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## Where is Europe heading?

Stability ... has commonly resulted not from a quest for peace but from a generally accepted legitimacy ... It means no more than an international agreement about the nature of workable arrangements and about the permissible aims and methods of foreign policy. It implies the acceptance of the framework of the international order by all major powers, at least to the extent that no state is so dissatisfied that ... it expresses its dissatisfaction in a revolutionary foreign policy. A legitimate order does not make conflicts impossible, but it limits their scope. (Henry Kissinger)<sup>1</sup>

### Summary

As the EU and NATO enlarge, prospects for overall economic growth and peace are good, even if tensions both within and without the enlarged circle of EU and NATO member states could cloud the picture, as over Iraq in 2003. Prospects for peace and prosperity improved in South-Eastern Europe under a Stability Pact for the region, involving major international assistance.

Continuing EU and NATO enlargement will mean an eastward shift of Europe's 'centre of gravity', with a major role for Germany. That country is, however, embedded in an EU and a NATO that, through their inclusive and non-aggressive character, do not permit the 'alliance-counter-alliance' structure of the Europe of the past. An intricate 'European security architecture' – provided by the two institutions mentioned plus others – may be confusing and overlapping, but may also preserve peace and co-operation via their multiple activities. Co-operation intensified following the terrorist attacks against the United States on 11 September 2001, leading to a broad anti-terrorism coalition spanning the Atlantic and beyond and causing Russia to become even more involved in that architecture.

This does not mean, however, that country relations have ceased to be of significance, only that they will remain sub-themes as European co-

operation progresses. Thus there may be fatigue but no break in the French–German marriage, especially as the two try to ensure leading roles for themselves in an enlarged European Union via joint initiatives. The United States and Germany have differences, such as over the Iraq issue in 2003, but share the conviction that a continued US presence in Europe is needed. The United Kingdom, torn between Europe and itself (and the US), continues to have an interest in seeing no single power dominating the continent. France wishes to play a leading role in an EU more independent of the US, but is also aware of the consequences that any US disengagement from Europe would have. Russia, strengthening politically as its economy recovers from the legacy of the Soviet era, wishes to play a significant role in Europe and especially its eastern part. However, it also has important interests in East Asia as well as in the Caucasus and Caspian Sea regions, with the latter's oil and gas riches forming an important consideration not just for Russia, but for other powers in the region and beyond.

Economic co-operation will intensify further under the pressure of EU integration (including the single currency) and ongoing globalisation, and Europe will be obliged to tackle, in international as well as European fora, such worldwide threats as terrorism, transnational crime, climate change, water shortages, deforestation, missile threats from 'rogue states' (also via terrorists), economic instability and democratic malfunctioning.

Europe is rapidly ageing. This places great strain on its finances, especially for old-age pensions, and is likely lead to a less dynamic and innovative society. Immigration from parts of Europe and other world regions with higher birth rates will become necessary if the economic and other consequences are to be mitigated, testing the tolerance of 'natives' vis-à-vis 'foreigners'.

Other forces of Europe's future include possibly reawakening nationalism in protest against state borders that are perceived as unreflective of ethnic realities (such as in the recent wars in the Balkans), pitting the 'European–universalist' mission of the European Union against the desire for 'apartness' and ethnic distinctness. Even religious conflict could revive, especially between immigrants and 'natives'. Overall, however, Europe is experiencing a unique period of peace and integration, in which it will have to choose in which political context its future should be shaped. The choice is essentially between some type of federation and something less, such as simply being good and close neighbours. While a federative system via the EU looks more likely at present, only the Europeans can in the end provide the answer.

## 11 September 2001 and its aftermath

On the morning of 11 September 2001, four US commercial jetliners were hijacked by nineteen men belonging to the Al Qaeda terrorist network led by a Saudi Arabian millionaire-turned-terrorist by the name of Osama bin Laden. Two of the planes rammed the two towers of the World Trade Center in downtown New York, one was flown into a wing of the Pentagon in Washington, and one (perhaps heading for the White House) crashed into the ground after the hijackers were overwhelmed by passengers. Nearly three thousand people – passengers and crew, those present in or around the buildings and firefighters – perished.

Political and economic life came to a standstill as people around the world went into a state of shock. A general economic crisis looked inevitable, since a large part of a major financial centre, Wall Street, had been destroyed or had to be evacuated. Share values plunged. Travel to and from the United States was halted for days. Trade in goods and services contracted. Terrorism had managed to strike at a nerve centre of the world's most powerful nation.

However, the United States and the rest of the world recovered with astounding speed. The US Federal Reserve lowered its policy-setting interest rates massively to revive the national economy. The European Central Bank, the Bank of England, the Bank of Japan and other central banks around the world followed. By early 2002, economic recovery was well under way, even though the various sequels, apart from those of a psychological nature, would continue to beset the world for a long time to come, in the form of, for example, slowed-down trade due to terrorist checking procedures against terrorism and higher insurance for buildings, airlines and other assets.

The day after the attacks, 12 September 2001, NATO – for the first time in its history and at the request of the United States – invoked Article 5 of the 1949 Washington Treaty calling for collective defence in the event of attack from outside.

As it turned out, the United States, having assured itself of NATO support, chose to wage its war against the Taliban regime in Afghanistan, which was offering shelter to bin Laden and his followers, outside the NATO military command. The allies were instead asked to provide assistance in selected areas, such as in the surveillance of the US airspace against more hijacked planes, in naval surveillance in the Indian Ocean and elsewhere, and in various peacemaking and peacekeeping operations in Afghanistan. Co-operation also intensified in the tracing of terrorist funding and the apprehension of suspected terrorists. The UN-

sponsored Bonn Accord on Afghanistan in late 2001 established a post-Taliban government in that country, demonstrating the strength of the international coalition.<sup>2</sup>

However, transatlantic tensions began to appear soon after 11 September. Some Europeans had feared that the war to unseat the Taliban regime, started in October 2001, would take a long time or even fail and that, to avoid large-scale civilian suffering, a negotiated solution should be sought at all cost. When, after a few weeks, the Taliban regime fell along with Al Qaeda's fortified hideouts in the mountains bordering Pakistan, European critics raised their legal and human rights concerns over the fate of prisoners of war suspected of belonging to the Taliban or Al Qaeda. Would they, and any terrorist suspects arrested in Europe, face the death penalty if extradited to the United States? Would they be treated in conformity with the 1949 Geneva Convention on the treatment of prisoners of war (a status not granted them by the US administration)? A picture of blindfolded and chained prisoners who had been transferred to the US naval base of Guantanamo in Cuba raised these fears further and drew a storm of protest.

Transatlantic frictions rose further with President Bush's State of the Union message to Congress in January 2002, in which he threatened to overthrow the governments of an 'axis of evil' group of countries – Iran, Iraq and North Korea – through military or other means. The Europeans' preferred method of solving international conflicts through diplomatic and political means was exposed as standing in stark contrast to the US preference for early and resolute action against 'rogue nations' possibly in the possession of weapons of mass destruction and their means of delivery.

Underneath these developments a geopolitical sea change was underway. Firstly, NATO had demonstrated its usefulness, in that Article 5 had been instantly activated, permitting a large transatlantic political and security coalition to be formed. (Paradoxically, it had been invoked not on behalf of European members, as had seemed the most likely during the Cold War, but following an attack on the United States.) New life had been blown into the organisation, at least for a time.

Secondly, 'September 11' caused Russia to move much closer to NATO and the US – culminating in 2002 with its relatively collected acceptance of the US abrogation of the 1972 ABM Treaty; the conclusion the same year of the Treaty of Moscow with the US reducing strategic nuclear missiles; and the creation of a NATO–Russia Council, also in 2002, by which Russia moved much closer to NATO. Russia in return expected help from the US and NATO in countering terrorist attacks and Muslim

fundamentalism on its southern borders, and less foreign criticism of its military campaign to quell a rebel insurgency in Chechnya.<sup>3</sup>

Thirdly, China, which faced a Muslim insurgency in some of its western provinces, became a *de facto* partner in the anti-terror coalition. India also moved closer to the West, as did many other countries that feared for the stability of the international order. Terrorists, who had been able to find shelter and sometimes even support in some Muslim and other countries, now found they were no longer welcome.

