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AIR COMMAND AND STAFF COLLEGE

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FULL STEAM AHEAD FOR THE
NEW NATO INVITEES

by

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Acknowledgements

Most topics dealing with international relations, treaties, and multinational agreements have an immediate tendency to spread out and broaden in scope, almost of their own volition. This topic, focused on the new NATO invitees, initially proved no exception. I would like to thank my research advisor, Maj Yvan Boilard, who helped me focus my efforts. It would have been easy for me, without his inputs, to stray off course and become engrossed in writing about fascinating, yet only tangentially related material.

Abstract

Poland, Hungary, and the Czech Republic, the new NATO invitees, have made remarkable progress in transitioning to Western-style democracies and free market economies. Each countries' challenges differ, but they share a common thread. After decades of communist control and centrally planned economies the transition they are presently undergoing is difficult and slow. Political and economic aspects are intertwined and, like Poland, whose economy has had the most success, stability and a growing prosperity are the prizes. Politically, parties in each country are still struggling for an identity. The communist party, though no longer dominant in these countries, remains viable and continues to yield considerable influence. Economically, each country is pressing ahead with privatization and a loosening of government control. At the same time however, financial corruption and a lack of fiscal oversight are proving to be major stumbling blocks. Militarily, when compared to NATO standards, these countries have large amounts of equipment ready for the museum as opposed to the battlefield. Yet despite these challenges, each remains focused on meeting the expectations NATO had set with a goal of formally joining the organization in 1999. The first of many hopeful nations to be included as NATO invitees, they are on their way to meeting their goal.

Chapter 1

Introduction

If we fail to seize this historic opportunity to help integrate, consolidate, and stabilize Central and Eastern Europe, we would risk paying a much high price later.

—William S. Cohen

The primary questions driving this research paper are simple. What lies ahead for the new NATO invitees, Poland, Hungary, and Czech Republic, as they work towards integration into NATO? More specifically, what political and economic hurdles must be overcome and planned for before NATO membership is a reality? Recognizing that NATO is a military alliance, how will the militaries of those countries be affected?

Background

Expanding NATO is an explosive topic around the world. It has generated in-depth discussions and writings ranging from highly opinionated newspaper articles to detailed cost analysis in the United States Congress. Even so, many people do not understand why NATO still exists, let alone why it is on the verge of expanding, long after the primary threat, the Soviet Union, is no longer on the other side of the Fulda Gap. This “puzzlement stems from an analytical yardstick that ties NATO to the single purpose of providing for collective defence.”¹ NATO is a military instrument but remains a political

tool and is a key instrument through which the new European security identity is being formed.

Poland, Hungary, and Czech Republic each have work to do before they fully meet Western standards of democratic rule and stable market economies. Simply in preparation to joining NATO, new military members must comply with over 1200 agreements and publications.² Still, no issue has dominated the internal political agenda of the three countries as much as their desire to belong to NATO. Membership in the Western alliance has an obvious benefit in that, as a general rule, countries building their foundations along democratic principles do not go to war with each other. The goal of membership in NATO also helped these respective governments overcome difficult times as they rebuilt their internal political and economic engines, with former communists and non-communists working together to make it all happen. Gaining membership in NATO is not easy or automatic, as Slovakia discovered. “One lesson clearly taken to heart by Poland, the Czech Republic, and Hungary was the elimination of Slovakia from the list of potential NATO members after its Prime Minister, Vladimir Meciar, became increasingly authoritarian. Similarly, the European Union has cited Slovakia’s lack of democratic process as a reason for its exclusion from the first round of the economic union’s eastward expansion.”³

Members of the international community do notice the hard work that goes into the political and economical rebuilding of a country. The U.S. ambassador to Poland, Daniel Fried, who helped formulate the arguments for expanding NATO, points to the way the three countries have behaved toward each other as they became more confident of their NATO membership. He said “they increased their outreach to their neighbors – Hungary

to Romania, and Poland to Lithuania.”⁴ Hungary and Romania, potential adversaries in the not too distant past, signed a treaty guaranteeing each other’s borders and respecting the rights of the 1 million plus Hungarian minority in Romania.

Implications of membership for new members

The commitments entered into by new member states must be the same as for present members, including acceptance of the principles, policies, and procedures already adopted by all members of the Alliance. The willingness and the ability to meet these commitments, not only on paper but also in practice, is critical. The inclusion of Poland, Hungary, and the Czech Republic in NATO will add approximately 200,000 troops to the Alliance. These countries are forcefully committed to this contribution. They already deployed more than 1,000 troops to the NATO-led operation in Bosnia, and Hungary made the military base at Taszar available to U.S. troops.⁵

A study undertaken by NATO in 1995 showed there is no fixed or rigid list of criteria for inviting new members to join, but there is a substantial list of political and military expectations. Topping the list of political expectations is to conform to basic principles embodied in NATO’s core document, sometimes referred to as the Washington Treaty: democracy, individual liberty, and the rule of law. The study did emphasize three broad areas of attention for the countries to prepare themselves politically for membership. First, a demonstrated commitment to and respect for the norms and principles of the Organization for Security and Cooperation of Europe (OSCE). Second, a commitment to promoting stability and well being by economic liberty, social justice, and environmental responsibility. Finally, establishing appropriate democratic and civilian control of their defense force.⁶ Looking through a Western democratic lens,

these requirements do not appear to be difficult, yet when viewed through a sociopolitical setting dominated by decades of communism, one sees a tremendous amount of inertia to overcome.

