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# Europe: Transfigured or Transfixed?

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Robert S. Wood

**T**HE POLITICAL COLLAPSE of Europe at the conclusion of World War II and the rise of dominance of the United States and the Soviet Union curbed two fundamental and contradictory trends in European history: the tendency toward a secular unity of Europe and the tribal divisions of Europe. During the Cold War, the continent was divided between two contending and counterbalanced alliances with two divergent political-economic systems—forestalling any possibility of a united Europe. But the sense of mutual threat and suspicion between the two aggregations, led by their respective superpowers, also controlled the tribal hostilities—ethnic, linguistic, national, religious—found on both sides of the Cold War divide.

With the collapse of the Soviet East European empire and finally the disintegration of the U.S.S.R. itself, the issue of trans-European unity reemerges, but so too does virulent tribalism. At the same time, however, political stability, economic prosperity, and a cultural renaissance in Western Europe, coupled with the political-economic ties of the European Community, signal the political recovery of Europe—no longer a stage upon which the Cold War unfolded nor a stake in the superpower competition, but an independent force in world affairs. Central to any assessment of the new international environment, therefore, must be an appraisal of the nature of the new Europe, its promises, and its dangers.

To put in perspective the issues of contemporary Europe, it may be useful to make some sweeping historical generalizations and philosophical simplicities and to do so in terms of four general questions:

- What is Europe?
- What are the conditions of citizenship in Europe?
- What are the conditions of wealth in Europe?
- What are the conditions of security in Europe?

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## What Is Europe?

Bismarck, in 1876, declared Europe to be but a “geographical notion.” Winston Churchill, when asked in 1947 whether or not Europe was, properly speaking, even a continent, answered: “At school we learned from the maps hung on the wall, and the advice of our teachers, that there is a continent called Europe.” Definitions of the physical bounds of Europe are, however, fluid, and the character of the peoples is diverse. If there is something called European, it is probably determined, therefore, by a certain cultural legacy, the three most salient elements of which are Greek, Roman, and Christian.

Aside from the various substantive aspects of Greek philosophy, of Roman law and institutions, and of the Christian faith that have passed into the cultural life of the various European peoples, there is a particular way of thinking that is common to all three traditions. Although historical *practice* was more complicated, in *theory*, reason, law, and faith transcend—in some sense—history and culture and concern most directly the individual. For the Greek, the good, the true, and the beautiful are ultimately not matters of personal taste or group determination but are objective realities discoverable by the independent exercise of reason. For the Roman, civic rights and duties are not determined by group particularities, individual eccentricities, or personal power, but transcend all of these to define a common citizenship—and hence the powerful meaning that was carried by the assertion, *civis Romanus sum* (I am a Roman citizen). For the Christian, the community of faith is ultimately determined by individual conversion, not tradition: it is always the individual that sins, covenants, repents, and is redeemed. Taken together, therefore, these three traditions gave rise to a European identity that is neither geographical nor ethnic but transcends both in the notion of a community of individuals bound together by transcultural truths, laws, and commitments.

Various events of European history both reinforced and challenged these ideas. The Renaissance and the Enlightenment reasserted the independent exercise of reason in pursuit of universal truths, a pursuit so eloquently echoed in the American Declaration of Independence. On the other hand, the split between the Western and Eastern Church, further deepened by the Ottoman conquest of the remnants of Byzantium, and the later Reformation split the institutional and dogmatic unity of Christianity. The long-term impact of these events, however, may have been to “privatize” religion, that is, to reduce its direct influence in law and politics, while asserting the free exercise of conscience and therefore of independent reason. As a result, there further developed the idea of a rule of law that minimized differences of religion, of culture, and of power. The development of these powerful ideas undergirds much of the modern impetus toward European unity.

