

REPORT DOCUMENTATION PAGE

Form Approved
 OMB No. 0704-0188

1a. REPORT SECURITY CLASSIFICATION UNCLASSIFIED		1b. RESTRICTIVE MARKINGS	
2a. SECURITY CLASSIFICATION AUTHORITY		3. DISTRIBUTION / AVAILABILITY OF REPORT Approved for public release; distribution is unlimited.	
2b. DECLASSIFICATION / DOWNGRADING SCHEDULE		4. PERFORMING ORGANIZATION REPORT NUMBER(S)	
6a. NAME OF PERFORMING ORGANIZATION US Army War College		6b. OFFICE SYMBOL (If applicable) AWCA	7a. NAME OF MONITORING ORGANIZATION
6c. ADDRESS (City, State, and ZIP Code) Carlisle Barracks, PA 17013-5002		7b. ADDRESS (City, State, and ZIP Code)	
8a. NAME OF FUNDING / SPONSORING ORGANIZATION		8b. OFFICE SYMBOL (If applicable)	9. PROCUREMENT INSTRUMENT IDENTIFICATION NUMBER
8c. ADDRESS (City, State, and ZIP Code)		10. SOURCE OF FUNDING NUMBERS	
		PROGRAM ELEMENT NO.	PROJECT NO.
		TASK NO.	WORK UNIT ACCESSION NO.
11. TITLE (Include Security Classification) Europe - Challenges for the 1990's			
12. PERSONAL AUTHOR(S) Elder, William J., LTC			
13a. TYPE OF REPORT Study Project	13b. TIME COVERED FROM _____ TO _____	14. DATE OF REPORT (Year, Month, Day) 1991 February 12	15. PAGE COUNT 14
16. SUPPLEMENTARY NOTATION			
17. COSATI CODES		18. SUBJECT TERMS (Continue on reverse if necessary and identify by block number)	
FIELD	GROUP	SUB-GROUP	
19. ABSTRACT (Continue on reverse if necessary and identify by block number)			
<p>The changing role and shape of Europe will provide many new challenges to the United States into the 1990's. This study briefly defines four key developments in Europe that will affect United States' policies. They are the reunification of Germany, the democratization of Eastern Europe, arms control, and the economic merger of twelve European nations in 1992. Within the context of these developments, this study concludes that the United States must become acutely aware of Europe's growing role in international relations and adjust its policies in a new multi-polar world community to reflect these changes.</p>			
20. DISTRIBUTION / AVAILABILITY OF ABSTRACT <input type="checkbox"/> UNCLASSIFIED/UNLIMITED <input checked="" type="checkbox"/> SAME AS RPT <input type="checkbox"/> DTIC USERS		21. ABSTRACT SECURITY CLASSIFICATION UNCLASSIFIED	
22a. NAME OF RESPONSIBLE INDIVIDUAL MARTIN W. ANDRESEN, LTC, FA		22b. TELEPHONE (Include Area Code) (717) 245-4114	22c. OFFICE SYMBOL USAMHI



Accession For	
NTIS GRA&I	<input checked="" type="checkbox"/>
DTIC TAB	<input type="checkbox"/>
Unannounced	<input type="checkbox"/>
Justification	
By _____	
Distribution/	
Availability Codes	
Dist	Avail and/or Special
A-1	

USAWC MILITARY STUDIES PROGRAM PAPER

The views expressed in this paper are those of the author and do not necessarily reflect the views of the Department of Defense or any of its agencies. This document may not be released for open publication until it has been cleared by the appropriate military service or government agency.

EUROPE - CHALLENGES FOR THE 1990's
AN INDIVIDUAL STUDY PROJECT

by

Lieutenant Colonel William J. Elder
United States Army

Lieutenant Colonel Martin W. Andresen
Project Adviser

U. S. Army War College
Carlisle Barracks, Pennsylvania 17013

DISTRIBUTION STATEMENT A: Approved for public release; distribution is unlimited.

