back in the meantime. And in any case, Brookings is clearly continuing to thrive as the serious independent research institution that it has been for so long.

I'm also very pleased to see how much the Center on the United States and Europe continues to thrive under the leadership of Fiona Hill and Justin Vaisse. Obviously I'm biased, but it seems to me that the original logic we had when we founded the Center of a place where we could follow dynamic developments across the Atlantic and within Europe.

The case for having such an institution is as strong now as it was when the Center was founded six or seven years ago. Indeed, I think it's fair to say that today's conference -- today's annual conference is occurring at a time of incredible activity in Europe. Strobe mentioned the G-8 and NATO summits that President Obama participated in, hosted in Camp David, in Chicago just last week. And then of course, literally as I speak, European Union leaders are sitting down for what will be a very interesting dinner confronting the challenges of the euro zone and the question of how to generate jobs and growth. I will return to the implications of these recent events later in my remarks.

But where I'd like to begin is to take a step back and just recall how the world looked when President Obama took office three and a half years ago. And so before I talk about what we think we've accomplished in that period, the topic for this session is the record so far, I think it's worth recalling the basic thinking that we had about Europe at the very start.

And I think it's pretty simple to say -- I think it's fair to say that what President Obama inherited was one of the most daunting global set of challenges that any administration had faced for some time. If you think about the ongoing war in Iraq, the ongoing war in Afghanistan, the growing nuclear challenge from Iran, the scourge of global terrorism, and, of course, the greatest financial crisis

since the 1930s, strains in transatlantic unity compounded the difficulty of handling these complicated issues.

Think about the really unprecedented divisions across the Atlantic we had over Iraq, but also questions about European engagement in Afghanistan, disagreement about how to handle Iran's nuclear program, and the relationship with Russia that was probably at the worst point since the end of the Cold War. A German Marshall Fund Poll taken in 2008 found that just 19 percent of Europeans approved of our handling of international affairs and only 36 percent viewed American leadership in the world as desirable. So when President Obama came in, I think he understood that the challenges that we faced were so considerable that even America's unparalleled power could not deal with them alone. And so he came to office with the conviction that the United States could address these challenges more effectively by working together with partners. And he was convinced that we had no more important set of partners in dealing with this set of challenges than those in the democratic countries in Europe.

The thinking is that alliances are a qualitatively different set of relationships than just coalitions of the willing. They produce habits of cooperation, they involve standing institutions and procedures, and they provide operational capabilities that can be called upon at a moment's notice, as we demonstrated in using NATO in Libya just the last year. But when President Obama took office, these alliances had frayed and were in need of repair.

Already in that summer of 2007, then Senator Obama wrote in *Foreign Affairs* that the mission of the United States is to provide global leadership grounded in the understanding that the world shares a common security and a common humanity. In order to achieve this goal, he stated his intention was to rebuild the alliances, partnerships, and institutions necessary to confront common threats and enhance common security.

In a speech that he gave in Berlin a year later, then Candidate Obama underscored the priority placed on revitalizing these alliances. He observed that no nation, no matter how large or powerful, can defeat such challenges alone and when looking for partners to deal with this challenging world -- alongside to deal with this challenging world, Europe was the place that we would find them. This administration has, therefore, invested deliberately and consciously in strengthening these essential transatlantic ties. Next week I will depart with [Secretary] Clinton for what will be her 30th trip to Europe in

office as secretary of state.

So in addition to multiple bilateral visits, these travels have included ministerial meetings, summits, and, importantly, international conferences on a range of global issues, including Afghanistan, Sudan, Somalia, Libya, Syria, cybersecurity, and women's issues, just to name a few. This commitment of time and effort to the relationship with Europe, not to mention the jetlag that comes along inevitably with it, has been far from routine. Instead, it has been driven by the profound belief that successful alliances require investment and that such investment pays real dividends.

And we think it has. I believe that one of the most important and lasting legacies of this secretary of state will be her revitalizing of America's alliances, and first and foremost our alliance with Europe. A direct result of this investment is the following thesis: I would assert that the United States and Europe have never been more strategically aligned. This is not to say that there aren't differences between us, just as there are debates within the United States or the European Union. But the reality is that we have developed a common transatlantic agenda that enables us to join forces to meet the demands of a very challenging world to a degree that I don't think was paralleled, not just in recent times in the previous administration, but the one before that or the several that preceded that. And this unity of purpose, I think, is now recognized on both sides of the Atlantic.

The German Marshall Fund Poll that I cited earlier saying that 36 percent of Europeans had faith in the President's handling -- in U.S. leadership in the world, is now at 75 percent and has consistently been in the upper 70s and lower 80s since President Obama took office. And this, I would assert, is an asset that serves us well when we call on these European democracies to follow our global international leadership, which we do all the time.

Rather than just asserting that we are more strategically aligned than ever, let me give you a couple of examples to illustrate what I mean. I mentioned already, President Obama's hosting the G-8 and NATO summits this past weekend. I think these two meetings embody American leadership on the global stage. As the President himself put it in Chicago, one of his top foreign policy priorities was to strengthen our alliances, including NATO, and that's exactly what we have done.

