



STEVE McAFEE

EUROPE, at Century's End

The Challenge Ahead

BY RICHARD N. HAASS

The year 1999 marks the end of the first decade of the post-Cold War world. For Europe, a region central to the Cold War—where it both began and ended—1999 is also proving to be a year of historic import, the most important on the continent since 1989, when the wall came down and Europe’s division came to an abrupt and for the most part unanticipated end.

This claim can be justified by pointing to many events and trends, including the fitful progress toward reconciliation in Northern Ireland and Germany’s emergence as a more “normal” country, one able to use military force beyond its borders as part of a nondefensive NATO action. Still, four developments in 1999 stand out: European Monetary Union and the launch of the euro; the entry of Poland, Hungary, and the Czech Republic into NATO and the articulation of a new strategic concept for the Alliance as it passed the half-century mark; the continuing deterioration of conditions within Russia and in U.S.-Russian relations; and the Kosovo conflict, the largest military clash on the continent since the Second World War.

Richard N. Haass, vice president and director of the Brookings Foreign Policy Studies program, is the author of The Reluctant Sheriff: The United States after the Cold War (Brookings, 1997) and editor of Transatlantic Tensions: The United States, Europe, and Problem States (Brookings, 1999).

Bearish on Russia

Russia is in many ways the most vexing, significant, and unexpected problem to cloud Europe's horizon. Russian weakness is proving a more complex challenge to Europe and the United States than did Soviet strength. The stakes are great, not so much in the economic sphere, where the actual or potential global impact is limited given Russia's small and increasingly barter-driven economy, but rather strategically, given Russia's ability to influence events in Europe through its political and military power and its nuclear arsenal.

But Russia's economic situation has grave strategic implications. An economically weak Russia is much more likely to pose a strategic threat, be it through arms sales to problem countries, authorized (or unauthorized) provision of technology to the unconventional weapons programs of so-called rogue states, a greater reliance on nuclear weapons to offset a growing inferiority in conventional arms, and, most worrisome, a loss of control over its own nuclear arsenal.

There is no single answer to the challenge posed by a weak Russia. It is, however, possible to rule out some alleged answers that are clearly misguided, including neglect. Russia needs help from the outside, but only on a conditional basis. Conditionality is necessary if economic assistance is to gain the required political support within donor societies and if funds are to do anything more than enrich corrupt individuals within Russia. Among the other lessons of the past few years is that market economic reform cannot occur (much less be sustained) in a vacuum if it is to be something other than crony capitalism; basic infrastructure improvements—property rights, securi-

ties regulation, generally accepted accounting practices, bankruptcy proceedings, and so on—are essential.

All this will take time, though, something that does not square with the urgent challenges posed by Russia's enormous but unsafe nuclear arsenal. Bruce Blair and Clifford Gaddy suggest a range of measures, from the relatively modest—a U.S.-Russian accord to reduce the alert status of their weapons to lessen the chance of crisis instability, a cut in the number of deployed strategic nuclear systems to well below START II levels—to the ambitious, including a

grand bargain in which the United States and Europe would buy much of the Russian nuclear stockpile. The latter would be costly, but so would the alternatives—modernizing U.S. nuclear forces or building large defensive systems to protect against a Russian attack. Moreover, trading bombs for dollars would improve American and European security and bolster Russia's economy. Such thinking may be too “outside the box” for many, but it is hard to see where staying the course—and seeing conditions within Russia or in U.S.-Russian relations continue to worsen—would



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ICELAND

Norwegian Sea

Membership in Alliances

NATO AND EMU

EMU ONLY

NATO ONLY

NEITHER



SWEDEN

FINLAND

NORWAY

Gulf of Bothnia

North Sea

Baltic Sea

ESTONIA

LATVIA

IRELAND

LITHUANIA

UNITED KINGDOM

DENMARK

BELARUS

English Channel

BELGIUM

GERMANY

POLAND

NETHERLANDS

LUXEMBOURG

CZECH REPUBLIC

SLOVAKIA

Bay of Biscay

FRANCE

SWITZERLAND

AUSTRIA

HUNGARY

MOLDOVA

ROMANIA

PORTUGAL

SPAIN

SWITZERLAND

SLOVENIA

HUNGARY

BULGARIA

ITALY

Adriatic Sea

CROATIA

BOSNIA

Serbia

YUGOSLAVIA

Montenegro

MACEDONIA

ALBANIA

GREECE

Aegean Sea

Tyrrhenian Sea

Ionian Sea

Mediterranean Sea



serve any American or European interest.

