

**DUAL ENLARGEMENT
NATO AND THE EU GO EAST**

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**The Double Expansion of Europe: The EU and NATO
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ABSTRACT

Dual Enlargement: NATO and the EU Go East

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Decisions about the European Union (EU) and the North Atlantic Treaty Organization (NATO) come together. Neither institution can ignore what the other does as each proceeds with both the reform of its structures and the enlargement of its membership.

That NATO will widen to the East before the EU is no longer in doubt. NATO enlargement from 16 to 19 members will unfold in 1997 (accession talks), 1998 (ratification), and 1999 (new treaty). It is driven by the United States, whose voice and decisions lead its 15 NATO partners. Meanwhile, with the EU left at the mercy of the veto of any one of its 15 members, its enlargement is a process that remains more chaotic: even granted an institutional commitment to act as expeditiously as possible, there is still little consensus over the scope of the enlargement (between 3 and 6 new members) and its timing (by the year 2003 at the earliest).

It will not do to complain about the pace of EU enlargement as another example of Europe's alleged tendency to stall while America is reportedly forced to act. Within NATO, the United States can readily fudge, defer, or even transfer the costs and even the security risks of its policies. Within the EU, the financial costs and political risks of enlargement are considerable, as well as immediate and inescapable for all current and future members alike. In addition, NATO enlargement can be separated from the reform of its institutions, whereas a reform of the EU cannot be separated from its expansion: hence the likely need to hold another intergovernmental conference before enlargement can take place. Finally, EU enlargement is unfolding at a time when the EU agenda is extraordinarily complex, including the final steps toward Economic and Monetary Union (EMU) and the first tangible steps toward Common Foreign and Security Policy (CFSP), thus exerting further pressures on the member states where the EU is facing unprecedented public skepticism.

The synchronization of NATO and EU enlargement will occur only in the out years. After NATO has grown to 19 members, it will be best for NATO to seek its new members out of the EU states that are not yet in NATO. As this next wave of NATO enlargement unfolds, the slow pace of EU enlargement will help justify the postponement of a further eastern enlargement of NATO after January 2003, the earliest date for EU enlargement from 15 to 18-21. Such progressive overlap of NATO and EU membership will also help complete a much-needed reform NATO, including a more significant contribution to the common defense by a Western European Union (WEU) that would achieve its "progressive but full" integration in the EU.

Dual Enlargement NATO and the EU Go East

Simon Serfaty

Among the many issues facing the North Atlantic Treaty Organization (NATO) and the European Union (EU), few, if any, are as historically poignant as the dual enlargement of these two Western institutions to the East. After 1945, the insanity of two world wars in slightly more than one generation created firm resolve in the United States and the European states to make another military conflict in Europe unthinkable. To this effect, decisions involving the organization of a transatlantic security community with the United States and a European economic community with Germany were complementary. Under the umbrella of NATO guarantees that consecrated America's return to Europe, an ever more integrated civil space began to take form on the western part of the continent—a civil space whose expansion to Central and Eastern Europe (CEE) is now viewed as Europe's own manifest destiny.

Such expansion was decided in June 1993, when the European Council summit meeting at Copenhagen established that all countries associated with the EU through so-called "Europe Agreements" were eligible for full EU membership. Four years later, half of the 10 initial CEE applicants, together with Cyprus, are about to begin negotiations whose final schedule remains ambiguous: heads of state or of government, like France's President Jacques Chirac, continue to target the year 2000 first evoked by Chancellor Helmut Kohl, but EU officials like Commissioner Hans van den Broek speak of the years 2002-2003 as a target dates that many an observer still dismiss as unrealistic.

Irrespective of its timetable, the enlargement of the European Union raises many political and economic questions whose resolution imposes a major rethinking of the EU integrative effort.

- Because enlargement will not come cheap, a significant overhaul of EU policies in many areas of primary concern to most CEE states, including the Common Agricultural Policy (CAP) and structural subsidies, will be indispensable.
- Because enlargement cannot be limited, some anticipatory redesign of the EU institutional structure will be necessary, including changes in the voting procedures at the European Council, the organization of the European Commission, and the role of the European Parliament.
- Because enlargement will remain finite, the EU will have to conduct its negotiations all the more cautiously as the consequences of non-membership are probably more immediate and more real for the EU than for NATO.
- Because every stage of the enlargement process is dependent on the acceptance of specific terms and conditions by every EU member, the *national* debates within each member state will be no less significant than the *European* debate. In other words, it is the specific interests of each member state, and the perceptions of these interests by its partners, that will condition and ultimately produce the compromises and trade offs over the exact terms, conditions, and timing of enlargement.

NATO enlargement is quite different—more demanding in some ways and less complex in others. It became the lead issue of the post-cold war order in Europe as an afterthought—after, that is, the EU had displayed its post-Maastricht institutional disarray and its post-Bosnia political impotence. Admittedly, therefore, the NATO decision to enlarge, in December 1995, came more cautiously than the EU decision, in June 1993. But the dynamics of each institution was bound to make enlargement much slower and much more tentative for the EU than for NATO.

- Because NATO is eminently responsive to the leadership of the one state without which it cannot endure while the EU is effectively dependent on a consensus without which it cannot proceed;
- because unlike the costs of EU enlargement, which are both financially and politically costly, the financial costs of enlargement for NATO can be readily fudged, deferred or transferred;
- and because, finally, Russia could serve as an alibi for limiting the scope of the initial round of NATO enlargement while EU enlargement, which is not open to such "natural" boundaries, remains sensitive to the pressures of individual member states on behalf of their favorites.