The centerpiece of the NATO Summit, I think it's fair to say, was Afghanistan. With nearly 40,000 European troops fighting alongside American troops for pretty much the past decade, we

have sustained NATO's largest ever overseas deployment. And from the beginning and notwithstanding serious financial pressures and domestic political pressures, the alliance has held firmly to the principle of in together, out together. At the NATO Summit in Lisbon 18 months ago, allies, ISAF partners and the Afghan government agreed upon a transition strategy that would result in the Afghan government assuming full responsibility for security across Afghanistan by the end of 2014. This strategy is on track. It was reaffirmed in Chicago. And today, approximately 50 percent of the Afghan population lives in areas where Afghan national security forces have taken the lead. This summer that proportion will rise to 75 percent of the country as we implement the third phase of transition. In Chicago, NATO leaders and ISAF leaders also established a milestone in mid 2013, when ISAF's mission will shift to primarily train, advise, and assist, and Afghan forces will be even more responsible for their own security.

We have no illusions about the difficulties in Afghanistan now or in the years ahead. But we also believe that it's worth recalling the tremendous progress that has been made in the past decade. The country's GDP has tripled since 2001. Sixty percent of Afghans now have access to basic health care -- have access to basic health care facilities, which is nearly six times the number in 2002. The number of Afghans in schools continues to rise now to more than 8 million. And perhaps most importantly, the recent polls in Afghanistan underscore that the number of Afghans who say they sympathize with the insurgents is at record lows.

In order to maintain a secure environment that will enable Afghanistan's continued political and economic development, the alliance also agreed on a plan for future sustainment of Afghan forces. And while the Chicago summit was in no way a pledging conference, we did want to demonstrate to Afghans, to the Taliban, and to our own societies that we were prepared to support Afghan national security forces after the end of 2014 in the way that will be necessary, and the international community came together and made political commitments of more than a billion dollars for that project after 2014. More than a billion dollars per year after 2014.

Furthermore, the alliance reaffirmed its enduring commitment to the Afghan people beyond the end of the combat mission, and in Chicago leaders defined a new phase of cooperation that will focus on training, advising, and assisting Afghan troops.

I think all of this together demonstrates our ongoing commitment to working toward our

shared goal of building a safer and more secure and prosperous Afghanistan where al Qaeda has no role.

Beyond Afghanistan, the summit also highlighted the alliance's continued commitment to defense capabilities. I'll just mention a few. We announced an interim capability for missile defense that will, for the first time, protect European populations, territories, and forces from the growing threat of ballistic missiles, potentially nuclear weapons as well. The United States will provide critical assets for the system, but it's hardly a U.S. effort alone. Turkey will be hosting a radar that will be placed under NATO command. Romania and Poland will host land-based interceptors. Spain will home port AEGIS ballistic missile defense-capable ships. The Netherlands will upgrade sea-based radars and contribute deployable Patriot systems. Germany is also contributing deployable Patriot systems. France is planning to contribute a space-based early warning radar, as well as a deployable radar. NATO, as a whole, will provide commonly funded infrastructure, and allied heads of state and government agreed in Chicago to explore additional voluntary contributions. So, be clear about that, the United States is making a major contribution, but it is, once again, an alliance-wide effort with Europeans playing a major role.

Very conscious of the tight defense budgets that we face across the alliance, we also announced progress under the rubric of what NATO Secretary General Rasmussen called smart defense. For example, the commonly funded allied ground surveillance system that will give the alliance, for the first time, a fleet of remotely piloted drones that will provide intelligence, surveillance, and reconnaissance, and also the agreement to extend NATO air policing for the Baltic states so that they can devote their resources to other common projects.

We also announced completion of the alliance's deterrence and defense posture view that spells out the appropriate mix of nuclear, conventional, and missile defense capabilities that the alliance needs.

We are well aware that measures such as these do not obviate the need for continued defense investments that will be required if the alliance is going to remain the most successful ever. And in Chicago, President Obama made that very clear to his European counterparts. But we also know that in these difficult financial circumstances we should pool our efforts to the maximum extent possible, and this is what the smart defense initiatives and, really, the concept of the alliance itself allow us all to do.

Finally, the NATO Summit recognized the crucial role played by partners in NATO operations. Remember that the Libya operation brought 28 allies together with 5 partner nations while ISAF in Afghanistan involved 22 non-NATO troop-contributing partner countries. They're playing an increasingly important role in all of NATO's missions, and these successful partnerships demonstrate the extent to which the alliance has really become a global hub for our collective action.

At President Obama's request, the North Atlantic Council will look at what is to further enhance our partnerships, not just across Europe but in the Middle East, North Africa, and Asia as well.

Allies did not take decisions on further enlargement in Chicago, but they sent a positive message to Bosnia and Herzegovina, Macedonia, Montenegro, and Georgia in support of their membership goals. At a meeting in Chicago of the 28 allies and those 4 NATO aspirants, Secretary Clinton made clear that NATO's door must remain open to European democracies that are willing and able to assume the responsibilities and obligations of membership.

Within the NATO context, let me say a couple of words about Libya. It is easy to take for granted the role that NATO played in giving the people of Libya a chance for a better future, but it was not a given that NATO would play a significant role or indeed any role at all. It was a conscious decision. It was in response to Qaddafi's all-too-real threats against the people of Benghazi that President Obama led the way to establish a U.N. Security Council-endorsed no-fly zone, as well as an authorization for member states to take all necessary measures to protect civilians. And, again, it was a conscious decision to seek to involve not just European allies or other partners around the world, but the NATO alliance itself.