Working out a constructive relationship with Russia over the past decade has been complicated by differences over how best to promote peace and security throughout Europe. Until 1999, much of the disagreement centered on Western plans to enlarge NATO by offering membership to former members of the Warsaw Pact, among others.

These differences caused strains but not a breach in relations with Russia, as evidenced by Russian willingness to sign an agreement—the so-called Founding Act—that institutionalized NATO-Russian consultations. Russia’s participation in the Bosnia peacekeeping effort was another sign that it was prepared to contribute to European security despite its unhappiness over NATO’s growth.

Whether such a restrained “agreement to disagree” can continue if NATO enlargement proceeds is less

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clear. Bringing Russia into NATO at some point is an option, but one that would require the emergence of a very different Russia—and result in the emergence of a very different NATO. But regardless of whether Russia ever formally joins NATO, James Goodby is correct when he argues that European security will benefit directly and dramatically from a Russia that is democratic, prosperous, and stable—and not alienated from the United States and the countries of Western Europe. Avoiding such alienation, Goodby suggests, will require sensitivity and compromise on both sides: the West will have to keep Russian concerns in mind as it uses force in Europe and proceeds with NATO enlargement; Russia for its part must work with the United States and Europe in combating the proliferation of weapons of mass destruction, terrorism, and threats to innocent peoples from their governments. The only thing that is certain is that making Europe “whole and free”—not to mention peaceful and prosperous—promises to be a long-term, difficult proposition.

For the immediate future, James Goldgeier puts forward the logical and, to many, persuasive argument that it makes no sense to stop NATO enlargement now. To do so would only redraw the line dividing Europe and deny the

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advantages of NATO membership to other deserving states. But further enlargement is hardly problem free. Beyond its economic costs and the risk that it would further complicate Alliance decisionmaking is the risk that adding Baltic states to the Alliance could trigger a crisis with Russia—and within Russia.

Alas, one need not wait for a decision on NATO enlargement to set off a crisis with Russia; the war in Kosovo has done that. Russians are unhappy and angry over the attacks on their fellow Slavs. That these attacks were carried out without UN Security Council authorization and by an enlarged NATO from which they are thus far excluded makes matters that much

of a unified Germany, and uncertainty over how Russia will evolve—but that a continued focus on defending against a nonexistent threat is not enough.

The principal alternative mission for NATO, as set forth by Ivo Daalder, is to broaden its mandate from combating external threats to countries within the treaty area to promoting peace and security throughout all of Europe. The change could come about in two ways: through continued enlargement and through taking on the sorts of challenges that developed in Bosnia and Kosovo.

When leaders of NATO's 19 member states convened in Washington last April, they agreed to such a new strategic concept. That they did so amidst the war in Kosovo, however, highlighted the gap

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worse. The Russian reaction is both deep and wide, reflecting widespread frustration in that country over its reduced circumstances at home and its reduced status abroad.

The war in Kosovo is also a crisis for NATO. For the 40 years of the Cold War, NATO unity was forged around a common threat; under Article 5 of the NATO treaty, Alliance members pledged to defend one another against external attack. With the demise of the Soviet Union and the end of the Cold War, many analysts and politicians believe that NATO must evolve or risk fading away. They argue that NATO remains valuable—especially in keeping the United States involved in Europe's security, given the limits on what Europeans are able and willing to do in the defense realm, the potential primacy

between rhetoric and reality. It is one thing to talk about meeting challenges to European peace, quite another to do it. The risk for NATO is that the experience of Kosovo will jeopardize the Alliance's cohesion just at a time it is seeking to define a new purpose.

Economic Europe

Few if any observers predicted at the outset of 1999 that NATO would be the European or transatlantic institution that would most come under strain during the year. The European Union (EU) was the more obvious candidate. Indeed, the year began with the launch of the 11-member European Monetary Union and its common currency, the euro. This is the latest and one of the most important of the many steps Europe has taken toward integration



over the past half century—and, as Robert Solomon points out, the first time since the fall of the Roman Empire that much of Western Europe has had a single currency.