ABSTRACT

AUTHOR: William J. Elder, LTC, USA

TITLE: Europe - Challenges for the 1990's

FORMAT: Individual Study Project

DATE: 12 February 1991 PAGES: 14 CLASSIFICATION: Unclassified

The changing role and shape of Europe will provide many new challenges to the United States into the 1990's. This study briefly defines four key developments in Europe that will affect United States' policies. They are the reunification of Germany, the democratization of Eastern Europe, arms control, and the economic merger of twelve European nations in 1992. Within the context of these developments, this study concludes that the United States must become acutely aware of Europe's growing role in international relations and adjust its policies in a new multipolar world community to reflect these changes.

EUROPE - CHALLENGES FOR THE 1990's

INTRODUCTION

The rebirth of Europe as a result of President Gorbachev's Perestroika and Glasnost policies, will furnish the United States one of its biggest challenges during the 1990's and into the Twenty-First century. The process of change has never been more dramatic than in Eastern Europe where we are witnessing a "fantastic compression of history".¹ The almost absolute turning away from communism to democracy by these countries has left the western world dazed at its rapidity.

In addition, the diminishing threat of the Soviet Union worldwide has caused significant changes in the priorities of Western Europe and the United States. Each nation is looking for and expecting to receive a peace dividend that can be applied to internal national requirements. Perhaps the biggest event yet to come is the formation of the European Economic Community into a single entity in 1992 and the influence it will have on the international scene. All of these events will have a significant impact on the role Europe will play in the political, economic, and military world order. In National Security Strategy of the United States, 1990, President Bush states that the continued strength of the Atlantic Alliance remains essential to peace and world stability.² It is within this statement that the United States must find policies that

support our national interests as well as foster America's support for Europe's new emerging political and economic environment.

KEY DEVELOPMENTS

There are four major events that will directly affect the changing role that Europe will play on the world scene. The first of these is the reunification of East and West Germany.

The reunification of Germany, which took place on the 3rd of October 1990, had long been a goal supported by the United States.³ The suddenness of its occurrence is the most startling of outcomes of the changing shape of Europe. The democratization of the Eastern European nations cannot match the significance German unification will have on international affairs.

West Germany, as one of the world's leading industrialized nations, is faced with many difficult problems in absorbing the poorly developed East German economy and infrastructure. The early introduction of the Deutsche mark to East Germany as its currency will certainly help to bridge this gap. The strong cultural and historical ties also will assist in transitioning to a united country. In addition, the united Germany will have two years to accelerate its merged economy to a satisfactory level prior to formation of EC-12 in 1992. It can be expected that much of Germany's attention will be directed inward to stabilize its government and continue its steady economic

growth during these formative years.

Another unique aspect of the unification of Germany is that it might also be looked at as a possible model for future European political consolidation sometime after EC-12 has developed satisfactorily. This event is a likely follow-on to the economic merger in 1992.

The merger of East and West Germany is also significant in that Germany will now not only be the bridge between East and West in arms reduction but it will also provide the buffer between Russian influence and United States influence on the continent. The approved stationing of Soviet Forces in East Germany until 1994, the reduction of German armed forces to 350,000 men, and the ban on stationing of non-German NATO forces in Eastern Germany should lead to reduced tensions in Europe.

One of the most interesting aspects of German unification is the perception held by many states that Germany, as an emerging global power, will exert its economic and potential military power outside its borders. The fears of World Wars I and II have not been forgotten by all nations. Despite these fears, the press for German participation in the Persian Gulf peace forces has the German government looking at changing its laws forbidding such participation. Until such time, economic support from Germany is being pushed by the United States as part of burden-sharing for Operation Desert Shield/Desert Storm.

The second major development that will shape a changing Europe is the adoption of a single market economy in 1992. The consolidation of the 12 member nations (Belgium, France, Italy, Luxembourg, The Netherlands, Germany, Denmark, Ireland, Great Britain, Greece, Portugal, and Spain) into virtually one economic power will have a tremendous impact on the world's financial and trade markets.⁴ The European Economic Community (EEC) will have an internal market of over 325 million people in 1992, exceeding both the United States (249 million) and Japan (125 million), its other main competitors.⁵ By all estimates, the Gross National Product will equal that of the United States and double that of Japan.⁶ These two factors will give the EEC tremendous economic power; and, in fact, it can be expected to exert its economic leadership and influence worldwide.