Nor is this all. The different processes—directions and speeds—of enlargement have also had to respond to such considerations as:

- NATO's need to accommodate the interests and sensitivities of non-members (including Russia and even France), whereas the EU has had to accommodate the aspirations and apprehensions of its own members—admittedly a much more difficult task that can be blocked by any EU member at any step of the process;
- a public indifference to the necessity of NATO enlargement (which does not entail, however, any hostility toward NATO), as compared to a growing public hostility to the EU (which does not suggest, nonetheless, indifference toward EU enlargement);
- and for both, NATO and the EU, the requirements of separate ratification debates likely to be determined on grounds of national interests ranked in terms of national priorities.

The Major Issues

The institutional issues and narrow interests that divide EU members are mostly known. For those that are not known in any great detail, a rational choice approach—

whereby the interests of each state are deduced from what they *would* rationally favor given their objective circumstances—is conducive to credible assumptions. These issues are of two kinds: Maastricht Treaty revisions, which were to be considered in the context of the InterGovernmental Conference (IGC) that concluded its work in Amsterdam in June 1997, and EU budget reform. Even a superficial analysis of member state interests on these two sets of issues can offer a preview of the bargains that will condition EU enlargement to the East.

Since the 1957 Rome Treaties, four waves of EU enlargement have increased the size of the community from its original six members to its current 15 members: revisions in the rules of institutional governance were, therefore, indispensable irrespective of any further expansion in EU membership. In addition, post-Maastricht prospects of eastward enlargement also seemed to demand that the 15 EU members come to some early decisions over the next steps needed to consolidate and even deepen the *acquis* that would be offered to the new members. Thus, the agenda of the IGC that was convened in 1996 as a prerequisite to enlargement included such items as: (1) institutional/procedural reforms, such as voting in the European Council and distribution of Council votes (increase qualified majority voting, introduce super-qualified or population-weighted majority voting, change the presidency system), powers of the European Parliament (increase or decrease its powers, and/or reinforce the role of national legislatures)), and composition of the European Commission (reduce commissioners to one or less per member state, and change their nominations/dismissals as well as the choice of the Commission president); (2) further development of a common foreign and security policy (increase majority voting, give it a single voice, and merge the Western European Union [WEU] into the EU) in order to give Europe a regional military autonomy and global political

influence commensurate with its economic weight and historic tradition; and (3) closer member state cooperation in the vital societal areas of justice and home affairs.

Thus, the IGC was from the start a central feature of the decision to enlarge the EU. In other words, since the decision to expand had already been taken, EU members were to negotiate the treaty revisions with an understanding that the Union's membership would soon expand to 20 or more states. Because this IGC would explicitly have to be concluded before negotiations on enlargement could be initiated, the IGC was widely expected to settle many of the institutional issues placed on its agenda. This, of course, did not prove to be the case. As the 15 member states prepared for the last round of negotiations in the spring of 1997, a newly fragile German government led by Helmut Kohl found it increasingly difficult to accommodate the new and newly skeptical French government led by Lionel Jospin. The trade-offs that had characterized previous such encounters could no longer be achieved with any semblance of substantive reality: no change in the allocation of commissioners, or in the rules of majority voting, or with regard to the role of the European Parliament; no significant decision either with regard to CFSP, about which an hypothetical Mr. Europe remained unknown even after he was named since he can claim neither the authority of his personal saliency nor that of his national sponsors. In sum, the IGC that was expected to set the stage for the next wave of EU enlargement proved to be mainly a non-event: its main contribution was to end, as was shown with a subsequent announcement that negotiations with five CEE countries (the same three countries picked by NATO plus Estonia and Slovenia) and with Cyprus could now begin; but its main legacy was also the certain need for a new IGC—at some point around the year 2000-2001, when the decisions which the 15 members failed to make in 1997 in anticipation of EU enlargement will have to be considered anew and for the same main reason.

The debate over budget reform is also of immediate relevance to future decisions about enlargement. With over three-quarters of the EU budget earmarked for CAP and regional development policy (“cohesion policy” or “structural funds”), the EU budget is especially significant to member states that have large agricultural sectors and/or significant regional needs—a status held by most EEC applicants. Not surprisingly, net contributors to the EU budget—Britain, France, Germany, Benelux, Denmark, Sweden, and Finland—neither want to increase their outlays in Brussels under prevailing conditions of stringent fiscal austerity at home, nor wish to share the subsidies which some of them receive from the Commission, or endure additional competition from CEE farmers who produce plenty and sell cheap. Since much of this agricultural activity would come from countries north of the parallel on which the French city of Lyon is situated, this latter concern involves mainly some of the commodities that are produced by Northern EU member states (dairy, beef, potatoes) rather than those produced by Southern farmers (tomatoes, olives, sardines) who, therefore, have a lesser conflict of interests with their distant CEE neighbors.