## 22 Naval War College Review

If there are various intellectual threads that define a European identity, there are also powerful divisions—what may be called tribalism. The earlier divisions between the Eastern and the Western Church and the spread of Islam into southeastern and southwestern Europe tended to reinforce ethnic differences and geographical separation. Moreover, the great defining movements of modern European history—the Renaissance, the Reformation, and the Enlightenment—impacted differently on the various European communities, now articulated into states jealous of their sovereign prerogatives. And some states on the periphery were either untouched or barely touched by these forces—Russia in the east and the Iberian peninsula in the west, for instance. And finally in the nineteenth century there arose from the romantic idealization of differences the most integrative and disintegrative force of modern history, nationalism. The national groups within Europe were to be integrated at the expense both of dynastic unions and of the ideal of pan-Europeanism. These divisions were reinforced by twentieth century variations of state socialism, communism, and totalitarianism, ironically in view of their pretensions as transcultural ideologies. When personal ambition and state power combined with these sentiments, total war, rapacious colonialism, and genocide were the legacies.

The collapse of the European state system at the conclusion of the Second World War, to be replaced by the bipolarity of the Cold War, repressed, as noted earlier, both the divisiveness and the unity of European history. The end of the Cold War and the associated bifurcation of Europe makes relevant once again the question of whether the European identity will tend toward unity or be fractured by tribalism.

### What Are the Conditions of Citizenship in Europe?

Related to the question of European identity is the second issue of membership in the several states that constitute Europe. What are the conditions of citizenship in Europe? In simplified terms, the choice here is between tribalism and natural rights. Does one define the rights and duties of the citizen in terms of his ethnic, linguistic, or religious group or in terms of rights that are inherent in the individual *qua* individual? Is the government representative of an ethnic nation or of free individuals who have bound themselves to each other to uphold rights that are the universal and natural inheritance of mankind?

From Rousseau's complaint that men are born free but are everywhere in chains, to the claim of the 1789 French Declaration of the Rights of Man that men are "free and equal in rights," there was introduced into modern European history a consistent attempt to ground the legitimacy of the state on the notion of natural liberty and human rights preexistent to the decrees of government. Equally prevalent in European history has been the contrary claim that state legitimacy is founded on history, culture, and race—and the superiority of force

in the service of the tribe. As the national socialist philosopher, Ernst Kriek, asserted, the purity of blood is superior to the claim either of individual rights or of European civilization: "There has arisen . . . blood against formal reason; race against purposeful rationality; honor against profit; unity against individualistic disintegration; martial virtue against bourgeois security; the *volk* against the individual and the mass."

If anyone should think that the divergent claims concerning the nature of the citizen are but a chapter in European history, I would refer him to the bloodshed in Yugoslavia, the tensions in the Czech and Slovak Republic, the claims of the Basques in Spain, the political controversies in France and Germany. You could add to the list. The historical tug between cultural and transcultural definitions of membership in political communities continues and, in many respects, has found renewed life.

### What Are the Conditions of Wealth in Europe?

A third key issue in assessing the new Europe concerns the system by which wealth will be created and distributed. Again, in oversimplified terms, the choice is between free trade and statism. From Adam Smith in Scotland to the Physiocrats in France, there was by the eighteenth century a perception that private property and free interchange would not only be more productive of total wealth but would unify the diverse groups within the state through a single common market. Moreover, to the degree that the principle was extended across state boundaries, not only would the comparative advantages accorded to different producers yield more for less, but peoples would themselves be increasingly united in a transnational market. Contrary to this notion were various forms of statism—mercantilism, protectionism, state socialism, communism. Statist philosophies argued that competition, restricted only by health, safety, and moral considerations, would ultimately tend toward monopoly and would in any case be insufficiently attentive to the comparative weaknesses of various constituents against the better-situated both within and without the state.

Much of the history of twentieth-century Europe can be seen as an extended debate about these principles. After World War II, those states that fell under the sway of the Soviet Union rejected in principle and in practice private property and the free market. The states of Western Europe effectively adopted private property and the free market as the ground principles of their political economy while modifying the practice through forms of public ownership, regulation, redistributive fiscal policies, and protectionism—what came to be known as the welfare state. In the West European case, however, there was always a vigorous debate and political contest between the democratic socialists and Eurocommunists on the one side, and the more or less free-market parties on the other. Nonetheless, the contrast between eastern and western Europe,

could not be more apparent. The collapse of the Soviet Union and its empire has increased the attractiveness of capitalist ownership and the free market over state ownership and regulated markets—without fully resolving the debate.