Fourthly, the developed countries began to fear that there was a link between underdevelopment in poor countries and terrorism. Thus the World Trade Organisation's Doha Development Agenda launched in Qatar in 2001, the UN Conference 'Financing for Development' in Monterrey, Mexico in 2002 and the Africa Action Plan announced at the G-8 meeting in Canada that same year saw much greater openness to the concerns of developing countries than had been the case prior to 11 September. Furthermore, the international community intensified its efforts to find solutions to the Kashmir and Middle-East conflicts, in recognition of the importance of these regions as recruiting grounds for terrorists.

It was uncertain for how long the wide international coalition formed after 11 September would last. Coalitions are built around a specific purpose, often to avert a perceived common threat. When that threat is believed to have subsided, such as through a successful co-operation to fight it, the coalition may weaken too. Terrorists want to strike, but when they do, they harden the coalition, making it more difficult for them to strike again. Meanwhile, other issues that tend to divide the coalition will not go away, and may indeed grow bigger as they are not given sufficient attention due to the coalition's overriding cause. A successful strategy of those most eager to maintain the coalition must then be to keep the common cause alive, while also working to resolve other issues dividing the coalition partners.

The strain on the anti-terrorist coalition was shown in the Iraq crisis of 2003, when the United States, the United Kingdom and a number of other European countries saw the desired toppling of Saddam Hussein as necessary and as forming part and parcel of the fight against terrorism, while others, such as France and Germany, felt that military action was if at all possible to be avoided as it would prevent the world from concentrating on terrorism and indeed provoke new terrorist attacks.

## The terrorism phenomenon

Terrorism may be defined as violence with a political purpose. It is aimed at provoking fear and uncertainty among the general public, sympathy among terrorism's own followers and a change in conduct on the part of the state (or international) authority attacked.

Terrorists justify their actions on religious, ideological, moral, ethnic-political, cultural or other grounds. Targets have in recent years increasingly been chosen for their symbolic value. The 11 September attacks are a case in point. In the eyes of the attackers and their supporters, the World Trade Center in New York stood for global capitalism as represented by Wall Street. The Pentagon symbolised US military might. The White House or the Capitol in Washington DC – where the plane that was forced down by passengers and crashed in Pennsylvania probably was headed – stood for US political power.

In future, terrorism is likely to be not only 'conventional', that is, to use guns or explosives, but also to use weapons of mass destruction involving radioactive, biological and chemical materials. 'Cyber-terrorism' may also be used, in the form of attacks with or against computer networks. Terrorism will try to use the mass media for greater impact, counting on the latter's interest in attracting the larger audiences that big news will yield.<sup>4</sup>

The international community for its part is first of all concentrated on crushing the Al Qaeda network, militarily and through better intelligence, especially by apprehending potential terrorists and cutting off their financial sources. The fight against other terrorist networks is also being pursued, including in Europe, such as against ETA in Spain and '17 November' in Greece. Co-operation between police, judicial and other authorities is being intensified, across Europe and worldwide. Countries in the Middle East, Africa and Asia that may have tolerated or even supported terrorists are being pressured by political and other means to mend their ways. Meanwhile, development assistance is targeted to counter the destabilising effects of globalisation and the impression in parts of the Muslim world that globalisation is destroying its culture and religion.

The war between terrorism and the established order will be very long and have a lasting effect on Europe, not least because it is one where there is never certainty that, say, the foiling of a plot or the arrest of a presumed terrorist marks the final defeat of a given terrorist network. Countries will draw together as their governments learn to co-operate more closely with each other to counter the common threat. New controlling technologies will arise, leading citizens to feel more under

surveillance, even as they may accept it as the lesser evil. Human rights, especially the right to privacy, may be more narrowly interpreted in legislation and courts. Public appearances by political leaders as well as public gatherings in general will be less frequent and more cumbersome due to added security. Higher insurance premiums and new security systems for individuals, companies and official buildings will lay an extra burden on the overall economy but also give rise to new economic activities.

### **Europe's intricate security architecture**

It cannot be argued that either the EU or NATO is directed against anyone. Rather, both the EU and NATO have as their long-term aim to include almost everybody that can fit geographically in their mandate (and have friendly relations with the rest). None of the 'outs' can form alliances with any of the 'ins', nor can any 'ins' form an alliance between them against one or more other 'ins'. This is in stark contrast with the European past, when stability could only be bought (temporarily) by alliances and counter-alliances. It is difficult to say for how long this fortunate situation will last. Much will depend on how far the economic intertwining of the different countries and regions can proceed, making ruptures superfluous or more costly in terms of economic opportunities lost.

Another historical novelty is evolving: that of an, albeit confused, pan-European security architecture in the widest meaning of the term. It is confusing in the sense that there are many presumptive architects – or architectural companies – with considerable shareholder overlap. They include the EU, NATO, the Organisation for Security and Co-operation in Europe (OSCE), the Council of Europe, the OECD, the United Nations Economic Commission for Europe (and what remains of the Western European Union).

Sometimes these 'interlocking' institutions have rather given the impression of being 'interblocking'. However, even if no coherent European architecture may be in sight, an incoherent one exists and it is probably better than none; for the institutions make sure that a series of processes are constantly under way in parallel fashion – some failing, some moving forward, some ad hoc and specific, some more general and systematic. It is precisely their multitude and the ideas and projects they propose which from day to day creates a slightly new Europe.

Rather than a 'survival of the fittest', or even the domination by one institution or the other, there is a constant adaptation of them all to changing relations between countries or groups of countries. The overlaps

that doubtless exist ideally serve to strengthen the architectural structure, somewhat like crossing beams in a ceiling. Whether the actions of one institution have a perfect logical consistency with those of all the others therefore becomes less important than the continuation and deepening of existing co-operation. The process – or processes – are often messy, but the end result may be more positive than if they were all entrusted to one central organisation upon whose success or failure European peace would stand and fall, such as was the case with the League of Nations in the period between World War I and World War II.<sup>5</sup>

The fields of action of the different institutions are well known: transatlantic security co-ordination through NATO, increasingly also involving Russia and Central Asia; political, economic and increasingly also security integration through the EU; pan-European co-operation in the political, human rights, democracy and rule-of-law fields through the Council of Europe; transatlantic and pan-European technical co-operation through the United Nations Economic Commission for Europe; virtually worldwide economic co-operation through the World Trade Organisation and the OECD; and the reaching out to countries in the southern Mediterranean through NATO and the European Union's so-called 'Barcelona process'.

To these European, Euro-Atlantic or worldwide institutions should be added the many 'sub-regional' co-operation forums that have sprung up alongside more long-established institutions: the Benelux co-operation (actually dating back to before World War II), the Nordic Council or EFTA. Such sub-regional organisations involve areas such as the Baltic Sea, the Barents Sea, the Black Sea and Central Europe, to mention just a few.<sup>6</sup>

This 'division of labour' among institutions – which themselves have arisen out of specific historical circumstances and have simply been added to one another as a new perceived need arose – is not very logical. The important thing to consider is, however, how well it manages to keep Europe at peace and working in at least relative unison. Here the jury is still out, as shall be seen below when the various 'new-old' forces in Europe will be discussed. However, the record so far is an indication that the architecture cannot be all that bad, examples being Europe's mastering of the challenges of the Cold War and its peaceful ending; the essentially non-violent dissolution of the Soviet Union; the introduction of democracy and a market economy in Central and Eastern Europe; the eventual, at least temporary taming of the conflicts in the Balkans; and the growing co-operation, indeed integration, in the economic, political and security fields across the Continent. As regards the future, much will depend on how the institutions in question manage to reform themselves



and how they co-operate and co-ordinate with each other to create a 'synergy' among them.

NATO and the OSCE are of great importance in the overall security equation, even though the plans to have the OSCE assume the top position in the hierarchy of the institutions was never a realistic one. The OSCE monitors elections in troubled countries, oversees the respect of sanctions, engages in 'quiet diplomacy' over budding conflicts and minority rights, and runs disarmament talks, notably the follow-up to the Conventional Forces in Europe (CFE) Treaty. However, it also has weaknesses, such as an often paralysing near-unanimity requirement.