At the top of the list of military expectations is that new members must be prepared to share the roles, risks, responsibilities, benefits, and burdens of common security and collective defense. Preparing militarily is an extensive process. Each of the three countries must adapt themselves to NATO's strategy and force structure that are designed to exploit multinationality and flexibility. The NATO cornerstones are standardization of doctrines and procedures, interoperability of command, control, and communications, major weapon systems, and combat supplies. One facet of command and control is language. English is the primary language of NATO and herein lies a serious challenge. A majority of conscripts and officers alike in all the services of the three countries do not speak English.

Standardizing weapon systems is part of the process the militaries must undergo, and this has already led to a mad scramble by companies and trade groups seeking to lock in their share of the next global arms bazaar. Billions of dollars are at stake as the NATO invitees prepare to boost their military spending anywhere from 20 to 35 percent. Senior members in NATO are, to some extent, downplaying the need for the three countries to rush out and spend huge sums on the upgrade of their equipment, realizing that these figures could put huge dampers on public support within each of these countries. Currently the level of public support ranges from 90 percent in Poland to 60 percent in the Czech Republic, but if too much emphasis is placed on guns and not on continued economic and other internal reform, resentment of the costs to join NATO may build

quickly. One of the prices to pay for being in a free market economy is accountability for decisions. Do the leaders of these countries want to quickly live up to the international expectations and upgrade their militaries as fast as possible at the expense of their countries' economic wellbeing, or will they not bow to outside pressures and keep on a slower but steady pace? Additional pressure, in the form of special incentives and grants from international arms dealers will be intense, considering the amount of money at stake. In 1997, Hungary, the Czech Republic, and Poland reportedly received \$30 million from a \$60 million Pentagon grant program. Some estimates put the potential market for fighter jets at \$10 billion, a sum which exceeds the three nation's combined annual defense budgets.⁷ Time will tell how each government responds to these pressures. Poland is making the most progress to date, but none of the countries have yet published a definitive long-range budget on how they will pay for these expenditures.

The cost estimates for expanding NATO have varied wildly. Initial U.S. Government Accounting Office (GAO) estimates in 1997 ranged between \$27 – 35 billion, whereas a NATO estimate comes in at \$1.5 billion.⁸ Part of this vast difference is the method of computation. The GAO studies included the costs the invitees themselves would bear whereas the NATO study did not. Officials from each of the three countries have stressed that it would cost more to pay for their defense outside NATO than inside. Hence, the more realistic numbers for measuring the impact on current NATO members are those that only reflect the costs to be born by the current members. How close these estimates are remains to be seen.

Limitations of the study

Recognizing that numerous topics are interrelated with this particular NATO expansion issue, this paper will focus on the political, economic, and military aspects of the inclusion of the invitees. It is recognized that there are other topics which would certainly complement this paper as future research projects. These topics include:

1. Arguments for and against expanding NATO
2. Russian reaction to NATO expansion
3. Isolation of countries outside of NATO such as Romania and Slovakia

Methodology

The sources used in this study come from several main categories with most of them accessible through the Internet. The first main category is material published by NATO. These references provided internal NATO views, in-depth studies, and original background material on NATO's expectations of new members. The second category is focused on established, credible publications such as the New York Times. They presented both positive and negative views on the topic of this study. The third category focuses on US government sources like the Department of State and the Department of Commerce. The information available from these sources included the current topics of contention of adding new members, as well as the benefits, as discussed by senior US decision makers. The last primary category is a compilation of news services from within Poland, Hungary, and the Czech Republic. The Foreign Broadcast Information Service provided a broad range of topics from the internal perspective of each country. These views brought out hardships and challenges not presented in other publications. Combined, these sources present a balanced base for this study without relying on any single, possibly biased or overly optimistic category for information.

Notes

¹ Michael Ruehle, "Taking another look at NATO's role in European security," *NATO Review*, Vol. 46, No. 4, Winter 1998, n.p.; on-line, Internet, 5 January 1999, available from <http://www.nato.int/docu/review/1998/9804-06.htm>.

² "Study on NATO Enlargement," September 1995, on-line, Internet, 20 November 1998, available from <http://www.nato.int/doc/basicxt/enl-9506.htm>.

³ Jane Perlez, "With Promises, Promises, NATO Moves the East," *New York Times*, 26 April 1998.