The adoption of a single currency and its inherent strength, based on EC-12 total productivity, could soon find European currency serving as the world's monetary standard replacing the United States Dollar.⁷ This event alone would significantly increase the economic power of Europe. It can be anticipated that a central banking system would be established to assist in regulating a continuous growth pattern for EC-12 member nations.⁸

There are several ways that the European Economic Community can be expected to exert its influence. One method is the investment of capital in viable economic development

projects in third world countries." Second, is the establishment of protectionism by restricting imports and market access of outside countries. (This would most likely occur during the initial or formative years of EC-12.) Third, regulation of multinational corporations in terms favorable to development of the European sector and its markets versus the global environment.

As the European Economic Community becomes one of the three largest trade arenas, the expansion of its ability to exert tremendous pressures on the global economy will be the key development in the changing role of Europe as a world power broker.

The third major event that will affect the changing role and shape of Europe is the reduction of both nuclear and conventional weapons systems and forces in the theater. The withdrawal of Soviet forces from Eastern Europe and the reduction of United States Forces forward deployed in NATO will leave Europe in an unfamiliar security posture. The resurgence of nationalism in former Eastern Bloc countries, ethnic conflicts, and external pressures will have an impact on future security requirements for Western Europe and its alliances.¹⁰ Additionally, the German unification treaty which limits the German Army to 350,000 and allows the continued stationing of Soviet forces until 1994 with a simultaneous reduction in U.S. presence, will leave a possible window of vulnerability should Perestroika fail and the Soviet military

seize power in Russia. The Western European powers and NATO must be sure that Conventional Armed Forces in Europe (CFE) negotiation agreements are completed with adequate control measures to ensure stability and the infeasibility of offensive operations by Soviet forces.¹¹

The United States will play a key part in ensuring stability by keeping a residual forward deployed element in Western Germany and providing the nuclear umbrella, stationed in the U.S., for Europe. As NATO's role may become less military and more political, the U.S. must retain the security of Europe as one of its major commitments.¹² Europe, itself, must decide its future security requirements and whether NATO or a new alliance under the auspices of EC-12 or a new formula devised as a result of the Conference on Security and Cooperation in Europe (CSCE) will be its security organization.¹³

The fourth major event unfolding in Europe is the re-emergence of the independent sovereign states of Eastern Europe. These nations will present Western Europe with its biggest challenge because of the strong cultural and historical ties between countries and their populace. These "new nations" can be considered to be poorly developed economically, to have weak political systems, and to be, most disturbingly, suffering from internal strife due to their own ethnic turbulence.

The EC-12 will have to share responsibility for developing these countries by providing aid in the form of trade credits,

loans, and environmental cleanup assistance.¹⁴ The cost of this assistance will be considerable; however, without an extremely strong effort the European continent may face a period of disruption, volatility, and distrust between neighbors. The EC-12, through its economic help, may look towards the future by proposing eventual integration into the economic federation, open borders and associated immigration policies, and non-restrictive trade practices in the interim.

Militarily within Eastern Europe, the Warsaw Pact alliance is in jeopardy because of renewed nationalism and decreased Soviet influence. As independence and democracy spread throughout the Eastern European countries, their reliance on a central security arrangement will diminish. Each nation will search for ways to meet its own needs and develop appropriate agreements with other nations as it sees fit. The dissolution of Soviet influence will quicken the pace for these arrangements. Recently, however, the world has seen a resurgence of Soviet military crackdowns on the independence movements in the republics of Latvia and Lithuania. The unwarranted killings of civilians by the Soviet military and its continued military presence in these Baltic states is an indicator of the instability present in President Gorbachev's government. This repression of freedom, as well as others within the Soviet Union, lends itself to the belief that anarchy or a civil war of enormous proportions may not be far away.