NATO's continuing importance for European stability has already been discussed. NATO and the OSCE serve to underline the largely Atlantic character of the European security architecture. The commitment of the United States to the security of Europe is still holding and can be said to have grown stronger after the creation of the NATO–Russia Council in 2002 and the ten-country NATO enlargement foreseen for 2004. Enlargement itself may strengthen transatlantic security ties, since the new NATO members in Central and Eastern Europe are more positive to continued US commitment to Europe than are some of the old, as shown in the crisis over Iraq in 2003. NATO's Partnership for Peace and Euro-Atlantic Partnership Council will lose some of their relevance as NATO enlarges, but can still serve as useful fora for the widest possible participation by countries in peacekeeping operations or 'coalitions of the willing'.

Finally, the EU has resolved, at least for the foreseeable future, one main source of geostrategic instability in Europe, that of what to do about too powerful a Germany. Out of that dilemma, which Germany itself could not do much about, had emerged the alliance–counter-alliance system which, although it provided some stability at times, also gave rise to both world wars. Only through the embedding of Germany first in the NATO security structure and then in the EU economic, political and security structure (plus those structures provided by others such as the Council of Europe and the OSCE), has it been possible to overcome the otherwise latent opposition between France and Germany, with the former's tendency to try to contain the latter with an alliance with Russia, leaving the countries of Central Europe as hapless pawns in between. Thus, provided Russia continues its already considerable integration with western Europe, the *Zwischeneuropa* (the Europe in between Germany and Russia) may definitely be relegated to the past, much to the benefit of countries from the Baltics down to Hungary and Romania. This, then, is another great achievement of the EU.

The above does not, however, mean that Europe's institutional arrangements are in any way perfect. One concern is how to give a proper role within the European concert to Russia, and also to Turkey, which is threatened by political marginalisation in Europe quite out of measure to its strategic importance. Nor is the structure invulnerable to any future economic or political rivalry between the EU and the United States, or to the unpredictable forces of nationalism.<sup>7</sup>

### **An eastward shift of gravity: international relations in the new Europe**

As NATO and the EU enlarged eastwards, the first obvious result would be that Europe's 'centre' would move eastwards, too. Central and Eastern Europe in particular could not but help develop economically now that the region again enjoyed free trade and investment relations with especially Germany and all of Western Europe in general. Along with that development would come an enlargement of Europe's post-World War II 'arch of wealth' – south-east England, Benelux, north-east France, south-west Germany, Switzerland and northern Italy – to include Berlin, Budapest, Warsaw, Prague, Vienna and other economic centres in the region.

The late French President Mitterrand presumably foresaw the eastward shift in 1989, when he tried to prevent or at least considerably delay German unification and exacted the country's participation in the Maastricht Treaty and especially the EMU as a price for 'allowing' unification to take place. Thus in December 1989 he issued a joint declaration with President Gorbachev stating that border changes were premature and expressing support for an 'East German identity'. In the view of the historian Andrew Moravcsik, he also 'sought to establish a pan-European confederation, a policy that had the added advantage of possibly forestalling entry of East European countries into the EC, an event [he] is said to have hoped to delay for decades' After these efforts failed,

Mitterrand's sole goal became to secure a monetary quid pro quo [with Germany] for France, backed by whatever concessions on political union were required ... It is commonly asserted that the French government viewed Franco-German cooperation as a means to offset growing German power and, therefore, as a substitute for possible alliances with the UK or the Soviet Union.<sup>8</sup>

However, it was not certain that any effort by France to tie Germany closer to its western flank, and especially France, would work, for German interests were increasingly towards the east, aptly symbolised by the change of the nation's capital from Bonn to Berlin, and the

moving there of its government and parliament in 1999. In a new *Ostpolitik* following that pursued during the Cold War, Germany had, since the end of that era, pushed for expansion both of NATO and the EU. With the 2004 enlargements of these two institutions, Germany would for the first time in its history be treaty-bound to virtually all of the countries in Central and Eastern Europe in the political, security and economic fields. It hoped thereby to extend stability to the Balkans, the Baltic States and other parts of the former Soviet Union. Good relations with Russia were a top priority. German business interests were also changing. Germany had become the biggest trade investment partner for Poland, the Czech Republic and Hungary.

Max Jakobson, the Finnish diplomat and scholar, saw EU enlargement as essential in order to have German security enhance European security. He considered what he called the ‘German–French axis’ as obsolete and

valid only as long as Germany was a western European country – an economic giant but a political dwarf. Following unification, however, Germany is no longer a western European country: it is a European power, again at the heart of the continent ... Germany has an obvious strategic and economic interest in the furtherance of political stability and material progress in central and eastern Europe and in the Baltics, including Russia.

Jakobson therefore considered it essential that Germany’s present *Drang nach Osten* (eastward influence) be achieved through EU enlargement and with Germany firmly within it.<sup>9</sup>

The half-a-century-old Franco–German marriage in the 1990s and early 2000s showed renewed signs of fatigue. French leverage over Germany had been reduced with the end of four-power status in Berlin (where France had been a participant) and German unification in 1990, which had made Germany the most populous country in the EU.<sup>10</sup>

This was natural since Germany was looking increasingly east and France found it more and more difficult to count on generous German funds for the EU and on German acceptance of French leadership of the marriage, or of the EU. In 2003, the fortieth anniversary of the 1963 Elysée Friendship Treaty between the two countries gave them an opportunity to declare that all in the marriage was indeed well and that they would continue to provide EU leadership together.

A common stance against the US–British invasion of Iraq that same year added to the impression of unity, as did a freshly announced joint ambition, resulting from that stance, to pursue (with Belgium and Luxembourg and possibly others) a defence integration on their own that would leave other EU members, such as the UK, outside.

The celebrations could not, however, conceal numerous underlying differences, such as over the future running of the EU (with France opting for more intergovernmentalism and Germany for a stronger role for the European Commission and the European Parliament) and over EU security policy (where France wanted greater independence vis-à-vis the US). Seen against the background of the multilayered European security architecture, however, the ups and downs in the long-standing Franco–German relations might not matter overly, especially since they have so far served the strategic interests of both countries in Europe and beyond and will remain central to Europe in the future.<sup>11</sup>

Bilateral French–German military co-operation outside NATO was meant to be given a major push through the so-called Nuremberg Declaration of 1996. However, the results were mainly multilateral within the EU context, such as in the Strasbourg-based Eurocorps and the Rapid Reaction Force meant to come into being in 2003.<sup>12</sup> Budgetary difficulties in both countries have prevented more ambitious projects – especially since their participation in the peacekeeping forces in South-Eastern Europe and elsewhere absorbed a good deal of the resources that might otherwise have been available. Finally, co-operation on new weapons was hesitant, with Bonn often seeming closer to London or Washington than to Paris, not least because France’s defence industries were still largely in state hands and thus less attractive partners to foreign companies.

New strains in French–German relations became apparent at the 2000 EU summit in Nice. France under President Chirac and Prime Minister Jospin insisted on the same voting power in the European Union’s Council of Ministers as Germany, in spite of the latter’s 30 per cent larger population. President Chirac insisted that this had been agreed for all time to come by de Gaulle and the German Chancellor at the time, Konrad Adenauer.

The insistence reflected the unwillingness of the French establishment to recognise not only that France could no longer claim to lead Germany, and hence Europe, via the European Union, but that now Germany was assuming the role of *primus inter pares* (first among equals). Paris could do little about Germany’s gradually assuming the leading role in the European Union and working in favour of a federal EU structure in which Germany’s larger population would give it a correspondingly strong role. Against France’s insistence on its singularity and hence its vocation to lead Europe – in Europe and in the world – stood Germany’s subtle assumption of this role, even as it tried to avoid worrying its neighbours, and especially France, by not overplaying its hand.

It was far from certain that the sentiments of the French ‘establishment’ in favour of French *grandeur* were shared by a rapidly ‘Europeanising’ French population and business community. Even a few intellectuals were beginning to have doubts. Claude Fouquet in his book *Délires et défaites* wrote: ‘It is hard to abandon the historic dreams that continue to caress us because we love this imagined France. However, we have to give it up, firstly because truth demands it, but especially because it blocks our understanding of the modern world, and therefore our adaptation to it.’<sup>13</sup>

The US–German relationship also underwent strain, as Germany in 2003 ruled out participation in any US-led military action in Saddam Hussein’s Iraq. To this came a concern in Germany (and perhaps in Europe in general) about how the United States exercised its position as the world’s only superpower without heeding the advice of others. For all the friction, however, Germany’s foreign policy in the early 2000s could be expected to emphasise close alignment with US policies, including on missile defence, even as Germany built up the European Security and Defence Policy with its EU partners. This was so because Germany realised more than most the importance of a US security presence in Europe to prevent European rivalries.