The crucial point for European unity, however, is that the extension of substantially free market principles across European state boundaries, allowing the free flow of goods, services, people, and capital, is seen by many as further fostering what is called the functional integration of Europe. This process is at the foundation of the European Community, a western enterprise undertaken under the guidelines of the international General Agreement on Tariffs and Trade and with the support of the United States insofar as this Common Market did not increase the general level of protection vis-à-vis the outside world. The extension of this western market to the south and east of Europe is one of the central issues facing Europe today—one to which we will return in a moment. Before doing so, however, it is important to consider the problem of international security to which transnational economic integration is linked.

### What Are the Conditions of Security in Europe?

The fourth key issue facing contemporary Europe, then, is the definition and structure of continental security. The vocabulary of modern international politics is European in origin and in spirit: sovereignty, power politics, reason of state, and the balance of power.

Referring in the eighteenth century to the European state system, Frederick von Gentz, secretary general of the Congress of Vienna, remarked, "What is generally known as the balance of power is that constitution of neighboring and more or less connected states by means of which no one of them can damage another in its independence or essential rights without being restricted somewhere, and therefore endangering itself." But, as the great British parliamentarian, Edmund Burke, also noted, the system may have preserved some of the states—often after protracted danger and sacrifice—but it did so at the cost of peace. As he wrote, "The balance of power, the pride of modern policy and originally invented to preserve the general peace as well as freedom of Europe, has only preserved its liberty." The Europeans may have sought to lessen the anxieties and the cost of this system of watchful suspicion through consultation and concerts, formal and informal, but the system still periodically yielded limited and local wars and at last collapsed in general wars—two in this century. On nearly every occasion, the threat to the liberties of the several states and to the general peace came from within. On the two occasions in this century that general war exploded, the resolution of the conflicts required that the New World be brought in to redress the imbalance of the Old. And finally by 1945 the European-based international system collapsed and Europe itself was divided

between two hostile alliances headed by two powers whose European credentials were at least the subject of debate.

The North Atlantic Treaty Organization accomplished three central objectives: first, it transformed the episodic participation of the United States in the European balance of power into a constituent element thereof; second, it established a coalition of states whose political, economic, and military cooperation deterred any Soviet military attack and limited the latter's political influence; third, it provided a security framework that moderated the historical mistrusts of the member states while providing them time, opportunity, and resources to develop new or renewed forms of political and economic cooperation. The distant and relatively benign character of American leadership made the relationships that were developed organic rather than coercive in nature.

The Warsaw Pact was based on the forced suppression of political dissent within the states of Eastern Europe and complete subordination to the Soviet high command. The adoption of command economies within each of the states reduced economic integration to government-negotiated transfers and Soviet subsidies of energy markets and inefficient industries. The system was, unlike the Western European arrangement, coercive rather than organic. Once the spiritual and physical walls began to collapse, it was no wonder that the Pact disappeared as the morning dew.

With the disintegration of the Warsaw Pact and the transformation of the conditions that gave rise to Nato, what are the security issues facing the Europeans? I would signal three: first, the organizational form of security that will be followed by the European members of Nato; second, the security relationship that will prevail between Europe and North America, particularly the United States; and third, the question of whether the security arrangements in the West will be extended East, or supplementary or alternative arrangements will be developed.

***The Organizational Form of European Security.*** The security of Western Europe since World War II has been based on collective defense—a coalition in which forces have been permanently assigned to the common defense and in which those forces have been coordinated by standing consultative committees and unified command structures. Except for those of the Federal Republic of Germany, all of the armed forces of the member states have retained their strictly national character and remained subject to independent constitutional controls. The United States has played the role of coalition leader and, as such, transformed the issue of security from a strictly continental concern to a transatlantic one—a natural consequence of two world wars. In a word, Nato is an alliance, with some integrative attributes and some restrictions on the erstwhile German enemy. As such, it, as well as the Warsaw Pact, is very much part of the ancient European balance of power system.