⁴ Ibid.

⁵ Department of State, Office of NATO Enlargement Ratification, *The Enlargement of NATO, Why Adding Poland, Hungary, and the Czech Republic to NATO Strengthens American National Security*, February 1998

⁶ "Study on NATO Enlargement," September 1995, on-line, Internet, 20 November 1998, available from <http://www.nato.int/doc/basicxt/enl-9506.htm>.

⁷ Jeff Gerth and Tim Weiner, *NATO Expansion Opens Huge Market for Arms Dealers*, *New York Times*, 29 June 1997.

⁸ Secretary General Javier Solana, "On course for a NATO of 19 nations in 1999," *NATO review*, no.1, (Spring 1998): 4

Chapter 2

Poland

NATO expansion means peace and stability, not a drive at confrontation with anybody. This is not a question of aggravating Russia. It is a question of peace in the world.

—Lech Walesa

Politics

Of the three invitees, Poland leads the way to NATO membership. Poland's struggle to find political stability has gone on for many years and developed into two main political parties. One of these, Solidarity, is in reality more of an umbrella for more than three dozen groups; the main parties of which are developed from radically different roots, communist and non-communist. Within the context of global economic and political change, with ever-increasing economic interdependence, each party is slowly moving toward the political center. Poland has held six free elections at various levels of government since the fall of communism in 1989. Poland's democratic norms, include the division of powers among the President, the Council of Ministers, the legislative and judicial branches, are addressed in its new Constitution, which was approved by national referendum in May 1997.

Poland's diligent efforts in applying its political instrument of power, focused on establishing good relations with its seven neighbors who, when taken in aggregate,

represent a good portion of the political spectrum, have reduced the pressure on the military for defense of the country. Poland now has no border disputes with its neighbors.

Economy

Again, of the three NATO invitees, Poland's economy has the greatest ability to absorb the costs that come with membership. Although many people may not view Poland's economy as a role model at first glance, the progress made in this decade has been remarkable. Poland began the decade saddled with a low standard of living and a centrally controlled economy run by discredited Communists, not knowledgeable in the operation of a self-sustaining economy and the benefits of a free market. At that time, Poland reached out to the West for help, created strict policies in the budgetary, legal, and trade realms, and unlike Russia followed through with sustained political will.¹

Leszek Balcerowicz, Poland's finance minister during these turbulent times, invited thousands of entrepreneurs to sell what they wanted, where they wanted, for any price they wanted, within loose limits. This daring approach benefited Poland in several ways. First, it broke the government chokehold on state-owned enterprises, and other economic activities. Second, it encouraged small start-up enterprises while taking away some of the organized crime opportunities rampant in communist countries. The workers left outdated, unproductive factories and set up small retail shop and businesses that produced items the public really wanted to buy. Balcerowicz then guided Poland through a turbulent time by letting insolvent firms fail and forcing them into bankruptcy, preventing them from draining resources from productive parts of the economy.²

These tough and frequently politically unpopular decisions are now paying off for Poland's future generations. Poland survived the transition to a Western-style market economy and had an annual growth rate of over 5 percent in 1997, one of the highest in Europe.³ In 1997, the private sector accounted for nearly two-thirds of gross domestic product (GDP), indicating that the private sector is strong. There is still more work to do in this area. The state still controls larger, industrialized firms since the privatization push has been primarily in the small business arena. Large state owned enterprises, coupled with a still viable communist party, continues to cast a shadow over Poland's economy. Convincing foreign companies to commit to long-term investments tends to be more difficult with this specter in the background. Poland's leadership continues in this effort through grass roots campaigns on the benefits of joining NATO, implying greater economic interaction and prosperity will follow. The resulting polls show a high success rate, with as much as 90 percent of the public favoring membership.⁴

Poland's leadership, despite its acknowledged economic successes, is guilty of the same political oversight, whether intentional or not, as the other NATO invitees. As much as the benefits of Poland's entry into NATO are trumpeted to the public, the long-term costs are barely mentioned in public forums. The politicians have felt little need to explain the difficult issues that come with NATO membership, including the responsibilities as well as the rights. Thus, the necessities of scaling down the huge Polish army, making it more professional and spending money on new equipment have not figured in wide debate. As the time grows near for planning and obligating funds required to make it all happen, the financial shock may take many Poles by surprise, raising feelings of distrust for the current politicians and thereby giving opportunities to

the still active communist party. Again, in Poland as well as in the other countries, the governments are working on funding issues but they appear to be afraid that popular support will plummet if hundreds of millions of dollars in annual expenses become the focus, rather than revamping social welfare or schools.