However, over the longer term, shifts in the strategic agendas of the two countries could have an impact. Firstly, Germany occupied much less of a place in US domestic policies than, say, during the medium-range missile crisis of the 1980s, not to mention the various Berlin crises from 1948 to 1961. With the ethnicity of Americans becoming less predominantly European and more Asian in character, and with the principally Asia-trading US West Coast growing more important, the priorities of the new political class in the United States were shifting accordingly.

The US wanted Germany to assume its responsibilities more fully as Europe’s major power, a role which the Germans were hesitant to fulfil for fear of raising apprehensions among their neighbours (and also due to financial difficulties). Furthermore, Germany’s foreign policy could not be readily expressed, since it was largely tied down by the EU. To the extent it tried to pursue a foreign and security policy through the EU, the end result was often minimal. It could hardly be otherwise after initiatives had gone through the decision-making machinery of fifteen sovereign states plus the Commission. Meanwhile, any German foreign policy action taken independently of the EU risked causing an uproar among the other EU member states, and possibly others as well.

History therefore weighed heavily on Germany’s shoulders. To the extent it tried to strengthen its own political voice in the European choir,

it had to be done in ways acceptable to the others (and France in particular) and would have to be seen as being necessary for stability rather than heralding a return to a dreaded past. At the same time Germany wanted to assume a political influence commensurate with its still considerable economic might. Only within a politically strong and united Europe would this be possible.

One way for France to counter what it might consider excessive German (and US) influence was to cultivate relations with Russia. This had held both during World War I and World War II. Even though France joined NATO after the latter, there was also de Gaulle's decision to leave NATO's integrated command and his vision of a Europe extending from the Atlantic to the Urals.

After the fall of the Berlin Wall, France's overtures to Moscow repeatedly raised eyebrows in Washington, such as over joint oil exploration in Iran despite a US embargo, or a lifting of sanctions against Saddam Hussein's Iraq. Furthermore, France's refusal (together with Germany) to authorise force via the UN Security Council in deposing Saddam Hussein in 2003 led to major friction with especially the US and British governments (though not necessarily with all the citizens of these countries, especially the UK where public opinion was highly divided on the issue, at least until the start of the invasion).

On the other hand, France did join the war against Iraq over Kuwait in 1991 and that against Yugoslavia over Kosovo in 1999. It played a major role in the NATO peacekeeping force in Bosnia. And it supported NATO enlargement despite initial Russian reservations. The picture of France as a maverick in transatlantic co-operation is therefore not wholly justified. What seems to matter most to Paris is to remind Washington that the US is not the only major power in the world, but that France also counts for something. France fundamentally needs the United States in Europe vis-à-vis Germany, Russia and the Balkans more than it wants it out. French-US relations are therefore likely to continue in their hot-cold mode.

The UK's relationship with France has traditionally been ambiguous. Britain was Napoleon's main adversary and ultimate vanquisher. Its alliances with France in the two world wars had resulted mainly from a desire to check German ambitions rather than from any natural sense of common destiny, and in the aftermath of World War I the UK feared French hegemony in Europe before its concerns focused on Hitler. When the UK tried to join the EEC in the 1960s it was rebuffed by de Gaulle. Margaret Thatcher was vilified in France for her insisting on more EU funds in the 1970s and 1980s and for her opposition to the Maastricht

Treaty. To the French, the term ‘Anglo-Saxon’ – which has no clear meaning to the British or others – conjures up the notion of various British–American designs to take over the world economically, culturally and linguistically.

The UK has traditionally feared any single power gaining hegemony over continental Europe, whether a France under Napoleon, a Germany under Wilhelm II or Hitler or a Russia under Stalin. However, as France was removed from the European chessboard, as happened during both world wars, the UK came to its rescue (followed by the Americans) to avoid European domination by another power.<sup>14</sup>

The UK’s relationship with Germany is similarly complicated. Twice in the twentieth century the UK came to the aid of France and Russia to contain German ambitions. However, after both world wars the UK was anxious to rebuild Germany into a power capable of filling a political vacuum in Central Europe, and of containing French and Russian ambitions for excessive dominance. This ambivalence reflects the UK’s geographical position, outside the Continent and yet inexorably linked up with it.

With a modern Germany that since 1945 has shown no inclination to try to dominate Europe, the UK has had few problems and indeed an increasingly close relationship with the country. For the UK, this has been important in order to avoid having a Berlin–Paris link overshadow the EU and it helps to explain British efforts to participate in EU defence initiatives such as the Rapid Reaction Force, especially as Britain is not a member of the euro-zone. For Germany, close links with the UK have been important in order to avoid becoming too dominated by France in the EU. It is balance-of-power politics on a miniature scale, with the EU and the transatlantic relationship serving as obvious limits to anything more significant. This outcome has produced a broadly functioning *ménage à trois*, with Spain and Italy joining in as occasional mediators.<sup>15</sup>

A seemingly rock-solid ‘special relationship’ holds firm between the UK and the US. It is born out of a shared language and the origin of the United States as British colonies, and strengthened in two world wars. However, there is more, such as the desire of both to maintain a political equilibrium in Europe – as manifested in the world wars, during the Cold War, in the Balkans, and possibly even in today’s Europe of the EU.

There could also be something else. A certain common approach to trade, investment and generally to doing business; a belief in a certain style of democracy born out of the ‘township democracy’ tradition in pre-industrial England and the American colonies; a duty to challenge (at least some) tyrants; and a certain pragmatism and an aversion to



grand theory, in which a measure of the American ‘universal mission’ clashes only marginally with the ‘little Englander’ tendency in British politics (the latter being a cousin to American isolationism).

Italy and Spain continue to play important roles in European history. Spain in the 1970s brought down dictatorship in part to be able to ‘join Europe’. Both countries made major and successful efforts to join the EMU. Northern Spain’s and northern Italy’s economic integration with Europe’s economic heartland are complete. The two countries also serve as important links with other continents, such as Latin America. However, their geographical position on Europe’s southern periphery gives them fewer options in the European *ménage* than, say, France, Germany and the UK enjoy. (This is a predicament shared by the countries in Europe’s far north.) Italy and Spain find themselves in a position of weakness, since, unable to seek ‘allies’ in European affairs to their south, they have to turn north (or towards the US, as in the 2003 Iraq conflict).

Finally, with EU and NATO enlargement in 2004, the new members in Europe’s east and south will play larger roles in the European concert. This holds especially for Poland, which not only has a population close to that of Spain but also holds a key strategic position between Germany and Russia.

Russia’s natural place in the European arena is that of a major player, given its size, population and strategic position between Western and Central Europe on the one hand, and Southern and Eastern Asia on the other. From that viewpoint, the present situation of a still economically weak Russia is in a way unnatural and potentially destabilising. The West has been trying hard to involve it as closely as possible in various forums such as NATO, the Council of Europe and the EU. The semi-inclusion of Russia in NATO via the 2002 NATO–Russia Council bears witness to the success of this policy.

Russia is trying to regain influence not only in Central and Eastern Europe but also in Central Asia – with major consequences for Europe. Russia has enormous reserves of natural resources, including oil and gas. If these are developed efficiently – and this clearly is Russia’s aim – the country could have major leverage over European affairs, especially as the supply of North Sea oil will start to decline in a few years’ time.<sup>16</sup>

Russia’s smaller neighbours to the south and west, such as the Baltic countries or Ukraine, may on the one hand welcome Russia’s relative weakness, since it increases their freedom of action in relation to the EU and NATO. However, they also have an interest in an economically stronger Russia with which they can trade, which is stable politically, and which is co-operating closely with international institutions.



Europe, too, has an abiding interest in an economically healthy and politically stable Russia, since there would otherwise be no stabilising force projected to that country's south and south-east. A Russia closely involved in European affairs would also help maintain a North American political and security interest in Europe – a presence important for long-term peace and stability in Europe and for preventing European powers reviving old rivalries.