Some Europeans, notably the French and the Germans, now support the development of a distinctly European defense as an element of the common foreign and security policies of the European Community. In effect, they are proposing a federative defense system rather than, or in addition to, the more loosely integrated North Atlantic Treaty Organization. Such an evolution would accord with the heightened commitment to a supranational Europe. It might be well at this point, therefore, to address the theoretical foundations of a European Common Market transfigured into a genuine political European Community.

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As noted earlier, the adoption by the states of Western Europe of a common market in goods, services, people, and capital, accompanied by a common external economic policy and a common agricultural policy, was seen as not only productive of economic growth but of increasing socio-political unity. It was believed that intensive cooperation among social and economic groups across national boundaries would render the traditional antagonisms and questions of political power and influence less salient. This is sometimes referred to as the functional theory of political integration. However, it was also believed by the founders of the European Common Market that unless there were formal legal norms and political institutions established to bind the member states together, the stresses of different rates of economic growth and the demands of domestic political constituencies could eventually rupture the union. This emphasis on the development of supranational political and legal structures is called neo-functionalism. Free trade and other unrestricted transnational flows are not enough, the neo-functionalists argued, in this age of the modern welfare state. Since national governments have their hand into almost everything, economic integration will endure and be transformed into political union only if central political structures with real supranational authority are created. Such authority, albeit limited, will cumulatively expand. The ultimate object, therefore, is some form of federation—whether akin to the American Articles of Confederation or to the American Constitution left to the dynamics of history.

This common market, initially of the six states of France, Germany, Italy, and the Benelux, progressively expanded to twelve states and increasingly focused on broader political, diplomatic, and security issues. At the December 1991 meeting of the European Community Heads of State and Government in Maastricht, the Netherlands, the final communique provided that the European Community's common foreign and security policy "shall include all questions



related to the security of the European Union, including the eventual framing of a common defense policy, which might in time lead to common defense."

The qualitative change from an economic to a more integrated political union signaled by the Maastricht accord became clear to many otherwise inattentive Europeans and elicited a dramatic response in the ratification vote in Denmark. By a narrow margin and against the combined advice of virtually the entire political, intellectual, and industrial elite, the Danish voter rejected on 2 June 1992 the proposed treaty. Since the implementation of the accord required unanimity on the part of the twelve member states, the whole process toward greater political and monetary union was thrown into disarray. Whether the vote will be reversed or the other member states will move ahead without Denmark, or other electorates will imitate the Danes' example, this is one more evidence that concerns for one's national independence and national character remain, even in the most integrated part of Europe.

Despite this immediate contretemps, it is perfectly consistent with the evolution toward greater unity symbolized by Maastricht that the French government (not always supportive of this logic) and the German government have argued that the Community should now be completed by a common defense structure. They have proposed that the Western European Union (WEU), which includes all the members of the European Community save Denmark and Ireland, become "an integral part of the process of European union." As an initial step in the development of an independent European security force, they propose forming a joint army unit of at least 50,000 troops. As to the relation between this defense arrangement and Nato, the French have often argued that WEU would become a "European pillar" of Nato.

By contrast, the British and the Italians, while accepting the Western European Union as the basis for a European "defense identity," have argued that the WEU should remain institutionally distinct and separate from the European Community and should concentrate on the development of "rapid reaction forces" that might be used outside the Nato treaty area. This approach is influenced by the belief that a key element of the assumptions upon which Nato was built remains valid—that is, the need for the United States to be a constituent element of the European balance of power so as to contain the historical divisions among the member states and to ensure that any would-be continental hegemon would realize that it could not adequately limit the costs and dangers of its ambitions. This debate goes to the heart of the second security issue facing the Europeans:

***The Security Relationship that Will Prevail between the United States and Europe.*** Theoretically, even if it is considered desirable to maintain a transatlantic security link, there is no reason why the Organization cannot be removed from the North Atlantic Treaty and the forward presence removed or reduced to

## 28 Naval War College Review

symbolic dimensions. The result would be a far more traditional and looser treaty arrangement—a promissory note with no fixed earnest of payment. In practical terms, given the dynamics of both European and American politics, this would probably convert the U.S. role in Europe back toward an ad hoc rather than a constitutive role.