Farmers in Southern Europe join the debate over proposals initiated in Northern Europe to “renationalize” agricultural policy by making the member states responsible for direct payments to their farmers. This proposal has been strongly endorsed by Britain, whose relatively small agricultural sector conditions its hostility toward the CAP. It may also prove to be acceptable to France and Germany because these countries can pay for generous agricultural entitlements on their own more readily than poorer EU states—like Ireland, Spain, Portugal, and Greece—that are net recipients of EU funds and could not support their farmers as well as Brussels does. Thus, South European farmers who do not oppose eastward expansion on the basis of increased competition may still oppose it for imposing a dismantling of the CAP in its present form. Even more urgently, these

countries fear the impact of enlargement on the EU regional development policy as the new members' needs (higher than those of current members) would demand either more Structural Funds or a reform that changes criteria of eligibility for aid or/and limits the amount of aid that any one member can receive. In fact, without changes in these criteria, the average per capita income within a wider EU might be changed to such an extent as to leave Greece as the only current member state eligible for aid.

These, to be sure, are only a few examples of the relationship between EU enlargement and reform. The nuances of each national position, the compromises among these positions, and the bargains they produce, as well as their specific impact on expansion (not only generally but from one applicant to the next), deserve close and continued attention as they constantly evolve depending on economic and political conditions in each of the member states—from one election to the next (Britain and France in 1997, Germany and Italy in 1998) or even from one decision to the next, whether over economic and monetary union (EMU) or while awaiting the resolution of some new U.S.-EU dispute over issues of trade or money. To wit, will Britain's Labour government hold out as a minority of one and block all institutional reform, or will it find in the prevailing EU deadlock an opportunity to regain its long-lost influence on EU matters? Will France's new experiment in political cohabitation undermine further its bilateral relations with Germany to the possible benefit of Britain, or will a coalition of all three states impose its will over future voting procedures in the European Council and the nomination of Commissioners at the expense of the smaller EU members and in spite of their differences over the future scope of CFSP (France and Germany without Britain) and the future role of the European Parliament (Britain and France without Germany)? How would the current alignment of political forces in Italy react to, or be affected by, the novelty of

exclusion—say, from Economic and Monetary Union (EMU), but how, too, would the more recent members from southern Europe (including Spain and Portugal)? Will Britain vote with France and against Germany to help Italy join EMU, and with what consequences on future trade-offs within the EU? Can Italy deal its way into EMU with a change of heart on WEU; can the Nordic countries hold out on CFSP in order to achieve German approval of new proposals on employment and consumer policy; can either the Nordic states or Germany, as well as the like of Italy and France, find solace in the EU for states like Slovenia and Estonia, whose NATO membership they had sponsored? Can Greece, Spain, Portugal, and Ireland combine with Italy to form a blocking coalition within the EU, or can Italy and Britain combine with Denmark and others in the Council to deny the Commission's recommendation over EMU? Will the larger and richer states successfully insist on curbing EU budget spending? If so, what will be the tit-for-tat concessions sought and received by the smaller and poorer states? How can the EU justify a "common" agricultural policy if it does not extend the same obligations and benefits to all its members, old and new, across the Single Market? How can the Single Market be completed without intensive development of underdeveloped areas that will come with enlargement to the East? These questions, and the many policy dilemmas they raise, will not become any easier with time, and failure to address and resolve them will not make enlargement easier either.

Fragile States, Fragile State of the Union

In this context, conditions for EU reform and EU enlargement do not appear propitious, whether from the standpoint of Europe as a more-or-less coherent Union of states or from that of Europe as a more or less recognizable mosaic of nation-states. Everywhere now, the

countries of Europe bemoan their condition as democracies whose representatives can no longer represent their constituencies because of a technocratic European leadership in Brussels that is said to be lacking democratic legitimacy; as national groups that are asked to become something "more" or, worse yet, something "else" than whom or what they have always been, at the expense of a national legitimacy rooted in history; and as citizens whose identity is said to be blurred by distinguishable minorities that have come in large but increasingly unwanted numbers from the lost empires of an increasingly distant past.

Some of Europe's resulting political volatility has to do with the end of the cold war, which has removed the convictions that helped protect each country and its people from the threat abroad or the enemy within. Some of this volatility also has to do with the economic rigor and political discipline imposed on each state in the name of Europe: absent the heroic opportunity to die for one's country, starving for one's neighbors is not an appealing alternative. Finally, some of this volatility may also be linked to a more fundamental national rebellion against an ideological convergence and social cohesion sought at the expense of some heroic myths about who "we" used to be and "what" we used to do. In any case, as every nation-state in Europe seems to rebel against further losses of its sovereignty to, and pain from, the EU, trade-offs needed for the completion of an ever wider Union are increasingly difficult to negotiate and enforce.

The June 1 elections in France provided a dramatic confirmation of this general trend in Europe—the end, that is, of the permissive consensus that had surrounded government decisions about Europe over the past 40 years. To be sure, "Europe" was only one issue among others on the agenda—which also included the many unfulfilled promises of the 1995 presidential election—but it was nonetheless the decisive issue which helped condition the nation's mood from one group of

citizens to another and helped define alignments from one group to the next. With the defeat of the idea of Europe are defeated those who had associated their political fate with that of more, not less, Europe—not only in France, with Chirac and his conservative majority, but also in Germany, where Helmut Kohl stands aloof and astray, and in Italy, where the Olive coalition of prime minister Prodi is abandoned by his left without gaining support on a right whose strong and assertive leaders are comforted by the perspective of a constitutional reform that will place on premium on assertiveness and strength.