### **US–European relations**

Europe will no doubt in due course assume main responsibility for its security and project its influence more independently towards regions where it has strategic interests. The European Security and Defence Policy and its envisaged Rapid Reaction Force, whatever their present difficulties, illustrate this trend. However, the experience of two world wars – followed by Western Europe's peaceful integration under the NATO umbrella and the West's ultimate, equally peaceful victory over Soviet communism – explains why many Europeans want North America to continue its contribution to European security and defence and the EU's own ambivalence in seeking a security and defence role of its own. The growing US military dominance in the world is likely to accentuate this tendency.

Political and security co-operation is strongly linked with economic relations. The United States and the European Union are the world's two leading economic powers and their economic relations in trade and investment are without parallel in the rest of the world. As the EU enlarges, it provides a goal and destination for many countries in Central and Eastern Europe and stimulates many domestic reforms necessary for membership – a process which is also in the US interest, not least since EU enlargement serves as a politically stabilising counterpart to NATO's own enlargement.

The euro in particular has created EU capital markets of a size, depth and liquidity that did not exist before. Decades of major capital flows in both directions have made the US and the EU increasingly intertwined. About five million Americans work for EU-based companies, and almost as many EU citizens work for US-owned firms. This fact of life helps to cool tempers and assists in the search for compromises to defuse conflicts, and it is likely to prevent any excessive drifting apart also in the political and security arena.

There is opposition to the US in Europe, as in the world – such as over Iraq in 2003 – but it is scattered and far from shared by all social strata.

It has, since the fall of the Soviet Union, failed to give rise to formal counter-alliances among countries – in the world in general and more particularly in Europe. Counter-alliances are rendered the more difficult since the US, through its might, provides ‘public goods’ to the world by keeping world trade and international financing functioning (through its strong role in the WTO and the International Monetary Fund), sea lanes open and global security intact by clamping down on countries intent on upsetting this world order. If it were possible to sum up the goals the United States has set itself for the world, it might be to maintain peace via arms control; prevent the spread of weapons of mass destruction; and promote democracy and free markets.

European elites tend to be sceptical of the US, either because they do not believe it is honest in pursuing these goals or because they do not share the American definition of democracy or its belief in the virtues of globalisation. Another grievance is the maintenance of the death penalty in many US states (and at federal level). Critics see the US as the main engine behind inhuman globalisation and ‘MacDonaldisation’ around the world. Still, with so many, especially young, people in Europe and the world attracted by American movies, culture, universities, food, clothing and technology, any united anti-Americanism has difficulties taking root.<sup>17</sup>

There is widespread denunciation among European political and cultural elites of US ‘unilateralism’, that is, the country’s refusal to adhere to treaties such as the Kyoto Protocol on global warming and the treaty establishing an International Criminal Court to punish alleged war criminals. Generally, many Europeans feel estranged by the US’s forward stance in the fight against terrorism and ‘rogue states’, which they see as additional signs of US hubris.<sup>18</sup>

In 2003 European division on the Iraq crisis not only led to diplomatic complications with the US but also, at least temporarily, frustrated any ambition to forge a common EU foreign and security policy. Following the declaration by France and Germany against early military action against Saddam Hussein, leaders of eight countries – including the UK, Italy, Spain and several Central and East European countries – published a message extolling transatlantic relations and the historical US contribution to the old continent and calling for a resolute attitude vis-à-vis Iraq. The declaration and the ensuing European row reflected both the divided views held by Europeans as regards the US and the dissatisfaction felt by many EU and other European countries, with a perceived French–German attempt to dominate the European agenda.

Many sceptical Europeans and others are waiting for the US to undergo decline like any other dominant power. This may happen, but the US

has a formidable strength in its 200-year old constitution. As Watergate proved, the constitution does not tolerate any attempt at usurpation. Power is strictly divided between the President, the legislative and the judiciary. Such a system tends to involve the citizenry more than do parliamentary systems such as in Europe, Japan and elsewhere. It is a bulwark against excessive power gathered in one quarter, against overly hasty decisions and against any overreach in international endeavours. Where such overreach takes place, such as in Vietnam, it is likely to be corrected in time due to domestic opposition.<sup>19</sup>

The US scholar Robert D. Kaplan in his book *Warrior Politics*, devoted to the United States' future as a world hegemon, concludes that 'the very weakness and flexibility of such a non-traditional American-led empire will constitute its strength. The power of this new imperium will derive from it never having to be declared, saving it from the self-delusive, ceremonial trappings of the United Nations.' Referring to the Chinese fourth-century war historian Sun-Tzu, Kaplan argues that the 'strongest strategic position is "formless"; it is a position that adversaries cannot attack because it exists everywhere and nowhere ... Triumphalism has no role in [US] foreign policy: our ideals will have to grow less rigid and more varied if they are to meet the needs of the far corners of the earth.'<sup>20</sup> It can only be hoped that such 'less rigid and more varied ideals' will also encourage the United States to listen enough to its European and other partners.

### **The future of the Balkans**

The future of the Balkans is still uncertain. The building of a civil and democratic society in Kosovo remains a difficult task, especially after the Kosovo Albanians split into at least two political factions bitterly opposing each other, and as the Serbian minority – dwindling as a result of harassment by some in the Kosovo Albanian majority – was either unwilling or unable to participate politically in the province's life. Organised crime is becoming a problem.

Municipal elections in Kosovo in 2000 resulted in overwhelming support for the more moderate Kosovo Albanians around its leader Ibrahim Rugova and the rejection of his more radical opponent. Both parties, however, were determined in their quest for ultimate Kosovo independence from Yugoslavia, something that neither Serbia and Montenegro nor the international community were a priori willing to grant, especially if Yugoslav democracy was strengthened. Indeed, the latter could come under strain if Kosovo headed for independence.<sup>21</sup>

In 2001 new risks arose in the Balkans. Minority Albanians in the 'former Yugoslav Republic of Macedonia', aided by militant brethren in Kosovo and Albania, started a guerrilla war against the Slav-dominated government, which called on the international community for help in quelling the rebellion. (A peace agreement in 2001 granting more rights to the ethnic Albanians and involving a NATO intervention to collect rebel arms forced a growing dialogue between the two sides.) Nearby, Kosovo Albanians attacked Serbian police forces across the Kosovo-Serbia border, where many ethnic Albanians lived. Ethnic Albanians attacked minority Serbs in Kosovo, prompting the international NATO-led KFOR (Kosovo Force) to come to the latter's rescue. Croats in Bosnia-Herzegovina requested to leave the country and establish closer ties with Croatia. Serbs in the Serbian part of Bosnia-Herzegovina sought closer ties with Serbia. Montenegro contemplated leaving Yugoslavia to form an independent country.

The reconstruction of Bosnia-Herzegovina met with similar difficulties, as the three ethnic groups of the country – Croats, Bosnians and Serbs – experienced difficulties in agreeing on common policies. Economic stagnation followed. However, by 2003 refugees were returning in greater numbers and destroyed mosques and churches were reconstructed with international assistance.

The year 2000 saw welcome changes in Yugoslavia as Vojislav Kostunica, a soft-spoken academic, unseated Milosevic to become President of Yugoslavia in September, and as the opposition also won the Serbian parliamentary elections against Milosevic's forces. Yugoslavia could now be welcomed back into Europe and the international community as a whole, including their financial institutions. Milosevic's transfer to The Hague in 2001 to face charges before the International Criminal Tribunal for the Former Yugoslavia led to an even stronger international acceptance of the country.

The rebuilding and economic revival of South-Eastern Europe would cost large amounts of money, which would have to be supplied by already financially strained Western countries.<sup>22</sup> Newly democratic Yugoslavia – under the new name of 'Serbia and Montenegro' – also had a long way to go before it had been rebuilt from after the war over Kosovo.<sup>23</sup> The economic development of countries like Bulgaria, Romania, Bosnia-Herzegovina, Croatia, Albania, Ukraine, the 'former Yugoslav Republic of Macedonia' and even Greece very much depended on the continued recovery of Yugoslavia, given its central location in the region. The Stability Pact gave a major operational responsibility to the EU (in particular the European Commission) and the World Bank, with

many other institutions assigned supplementary roles.