Given the suspicions still prevalent among the European members of Nato and the uncertainties in the evolution of power in Eastern Europe, it is not clear that the Europeans, east or west, would welcome this degree of American detachment. On the U.S. side, Americans might well be wary of the diplomatic alignments and power transitions that might unfold in Europe and that could implicate once again the United States in the affairs of the continent at a time and place and under circumstances less than favorable to U.S. interests. Moreover, it is not only the formal commitments that bind but also the habits of collaboration and the demonstration of capabilities. As the Nato Secretary-General, Manfred Woerner, recently remarked: "A collective security organization [by which he meant a collective defense arrangement] cannot be based solely on political commitments and legal procedures. It must be based on common values, the practice of very close cooperation and, above all, on a demonstrable capacity to uphold the security of all its members, even in the most difficult circumstances. By this yardstick, the only collective security system in Europe both today and tomorrow is Nato."

I noted that Secretary-General Woerner was speaking not of a genuine collective security system (which has not been the specified role of Nato), but of a collective defense system, that is, an alliance aimed at containing or fighting a common threat. Technically, a collective security system posits no threat but states a condition of political independence, territorial integrity, and peaceful change to which the member states commit to maintain and to restrain any unspecified threat to those conditions that might arise. Given the fact that Nato, despite its formal commitments, has always acted as a restraint on the member states and thus as a mutual reassurance, and given the fact that both the erstwhile members of the Warsaw Pact and of Nato have declared each other no longer enemies, it is possible to see Nato as evolving toward a genuine collective security organization. Perhaps the Nato Secretary-General *did* intend to designate Nato as such an organization!

However one wishes to state the issue, if the security of Europe is favored by visible U.S. engagement, then the preservation of Nato, with its consultative mechanisms, integrative military structures, and forward presence, may still be a viable option in the post-Cold War era. If the Europeans develop a distinctly European pillar, can such an arrangement be made compatible with a continuing U.S. presence, however reduced, and with the evolution of the European Community toward a greater federative character? The answer at the theoretical level is, certainly yes, but the response will come at the political level. If the

European Community, whatever its final membership, and the United States remain open and contributive to a liberal international economic order, that is, a non-protectionist one, and if European and American interests are defined in collaborative terms, then a tiered system of defense cooperation in the Community, in the broader continental arena, and in the transatlantic forum is possible. State-sponsored "economic terrorism" and regional mercantilism, on the other hand, will doom all such efforts.

***Will Western European Security Be Extended to Eastern Europe?*** The mutual declaration of the erstwhile adversaries that the Cold War is over raised the third security issue facing the Europeans—will the security arrangements developed in the West be extended to the East or will other security associations be developed?

Today all the states of Europe plus Canada and the United States are joined together in but one European political-security arrangement, the Conference on Security and Cooperation in Europe (CSCE). The conference that originally convened in Helsinki in July 1973 was premised on the relative stability of the political arrangements in Europe, east and west, and was aimed at moderating the divide by reducing tensions, expanding east-west human and material transactions, and improving respect for human rights. The Final Act of August 1975 reflected the hopeful, but conservative, assumptions of the initial meeting, effectively recognizing the political and territorial arrangements that emerged from World War II but extending East-West détente and affirming standards of human dignity. The conferences that followed in the subsequent years focused on the problems of implementations and the gaps in compliance.

When the Conference convened in November 1990, however, seven weeks after the unification of Germany, the political structure of Europe was being radically transformed, and the Charter of Paris signed by the thirty-four participants defined a far more ambitious agenda—beyond détente and even entente. There was much talk about the CSCE becoming the focal point for a European-wide collective security organization.

Until November 1990, the CSCE was but a periodic conference in which the representatives of the member states discussed compliance with the commitments undertaken at Helsinki—and often became a propaganda forum in the Cold War contest. At the Paris Summit, however, the leaders of the CSCE states agreed to create a number of permanent institutions: a Secretariat in Prague, a Conflict Prevention Center in Vienna, and an Office of Free Elections in Warsaw. They further agreed to hold annually a Council of Foreign Ministers and a Parliamentary Assembly. They also provided for an *ad hoc* Committee of Senior Officials. A central element of the Charter of Paris for a new Europe was the area of security. The Charter reaffirmed the achievement of the Treaty on Conventional Armed Forces in Europe and the Negotiations on Confidence

and Security-Building Measures. It states that: "The changing political and military environment in Europe opens new possibilities for common efforts in the field of military security. . . . Following a period for national preparation, we look forward to a more structured co-operation among all participating States on security matters. . . ."