In addition, bilateral relations between the three main EU countries, as well as between each of them and the United States, are also increasingly fluid. Thus, the Franco-German partnership which has helped "define" Europe for the past four decades rests on more fragile grounds than at any time since Charles de Gaulle first met with Konrad Adenauer in September 1958, and the two men subsequently celebrated their countries' reconciliation with a Treaty of Friendship they both signed in January 1963. The failure of the European Council Summit in Amsterdam was the logical outcome of the failure of the bilateral summit held in Poitiers, France, a few days earlier, when France and Germany could not even agree on a bland and general statement dealing with the Middle East. Such tensions in Franco-German relations have little to do with the ghosts that still haunt either country's memories. Rather, they have to do with the growing political difficulties faced by France to keep up with the pace of Germany's economic leadership and share its objectives, as well as with Germany's impatience with French political limitations and strategic pretenses: within the European Monetary System (EMS) and, more recently, over a rigid application of the Maastricht criteria for Economic and Monetary Union; in the European Parliament, and over the broader extension of majority voting in the European Council; during successive rounds of trade negotiations and, repeatedly, over the cost

of reforming CAP; for the accomodation of France's privileged ties with its former dependencies in the South, and now over the modalities of accomodating such interests with those inherent in the imperative of enlargement to the East.

The table below reviews the Anglo-French-German positions prior to the Amsterdam Summit, and to an extent before the Labor victory in Britain, the socialist return to power in France, and the erosion of Kohl's strength in Germany had been felt in full within their respective country as well as in Brussels. As can be seen, differences *à deux* between a maximalist Germany and a subdued France were already getting wider on more and more significant issues while bilateral differences between France and a minimalist Great Britain already appeared to become smaller on many of those same issues.

Issue	Britain	France	Germany
Principles/Procedures			
Consolidate Treaty	don't know	don't know	yes
Support flexibility	yes	yes	yes
Introduce employment chapter	no	yes	no
Simplify co-decision	yes	yes	yes
Commission			
One or less commissioner by state	yes	yes	yes
Change nomination of president	pending	yes	don't know
Parliament			
Increase or decrease powers	pending	don't know	yes
Reinforce role national parliaments	yes	yes	don't know
Council			
Increase qualified majority voting	no	yes	yes
Super-qualified majority voting	yes	don't know	don't know
Population-weighted majority	pending	yes	yes
Change presidency system	yes	yes	yes

Court Increase ECJ powers	no	no	yes
Pillar II Increase majority voting	no	no	yes
Appoint Mr/Ms CFSP	yes	yes	no
Merge WEU into EU	no	yes	yes
Pillar III Increase majority voting	no	no	yes

Adapted from "Who Wants What? The IGC State of Play," Challenge, Europe (European Policy Center, March/April 1997). UK/French positions precede the May 1 and June 1 national elections.

That closer Anglo-French relations, made even more attractive by the nominal convergence of Blair's and Jospin's socialist majorities, would emerge in the context of improved Anglo-American relations (also made possible by the instant closeness between Tony Blair and Bill Clinton) is even more significant because of a French-U.S. rapprochement accelerated since Jacques Chirac became president (but admittedly compromised somewhat by Chirac's new political weakness). In any case, the first Labour prime minister since 1979 might provide a natural link across the Atlantic but also across the Channel, a link that has been missing since the 1956 Suez crisis ended the Anglo-French special partnership, the 1957 Rome Treaties ended Britain's privileged relationship with Europe, and the 1958 Gaullist call for a NATO *directoire* asserted France's mistrust of Britain as its spokesman across the Atlantic.

EU Enlargement and NATO Enlargement

Both NATO and the EU are the flagships of U.S. policies in Europe (although, admittedly, both are not under direct U.S. command). Since the end of World War II, these policies have been shaped by interests—economic, political, and security. These interests,

which were hardly born out of the Cold War but grew during the Cold War, are well known. Suffice it to assert emphatically that the totality of these interests is not matched anywhere else outside the Western Hemisphere: the transatlantic relationship is a complete relationship, and what the states of Europe do and fail to do, as nation-states but also as member states of a uniting and increasingly strong European Union, has direct, and often vital, consequences on the United States. Whatever risks to U.S. leadership and influence may be raised by a more united and stronger Europe, with an army and a currency of its own, are prospective and hypothetical; the risks to U.S. interests and ideals raised by a weak and divided Europe are immediate and tangible.

Clearly, EU enlargement is not a U.S. responsibility. Although the United States is a power in Europe—arguably the only active Great Power on the continent—it is not a European power. Nonetheless, EU enlargement is a very important U.S. interest because of what it means for the economic and geopolitical interests of the United States—virtually a non-member member state within the EU—but also, by implication, because of what it means for stability and affluence in Europe. Thus, although decisions affecting the enlargement of either Western institution can be separated the two processes of enlargement remain inseparable. Moving at different speeds and in different directions, and responding to different needs and different priorities, they are not only compatible but also complementary (even though some leading European states, especially France, may still be tempted by the vision of a more powerful and broader Europe as a substitute for NATO).

As they proceed toward convergence at some time and some point in the future, EU (and NATO) enlargement to the East completes NATO (and EU) enlargement:

- because each institution (NATO and the EU) provides a dimension (security and economic) which the other (the EU and NATO) lacks,

- because membership in either (achieved on its own right) can compensate, for a while at least, the absence of membership in the other (denied for reasons of its own), or even
- because transparency about EU and NATO enlargement can influence national debates over ratification of NATO and EU enlargement.