Creation of the euro effectively brings about a single European financial market, which should facilitate economic activity and, with it, growth. Still, the euro is not without its skeptics. Many question whether member governments can and will maintain the necessary fiscal discipline if they are faced with high unemployment or recession. The euro and EMU are the products of a continent that is increasingly controlled collectively in the economic sphere—while governments and politicians are still mostly elected in national and local contexts. Whether this tension can be managed remains to be seen.

On the American side of the Atlantic, there are those who doubt whether the euro is good for the United States. Some fear it will make Europe more of a closed market or weaken the role and value of the dollar. Others predict it will lead to greater European political and military unity—and greater independence from the United States. Elizabeth Pond takes a relatively sanguine view of these possibilities—but points out that the euro is likely to promote economic reform within Europe and make Europe more like America, benefiting some American investors and exporters but posing severe hardships for others who lose out to new competitors. As the U.S.-European skirmish over bananas indicates, trade frictions and protectionist pressures are never less than dormant and can surface with a vengeance, bearing adverse consequences for transatlantic political and economic relations.

In trade as in other matters, it is obvious that the United States and Europe, though drawn together in many ways, do not always or automatically see eye to eye. One specific disagreement involves Turkey, a country the EU has kept at arm's length for a host of reasons,

including dissatisfaction with Turkey's handling of its Kurdish problem and human rights more generally, tensions between Turkey and EU member Greece, and concern that Turkish entry into the EU could have adverse consequences for agricultural policy and labor markets. The United States has for the most part taken a more sympathetic approach to Turkey, a country viewed as vital not only for its contributions to European security but also for its links to the greater Middle East. As Heinz Kramer explains, bridging these transatlantic differences will require new flexibility in European thinking—and internal reform in Turkey itself, something that its domestic politics threaten to make more not less difficult.

The Way Ahead

The challenges facing Europe in 1999 and beyond are enormous. Indeed, the agenda could hardly be more crowded or daunting: Kosovo and the broader problem of bringing stability to the former Yugoslavia; ensuring the success of EMU; enlarging and deepening both the EU and NATO; and promoting Russian democracy, economic revival, and integration with the rest of the continent.

Many of these challenges are as much transatlantic as European in nature and will require close collaboration between the United States and Europe—whether as individual states, within NATO, within the EU, or within some other forum. Consultations using all these frameworks will remain essential—and would be more useful if Europe begins to speak with one voice on matters of security. Also useful would be a transatlantic commitment to open trade, to meet the norms and adhere to the decisions of the World Trade Organization; trade can be a source of prosperity or discord but not both.

But consultation and even compromise will not be sufficient. For the transatlantic tie to work and for Europe to prosper, Europeans must be prepared to assume a greater share of the burden

of action, especially in the military domain. They must be ready not just to spend somewhat more on their military capacity, but to spend it on forces that are relevant for the post-Cold War world rather than its predecessor. Europeans will need, too, to resist the temptation to oppose American leadership simply out of resentment.

At the same time, the United States will have to accept that a greater European willingness and capacity to share the burdens of European and global security will translate into enhanced European influence, especially if Europe is prepared to act politically and militarily under EU rather than NATO auspices. The United States cannot have it both ways, urging that Europe do more, but do America's bidding and no more. In addition, the United States will need to curb its enthusiasm for economic sanctions in general and for secondary sanctions—those imposed on countries (often European) who do not support U.S. sanctions against such countries as Iran, Libya, or Cuba—in particular.

But whatever the specific changes and compromises, it is critical that the two sides get it right. Europe and the United States remain essential to one another. It is not simply a matter of economics, although transatlantic trade and investment count for a lot. Nor is it simply a shared interest in Europe's stability, although this too obviously matters a great deal to both Europeans and Americans. Rather, it is that both Americans and Europeans have a major stake in what sort of a world emerges in the aftermath of the Cold War. Their ability to help bring about a world to their liking—one that promotes their common interests and values alike—depends on their ability to agree on a set of common priorities and work together on their behalf. Transatlantic cooperation proved central to the successful outcome of the Cold War; continued partnership is likely to prove no less central to the course of 1999 and the years that follow. ■