These events also have led to the cancellation of the U.S. -Soviet summit scheduled for February 1991, condemnation of Soviet actions by world leaders, and a threat to previously approved economic aid packages designed to support Gorbachev's Glasnost and Perestroika policies. It is also a reflection that the movement from communism to a democratic state is difficult and cannot be expected to occur overnight.

The return of the Soviet military to power because of a catastrophic failure of the Soviet economy and current foreign policies can be seen as the most dangerous threat to Eastern European independence and development.

THE FUTURE - U.S. SECURITY INTERESTS

The changing role and shape of Europe will provide many challenges to America's leadership in directing our national policies and protecting our national security interests. The three major elements of power - political, economic, and military - will take on different aspects with this new European community.

The political arm of power will, in all likelihood, be more difficult to extend over a stronger united Europe. The United States will no longer be able to dictate support; rather it will now have to convince or compromise with Europe in meeting international or regional crises that may occur, such as the Iraqi crisis. In fact, the United States will be subject to great pressure to support European positions in

global dealings if it expects support in return. A united Europe, a stronger more independent Europe, will be a significant power player in the United Nations and other world and regional politics.

The economic power that the European Economic Community will possess and its potential impact on world markets will be tremendous. As stated previously, the European market will be the world's second largest. The market will wield great influence on the financial markets of the world. The existence of a single strong currency that will rival both the Dollar and the Yen may be considered a threat to our position as the world's monetary standard for trade. It is with these thoughts that the United States will have to define its security interests and how it can use the economic element of power of the world's most powerful democracy to influence world events.

The use of sanctions, market restrictions such as tariffs or trade barriers, embargos, and influencing world bank lending practices, are some of the various arms of the economic element of power that the U.S. will have to coordinate use of with the European Community. Foreign aid might also be considered as an element of economic power when considering Eastern European development in particular. The U.S. must also give prior consideration to the effect a policy decision might have on U.S. owned multinational corporations. The United States must adopt policies that are reflective of the needs and of the overall well-being of the nation's economic interests. A

partnership of mutual trust must be continuously developed and strengthened with the new European Community in order to ensure success.

The emerging Europe will play an increasingly important role militarily in global affairs. The future of NATO in the security of Europe will take on a new dimension. The United States must adapt to these changes. A reduction of forward-deployed forces will be the most immediate effect of both arms reduction and internal budgetary considerations. The Europeans will still look to the United States to provide the nuclear umbrella as well as to provide the offsetting power balance to the Russians.¹⁵ While doing so, the U.S. must convince the Europeans to play that increasingly active role in regional crises necessary to ensure peace and stability. The provision of forces outside territorial boundaries, arms sales or arms limitations are but three methods Europe must support in projecting military power.

The United States must keep NATO a viable entity. As part of that organization, the U.S. can help to redefine its (NATO's) mission from primarily military to more political. The U.S. can then assist in transforming Eastern Europe and encouraging cooperation between all European nations under the auspices of NATO. The U.S. must, however, avoid allowing NATO to guarantee the security of the Central and Eastern European nations. Any such action may be seen by the Russians as a

threat to their existence and provoke an unwarranted response.¹⁶ The U.S. and its NATO partners must allow Russia time to mature as a democratic society.¹⁷

The utilization of the military element of power by the United States will have to be a joint venture, coordinated and approved by Europe in most cases. The effects of its use must be carefully weighed by our leadership in reaching a decision to employ force in protection of our national security interests.

CONCLUSION

The brief examination of the changing role and shape of Europe leads to several significant conclusions that will affect both the United States and the global community. The first is that Western Europe will be more active politically and economically on the world scene. Eastern Europe, on the other hand, will find itself turning inward to solve its own serious ethnic problems while striving to upgrade their fledgling democracies. Second, the European Economic Community will play a major role in developing Eastern European economies. Third, the Soviet Union will not intervene in Western Europe's assistance to its former client states depending upon the success of Perestroika and Glasnost policies. Fourth, NATO will remain the security umbrella for Western Europe through the near term. The United States will be relied upon to provide the required nuclear protection from

the continental U.S. Fifth, Western Europe will demand more from the United States and other nations as it strengthens economically.