During the first 10 days of this operation, the United States used its unique assets to eliminate Libya's air defenses and lay the groundwork for a handover to NATO. Washington then passed command and control of the mission to NATO while continuing to provide the bulk of the intelligence, surveillance and reconnaissance, in-air refueling, jamming, and other critical capabilities. Every ally contributed through NATO's integrated command structure, while 14 allies and 4 partners provided the necessary naval and air forces.

United States flew 25 percent of all sorties, while France and the United Kingdom together accounted for 40 percent. But, again, I want to underscore the genuinely important role that



European allies played in this, not just France and the United Kingdom, but Denmark, Norway, Belgium, Italy, and Canada all carried out large numbers of strike missions and sustained them over many months.

Think about a comparison. In the Kosovo conflict that NATO undertook in 1999, the United States provided 90 percent of the precision-guided munitions and around 85 percent of the strike sorties. In Libya, those proportions were exactly the other way around. We are now of course continuing to work closely with our European and international partners to help Libyans build a more inclusive and democratic society.

Beyond these joint efforts in NATO, the United States is working extraordinarily closely with Europeans to address a range of other global challenges that I think also fit under this thesis I'm advancing about more closer partnership and more strategic alignment than ever. And to take maybe the best example, think about Iran.

Another timely topic is our negotiators as we speak are in Baghdad meeting with the Iranians. I think it's fair to say on this one the United States has coordinated with our European partners more closely than ever before. We have enjoyed unprecedented unity with the European Union in our dual-track approach of putting pressure on the Iranian regime to meet its international obligations, but also being ready to undertake a diplomatic path to ensure that their nuclear program remains civil.

With the Europeans we have together agreed on U.N. Security Council 1929 and several IAEA Board of Governors resolutions, and we have seen the EU decision to ban imports of crude oil, Iranian crude oil, and to freeze the assets of the Iranian Central Bank. Those of you who have been working on these issues for some time, as I know a lot of scholars at Brookings have, I think would have to appreciate the unprecedented nature of this cooperation on sanctions and an oil embargo, which I think probably couldn't have been predicted just a couple of years ago or even six months ago.

And so as I say, today as we speak the E3+3 is in Baghdad to engage in serious negotiations regarding the international community's concerns. And the United States and its European allies have not only never been more united on Iran, but I think that the pressure on Iran to abide by its international obligations has also never been greater. Those two things are linked. It is the common pressure that we are putting on the Iranians that we think has brought them back to the table.

On Syria, we've also worked very closely with our European partners to steadily ratchet

up pressure on the Assad regime through various avenues, including multiple rounds of sanctions. We have engaged in active diplomacy in the major U.N. bodies to unite the international community behind the Annan plan, responded to a growing humanitarian crisis, and expanded our communications and logistic support for the opposition. Secretary Clinton has joined her European counterparts and other regional leaders to coordinate our approach to these goals and to send a clear signal that despite minimal success in the U.N. Security Council, the broader international community will continue to pursue all available measures to secure a peaceful resolution of the crisis in Syria.

I've been talking mostly about our cooperation with Europeans around the world, and I obviously think that is worth stressing, but in no way should it suggest that our agenda within Europe is somehow diminished or has gone away. Beyond the global challenges that I'm talking about, there is what is sometimes called unfinished business in Europe, namely the integration of these countries into the Euro-Atlantic community of democracies. And we've been working side by side with our European partners to address remaining political and economic issues across the continent.

In the Western Balkans, it is clear that the region's stability and prosperity will depend on its countries pursuing reforms necessary for their eventual integration in Europe. We have said very clearly from the start that Europe will not be complete until all of the Balkans are integrated into Euro-Atlantic institutions.

Some significant milestones have been reached in recent months. Croatia's succession to the European Union, for example, sends a very strong signal to the entire region that, admittedly, difficult reforms bring genuine progress. We're encouraged by the new Bosnian government's efforts to meet EU and NATO integration requirements, including the passage of laws on census and state aid, as well as the political agreement to solve the defense and state property issue. We hope to see Bosnia fully implement these agreements in order to make progress towards joining Euro-Atlantic institutions.

We are also pleased that both Kosovo and Serbia moved closer to Europe as the EU granted Serbia candidacy status and agreed to give Kosovo roadmaps for visa liberalization and a feasibility study for a stabilization and association agreement. Once again, the United States worked very closely with its EU partners, and in this case the OSCE, to ensure during the recent elections in Serbia that Serbian citizens with dual nationality, including those living in Kosovo, would be able to exercise their

right to vote in the Serbian parliamentary and presidential elections.

The EU-facilitated dialogue has provided a means for the two countries to address issues that complicate daily life for ordinary citizens, but only to the extent that the parties implement the resulting agreements.

Although we are still assessing what Tomislav Nikolic's election as Serbia's president means for Kosovo in the broader region, we welcome his stated commitment to Serbia's European future and encourage him to work constructively with the new government to achieve that goal. In that spirit, the United States and our European partners need to work together with leaders across the region on new ideas to resolve the challenges in northern Kosovo in line with Kosovo's sovereignty and territorial integrity. In particular we need to help develop a framework that permits a normalization of practical neighborly relations, frees up both countries to move on their paths to European integration, and avoid sowing the seeds of further zero-sum confrontation in the region.

Finally, we're working with the EU and its member states to help the people of Ukraine, Moldova, and Belarus. We fully support Ukraine's efforts to deepen its integration with Europe, including steps taken thus far to reform the criminal procedure code. Unfortunately, Ukraine's European integration process has been hindered by limited progress on the political and economic reforms needed to move forward and by what appears to us to be politically motivated prosecution, selective prosecution, of opposition leaders.