Military

Reforming the military can be a slow and tedious process with certain especially painful aspects. Establishing civilian control over the military proved to be in this category. Civilian control is a NATO expectation, pushed hard by the Pentagon, and yet remained an almost impossible obstacle because Former President Lech Walesa wanted to keep broad authority in the hands of his generals. Only since Walesa's defeat in the 1995 elections and the adoption of a new constitution calling for subordination of the general staff to the minister of defense has the strong political influence of the Polish military brass diminished. Currently, a general who has United Nations field experience is at the top, and Janusz Onyszkiewicz, an ardent proponent of civilian control of the military, is defense minister. A continuing challenge for both of them may well be in clearing out many of the communist-era holdovers in the military intelligence service.⁵ The challenge for the defense committee in the Lower House of Poland's parliament is apparent every day. It has no staff.

The morale of the Polish military continues to improve as the threat of Russian occupancy dwindles and prospective NATO membership quickly approaches. In the early 1990s most of the officer corps above the rank of major was forced to retire, making room for Western-oriented leadership. More recently, a sustained focus on training and quality of life issues contributes not only to a professionalization of the

military, but is also making the military members sought after in the private sector because of their technical skills.

Poland earmarked potential NATO units in 1994, when it became a founding member of the Partnership for Peace, a NATO-sponsored cooperation program with non-Alliance members. The country is currently grooming its army's Reaction Forces for NATO integration. Consequently, the Reaction Forces are first in line for new equipment, NATO interoperability training, and English language courses. According to Col Ryszard Buchta, deputy chief of plans for the Polish Army, "by the end of 1999, units of the Reaction Forces will be equipped with compatible communications equipment...and we will have interoperational and secure communication links between Poland and NATO."⁶ Senior military leaders stated that though priority has been given to the Reaction Forces, the job of interoperability will be done simultaneously in the Main Defense Forces.

The second country in this study is Hungary. Hungary overcame obstacles similar to those of Poland, but must still address some important issues as it continues on the road toward NATO membership. These and other issues are addressed in the next chapter.

Notes

¹ Michael M. Weinstein, "Russia is not Poland, and That's Too Bad," New York Times, 30 August 1998, on-line, Internet, 17 Jan 1999, available from <http://www.nytimes.com/library/review>.

² Ibid.

³ Department of State, Bureau of European and Canadian Affairs, *Poland's Record in Meeting NATO's Standards*, 30 June 1997, on-line, Internet, 20 November 1998, available from <http://www.fas.org/man/nato>.

⁴ Ibid.

⁵ Jane Perlez, "With Promises, Promises, NATO Moves the East," New York Times, 26 April 1998.

⁶ "NATO: Polish military discuss contributions to NATO," M2 Presswire, 2 June 1998, on-line, Internet, 26 February 1999, available from <http://proquest.umi.com>.

Chapter 3

Hungary

All free governments are managed by the combined wisdom and folly of the people.

—James A. Garfield

Politics

Political progress and increasing stability continues at a steady pace in Hungary. This is a stable democracy seeking to increase its prosperity and sphere of influence in Europe. Hungary strives to uphold Western standards of human rights, freedom of expression, rule of law, balance among the branches of government, and strong local governments, particularly in the major cities. There have been, however, inevitable growing pains as the people continue to search for their own political identity. Since the end of the Cold War regime in 1989, Hungary has had two complete democratic changes of government. The first free elections in 1990 brought a center-right, anti-Communist government to power. The next elections in 1994 gave reform Socialists a majority and resulted in a coalition government that included the liberal Free Democratic Party of prominent former dissidents.¹ Though significantly different on the political scale from the first government, the group elected to power in 1994 continued to press forward with free market restructuring and improving relations with its neighbors.

Externally, Hungary has no border disputes with any of its eight neighbors, an important achievement since not all of its neighbors are NATO members. Large numbers of Hungarians living in Romania and Slovakia may prove to be potential flash points if the standard of living increases dramatically within Hungary as it participates more within NATO and the European Union (EU). The approximately 1.6 million Hungarians in Romania are mainly concentrated in the Transylvania region, hundreds of miles from the border of Hungary, which rules out the possibility of a union with Hungary itself. The efforts of Transylvanian Hungarians concentrate on obtaining additional political and cultural rights from the Romanian majority. The Hungarians in Slovakia, over half a million, have taken a more vocal and direct path. They live mostly along the Slovak-Hungarian border where they outnumber the Slovak population and on numerous occasions have made demands for autonomy in the southern region of Slovakia. These demands have, in the past, incensed the Slovaks who fear that an autonomous territory would be but the first step down the road to an eventual merger with Hungary.²

In 1995, a Hungarian defense ministry official emphasized that “NATO membership does not mean giving up our national interests. On the contrary, it means an opportunity to assert national interests.”³ Opponents to NATO expansion are quick to point to statements such as these, warning of the dangers of formal alliances with countries that may have ambitions of expansionism. Article 5 of the Washington Treaty, a founding document of NATO, could pull the other NATO members into a quagmire of ethnic dispute. Article 5 delineates the responsibility of all members to come to the aid of a fellow member who is attacked. The opponents of NATO expansion have a valid point

because even though NATO's strength lies in dialog aimed at avoiding these types of situations, NATO is not always successful as a peacemaker.