In the United States, the EU has usually been second in importance to NATO. Whenever the EU moves center stage it is often viewed as a potential competitor for regional leadership and an actual rival on global trade issues. In short, U.S. perceptions of the EU are often ambivalent because U.S.-EU relations are often adversarial. Examples of discord abound. In recent years, such discord has become increasingly sensitive to domestic pressures that complicate its resolution. Early in the Clinton administration, shortly after the Maastricht treaty had been signed and the single market launched, many in the United States assumed that "Europe's time" was indeed about to come—for the better or for the worse. This assumption remained unmet. Soon, therefore, the debate over Europe and its future gave way to a discourse over NATO and its future.

As with the EU in the context of the 1993 Copenhagen Summit and the 1997 IGC, the first decisions over NATO enlargement were executive agreements negotiated and signed by heads of state or government:

- to reassert NATO cohesion at 16 (still awaiting a final decision from France, hopefully long before but certainly no later the "new" Washington Treaty is signed in April 1999);
- to organize NATO relations with Russia (and also the Ukraine) before and beyond the first wave of enlargement;
- to upgrade the NATO partners into non-member members of the Alliance, with appropriate

measures of consultation before decisions are made (and active contributions as these decisions are enforced);

- and to open access talks with three new members while keeping the process explicitly open additional talks with other applicants in 1999 or later.

For the most part, these decisions came, at least implicitly, long before the Madrid Summit was arranged, let alone held—and at a time that could itself be surmised long before it was announced, let alone announced. That the final outcome of the decision over NATO enlargement (who and when) was (is) not in doubt, unlike the final outcomes of the IGC negotiations viewed as a parallel prelude to EU enlargement (when and who), had to do with the U.S. dominance within NATO. The decision to proceed would have been confirmed irrespective of Russia's response to the NATO offer for a separate charter; it proceeded irrespective of France's decision to return or not in an organization it should not have left in the first place; and, as was shown in Madrid, European preferences for more or fewer new members did not, and could not, affect decisively the debate and its conclusion. To be sure, the process of NATO enlargement would have been smoother, and the upcoming debate over ratification calmer, had consultation with the allies and deliberation over the identity of the new members come to closure earlier. But failings in both of these areas could not stand in the way of the decisions in Madrid because in the end NATO is whereby the American one matters more than its 15 partners, as opposed to its European counterpart within which any one member can frustrate the will of the community of 15 to which it belongs.

What is at issue now is not only the outcome of the ratification debates in each of the current NATO members (and also the projected new members), but also the form that debate might take, especially in the U.S. Senate which will predictably have an effect on parallel debates in some of the

NATO allies (in France for example, but also in Germany) and even lasting consequences in Europe (should the terms and the size of the final vote raise new doubts over the immediate reliability and long-term credibility of the U.S. commitment). That such would be the case has less to do with NATO (about which calls for dissolution are no longer heard) than with the role of the United States in Europe, as Americans accept it, as well as of the role of European countries (and the EU), as Europeans may wish it to be. In other words, the upcoming debate in the United States Senate will be less about NATO than about Europe, and less about NATO enlargement than about the U.S. role in Europe. Accordingly, contentious transatlantic and intra-European questions that creep up during the ratification debates may prove all the more significant as the calendar for NATO enlargement is unusually rigid and the EU agenda extraordinarily demanding.

The NATO calendar responds to an unusual number of known and arbitrary deadlines set mainly by President Clinton: to enter history through the backdoor of fiftieth anniversaries (the 1947 Marshall Plan and the 1949 Washington Treaty); to leave it by ending past commitments (the projected June 1, 1998 exit from Bosnia, for example); and to live it through its pre-set agenda of bi- and multi-lateral meetings (including the bi-yearly calendar of NATO interministerial meetings and EU and U.S.-EU Summits). The importance of this calendar cannot be overstated: each deadline forces new decisions and each decision is cause for new deadlines, but failure to enforce any decision compromises the next deadline and may force a reappraisal of earlier decisions.

For all purposes, the debate over NATO enlargement should have ended after release of the NATO study in September 1995 and the subsequent formal decision to adopt that report at the NATO meeting of December 1995—a study and a decision, at 16, designed to answer the whether and why of enlargement. Whatever the causes for delay, the Madrid Summit started the next NATO

phase of ratification at about the time when the end of IGC also helped start the next EU phase, which includes vital decisions over EMU in the context of the commitment to proceed with enlargement to at least five CEE countries. In both instances, too, target dates in 1999 are comparable—January 1 for the new Euro and April 4 for the new NATO. Prior to NATO's date with its own past, issues that could cause significant delays for the NATO process—with consequences on the EU process—include:

- U.S. military action in the Gulf, specifically aimed at Iran, which the states of Europe would deem irresponsible—including U.S. reprisals for Iran's alleged role in the 1996 terrorist attack against U.S. troops in Saudi Arabia;
- a war in the Middle East, which would confirm Europe's sense of a U.S. failure in the Middle East, because of a predilection for Israel at the expense of the other sides to the conflict and at the perceived cost of European interests in a stable, peaceful, and prosperous region;
- a botched withdrawal of U.S. forces in Bosnia in June or at any other date, because of, or prior to the long-standing pledge to arrest and punish the war criminals—which would be the first ever withdrawal of U.S. military forces from Europe before the war has been ended and won;
- an undeterred and unanswered military conflict in the Aegean, started not by calculation but by miscalculation, which would have both sides of the Atlantic exchange blame over what was done or not done with or about Turkey generally, and its conflict with Greece more specifically;
- Turkey's objections to NATO ratification, either because of continued opposition by leading European states to Turkey's EU membership, or because of a perceived lack of Western support in the Aegean, or because of rising Islamic anger over issues in Bosnia, the Gulf, and/or the Middle East;
- ill-defined drama in Moscow, resulting from or leading to a change of political leadership and

a reappraisal of post-cold war policies and attitudes; and, similarly, ill-defined dramas between Russia and any one of the former Soviet republics, because or in spite of Russian intentions and ambitions;