We, closely working with the European Union, continue to call on the government of Ukraine to release these individuals and to ensure that the October parliamentary elections are free and fair.

Moldova's presidential election in March opens the door for reforms needed for closer integration with Europe. We're also seeing encouraging signs on the international efforts to produce a Transnistria settlement.

Belarus remains an outlier in Europe, particularly following the December, 2010 presidential election when hundreds of political and opposition activists including several presidential candidates were arrested without cause.

We and our European partners continue to call on the government of Belarus to release

political prisoners and allow opposition parties, civil society, and independent media to operate freely.

Let me say a few words about another very important part of President Obama's record, which is the progress we've made in developing more productive relations with Russia. The President's approach to Russia has been guided by the conviction that we could cooperate on areas of mutual interest while speaking very plainly about areas of disagreement, maintaining support for our friends, and holding firmly to our principles.

The development of a more effective working relationship, we believe, has, in fact, led to an impressive list of mutually beneficial foreign policy achievements, including, just to mention a few, the New START Agreement, the 123 Agreement on Civil Nuclear Energy Cooperation, military transit arrangements in support of our common efforts in Afghanistan, a visa agreement to promote bilateral business ties, major bilateral trade deals, and unprecedented cooperation with Russia on Iran sanctions.

The list also includes the conclusion of negotiations to welcome Russia into the World Trade Organization, a goal that had been an objective of U.S. and Russian administrations for nearly 20 years.

We're currently working with Congress to terminate the application of the Jackson-Vanik amendment for Russia. Lifting Jackson-Vanik and extending permanent, normal trade relations with Russia are not gifts to Russia, rather, they are in the fundamental interest of the United States to create and sustain jobs as well as ensure that U.S. firms will benefit from Russia's WTO market access commitments.

Were we to fail to graduate Russia from Jackson-Vanik, we would be disadvantaging American companies relative to their competitors in other WTO member states.

We should not forget that in Vice-President Biden's 2009 Munich speech, which first articulated the strategy that has come to be known as "the reset", there were three important corollaries. The Vice-President said that the United States will not recognize Abkhazia and South Ossetia. He said the United States does not recognize spheres of influence with Europe. And he said that the United States maintains that sovereign states have the right to choose their alliances.

And despite some initial questioning among some of Russia's neighbors, we have not given an inch on any of these principles. Indeed, our improved relations with Russia have not come at

the expense of our allies or our values and we have continued to speak frankly about our differences.

I know some have asked whether the progress with Russia that we have made in the past three years will continue under President Putin. All I can say is we are certainly ready to pursue that goal. I would point out that Mr. Putin was the head of Russia's government for all of the past three years when all of these positive things were accomplished.

We obviously have to be realistic. We know that achievements going forward will be the result of hard work on both sides and will require a continued focus on mutual interests. We know there are ongoing issues of disagreement, such as over missile defense, and Georgia.

There are contentious issues that have arisen recently, including our differences over how to respond to the crisis in Syria, but even as we discuss these difficult issues, we are going to continue to operate on the assumption that we have many common interests in Russia and we can pursue those while also being very clear about the things we differ on and without sacrificing our principles or our friends.

All of the common transatlantic achievements that I have outlined are, we think, fairly impressive in their own right but even more notable when you consider the context in which they have come about. Obviously, I'm referring to the great economic challenges that we face on both sides of the Atlantic.

As President Obama has said many times, the United States has an enormous stake in the resolution of the Euro Zone crisis. The European Union is our largest trade and investment partner. The EU and its member states account for 58 percent of overseas development aid and when you combine that with U.S. spending, we together provide 80 percent of the world's development assistance. We clearly need strong and prosperous European allies.

The same is true on common defense. I underscored our message to European allies about the importance of sustaining defense spending. It's obviously only possible when Europe's economies are succeeding.

Despite our significant stake in the outcome of the economic steps taken in Europe, we also recognize that these are European issues that require European solutions. We have urged European governments to act decisively to resolve the debt crisis, we've offered our perspective about

the risks that Europe's crisis poses for the global recovery, and we've shared lessons of our own financial crisis about the importance of responding to market challenges decisively and focusing on job creation and growth.

We're encouraged by the progress that our European colleagues have made in recent months, including significant actions that would have seemed out of reach a few years ago. In Ireland, Portugal and Spain, these countries have reduced their structural budget deficit by 5 percentage points since 2009 and Greece by nearly 12 points. In Italy, Prime Minister Monti has marshaled really sweeping economic reforms including pension reforms and dozens of measures to free Italy's markets and streamline its bureaucracy in just a matter of months.

Euro area governments have taken steps to put in place an 800 billion euro firewall for what we think is a good reason. As Secretary Geithner has said, reforms will take time. We've acknowledged that there is no silver bullet and even if all of these measures work, it will take time, and will not work without financial support that enables governments to borrow at affordable rates and keeps the overall rate of interest across the economy at levels that won't slow growth.

And also EU member states have come together in record time to endorse the fiscal compact treaty, which provides a path for deficit reduction, strengthens oversight and coordination at the European level in unprecedented ways, and reassures populations across Europe that new lending will be accompanied by needed reforms and fiscal discipline.