Internally, the path for minorities to freedom and equality is also not completely smooth, but efforts in this endeavor continue. The future Minister of the Interior, Sandor Pinter, pointed out to the Committee on Human Rights, Minorities and Religious Affairs that it is important to continue dialogue with the Gypsy community, helping to eliminate prejudices, drafting a law against organized crime, and increasing the efficiency of the fight against corruption.⁴ The efforts on behalf of ethnic and religious minorities tie in closely with NATO political expectations for prospective members. These external and internal situations in Hungary highlight a key point. Being admitted to NATO certainly does not mean that a country has solved all its problems. It does, however, show that a country reached a stage where it has developed the tools necessary to be able to deal with them. How effectively Hungary uses these tools will be of great interest to other nations who are waiting for their turn for an invitation to join NATO.

Economy

Historically, the transition to a free market economy has been slow and expensive. The most visible example of this condition is Russia, who some analysts feel, is on the verge of reverting back to a communist-dominated, centrally run economy. Hungary suffered many of the same tribulations in its first 5 years of economic reform, though unlike Russia, it took stringent measures in 1995 to bring the country back from the brink of default and into compliance with the International Monetary Fund (IMF). Following the successful reform came what may be considered a reward and incentive to continue—admission into the Organization for Economic Cooperation and Development (OECD) in

May 1996. Prior to 1990, 65% of Hungary's trade was with communist-block countries. The economic focus has since shifted and over 70% of Hungary's trade is with OECD countries, including more than 60% with members of the European Union (EU).⁵ Russia continues to be one source of potential economic pressure whose actions and reactions are difficult to predict. There is a growing resentment within Russia toward former Soviet block countries that join NATO, therefore some sort of economic reprisal cannot be totally ruled out. The approach the Hungarian government is taking focuses on the long term. Hungarian Minister of Economy Attila Chikan stated that only 4.3 percent of total Hungarian exports are to Russia, and 7.1 percent of imports come from there.⁶ Hungary would prefer to increase its exports to Russia, but given Russia's economic turmoil no major changes are forecast.

The growing economy is only a partially positive sign that economic reform is on a healthy track. Hungary is still, however, paying its massive debt. Hungary had, in 1996, the highest per capita foreign debt in north central Europe at \$2,690.⁷ The combination of foreign debt, double digit inflation for the last decade, and looming upgrades to its military structure raise concern about Hungary's ability to pay for the privilege of joining NATO. Just buying 30 new fighter planes, at up to \$900 million, must come out of a budget that in 1996 totaled only \$16 billion.⁸ The resources required to improve the poor condition of Hungarian agriculture could be in direct competition for funds needed for military purchases. "A totally bankrupt agriculture has to be put back on its feet..." the Candidate Minister of Agriculture and Regional Development, Jozsef Torgyan, told the Hungarian agricultural committee.⁹ He said agriculture has been crushed, ownership relations are unsettled, the number of people employed in the sector is falling and

production has dropped by 30-35 percent since the 1980s. Fueling the growth of the Hungarian economy, according to the National Bank of Hungary, will continue to be exports and investments up to the end of 1999, producing an expected increase in gross domestic product of 5 percent, though inflation may remain at approximately 13 percent.¹⁰

Military

Hungary's constitutional parliamentary system established effective civilian control over the military. Since the mid 1990's both legislative and constitutional mechanisms are in place for oversight of the military by the Defense Ministry. A continuing source of friction remains between Soviet-trained Generals and Parliament. The Generals, whose background is focused on the relative supremacy of the military while being supported by a civilian government will continue to make clear communications between the two institutions critical. Further complicating this issue is that the committee members tasked with oversight of the military have no military experience. In a daring political move, the Hungarian government passed over senior, Soviet-trained generals for the post of Chief of the General Staff and reached down to the third level for Lt. Gen. Ferenc Gegh, an English-speaking graduate of the U.S. Army War College.¹¹

NATO expects Hungary to take a number of immediate steps in preparing its military for integration into the alliance. First and foremost on the list is to train more Hungarian soldiers and officers to speak English. Hungary is starting to address the language barrier between itself and other NATO military members by training approximately 35 potential NATO staff officers per year at its national language center and emphasizing language capability for the military. At this pace, however, the

language barrier may exist for a long time. Taking advantage of the benefits of the NATO alliance, the military is downsizing and restructuring to help pay for modernization and the required interoperability within NATO. A second step is the restructuring of forces with emphasis on the development of career non-commissioned officers, together with enhancements to their quality of life for improved retention. The interoperability factor, particularly in command, control, and communications is important because it allows Hungarian forces to operate with their NATO counterparts in Europe and in out-of-area missions. Though a substantial portion of these investments must come from Hungary, NATO's planned spending on new equipment and facilities in Hungary will come to about \$360 million over the next decade under the NATO infrastructure program.¹²

The next chapter focuses on the last of the three invitees, the Czech Republic, and how it is dealing with the challenges that come with the invitation to join NATO.