- other U.S.-EU disputes stemming from the EU ruling over the Boeing-McDonnell merger (arguably the most serious trade conflict between the United States and the EEC since the 1957 Rome Treaties) or further congressional legislation with extraterritorial reach, *à la* Helms-Burton.

Thus, the next two years of national and transatlantic debates over NATO enlargement, from 16 to 19 members, and the consequences of these debates over EU enlargement, can unfold in either of three main directions—enlargement, postponement, and derailment:

NATO enlarged. Agreements with France and others on NATO reform in 1998, as well as a subdued Russia seemingly content with its bi-multilateral framework of relations with the West, and the absence of new areas of U.S.-EU discord ease ratification in the Senate and all

European parliamentary bodies, thereby leading to a new NATO treaty in April 1999, after which date NATO enlargement to the former neutrals and other countries in the East can continue without pressures for acceleration or delays. As the NATO schedule reassures the countries of Europe, it helps ease EU enlargement too.

NATO stalled. Russia fights its battle against enlargement over ratification, thus causing more tensions in the U.S. and with NATO allies over the risks raised in Madrid. Further postponement

NATO enlarged, America triumphant

- o cohesion at 16 renewed with broad reforms
 - o side agreements concluded, Russia/Ukraine
 - o next phase of enlargement kept open
 - o easy ratification by all 16 and new 3
 - o new treaty signed on April 4, 1999
 - o EU enlargement without alibi for new delays
-

NATO stalled, Russia combative

- o ratification delayed
 - o agreement with Russia questioned
 - o no cohesion at 16
 - o U.S. withdrawal from Bosnia
 - o tensions in the Gulf/Middle East
 - o EU uncertainties
-

of France's return in NATO, pending a new presidential election, and weak political leadership in the West (including Germany and Italy, pending new national elections), or simply political games in Washington (including those managed out of the Senate Foreign Relations Committee in a virtual renegotiation of the agreements negotiated within NATO at 16) stall or distort the ratification process in the United States and/or some of the other members (and even applicants). Europe's ambivalence is increased by the U.S. withdrawal from Bosnia, the fear (or consequences) of U.S. actions in the Gulf and the Middle East, and, on the whole, the unilateralism tone of its policies everywhere. Alignments with or against the United States complicate intra-European relations, with consequences for EU cohesion and decisions on all issues, including enlargement.

Enlargement derailed. Crises in and beyond

Europe raise questions about the effectiveness and relevance of NATO, and the risks and costs of enlargement: war in Bosnia after the pullout of U.S. troops, tensions in the Middle East and the Gulf, a political collapse in the Congo and a

No enlargement, NATO derailed

- o Ratification blocked
 - o Russian provocations in/beyond Europe
 - o confused western leadership
 - o new war in the Middle East
 - o open hostilities in Bosnia
 - o EU hard core favoured over enlargement
-

spillover in neighboring African states paint a picture of U.S. policies as reflexive, hazardous, and self-serving. Instabilities in Russia widen transatlantic and intra-European divisions as vulnerable leaders cater to domestic pressures for disengagement from established alliances and even institutions. Senate rejection of NATO enlargement, or indefinite postponement of its vote, creates enough disarray in NATO to stall the debate over EU enlargement.

While the U.S. role in Europe is debated in the context of NATO enlargement, the countries of Europe debate the fate of the EU in the context of EMU—the issue which hijacked Europe's

debate about the post-cold war future of the EU while the public debate in America was hijacked by the issue of NATO enlargement. As noticed, the announced calendar for launching the new euro and the new NATO overlap within a narrow 12-week time frame early in 1999. Postponement of EMU, whether or not tantamount to failure, would have consequences on the EU and its members that could affect the attitudes of individual EU states not only toward the EU but also toward NATO and, arguably, toward the enlargement of either institution (or both). Conversely, failure of NATO enlargement because of non-ratification by the U.S. Senate, would impact on the EU: either in the sense of a smaller hard core of EU members intent on exploring a new partnership with Russia while accepting new distance from the United States.

Launching the euro, however, will not end the debate over EMU (any more than a first round of NATO enlargement will end the debate over NATO enlargement). As was the case when the EMS was launched after 1979, the EMU debate will be pursued after 1999, in the streets and in the marketplace, when national currencies are eliminated during a three-year period of transition. Thus, the debate over EU enlargement will unfold in the difficult political context created by the debate over EMU whose prospects can also be seen most fundamentally as triumphant, astray, or derailed:

EMU triumphant. A core group of Emu states emerges out of a strict application of the Maastricht criteria of convergence—with the participation of Mediterranean states (including Italy) delayed, a strong euro and an assertive

Emu triumphant, Europe relaunched

- o strict adherence to the Maastricht criteria
 - o structural issues addressed, unemployment reduced
 - o EU institutional reforms launched
 - o CFSP on the way with NATO adapted/enlarged
 - o EU enlargement talks launched
-

European Central Bank. After IGC, and with Blair's Britain, renewed EU cohesion permits substantive action on CFSP. Indeed, presented as the centerpiece of Europe's CF[S]P, enlargement

negotiations unfold in the context of the evolving enlargement of NATO. Emu, meanwhile, shows enough results quickly (more like the Common Market than like the EMS) to restore some economic dynamism among its members and, accordingly, reinforces existing majorities.