The United States must balance and position itself in a place where it can influence the emerging new Europe. The U.S. must remember that although the European community is becoming more interdependent, the independence of the major countries - France, Germany, and Britain - must still be respected.

The challenges created by a changing Europe will be key to the maintenance of U.S. national security interests. The strategies our nation's leaders develop in order to deal with a multipolar world community will be complex and require time-sensitive decisions to ensure success.

ENDNOTES

- ¹ Sahadeo Basdeo. "Europe and The Changing International Order". Peace Research 22.2 May 1990. p. 1.
- ² George Bush. National Security Strategy of the United States, 1990. Washington, D.C.: U.S. Government. 1990. p.10.
- ³ Paul D. Wolfowitz. Statement to the European Affairs Subcommittee. Senate Foreign Relations Committee. 9 May 1990. p. 1
- ⁴ "European Economic Community," The Encyclopaedia Britannica, Micropaedia. 1986. Vol. 4, p. 606.
- ⁵ Sandra Vandermere and Marc-Andre L'Huillier, "Euroconsumers in 1992". Business Horizons, January-February 1989, p. 35.
- ⁶ Ibid.
- ⁷ Robert D. Hormats "Redefining Europe and the Atlantic Link". Foreign Affairs, Fall 1989, p. 74.
- ⁸ Ibid
- ⁹ Christopher Redman. "Charging Ahead," Time, 18 September 1989, p. 41.
- ¹⁰ Ambassador Hans Von Poetlz. Statement to the Atlantic Council of the U.S. 10 September 1990
- ¹¹ COL David Shaver and COL Ralph Hallenbeck. "On Disarmament: The Role of Conventional Arms Control in National Security Strategy". Strategic Studies Institute, USAWC. 1990. p. 168.
- ¹² John M. Goshko and Edward Cody. "NATO Ministers Agree on New Political Role," Washington Post. 16 December 1989, p. A26.
- ¹³ Ambassador Prosper Thuysbaert. Statement to the Atlantic Council of the U.S. 10 September 1990
- ¹⁴ Peter Brimelow. "The Dark Side of 1992," Forbes, 22 January 1990. p. 87.
- ¹⁵ Ambassador Hans Von Poetlz. Statement to the Atlantic Council of the U.S. 10 September 1990.
- ¹⁶ Ambassador Prosper Thuysbaert. Statement to the Atlantic Council of the U.S. 10 September 1990.
- ¹⁷ Ibid.

BIBLIOGRAPHY

Basdeo, Sahadeo. "Europe and the Changing International Order." Peace Research. 22.2. May 1990. p. 1.

Brimelow, Peter. "The Dark Side of 1992," Forbes, 22 January 1990, p. 87.

Bush, George. National Security Strategy of the United States. Washington, D.C.: U.S. Government, 1990.

Goshko, John M. and Edward Cody. "NATO Ministers Agree on New Political Role," Washington Post, 10 December 1989, p. A26.

Hormats, Robert D. "Redefining Europe and the Atlantic Link," Foreign Affairs, Fall 1989, p. 74.

Lapidus, Gail. "Gorbachev's Nationalities Problem," Foreign Affairs, Fall 1989, Pp. 92-108.

Redman, Christopher. "Charging Ahead," Time, 18 September 1989, p. 41.

Shaver, COL David and COL Ralph Hallenbeck. "On Disarmament: The Role of Conventional Arms Control in National Security Strategy." Strategic Studies Institute, USAWC. 1990. p. 168.

Thuysbaert, Ambassador Prosper. Statement to the Atlantic Council of the U.S. 10 September 1990

U.S. Government, CIA. The World Fact Book. Washington, D.C.: U.S. Government. 1989.

Vandermere, Sandra and Marc-Andre L'Huillier. "Euroconsumers in 1992," Business Horizons, January-February 1989. p. 35.

Von Poetlz, Ambassador Hans. Statement to the Atlantic Council of the U.S. 10 September 1990.

Wolfowitz, Paul D. Statement to the European Affairs Subcommittee. Senate Foreign Relations Committee. 9 May 1990. p. 1.