Notes

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⁴ Foreign Broadcast Information Service, *Hungary: Ministerial Candidates Brief Parliament Committees*, FBIS-EEU-98-181, 30 June 1998, on-line, Internet, 24 November 1998, available from http://www.au.af.mil/FBIS/Articles/1998/07/02/East_Europe/3852416429.html.

⁵ Ibid.

⁶ Foreign Broadcast Information Service, *Hungary: Economy Stable, No Intervention Needed, Chikan Says*, FBIS-EEU-98-247, 4 September 1998, on-line, Internet, 24 November 1998, available from http://www.au.af.mil/FBIS/Articles/1998/07/02/East_Europe/2752190262.html.

⁷ Ibid.

Notes

⁸ Reuters, 1 July 1997, on-line, Internet, 29 September 1998, available from <http://robust-east.net/Net/usa/lw.html>.

⁹ Foreign Broadcast Information Service, *Hungary: Ministerial Candidates Brief Parliament Committees*, FBIS-EEU-98-181, 30 June 1998, on-line, Internet, 24 November 1998, available from http://www.au.af.mil/FBIS/Articles/1998/07/02/East_Europe/3852416429.html.

¹⁰ Foreign Broadcast Information Service, *Hungary: National Bank Forecasts 1998 Economic Developments*, FBIS-EEU-98-182, 1 July 1998, on-line, Internet, 24 November 1998, available from http://www.au.af.mil/FBIS/Articles/1998/07/02/East_Europe/3289593386.html

¹¹ Ibid.

¹² Ambassador Alexander Vershbow, 7 April 1998, on-line, Internet, 24 November 1998, available from <http://arc.org.tw/USIA/www.usia.gov/topical/po/atlcomm/versh1.htm>.

Chapter 4

Czech Republic

Has it not been established beyond doubt that even the most costly preventive security is cheaper than the cheapest war? Well, such an investment will hardly generate any return in the next elections, but it will be more appreciated by generations to come.

—Vaclav Havel

Politics

In the seven-plus years since the “Velvet Revolution” that ended communist rule, Czech political institutions have matured rapidly and several political parties are coming to the forefront. The political maturation process is cyclical, often dependent on the health of the economy and the expectations of the people. During 1997 the Czech Republic weathered a sudden government collapse which led to unprecedented early elections. These elections brought the opposition Social Democratic Party, a mainstream, center-left party, to power for the first time since the 1989 revolution. The government of Prime Minister Vaclav Klaus resigned in November 1997 in the wake of a scandal over political donations to Klaus’ political party in connection with privatization. His resignation also reflected the culmination of a buildup of pressure within the ruling center-right coalition over slumping economic results during the period 1995-97 and overdue structural reforms. Amid the political tumult, the Czech Parliament passed an

austere, balanced budget for 1998 and re-elected Vaclav Havel to a second five-year term.¹

The Czech government then refocused on integration with the West, specifically at achieving its goals of securing membership with NATO and the EU, emphasizing its overall stability in the international arena. Looking at its borders, the Czech Republic has no dispute with its neighbors. It has stable bilateral ties with Poland, reinforced by an agreement to harmonize the two countries' approaches to membership in NATO and the EU. Relations with Slovakia are fundamentally sound, though some disputes remain, involving the Czech-Slovak customs union and residential matters stemming from the January 1993 split of Czechoslovakia. Underlying this relationship, the two governments agreed to a small adjustment to the Czech-Slovak border in 1997.²

Among the expectations established for the new members is free and diverse information media. How the politicians use them is another matter and varies greatly from typical Western experiences. "Politicians feel that if they communicate through television by using it as an amplifier, this is sufficient."³ The now deposed Prime Minister Vaclav Klaus, in office for 5 years, held regular town hall meetings but his tolerance for hearing opinions different from his own was limited. On the topic of NATO, "Klaus felt it was too complicated for ordinary people."⁴ This theme appears throughout Central Europe where political leaders talk to, rather than consult with, the people they claim to represent. This pattern of communication represents a challenge for the Czech political leaders as they learn they are accountable to the people, and the people must be willing participants in order for membership in NATO to be more than just a financial burden.

Economy

Economically, the Czech report card is mixed. Exports are up sharply and consumption is moderating after several years of overwhelming consumer demand. Growth, however, remains weak; after peaking at 5.9 percent in 1995, GDP growth slowed to 4.1 percent in 1996 and slumped to approximately 1 percent growth in 1997, one of the catalysts to the previously mentioned political turmoil. This economy, like those of Poland and Hungary, continues to pay a price for reform, most easily seen in the increase in trade and current account deficits. Were these to get out of hand, the ability to meet the financial obligations associated with the upgrades to NATO interoperability standards could be jeopardized. To address these issues, in 1997 the government increased regulation of capital markets and instituted fiscal austerity measures to attack the growing trade deficit, stabilize the currency, and address investor's concerns.⁵

The Czech Republic is poised for continued economic growth. It trades heavily with members of the European Union, most notably with Germany, which accounts for 61 percent of its trade. Its central location makes it an excellent hub for exporting to members of the Central European Free Trade Agreement. Continued economic reform, following the more evenly paced, conservative approach demonstrated by the coalition of political parties may succeed in developing a funding mechanism to pay for integration into NATO, though there is very little mention of an economic or long-range fiscal plan addressing these coming expenditures.