We have also said that fiscal reforms are only part of the solution. The harder challenge in Europe and globally is to boost competitiveness and growth. Much of this is for Europeans on their own to do, but there is a U.S. component as well and President Obama has undertaken discussions with his European counterparts about how we can free up the transatlantic economy, notably through the U.S.-EU High Level Working Group on Jobs and Growth, which is reviewing all options for deeper transatlantic economic cooperation including the possibility of a comprehensive free trade agreement.

The United States welcomes the evolving debate in Europe about opportunities for creating jobs and growth.

At the G-8 summit this past weekend, President Obama led a discussion with leaders about a comprehensive approach to managing the crisis and getting on a path, a sustainable path, to

recovery. He reaffirmed that America is not only confident in Europe's ability to meet their challenges, but we are supportive of their efforts.

The President and his European counterparts agreed on our shared interest in keeping Europe's monetary union intact and in remaining engaged on the world stage despite budget constraints on both sides of the Atlantic.

I have covered a lot of ground, so let me conclude. I will -- in closing, I would like to return to the thesis with which I began, which is that the United States and Europe have never been more strategically aligned, and this, as I have said, is not an accident or the fortuitous or temporary alignment of geopolitical tectonic plates. It is, instead, the result of a deliberate and conscious strategy to invest in a partnership with the world's most advanced, military-capable, and democratic peoples who share our values and ideals.

History will determine whether this approach and this investment was a wise one. We believe, as I have argued, that it has already paid off and that it will continue to pay off for years to come.

Thank you very much. I look forward to your questions.

(Applause)

MR. VAISSE: Thank you very much, Phil. While Phil is coming here and getting mic'd, I'll just indicate that we'll have about half an hour of questions before the beginning of the next panel and I will use and abuse the privilege of the chair to ask a few questions to Phil first before going to you and I would add, in the tradition of the respectful -- the tradition of respectful debate that we have always had at Brookings, I would like to push Phil on a number of points including this issue of coalition of the willing and also the risk of seeing the alliance hollow out for lack of military capabilities.

So, you started your presentation using a point that Tom Donilon, the National Security Advisor, also used, which is that nurturing standing alliances was an important goal of the Administration since these alliances provided much more support for the U.S. national interests than coalitions of the willing, meaning, presumably, what had been done before.

However, in some of the examples that you mention, including Libya or Syria, it's precisely coalitions of the willing that we saw. I mean, you mentioned yourself that between March 19<sup>th</sup> and early April of last year, for the operation in Libya, NATO was not involved as such, it was an ad hoc

coalition between basically the U.S., France, and the UK and then afterwards when NATO got involved, there was a contact group at the political level involving the other partners. So, it seems to me that the borders between coalition of the willing and the alliance itself are blurred.

Of course, the difference with other past intervention is the presence of a strong mandate from the UN Security Council, but in terms of the shape of the group that intervened, it was certainly a coalition of the willing.

On Syria we've seen, because of the obstacles at the UN Security Council, a sort of contact group being created called Friends of Syria, so here again it's more sort of soft multilateralism of the title the coalition of the willing, and of course, Iran, the Obama Administration has just been continuing the efforts that was started by the Bush Administration, which is also done by the P5+1 group.

So, you know, I could give other examples and you mentioned yourself that NATO acted as a global hub to which other partners could be plugged, but it seems to me that it's probably, at least, debatable to sort of present the policy of the Administration as relying primarily on standing alliances rather than coalition of the willing as the borders between the two seem quite blurred.

MR. GORDON: Thanks. There are a lot of interesting points in there, Justin. I would never -- I'll make a couple of points -- would never make the claim that standing alliances or NATO in particular is the single response to every international crisis that we face. Clearly as you look at different range of challenges that we face, many of which I mentioned, whether in Europe or as you say in Syria, Libya, Afghanistan, and Iran, you need to be flexible and adaptable. There are some cases for which a standing alliance, an existing alliance like NATO, might be most appropriate, and there are others in which it just doesn't work.

But in the cases that I mentioned are appropriate for NATO, Afghanistan and Libya I would stress the benefits of doing it within the formal organization. We did have a conscious choice in Libya. It would have been just as easy to, almost easier in a way, to say "Well, let's just do this among the handful of countries that want to do it and not worry about doing it within NATO." We took a conscious decision to do it within NATO, express confidence that we could show leadership and get countries to follow along and use the alliance and genuinely think it paid off. I think I mentioned in my speech, it's easy to take a NATO for granted. But without the investment in that alliance and the personal



connections that come from working together and the inter-operability of military forces and the standing command structure, you can't just whip up a military operation. And so even for some of the activities that you're not using a standing alliance for, the very fact that it exists has very positive spillover effect.

So let's be clear. Of course, there is a place for ad hoc cooperation. And for many different subjects and challenges you'll be putting together different groups with different types of leadership, but it doesn't take away from the reality that investing in standing institutions and alliances remains hugely valuable, and we have been acting in a way to make it flexible and adaptable to the question at hand. And that's why I emphasized this partnership question in Chicago. And NATO in Afghanistan has never been just the alliance. We've had partners all along. As I mentioned, in addition to the 28 NATO allies, you have 22 partners working intimately within the alliance. And we've taken steps over the years to make NATO more adaptable so that countries who aren't in the alliance can work with it. In the case of Libya, you actually had that extended, not just to European partners such as Sweden, but also for countries from the Arab world and Middle East.

So yes, you're right that it's a nuanced spectrum rather than a choice. Do you just use the alliance or do you just use ad hoc groupings? But it's still a very long way from just saying, "Well, let's just see how it goes" and put together some coalition.