Mal-euro. Launching Emu with a larger core group (including Italy) is a necessity accepted by Kohl, in spite of the Bundesbank and under pressure from a weaker France. A larger Emu causes pressures on the euro—turbulence in the

Mal-euro in a sick Europe

- o loose application of Maastricht criteria
 - o monetary turbulence and economic/political crisis
 - o pain of membership and demanding core
 - o euro questioned, reshuffling of emu members
 - o all aspects of “Europe” deferred to emu
 - o EU enlargement deferred
-

market and challenges in the streets, which repeat the early instabilities of the EMS (1979-83) without the unusually stable political majorities then available under conditions of relative prosperity in the member states and cohesion in the union. Such a weak and unstable euro erodes further the public willingness to endure the continued pain of EMU discipline pending tangible evidence of its effect on growth and jobs. Rising public skepticism about the EU stalls new decisions about the future of the European institutions, including final decisions over the terms and schedule of enlargement. Tighter monetary policies in Europe, in response to the weakness of the euro, combined with a loose fiscal policy drives the euro up, causing further public discontent and hence political instabilities.

Emu derailed. Conditions in France and in Germany (criteria unmet, calls for referendum, majority changes) force the postponement of Emu in late 1997/early 1998, or of the euro in late 1998/early 1999—a decision that creates further turbulence in the marketplace and in

No Emu, no reliance elsewhere

- o decision to postpone creates new turbulence
 - o new political majorities in the EU hard core
 - o not only emu but the idea of union is questioned
 - o the igc is ignored, and no new igc is planned
 - o slow reliance around cfsp and political issues
 - o divisive EU partnerships in nato context
 - o enlargement, too, is postponed indefinitely
-

several leading EU members. With IGC having failed to provide an alternative point of *relance* (over CFSP or other high-visibility issues), the EU is left astray, and so is enlargement. Alternative plans for a new IGC prior to the launching of the single currency in the year 2002 fail to emerge, as Tony Blair is reluctant to provide a substitute for a fragmenting Franco-German partnership. EU disarray impacts on NATO cohesion, not only in the area of NATO reform but also over the conditions and timing of the next wave of enlargement as non-NATO states threatened with remaining out of the EU insist on a faster calendar.

Dual Enlargement

Decisions by and about the EU, and decisions by and about NATO, come together. Neither institution can ignore the interests and aspirations of countries that have been responding to the criteria for membership defined by both institutions. That NATO will expand before the EU is no longer in doubt. The first round of NATO enlargement (the Czech Republic, Hungary, and Poland) will be completed by April 1999, and the first new members from the East (the NATO three, plus Estonia and Slovenia) are unlikely to enter the EU before January 1, 2003 at the earliest (after, that is, completion of the EMU debate). Only a failure of will in the United States—comparable to the U.S. failure over the League of Nations—would allow the EU to enlarge first. The consequences of such failure would extend much beyond NATO enlargement, however, and threaten a derailment of NATO altogether, with potentially disastrous consequences on U.S. interests in Europe.

Thus, the timetables of dual enlargement are beginning to emerge—based on NATO as the "dynamic whip" of Europe's move to the East. The completion of accession talks for NATO's three

new members in December 1997, ratification debates in the U.S. Senate and other relevant national legislatures throughout 1998, and the signing of a new treaty in April 1999 can all be expected to unfold as scheduled, notwithstanding the various risks of derailment already suggested. References to further expansion after 1999 are not binding, however, even though, admittedly, Romania and the Baltic states (and even Slovakia) will view the Madrid decisions as an explicit NATO commitment that would reward their patience and alleviate their fears at the opening of the new century.

In Europe, it is EMU rather than enlargement that will continue to absorb the attention of the EU states until 1999 at least, and probably beyond. That the June 1 elections in France have significantly damaged the prospects for EMU is beyond doubt. There are limits to the flexibility that the German chancellor will be able to impose on the Bundesbank, his opposition, and even his own party in the spring of 1998, without paying the ultimate political price of electoral defeat in late September 1998. Yet commitments to EMU have gone too far to abort a decision to launch in April 1998 (announcement of the core group) and January 1999 (start of the euro). At worst, monetary turbulence in the market place and political disorders in the streets, before and after both of these decisions, may force a reappraisal of the lengthy transition to a single currency. That period could be shortened either by moving forward the date of July 1, 2002, or, alternatively, by stopping the clock on January 1, 1999 in order to give the members of a broadly-defined core group the time to continue to improve their performance with regard to the convergence criteria set at Maastricht. In truth, whether the EMU states will be able to endure such turbulence cannot be predicted. Suffice it to recall that the initial launch of the European Monetary System (EMS) was also the source of much turbulence that was overcome after a general political overhaul throughout Europe brought to power strong and lasting political majorities from Margaret Thatcher in 1979 through François

Mitterrand and Felipe Gonzalez in 1981 and up to Helmut Kohl in 1983. These strong governments do not exist today, and substitute majorities are not reassuring either.