Military

The Czech military is working towards NATO interoperability and a modernization strategy whose emphasis reflects NATO military expectations in communication, English

skills, and command and control. The process has a long way to go. In recent months the Czech Republic faced considerable criticism from several NATO member states, particularly the United States, concerning its alleged lack of preparedness for joining NATO. The list of complaints includes tardiness in reforming and resolving personnel issues such as training and inadequate security controls. According to the first deputy commander of the Czech general staff, Major General Rostislav Kotil, the Czech Army has undergone extensive changes in the years since the breakup of Czechoslovakia, but the transformation process is far from over, with maybe another 10 years until the Army can approximate NATO's structures.⁶ The public's perception is another obstacle the military has to overcome. Under communist rule, the public did not perceive the national army defending the country's independence but saw it as a tool of the Czechoslovak and Soviet communist parties. Trained under the concept of only taking orders, with all responsibility laying with the communist party, the doctrine of individual responsibility, let alone the fostering of *Auftragstaktik*, is definitely lacking. Since the military is a window of society, the Czech population as a whole must overcome this mindset in order to be a productive member of the alliance.

No matter how gloomy the outlook seems initially, the news is not nearly all bad. The military has downsized substantially since the days of the Warsaw Pact, leaving 56,000 men and women on active duty. Czech soldiers served alongside U.S. soldiers in the Gulf War, and a mechanized infantry battalion served in the British security forces (SFOR) sector in Bosnia. The Czech military has also been active in UN peacekeeping, sending forces to Croatia and other United Nations operations. The Czechs were

founding members of NATO's Partnership for Peace and have participated in at least 27 joint exercises with the United States and allies.⁷

Civilian control of the military is unquestioned in both political and military circles. Under their Constitution, the President is Commander-in-Chief, with government authority exercised through a Minister of Defense. Some internal conflicts among political parties exist in how to employ the military. The still active communist party of Bohemia and Moravia rejects the use of the Czech Army in peace time, outside the country's territory and for the defense of other interests than those connected with the nation's security, according to Communist Party spokeswoman Vera Zezulkova.⁸ This internal struggle may well be a continuing challenge as the pace of NATO actions shows no sign of slowing down.

The next, and final, chapter of this study addresses the overall conclusions that have been brought out for each of the NATO invitees. This paper then closes out with a possible prognosis and suggested area for future study.

Notes

¹ U.S. Department of Commerce, *Commercial Overview*, STAT-USA, 26 August 1998, on-line, Internet, 26 January 1999, available from <http://strategis.ic.gc.ca>.

² Department of State, Bureau of European and Canadian Affairs, *The Czech Republic's Record in Meeting NATO's Standards*, 15 August 1997, on-line, Internet, 20 November 1998, available from <http://www.fas.org/man/nato>.

³ Jane Perlez.

⁴ Ibid.

⁵ Department of State, Bureau of European and Canadian Affairs, *The Czech Republic's Record in Meeting NATO's Standards*, 15 August 1997, on-line, Internet, 20 November 1998, available from <http://www.fas.org/man/nato>.

⁶ Joylon Naegele, *Czech Republic: Transformation of Military Progresses At Leisurely Pace*, Radio Free Europe, Radio Liberty, December 1997, on-line, Internet, 24 November 1998, available from <http://www.rferl.org/nca/features/1997/12/F.RU.971202143035.html>.

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⁷ Department of State, Bureau of European and Canadian Affairs, *The Czech Republic's Record in Meeting NATO's Standards*, 15 August 1997, on-line, Internet, 20 November 1998, available from <http://www.fas.org/man/nato>.

⁸ Foreign Broadcast Information Service, *Czech Republic: Communists Against Czech Army Involvement in NATO Actions*, FBIS-EEU-98-181, 30 June 1998, on-line, Internet, 24 November 1998, available from http://www.au.af.mil/FBIS/Articles/1998/07/02 /East_Europe/3289593386.html.

Chapter 5

Conclusions

NATO's great forte is its political capability to deter crises before they escalate.

—General Henry Shelton

What challenges lie ahead as Poland, Hungary, and the Czech Republic ready themselves to become NATO members? In short, progress toward the rule of law and the protection of human rights continues but is far from being perfect, the judicial systems are fragile, financial corruption remains problematic, and the militaries must spend more money than they currently have available to come up to NATO standards in technology, training, and general interoperability. Yet to end on that note would do a great injustice to each of these nations. A quick summary of what they achieved leads to a clearer picture of their abilities to overcome these challenges.