MR. VAISSE: Uh-huh. So a second challenge to the alliance, of course, is the massive reality of budget cuts, budget cuts here but even more so budget cuts in Europe. Indeed, it has been calculated by some experts that budgets could go down in Europe from 2006 to 2014 by about a third of what they were. And certainly inside NATO the balance between what the U.S. is doing and spending on the one hand and what European members are doing and spending is changing rapidly in favor of the U.S. So what we see -- and you mentioned the importance of having a standing alliance with procedures, with a habit of working together, with interoperability, how confident are you that we're not witnessing a sort of hollowing out of the alliance because of these budget cuts and that five years from now we can still pull off a Libya?

MR. GORDON: Okay, let me make a couple of points. First is that this is a real concern, and I won't sugar coat it in the least. We have concerns about declining defense budgets and continued investment in defense across the alliance. The trends that you describe are real, and they are of great

concern. This is, of course, an old issue and people have been worried about NATO's and a particular European defense spending as long as the alliance has existed. But I do think there's a qualitatively new dimension to it following the financial crisis and with the very severe cuts.

And as you suggest, it would be a sad irony if Libya turned out to be actually the demonstration that Europeans really can provide important resources and assets for a military operation that you hadn't planned for, which they did as I pointed out in my remarks, seeing not just France and Britain but Norway, Denmark, Belgium, The Netherlands, make real and important military contributions. It would be ironic if Libya demonstrated that, but then within a few years we permitted those capabilities to atrophy to the point that it was no longer the case.

And that's why, as I mentioned, President Obama raised this issue with his counterparts and underscored that goodness knows, we are sympathetic for the need to get countries' fiscal houses in order. We're undergoing some pretty significant defense cuts ourselves. No one doubts the need to cut budget deficits and examine very carefully defense budgets, but we do have to be careful lest we, the alliance as a whole, end up not being able to perform necessary defense tasks.

At the same time -- and let me be clear. This is not a substitute for defense spending, but at the same time this is why we put all the more emphasis on the smart defense initiatives within NATO. If ever there was a case for more pooling and sharing and integration, it's now. One of the things the Libya operation did was show both the benefits of commonly funded assets, but also the gaps that remain. So to have a commonly funded pool of AWACS as NATO does enables all allies to benefit from the information that comes from AWACS without every one of them having to buy their own planes. And that's why we decided together at the NATO Summit this time to collectively purchase drones for -- one of the things that was clear from Libya was that we didn't have enough intelligence surveillance and reconnaissance, and so you have a couple of choices. You can expect the United States to do everything, which I don't think is a viable option, or you can expect every country that wants intelligence for such an operation to buy its own advance drones, which are very expensive, not a particularly good or affordable option, or you can collectively buy some -- and here again I get back to your first question about investing in the alliance -- collectively buy some so it costs less money for everybody, but everybody can benefit. That's exactly what was done with the decision to commonly procure allied

ground surveillance. And once those UAVs are procured, every ally will have access to advance intelligence information without having to spend the necessary money. And let alone the drones -- the infrastructure, the technicians who can read the data that comes from the drones -- it really is cost effective.

And there are a number of other examples that we pursued in Chicago and need to continue to pursue. I mentioned Baltic air policing. It doesn't make sense to expect the Baltic States, for example, to spend scarce defense euros or dollars on advance fighter planes when others can do that job, and they can invest their money in other things.

So that's why we're so focused on more efficient spending, more pooling and sharing. That's why the alliance itself is valuable. It doesn't replace the need for continued defense spending, but it is necessary in any case.

MR. VAISSE: Thanks. I have a list of other questions, but I should now be quiet and let you ask questions and Phil give answers.

I'm going to group questions by three and so please make sure you identify yourself when you ask the question and you disguise your statement as a question. Yes, sir, here in the front. Wait for the mic, please.

MR. EHRLICH: Judd Ehrlich, documentary filmmaker. Public opinion polls in the United States don't give a lot of support to the administration's position on Afghanistan, much less the multi-billion dollar commitment it will take even after our troops have left. My question to you is, all we've heard is the reason we're there is to deny Al Qaeda a safe haven. And the real reason is because, in my mind at least, a radical Islamic regime in Afghanistan would make normalization or relations impossible in the sub-continent. If you agree with that my question is, why doesn't the administration shape a more coherent and a more believable position to convince the American public on this issue?

MR. VAISSE: Thanks. Second question? Yes, sir.

MR. STACEY: Jeffrey Stacey from the Center for Transatlantic Relations. I left the State Department late last year and spent some time not working directly under you, Mr. Assistant Secretary, but in a functional bureau that worked a lot with you.

I have two questions, one personal diplomatic, one more deeply strategic. The first is when we began in early 2009 to meet with our European counterparts. I recall a very interesting dynamic. It was strange that when I began meeting European counterparts, I experienced a sort of cold shoulder and I noticed others were, too. And it was sort of as if, to use a metaphor, that we were welcomed back to the table, but we weren't really allowed to speak up right away. We were supposed to sort of sit there for a while and maybe do some penance and not really lead discussions. But you can track it; I did. Nine months it took, and then we had to persuade people I think at most levels of government of our renewed commitment and trust. And we had to do it in personal terms and with actions, not just words. I wonder if you can look back and if you had a similar experience yourself.