For South-Eastern Europe these changes also meant that – with no ‘black hole’, Serbia, any longer in its middle – the region’s reconstruction could start in earnest. The Stability Pact still had problems coordinating among its many participants. However, with many projects nearing implementation and the recipient countries concentrating on building closer links with ‘Europe’ – if not as convincingly among themselves – the pact was enough to offset whatever problems and uncertainties remained, such as Kosovo Albanians’ harassment of Kosovo Serbs, Bosnia’s stagnant economy or Serbia and Montenegro’s lingering difficulties in shaking off the Milosevic heritage. The international community’s (at least temporary) determination to continue to deploy troops in Kosovo and Bosnia illustrated Europe’s and NATO’s resolve not to let the Balkans explode yet another time, with possible ripple effects on the rest of the Continent.

All these developments placed before the international community a series of dilemmas. Should it try to keep together – at great cost in the form of troops and aid money – what apparently did not want to stay together? Should the international community restrict itself simply to monitoring the ‘controlled’ dissolution of countries and the establishment of new ones? If Croatian areas in Herzegovina were to join Croatia and the *Republika Srpska* were to unite with Serbia, what would become of predominantly Muslim Bosnia? If the ‘former Yugoslav Republic of Macedonia’ were split into an Albanian part (possibly joining Kosovo or Albania) and a rump Slav part, would Skopje, the capital, be divided into two parts – an Albanian and a Slav – as well? What would become of the Muslims in southern Serbia and the many minority Serbs in whatever new country came into being?

The international community fears any changes of borders, since they could open up a Pandora’s box of new demands. For Kosovo, it sought to preserve the ‘substantial autonomy’ already achieved, without letting it proceed to independence. The same held for Montenegro, in a change from the days of Milosevic’s rule in Belgrade, when the West cautiously encouraged Montenegrin independence. The international community would also try to maintain Bosnia and Herzegovina and the ‘former Yugoslav Republic of Macedonia’ as intact countries. It was likely to maintain a military and civilian presence in the region for a long time to come, in spite of the high costs and simply because withdrawal could be even more costly in the form of wars and many refugees. Efforts would be made to strengthen regional co-operation and economic development, for instance through the Stability Pact, the integration of minorities and

the promotion of democracy and decentralisation. EU and NATO membership would be held out as baits.

The Balkans could thus end up with a number of virtual ‘international protectorates’, for as long as the international community was willing to supply the necessary troops and funds: Bosnia, Kosovo, ‘the former Yugoslav Republic of Macedonia’ and, possibly, Montenegro (should ‘Serbia and Montenegro’ fall apart).<sup>24</sup> Alternatively, if the fullest aims of the Stability Pact were realised, then the countries concerned might come to see the advantages of living together in peace and greater prosperity within existing borders. However, the risk was real of further pronounced nationalism in the Balkans, jeopardising what had been achieved. For instance, when visitors enter Bosnia-Herzegovina from Croatia, they are met, not by that country’s flag, but by that of Croatia. Throughout Herzegovina, the Croat-dominated part of the country, Croatian flags are everywhere. This illustrates the difficulties of the international community in forging a national consensus in the region in conformity with internationally recognised borders.<sup>25</sup>

### **The Caucasus and the Caspian Sea region; Europe and the rise of China**

Europe has a major stake in political stability in the Caucasus and Central Asia, not least considering the oil wealth of the Caspian Sea region. The area is believed to contain up to 200 billion barrels of oil, worth as much as \$4 trillion at current prices, plus comparable resources of natural gas. Azerbaijan, Georgia, Kazakhstan, Turkmenistan, Turkey, Iran and, of course, Russia are closely involved in this gamble – in their capacity as either sitting on the riches, acting as potential hosts to pipelines over their territory or being major powers with a strategic interest in the region.<sup>26</sup>

The struggle over Chechnya in the mid 1990s and Russia’s assertion of its power in the province in the early 2000s is better understood when one considers the oil riches under Chechnya itself and the fact that vital pipelines to the west were likely to go across it. Peace there, and in the region as a whole, would depend on whether all parties concerned could find an agreement which accommodated them. Efforts were under way to establish an overall Caucasus security system. Washington was actively involved (a fact underlined by the strong presence of US oil companies in the region), as were major West European countries.<sup>27</sup>

Azerbaijan, Pakistan, Turkey and Uzbekistan tended to work closely with US companies. Armenia, Iran and Kazakhstan had strong links with Russian firms. China was still lying low but could be expected to

become more active as it developed further economically. Russia had the advantage of having most of the existing pipelines cross its own territory or former Soviet territory.

The biggest present and future producers – Azerbaijan and Kazakhstan – realised that European and US investment was needed for the major investments necessary. Investors, for their part, need peace and stability in the region through government involvement. A new pipeline from Azerbaijan via Georgia to Turkey and the Mediterranean (the port of Ceyhan) would be finished by 2005 and others were envisaged across Iran to the Persian Gulf, via Georgia to the Black Sea, from Turkmenistan via Afghanistan and Pakistan to China, and from Kazakhstan to China.

The countries and companies involved often have conflicting interests over access, ownership and transport of the oil and gas. However, they share an interest in overall peace so that those resources can flow. There is every reason to expect the Caspian–Caucasus oil and gas game to figure prominently in world affairs in coming years. Europe, as a main potential beneficiary of Caspian oil and gas, therefore has a strong interest in good relations between Russia and China and in the Caspian region in general.<sup>28</sup>

China is a rising power in East Asia and the world. While it still has some way to go before it can be considered an economic superpower, its natural strategic and political interest lies in re-establishing its historical primacy in Northern Asia. This can only be achieved if the Japanese–American alliance is weakened and America’s presence in the region reduced. Both Russia and the United States would be against this: Russia because of concern for the security of its eastern regions; and the United States because it would see it as upsetting a balance of power, which in reality is a strong US economic and military predominance. Japan’s position is ambiguous. On the one hand it would like to reduce the US dominance in the region in order to enhance its own. On the other it realises that this would facilitate China’s (and Russia’s) rise. China, similarly, needs the United States to keep in check any political and military ambitions of Japan.

### **The persistent force of nationalism**

In eastern Serbia there are four small regions – Kula, Tran, Tsaribrod and Bosilegrad – which were ceded by Bulgaria in the 1919 Treaty of Neuilly. At the stroke of a pen, villages were cut in two and families separated. For decades, no contact was possible. Then the borders were open for one day in a year. Still, the division is intact.



The Bulgarian poet, Stoyan Chilingirov wrote:

Those of you who wish to learn what injustice means and what is a wound to the living body of a people: come here all of you! Come here twice if you are Bulgarians and want to see how a Solomonic farce became a true condemnation at Neuilly. Come and see how an international frontier turns the garden of a person into two state territories. How, on the one side of an invisible frontier the daughter sighs, while on the other a mother turned grey by pain is crying. How on this side the son is waiting for his father, and how on the other the father does not even have the right to see his son.<sup>29</sup>

The Neuilly Treaty – by which Bulgaria also lost western Thrace and with it its access to the Mediterranean – was preceded by those of Saint-Germain, Trianon and Sèvres, all parts of the Paris Peace Conference which convened in 1919 to draw up separate treaties for each state on the side of the vanquished powers in World War I. To mention only a few of the territorial consequences, Slovenian and Dalmatian lands went from Austria to the new Kingdom of the Serbs, Croats and Slovenes (later Yugoslavia). Hungary lost Transylvania and part of the Banat to Romania. Hungary also ceded Croatia, Slavonia and the rest of the Banat to the new South Slav State.

After 1919 nearly a quarter of Eastern Europe's total population of 110 million inhabitants found themselves as minorities under alien rule. If these accords settled, in a comparatively enduring way, many of the territorial questions that had long distracted Balkan politics, they also laid landmines for an indeterminate future. Subsequent agreements negotiated under duress, such as after World War II, led to a situation where virtually all the countries of Europe, especially in its central and eastern parts, became either 'amputees' or possessors of lands with foreign minorities who had lived there for centuries if not millennia. Albanians in Kosovo and what is today 'the former Yugoslav Republic of Macedonia'; German-speaking Tyrolians in Italy; Lithuanians in Poland; Poles in the Ukraine; Greeks in Albania; Hungarians in Romania; and Germans in Poland. This *pêle-mêle* list is not even half complete. Only a few fortunate countries, such as the Nordic ones, seemed to have borders on the whole reflecting ethnic, linguistic and cultural bonds, although that was of course different in centuries past.<sup>30</sup>

The international community redrew borders – which were far from reflecting ethnic realities – in part as rewards for victors (along the theory that wealth equalled territory) and punishment for losers and their allies. In part it was also done to create greater stability, on the assumption that the victors would remain stronger in the future, especially with more territory. However, arbitrariness and ignorance



also accompanied negotiations. Maps were rolled out and staff ordered to work out the details – perhaps leaving Stoyan Chilingirov's village divided rather than intact as a result of a glass too many at lunch for the pen to hold steady.