Political readiness

All three countries have had over seven years of solid records as stable democracies. Poland had a peaceful change of governments in its elections, demonstrating not only political stability but also a functional political process that holds elected officials accountable for their actions. All three invitees have taken numerous steps to underscore their political maturity, pluralism, and respect for human rights. As these countries shed

the control of communism, they made progress in external relations with their neighbors and in internal relations with religious and ethnic minorities. The people in Poland expressed their enthusiasm for joining NATO with an over 90 percent approval rate and in Hungary the approval rate came in at over 85 percent. The Czech Republic, in this instance, significantly trails the other two countries where the people's approval rate is 60 percent. Clearly, two-way communication between the political leadership and the populace remains a distinct challenge for each country.

Economic Readiness

During the 1990s, Central European and East European countries have had the fastest economic growth rate in Europe, and the economies of the three NATO candidate states led the way. In eight years, Poland, Hungary, and the Czech Republic undertook sweeping privatization programs, sticking to them despite steep learning curves and benefits that, at times, must have seemed very distant. Currently, over two-thirds of Poland's and more than 70 percent of Hungary's and the Czech Republic's economies are held by the private sector. Business is expanding steadily in these countries, laying the foundation for their improved prosperity and ability to be productive partners in NATO. The economy in Poland, and to a lesser degree in Hungary and the Czech Republic, is growing rapidly. Whether continued prosperity in the region as a whole will produce similar increases in weapons purchases is debatable. It will take decades with high growth before any on the three countries reach a per capita gross domestic product comparable to those countries after which they wish to model themselves. In competition for resources, both military establishments and domestic arms industries will have a voice, but they will also be up against far larger industrial interests and populations

striving to survive in the stiffly competitive environment both within and outside of the EU.

Military Readiness

The three nations will add approximately 200,000 troops and a range of airfields, ports, and lines of communication to the Alliance's collective defense capabilities. Together, Poland, Hungary, and the Czech Republic are already contributing more than 1,000 troops to the NATO-led mission in Bosnia, demonstrating a willingness to contribute their share to NATO actions. The militaries are also more than willing to upgrade to NATO standards, but they must each wait until the political and economic leaders in their countries formulate an effective plan to fund these expenditures.

Prognosis

As stated in this study, Poland, Hungary, and the Czech Republic are well on their way to acceptance and integration as full NATO members. Less clear is NATO's future with regards to expansion. Senior NATO leaders stated that an open door policy towards future potential members is in effect. This implies, in theory, that countries like Slovenia and Romania can look forward to future membership. In reality, however, there are serious obstacles to increasing NATO again. The delta in political stability, economic strength, and military capability between the current invitees and the remaining European hopefuls is significant. Sheer economic factors will play decisive roles in future expansion decisions. Currently, the less robust economies of non-NATO members who have expressed interest in joining (Romania) would be severely strained by the initial costs of preparing for membership. Increasing international pressure from Russia and

Ukraine, concerned about growing economic and political isolation within Europe, may force NATO to place more emphasis on its Partnership for Peace program instead of offering full membership to current non-member countries. Hence, even though the politically correct open door policy remains in effect, possibly providing incentive for increased regional stability among future NATO members, it seems that any additional NATO expansion lies in the distant future.

Area for future study

NATO's open door policy, as mentioned in the previous paragraph, would make an interesting research topic. An in-depth analysis on the impact of this policy on current members, on future members, and on the security of the region would not only build well on this paper, but may also help lay a foundation for formulating future military policies and cooperative actions with other nations.

Chapter 6

Epilogue

Since the writing of this paper, the world continued to evolve at a rapid pace. In March 1999 NATO added Poland, Hungary, and the Czech Republic as full members. Even as these members were added to the alliance another war started in the Balkans, immediately raising questions if the new members were ready to contribute their fair share. This time the questions came not from the current members, but from the populaces of each new member. Suddenly, instead of a more stable peace in the world, each country was now involved in a potentially expanding conflict in their European region. Proponents of NATO continued to point out precisely because of times of crises such as the Serbia/Kosovo conflict that NATO is such an important tool for European and world stability.

Poland continues to lead not only in this round of integration into NATO, but now as an active supporter of a second round of NATO expansion. The two countries supported by Poland are Lithuania and Slovakia. Even the optimistic driving forces in Poland realize that the next round of expansion, if it comes in the same manner as the last round, is several years away. This time for reflection and critical analysis is crucial to weigh the costs, benefits, and other challenges that Poland, Hungary, and the Czech Republic faced as nominees and continue to face as full members. One of the main challenges continues

to be the growing political rhetoric in Russia and now Belarus, particularly within the nationalist movements, who are concerned about growing expansionism into their economic markets as well as their shrinking influence as the world closes in around them.

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