The other more strategic question takes off from the record that you just outlined, which I think is valid in terms of the claims and the record really does speak for itself. But there's an interesting element to this that is also a little alarming, and that is how much more dependent the U.S. is on Europe. You used the words "never before" quite a number of times, and I would add to that is it not true that at least since World War I the U.S. has not been more dependent on Europe? With economic terms that's a little more clear perhaps, but I think even strategically. And the question is to you, is Libya the high-water mark or going forward with the U.S. doing our own fair amount of cutting and not necessarily pivoting, but realigning in certain ways, what are Europeans now going to do? Are we not more dependent on them handling some of the burden themselves, not just with defense spending, but possibly even a single European military capability that is modest but expeditionary?

MR. VAISSE: Thanks, and one last question here, and then we'll go in the back.

MS. O'DONNELL: Thank you. Clara O'Donnell, a Fellow at CUSE here at Brookings and originally from the Center for European Reform. And the Turkish authorities have mentioned the possibility of invoking Article V if instability from Syria were to spillover their border. If, indeed, such a scenario were to occur, what would be the best response for NATO?

MR. VAISSE: Thanks.

MR. GORDON: Okay, all important topics. On Afghanistan, I think we've been quite clear about what our objectives are and how we are seeking to accomplish them. And the objectives haven't been very different than they were at the start. It is, indeed, to deny Al Qaeda a base from which

it could operate globally. And the United States was attacked from Afghanistan, and we set out not just to get rid of the Taliban regime, but to make sure that Afghanistan could never again become the place from which the United States and other countries could be attacked by this global terrorist organization. And to do that, not just we, but we and our allies around the world, determined it would be necessary to give support to a democratically elected Afghan government which needed outside help. And we have invested an incredible amount of resources over the past decade to give them a chance at doing that. I started with what President Obama inherited; I can't speak to decisions that were made before that. But his view was clear, that we really did have a chance to succeed in this way, to denying Al Qaeda the opportunity to reestablish even in Afghanistan, and, so, he increased our military effort in the short-term and in order to enable us to get out of Afghanistan in the longer-term and that's exactly what he's been doing. And, so, the surge that the United States undertook to reverse the Taliban's gains has taken place and we're now in the process of turning over responsibility for Afghanistan to the Afghans.

It's been a long and expensive investment. I think the president's view was that after all of that investment to simply say well, this is too costly and it's not really our problem and we're just going to leave would have been irresponsible. And, so, now, again, together with our partners under what I would argue has been real American leadership, these 50-plus countries are working as hard as they can to put Afghans in a position to be able to provide for their own security so that we can responsibly end the war and bring our combat troops home. That's what we're on track to do, that's what more than 50 countries came together in Chicago to recommit to and we're determined to succeed and I think we are succeeding.

On what you describe as the relationship with Europeans starting in 2009, and my experience, I have to admit I don't remember the nine months purgatory that you refer to. I think we were warmly received and welcomed. Indeed, the enthusiasm for the Obama Administration was very high, perhaps excessively high. I think there were maybe expectations that we had created that would have been hard to live up in terms of this glorious new chapter in transatlantic relations in which we would disagree about nothing and we would march together as in some past that never actually existed. So, I think that we were warmly welcomed from the start and the message that I conveyed to just now we tried to convey to our partners from the start that we were absolutely sincere about wanting to work together in

a mutually beneficial way and that we would listen and that we would share leadership because we have the same interests and values. And, so, I guess it was pushing on an open door trying to articulate this message and I think it's been reciprocated by our European partners.

It goes hand in hand with the point you made about dependence. I wouldn't use that word. I think it has been demonstrated that to deal with the tremendous challenges that we face, we do need these strong, democratic, likeminded, and, yes, militarily-capable partners. Just think of some of the examples I gave and imagine doing it without the partnership with Europe. You don't even have to imagine it because it's been tried before.

Iran. It's been the United States' policy for more than 15 years to apply sanctions, pressure. United States hasn't traded with Iran or invested with Iran or bought Iranian oil for decades. We tried the financial pressure, diplomatic pressure approach on our own and it didn't get us anywhere. I think it's fair to say it's only when this became a genuine international effort, and first and foremost, the Europeans that it really started to sink in with the Iranians that they had better get serious about the nuclear program. So, imagine doing that without partnership for Europe.

Afghanistan. Could we do what we're doing without European partners? I suppose, but it would be a lot more costly to us. I don't know where we would get the nearly 40,000 non-U.S. troops that have been fighting alongside American ones for mostly a decade, and, frankly, they're not from other regions; they're for the most part NATO allies or other European allies.

So, is it dependence? Maybe you could call it dependence. We could pursue some of these same policies, but I wouldn't want to imagine doing it without the maximum partnership with Europe. Look, would we like even more support from Europe, more resources and support for some of these things? Yes, and we have this discussion with Europeans all the time, but on none of them would I really want to -- and that was part of my point and I cited what the president said about not being able to tackle these challenges alone.

Libya. That's another case, and we had an interest in protecting civilians and Libyans and stopping Gaddafi from massacring the residents of Benghazi. Could we have done that operation alone? I think so. But we certainly didn't want to for a whole range of reasons, ranging from the military assets to the legitimacy to the aftermath and funding that would be necessary.

So, we can debate whether you want to call that dependence, but I would certainly say that we have gone about all of these things with a full appreciation of what Europe can bring to the table and I think we're stronger because of it and I think we're more successful in dealing with these problems because of it.