The world's hope that 'national self-determination' would satisfy the minorities and be respected by the majorities – or that borders would become so 'porous' as to unite ethnic groups across countries in all but nationhood – has been realised occasionally but remains frustrated as a rule. Even internationally 'midwived' exchanges of populations, such as between Greece, Turkey and Bulgaria in the late 1920s, have come back to haunt an era later when, for example, thousands of Turks rebelled in the 1980s after they were threatened with a forcible adoption of Bulgarian family names to replace their Turkish ones. Even where deportation of whole peoples were undertaken – such as the Tatars and the Volga Germans under Stalin – the dead seem to govern the living, to use the words of the French author Auguste Comte. If Soviet domination in Central and Eastern Europe managed temporarily to suppress nationalism in the name of communism, ethnic tensions were never far below the surface. Once communism disappeared, the migration of minorities and ethnic disputes resurfaced as contentious issues.

The international community basically pursued the same policy in the early 2000s as after the two world wars, with Bosnia-Herzegovina and Kosovo as good examples. The notion of a state was upheld, with a majority of Croats, Serbs and Bosnians still maintaining considerable suspicion among them. The big question remains whether humans can be changed by circumstances or not; whether the three groups can learn to live together as a result of internationally induced first efforts at co-operation; or whether old hatreds will surface, once the foreign troops and mediators are gone.

In Kosovo, two kinds of nationalism collided: that of memory, where Serbia considered Kosovo its national birthplace because of a valiant, though lost, battle against the Ottoman Turks in 1389; and that of ethnicity, where the province's overwhelming Albanian majority wanted independence if not reunion with neighbouring Albania. The world was horrified by the Serbian treatment of the Albanians in the late 1990s. At the same time, however, the international community was fearful of calling into question established international borders. Kosovo was confirmed as forming part of Yugoslavia after both world wars – against 'ethnic logic' even at that time – as well as in 1992 when the newly truncated Yugoslavia saw the light of day. An independent Kosovo or one united with Albania could, it was feared, give rise to similar claims

by Albanians in the multi-ethnic ‘former Yugoslav Republic of Macedonia’ – who had already started a ‘war of liberation’ in 2001 – and by minorities elsewhere. Thus, a painful status quo was preferred to a new arrangement that, it was felt, could lead to even greater chaos.

What, then, is ‘nationalism’? To William Pfaff, the American columnist and author, it is

the most powerful political force in the twentieth century and it is likely to prove the most powerful of the twenty-first as well. Nationalism is a profound, if often maligned, expression of human identities, a negative force but also a positive one. It is an expression of love as well as of hate. It is a fundamental element in modern political life and international relations. It demands to be better understood.<sup>31</sup>

Nationalism is not an ideology, he says, because it has no universality (unlike the universal and rational messages of the French and American Revolutions). It is a feeling that neither depends on nor observes the rules of logic. It is not an idea but a prejudice – like racism or, to put it more positively, like family feeling. It is an expression of love of the particular – one’s family, town, region or country – at the expense of larger, or abstract realities such as Europe or the world (even though a ‘country’, too, is a highly abstract notion). Carlton J. Hayes, the American scholar, said:

Nationality is the product of remembered or imagined factors from a people’s past which together produce the conviction of being a separate and a distinct part of mankind ... Nationalism is an emphasis upon this distinctness at the expense of the similarities of mankind as a whole, and for that reason easily becomes an aggressive attempt to impose the difference as a superiority.<sup>32</sup>

What, then, is a ‘nation’, the very object of nationalism? If it is language, why did the former Yugoslavia, which largely shared one, fall apart? However, language seems to hold France together. What keeps the United States intact, where there is not even an official language (only one used in official texts)? If history were logical, Yugoslavia would embrace under one flag, while the United States would be a mosaic of quarrelling tribes.

Nationalism is not a very old phenomenon. It arose in nineteenth-century Europe, largely from German resistance against French armies under Napoleon and from universal philosophies born under the French Revolution. As both French and German socialists, who in theory adhered to a universalistic creed, went into the trenches to fight for the *patrie* and the *Vaterland*, nationalism triumphed over universalism. The Soviet Union, while declaring itself built on the universal principles of

Marx, in reality built on Russian nationalism, which in the end ran aground on the nationalisms it had tried to subjugate. Nazism was an internationalist ideology only in so far as it was based on racial characterisation and myth – that of the Nordic peoples over allegedly lesser races, peoples and their nations. Yet it, too, was defeated by the joined forces of the nationalisms (and internationalism) it had tried to eradicate.

Today, the comparatively abstract international aspirations of the European Union confront the loyalties and embedded national prejudices of many citizens of its member states. Against the message of nationalism stands that of the French and American Revolutions – and, one could argue, the Council of Europe with its European Convention on Human Rights and Fundamental Freedoms. This message is rational and universal. It holds that all people everywhere are equally endowed with natural rights, regardless of creed or blood, and that no nation is superior to any other. The origins of universalism can be traced to the notion of international law first developed by Grotius in the seventeenth century, later inspiring various peace treaties. The 1815 Congress of Vienna tried to bring order to European affairs after the Napoleonic Wars through an international system of dynasties. The Congress of Berlin in 1875 attempted to do the same after the upheavals of 1848. Both events in the end represented efforts to create a universal political order (Europe was considered the world at the time), which would be able to cope with the phenomenon of nationalism. (Nationalism had, in the nineteenth century, taken the place of the cultural internationalism of earlier eras shared by the elites of Europe.)

The conflict between universalism and nationalism – between a feeling of ‘sameness’ and ‘common destiny’ as against ‘differentness’ and ‘separate destiny’ – is presumably eternal. They to some extent correspond to the ‘id’ and the ‘super-ego’ within a human. Our intellect insists that all human beings are equal, and that in order to uphold that equality we need impartial, universal systems of justice and morality. Our hearts, urged on by more basic instincts, respond that charity begins at home, with father, mother, ‘fatherland’ and ‘motherland’. Human beings are capable of complex abstract thought at the same time as showing behaviour like that of a social animal, fiercely loyal to its group. The author and philosopher Arthur Koestler once said that when a patient lies down on a psychiatrist’s couch, a horse and crocodile lie down beside him. Fans battling each other during a football match display a kind of nationalism – one’s own club being the ‘nation’ – while the referee is expected to, and in the best of cases does, represent universalism or,

say, the UN. The British television commentator in a match between England and, say, Germany is supposed to be both celebrating English goals yet commenting fairly on the performance of the two teams rather than disparaging the foreigners.

Anyone doubting the force of nationalism would presumably have changed their mind in watching the 1998 World Cup in football, with a Brazil in mourning after the defeat in the final against France. Up to a million people filled the Champs Elysées the day after to salute their players. Yet anyone who would equate this with condescension for opponents – traditionally the reverse side of nationalism – would probably be wrong. Television showed the role of chance in the game, the unlucky bounces, the dubious penalties or offsides awarded or not awarded. It also displayed the agony, real or faked, of felled players, showing all to be real or false sinners or sufferers as the case may be, but above all as humans in struggle, jubilation, grief and comradeship, who were exhibiting fair play and even friendship across teams. An example was when the Korean and Turkish teams ran hand in hand around the football field with each other's national flags after having fought it out in the match for third place in the 2002 World Cup. In other words, they acted as humans.<sup>33</sup>

In the media-focused world of today it may therefore become difficult for any national leader, should they have wanted it, to depict members of another nation as monsters or brutes, unlike in the old days when countries marched to war. If anger among at least some countries can be limited to a dispute over the rightfulness of a red card, and if nationalism can be given a proper outlet through a goal scored, then football (and sport in general) will have done world peace a service.