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***"It may yet be one of the great tragedies of history that as the Cold War ended the protagonists were unable to transform Europe into a definitive zone of peace and make it a central pivot in an open world economy."***

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Bound by rules of unanimity and having no habit or established machinery of cooperation, the CSCE has made a largely ineffectual attempt to resolve the Yugoslavian civil war. While the fifty-two member states agreed in May 1992 to consider in principle broader roles in assuring and guaranteeing peace in Europe, the Russian government refused to join in an otherwise unanimous vote to condemn Yugoslavia, now consisting of Serbia and Montenegro, and to suspend that state's membership in the conference until such time as it ended its assault on Bosnia and Hercegovina. Although the Russian government, amid much criticism from Russian nationalists, did later reverse itself and vote for sanctions in the UN Security Council, the CSCE itself continues to play little effective role in ending the ongoing civil strife in Yugoslavia. Nonetheless, there are attempts, however feeble thus far, to strengthen the security role of this inclusive organization. The observation of Nato Secretary-General Woerner, however, still appears to hold true: Nato provides the only truly functioning security system in Europe and is committed since May 1992 to consider peacekeeping roles outside the treaty-defined area. It is conceivable that Nato could be called upon to act as an agent for a peacekeeping operation mandated by the CSCE.

Ironically, a number of East European leaders have explored the possibility of Nato membership and even Yeltsin has spoken of Russian membership. It should be clear why such an arrangement might be appealing to those states, for it provides a framework both for effective U.S. involvement in European affairs and for a controlled German resurgence. It should be equally clear why there may be some reluctance on the part of even those in the West who hope that Nato will be maintained: first, there is a desire to retain a clearly Western capacity that could be expanded to meet a renewed Eastern challenge, and there appears to be little public support either in the United States or Western Europe for increased formal security commitments. In the event, what the Nato leaders did at the November 1991 Heads of State and Government meeting was to establish a formalized relation between the Nato member-states and the former Communist states of Central and Eastern Europe, without directly incor-

porating them into Nato. The new arrangement is called the North Atlantic Cooperation Council (NACC) and the initial invitation to join was extended to Czechoslovakia, Poland, Hungary, Bulgaria, the Baltic states, and Romania; it was later extended to include the ten members of the Commonwealth of Independent States (CIS) who succeeded the Soviet Union, whose demise came during the December meeting of the NACC. It is intended that these states participate in some form in the annual ministerial meetings of the North Atlantic Council and that periodic meetings at the ambassadorial level take place as circumstances might warrant. It should be noted, however, that for the moment, like the CSCE, this new organization is more a series of conferences and consultations than formal mechanisms for collective security. But, of course, this is a long way from the Cold War!

### Europe: Transfigured or Transfixed?

In addition to those institutions and arrangements which are directly connected to security matters, a number of other transcontinental links are developing that, in terms of shaping the general security environment of Europe, could be even more significant. In the political realm, Czechoslovakia, Hungary, and Poland are now members of the Council of Europe, and the Baltic states and Bulgaria have made application for membership. This association of democratic, parliamentary regimes may provide some technical assistance and legitimization in the process of the transition of those Eastern states to democratic and open societies. Perhaps more critical are the political-economic connections that are being forged.

On 28 April 1992, Russia and the other former Soviet republics were admitted to the International Monetary Fund and the World Bank. The Eastern European members of the former Warsaw Pact and Council of Mutual Economic Assistance (COMECON) had previously joined. Moreover, Czechoslovakia, Hungary, and Poland had also achieved Associate status in the European Community. In addition to these Communist states, Austria and Sweden had submitted applications for membership in the EC, and Norway, Finland, and Switzerland seemed ready to make application for membership as well.