Clara O'Donnell asked about Article V in Turkey. I mean, just to be clear, Turkish leaders have alluded to our Article V. They certainly haven't invoked it. They haven't invoked Article IV and called for formal consultations with the NATO. They have briefed NATO on the humanitarian situation in Serbia and in Syria. They briefed NATO and G-8 on what's going on in the region, but they haven't asked for formal NATO consultations, and I don't think that's on the agenda.

Let me just say as a general rule, the United States, and we reiterated this in Chicago, is absolutely committed to a credible Article V, and it needs to mean something and if a country's sovereignty or territorial integrity is threatened, then we have an obligation under the North Atlantic Treaty to treat that as an attack on ourselves. So, we take it very seriously and I think that's what Turkish leaders have suggested when they have even referred to Article V as simply an underscore that their sovereignty and territorial integrity is sacred and were it to be attacked in any way that would be a very grave matter.

MR. TALBOTT: Thanks, Phil.

We're going to take just two more questions. Steve Hill here in the middle. Wait for the mike.

MR. HILL: Thank you. Steven Hill.

Question on China. China occupies this rather unique niche in being, one, a world power, but also a developing nation, and many things about China, when you look beneath the surface, it's quite shaky. The idea of China as a failed state is too terrible to contemplate, and, yet, it seems to me that the administration's policies towards China don't recognize this complexity.

I'll give you a couple of quick examples. One is one currency exchange. China's currency policy is basically a social program to create jobs in China, and without that policy or replacing it with something else, that it has as much potency, China would really be in a lot of trouble, and the

administration's policies of pushing China on that currency exchange, it gives members of Congress ample opportunities to bash China and not recognizing the real reasons behind this.

The second one is Marines in Australia. It seems to me that this just feeds into a narrative in China in which they are suspicious of the west, and if we acknowledge the history there, for very good reasons, and perpetuates a relationship that is not one of cooperation and it seems to be one more of confrontation when really the relationship with China, it seems to me there's opportunities there to create one that's more about cooperation and mutual recognition of each other's needs.

I would love to hear your comments. Thank you.

MR. GORDON: Thanks, and we'll get a question in the back. The gentleman's there.

MR. PULESH: Thank you for this opportunity. My name is Eba Pulesh. I'm from Al Jazeera Balkans.

Mr. Gordon, Secretary Clinton said in Chicago that this was the last non-enlargement NATO summit. What does that mean for Bosnia, Herzegovina, Montenegro, Macedonia, and how Croatia can help those countries to become sooner NATO members?

And, second, Serbian new president, Tomislav Nikolic, which is hard nationalist, you know that, and how to deal with him, especially talking about Kosovo and Bosnia?

Thank you.

MR. TALBOTT: Thanks.

Phil?

MR. GORDON: Well, your question about China takes me a little bit farther away from presentation on Obama's Europe record than I would like to go. But I would say, I mean, it's not unrelated in that people shouldn't think about the challenges we face in China as some alternative to what we're trying to do with Europe. And when I present a record of engagement with Europe in dealing with the rest of the world, it is a recognition of the reality that it is precisely because we face such tremendous challenges in other parts of the world, including those that you mentioned about China that we need this partnership.

Now, the reality is, and I gave you a large number of examples of how we're working with Europeans on the global agenda, and I think I would be the first to acknowledge that if there's a region



where it's underdeveloped, it might well be in Asia and specifically on China. That is something we would like to change because we think we have an interest in partnering with Europeans in Asia, just as we really do in North Africa, in the Middle East, and Africa.

So, far from accepting this, it's just the reality. We invite and have I think launched a dialogue with our European partners so that we're together tackling this type of challenge because, once again, we're just better off if we're doing it together with our strong and democratic European partners.

You asked about Secretary Clinton's comments on the Balkans and NATO enlargement at the NATO summit in Chicago. The Secretary vigorously endorsed the historic U.S. support for NATO's Open Door [Policy]. We have long believed that NATO is stronger when its door is open to countries that can contribute to security, that are democratic. We think that the very prospect of keeping NATO's door open leads them to undertake reforms that are in their interest and collective interest. As countries join NATO, NATO gets stronger.

I've already described the degree which we're working with all of the NATO allies and partners in Afghanistan, Libya, and elsewhere. And, so, she vigorously made the case, remade the case that we should work with those countries. You named three of the four formal aspirants are in the Balkans, and we mean what we say; we're committed to working with them, strengthening their candidacies, and we do hope as soon as they're ready that the alliance is ready to take them in and it's a historic project when I mention that Europe won't be complete until the Balkans are part of these Euro Atlantic institutions. That's a sincere objective of ours, and we're doing all we can to promote it.

You mentioned Mr. Nikolic's election in Serbia, which was just a couple of days ago, and we're still analyzing the implications of that, but there, too, it doesn't change our approach to the Balkans or Serbia. We want to see Serbia pursue the European path and we believe that requires coming to terms with Kosovo, and we're going to continue to support the dialogue between those two countries.

MR. VAISSE: Thanks. We need to move to the other panel. Please join me in thanking for this great discussion we had. It's been great just out of the Chicago summit to join us. So, thank you again, Phil.

What we're going to do is we're going to move seamlessly to the next panel. So, if you want to take a one or two-minute pause, we'll start the next panel in just one or two minutes, and I call on John Peet, Sylvie Kauffman, and Martin Klingst to join me here. Thanks.

(Recess)