Even under the shadow of EMU, the commitment to EU enlargement has also gone too far to be abandoned. Yet, delays in enforcing this commitment can be expected in the context of the economic and political agendas faced by the EU (including the need to hold a new IGC at the turn of the century) and within each EU state (including the 1998 elections in Germany and, possibly, Italy, and likely anticipated presidential elections in France in 1999).

NATO

Madrid, July 1997

At 16 [+ 1(Russia)]

NATO RATIFICATION (1998)

April 1999

At 19 [+ 1 + (x+y+...)]

2005

	Neutrals Romania/Baltic states
--	-----------------------------------

2008-...

Overlapping NATO/EU membership ..

2007

		At 25 (+x+y+....) U.S.-EU relations
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January 2003

At 15 [+1 (U.S.)]	At 21 (+x+y+z+...)
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EMU LAUNCH, January 1999

Amsterdam, June 1997

At 15

EU

Assuming EU enlargement from 15 to 21 states on January 1, 2003, the desirable synchronization of NATO and EU enlargement can only occur in the out years. After NATO membership has grown from 16 to 19 members, on April 4, 1999, calls to await the completion of EU enlargement will justify delays in a further eastern enlargement of NATO (in spite of Romania whose claim for NATO preparedness will suffer accordingly while its hope for EU membership would remain stalled). In any case, after 1999 it may be best for NATO to target EU states that are not NATO members yet (including Austria, Sweden, Finland, and even Ireland) as the most desirable new NATO members which, for the most part, will not raise new objections in Moscow. A progressive overlap of NATO and EU membership would help reform NATO, before and beyond April 1999, and might even help with the "progressive but full" integration of WEU in the EU in the context of the next IGC, in or around the year 2001. After that, EU expansion to 21 members would prepare the next round of NATO enlargement eastward, including the new EU states not yet NATO members (Estonia and Slovenia), Romania and the other Baltic states (Latvia and Lithuania), and some of the former Warsaw Pact states that were left out of the initial NATO (and EU) decisions (Slovakia and Bulgaria). By that time, 2005 or so, some of the questions surrounding Russia and its future are likely to have been answered sufficiently to moderate or even end any further debate over the desirability or risks of an enlargement of NATO farther east and to former Soviet republics outside the Baltics (including the Ukraine). How these questions are answered will in turn determine how much longer the process of dual enlargement need to be prolonged and how much farther the enlargement of either institution need to be extended. These limits are likely to be especially strict for the EU, whose aspirations as a budding political community suggest that at some point more enlargement would become either unmanageable or undesirable.

Stay the Course

As nation-states learn to live as member states of those institutions to which they belong or which they wish to join, and as institutions continue to accommodate the resilience of nation-states on which they continue to depend for legitimacy, both NATO and the EU face a heavy agenda: widen in order to deepen, deepen in order to widen, and reform in order to do both. None of the specific tasks associated with any of these general goals is truly new. The EU and NATO have both been widening, deepening, and reforming ever since the Washington and Rome treaties were signed in 1949 and 1957 respectively. So it was during the cold war, and so it remains now. This dual institutional process has to do with nothing less than the reorganization of the political, economic, and security space in Europe and across the Atlantic, not only after the cold war but also after the two world wars of the twentieth century and the many European wars before that.

Decisions for the enlargement of NATO and the EU to the East are, therefore, about the final fulfillment of the visions that emerged on both sides of the Atlantic 50 years ago—Europe's vision of America returning "home" and America's vision of Europe fashioning a common home for its weary states. These decisions face numerous critics on each account. In the United States, many find Europe tiresome and a hopeless consumer of American time and assets. The EU is dismissed as a failure and its members as a thing of the past—including a population that is no longer compatible with the prevailing demographic trends in the United States. In short, America's future is said to be elsewhere, in Asia mostly but also, to an extent, throughout the Western Hemisphere. In Europe, meanwhile, many find the U.S. leadership intrusive, hazardous, deceptive, and unreliable: intrusive because of its penchant for an hegemonial leadership especially in evidence since the end of the cold war and the Gulf war; hazardous because the price of its failures must too often be borne by the allies

in Europe (and elsewhere); deceptive because of a tendency (hardly limited to the United States) to rely on ideals to hide its self-interests; and unreliable because of its dependence on internal patterns of political and constitutional behavior that are neither understandable nor acceptable in Europe. Finally, within Europe a Union that was welcomed during the cold war as a shield against U.S. power and an alternative to a conflictual history is now questioned for being too unwieldy, illegitimate, and painful: unwieldy because of a bureaucracy that erodes the sovereignty and the identity of its members, illegitimate because this bureaucracy lacks democratic credentials and transparency, and painful because its action is now viewed as a consumer of affluence and a producer of hardship.

Such doubts over the decisions that loom ahead reflect too much ambivalence over the accomplishments that lie behind. By the standards of history no less than by the standards of self-interest, U.S. policies toward Europe have been extraordinarily successful: they have served the nation well, and they have served the nations of Europe well too. By these same standards, of history and self-interest, the construction of Europe has served its members well too, and it has also served well the interests of the United States. Enlarging NATO and enlarging the EU are not without risks and costs, some political and others military, some financial and others societal. Yet, far worse would be the costs of non-enlargement—due to a refusal to ratify a decision after the decision has been made, or to enforce a decision after the decision has been announced.

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