Finally, the seven members of the European Free Trade Association (EFTA) had already signed a treaty in October 1991 with the twelve members of the European Community to form a vast common market, the European Economic Area (EEA). By January 1993 the EFTA states are committed to alter their national laws so as to apply EC rules on the free movement of goods, services, capital, people, and to adopt EC competition policies. In view of the fact that two EFTA states have already applied for EC membership and three appear poised to do so, leaving only Iceland and Liechtenstein, there will be not only

a broader common market but an extension of the European Community itself. EFTA has also recently signed economic cooperation accords with the Baltic states, Bulgaria, and Romania. At least in terms of associations and agreements, not only the Cold War divide but the division between the two Western European economic groupings are eroding and all the European states, east and west, are joining the Western economic associations developed at the conclusion of World War II.

Several crucial events have thus transformed the European security environment: the collapse of the Warsaw Pact and the demise of the Soviet Union, the ongoing transformation of the regimes of the former Communist states, and the forging of cooperative political and economic links among all the states of Europe as well as with the principal, global political-economic associations. As previously noted, however, the opening up of Europe as a whole has also opened up ethnic and national animosities. Furthermore, the complex political-economic problems facing the states of Europe, now less insulated from each other, may actually further stir up the embers of these ancient antagonisms.

Previous to an April 1992 meeting of the finance ministers of the leading industrial nations (the Group of Seven), whose policies and economic circumstances will be the most decisive external influence on the development in Eastern Europe, U.S. Secretary of the Treasury Nicholas F. Brady argued that economic slowdown in the West would make it very difficult for the former Soviet republics, as well as the other states of Eastern Europe, to make the transition to free economies and stable democracies. Aside from the aid that this group would agree to extend to those states, there was an urgent need for the West and Japan to exhibit sustained growth if the Eastern states are to develop their exports, find investment, and generate hard currency. Unfortunately, it is precisely these conditions that are absent.

Saddled with the enormous costs of rebuilding eastern Germany, Bonn is suffering severe budget deficits, and consequently the Bundesbank has raised short-term interest rates. As the currencies of the other European Community nations are tied together within the European Monetary System, the other states feel compelled to raise their interest rates as well in order to prevent the depreciation of their currencies against the mark. And there are a host of other economic forces within the other Western European countries that, joined with the difficulties in Germany, have caused a general economic sluggishness. The plunge in Japan's stock market and its declining asset values, as well as the weak economic recovery in the United States, thus combine with the slowing of growth in Western Europe to reduce the ability of the West to respond as vigorously to the changes now occurring in the East.

Another issue that is exacerbating cooperation and limiting governments' ability to resolve public policy problems within the widest possible framework is migration. Precisely because of the differential rates of economic growth and

of different levels of political stability, waves of immigrants, not only from Eastern and Central Europe but from North Africa, are stimulating xenophobic and nationalistic outbursts that are being increasingly reflected in voting patterns. As long as inflation and unemployment are low, these are pressures that can be contained, but the current economic travail is working in the opposite direction.

It may yet be one of the great tragedies of history that as the Cold War ended the protagonists were unable to transform Europe into a definitive zone of peace and make it a central pivot in an open world economy. Rather than a transfiguration in which the elements of unity predominate, Europe would remain transfixed in its tribal history.

This gloomy scenario is not inevitable, but, if the political leadership of Europe, Japan, and the United States do not clearly develop policies that will promise economic growth and democratic development within a cooperative framework and avoid what John Kenneth Galbraith has called the short-term "politics of contentment," they will surely arrive at where they are going! This period is as crucial a moment as those years immediately after World War II. In virtually every country of the post-World War II Western coalition, there are voices being raised for greater attention to domestic ills. It would be an act of historical blindness if the peoples and leaders of these countries do not realize that their domestic ills—and opportunities—are intimately tied to the general shape of the international political-economic order. Developments in Europe are central once again to the emerging order.

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In an age of religious fervour the most artful statesmen are observed to feel some part of the enthusiasm which they inspire; and the most orthodox saints assume the dangerous privilege of defending the cause of truth by the arms of deceit and falsehood.

Edward Gibbon  
*The Decline and Fall of the Roman Empire*