Since longing for the particular and the longing for the general are both part and parcel of the human make-up, we cannot choose between or blend them into something that meets all our needs. History becomes a moral battleground between those fighting for universal principles, unification and harmonisation of various kinds, and those struggling for separation, or independence on ethnic or other grounds – in brief, for the right to particularity. The French Revolution, and even more the history of Marxism under Lenin and Stalin, show what can happen to the rational, enlightened, universalistic approach to history when it proceeds to the 'liquidation' of classes and nations for the 'higher' purpose of human brotherhood and the perfect world. Hitler's nationalism, with its near obliteration of the Jews of Europe and the killing of at least twenty million Soviet citizens and huge numbers of other nationalities, was on a similar scale of evil.

G.K. Chesterton in his novel *The Napoleon of Notting Hill*, published in 1904, looks eighty years into the future, into a drab, bored world where democracy has ceased to function and general political apathy is 'an assumed condition'. In London, an ordinary man is chosen to be monarch, King Auberon. The King is whimsical and given to pranks, one of them being to revive the local patriotism in the different London boroughs. But one Adam Wayne, the Provost of Notting Hill, takes him at his word. Dressed in a red robe and armed with a sword, his fanatical stand to defend the honour of Notting Hill against other boroughs soon has the city plunged into savage street warfare. Chesterton's message with *The Napoleon of Notting Hill* is that people must have values worth dying for if life is to be worth living, however derisory those values may appear. The thousands of young Britons who leave their education or jobs to travel with, and fight for, their favourite football team would presumably agree with Chesterton if they read him.

Still, the life of Britons, and of Europeans, today is on the whole immeasurably less drab than in Chesterton's day of smokestack industrialism. The ghost of the Notting Hill Napoleon still manifests itself in various ways, however. One of the most illustrative is what one might call the 'Hell's Angels syndrome'. The motorcycle gang Hell's Angels (originally formed in California in the late 1940s) has spread to Europe, where it now fights the Bandidos (created in Texas in the 1960s). In otherwise peaceful Denmark, for example, this absurd warfare in the 1990s claimed several dead and wounded. Each gang has flags and other 'national' ensigns. Gangs with equally fancy names are more or less affiliated with either. Drugs, beatings and large amounts of money are involved, as are the quest for the 'freedom of the road', group identification and opposition to others on the flimsiest of grounds. In Sweden, too, these and other motorcycle gangs have been responsible for several murders and the intimidation of witnesses and judges in trials.<sup>34</sup> Chesterton presumably smiles, or rather weeps, in recognition in his heaven, while the rest of us are left to reflect on human nature and folly.

Rarely were the front lines between nationalism, as here defined, and internationalism clearer than in the city of Strasbourg in 1997. The *Front National*, the extreme-Right party in France, held its national congress in the city. On the one hand there were the speeches in the Congress Centre, with their explicitly anti-immigrant and implicitly racist, protectionist and 'France-first' messages. On the other there were the mass demonstrations, with participants from all over France and beyond outside the building, defending the *valeurs républicaines*, human rights, democracy and other universal principles. The city administration

had placed murals with 'Liberty, Fraternity, Equality' in several languages around the city.

It is to be feared that the battle in Europe between these two philosophies will be a dominant theme in European politics in the years to come. The Flemish *Vlaams Blok* in Belgium, the Northern League in Italy and many similar parties in Central and Eastern Europe have substantial followings. The aims of these parties differ. Some, such as the *Vlaams Blok* and the Northern League mainly seek greater autonomy (or even eventual independence) for Flanders and northern Italy, respectively. Others want the redrawing of national borders to include kin minorities now outside them.

Regional autonomy or independence movements exist in many countries in Europe. They are also nationalistic – not for the existing nation-state but for a desired region-state – whether they concern the Basque country in Spain, Corsica in France or the north of Italy. In part they represent a changing economic situation, in part history. In the era of industrialisation and imperialism the resources of the whole nation – a united Germany, Italy or United Kingdom – were needed to defend borders in Europe and expand beyond the Continent, such as in Africa. Today imperialism is gone and big countries often mean richer regions having to pay more for poorer ones.

The Flemish – who since the Industrial Revolution have seen themselves as a working class subjugated and exploited by a ruling class of Walloons – now have the upper hand economically and increasingly want to see Flanders gain greater autonomy within Belgium, with some even seeking independence. Language plays a role here and elsewhere, as does history. Belgium is a relatively young country, formed uneasily after the Napoleonic Wars as a common home for the Flemish-speaking Flems and the French-speaking Walloons. However, language plays no dividing role in Italy. Indeed, the Italian tongue was the major rationale for Garibaldi's successful unification of Italy in the nineteenth century. Germany is younger as a nation than Belgium, yet there is no secession movement in Germany, only quarrels between 'Wessies' and 'Ossies' after unification.

Whatever the situation, in several European Union countries the nation-state is threatened both from below by regionalism and from above by EU supranationalism.<sup>35</sup> Perhaps this helps explain why some member states want to push for greater powers for the EU Council of Ministers (representing national governments) while trying to hold down both the Commission (supranationalism) and the European Parliament (where constituencies, as opposed to nations are represented).<sup>36</sup>

Why have the UK and Germany been largely spared strong nationalist movements? In the UK's case, it may be the feeling that successive governments 'stood up' to Brussels. Or it may be that the country's imperialist past and victory in two world wars make its people feel proud of their country as it is. Or it may be British pragmatism, perhaps impervious to grand theories of national superiority. Or is it the friendly and civil social intercourse that is said to so inspire British society and that impresses many foreign tourists? Is it that the sizeable minorities from all around the world have been more successfully absorbed there than in, say, France (even though recent riots by immigrants in several towns in northern England would belie such a belief)?

In Germany's case the extreme Right parties have never after World War II gained more than a few percentage points in national elections. But twice in this period they rose considerably in the polls. The first was in the 1960s during the *grosse Koalition* (grand coalition) between the Social Democratic Party and the Christian Democrats (CDU and CSU). Presumably extremism flourishes when there is no major opposition to a government majority. The second instance was in the early 1990s, when hundreds of thousands of people from all over the world sought political asylum in Germany, under cover of the constitution – adopted in 1949 in the wake of the Nazi experience – that guaranteed persons persecuted on political grounds the right of asylum. Under much domestic and international criticism, the Christian Democrat–Liberal government under Helmut Kohl pushed through a corresponding change in the constitution, restricting political asylum considerably. As a result the extreme-Rightist vote receded to near-insignificance (even though it has maintained some ground in the former East Germany, where it has taken the form of a protest vote against alleged 'Wessie' neglect of the new *Länder*).

Given the seeming perennality of nationalism, there can be few more urgent tasks than to find a European *modus vivendi* that keeps nationalist urges within bonds while permitting the universalist forces to keep Europeans talking to and dealing with each other. Was de Gaulle's *Europe des patries* the right middle road? Has continued EU integration through successive treaties from Maastricht to Laeken now gone so far as to break that unspoken, perhaps unconscious, agreement between the countries or even peoples of the European Union not to push integration beyond a certain point, as public scepticism and negative referenda in Denmark and Ireland would tend to suggest? However, can the European bicycle of integration remain upright unless it moves forward? Should it be equipped with a 'kick stand'? But is it any fun peddling a



bicycle that is not moving? Would a 'standstill' imposed on integration not rapidly turn into its opposite, disintegration?

### **Christianity and Islam**

Anyone who travelled across devastated Europe in 1648 must have thought any reconciliation between Catholics and Protestants impossible. Yet an evolution in thinking, combined with material progress, has rendered such conflict generally unthinkable nowadays, other than in Northern Ireland (where it is more social than religious in character). It has even made most people in Europe (except in places like Northern Ireland and parts of the Balkans) unaware of, or indifferent to, the religion of their neighbours. However, intra-Christian reconciliation has also been helped by the external challenges of secularism and other religions, in particular the spread of Islam in Europe and elsewhere. After all, why would Christians fight amongst themselves over doctrine when Christianity itself may be under threat?

There are probably many reasons for the growing indifference to religion in general and the Christian faith in particular in many countries in Western Europe, including in bastions such as Ireland. There is less fear of war affecting the Continent, even though terrorism and its potential use of weapons of mass destruction have many people fearful again; joblessness perhaps, but no starvation. Nature is better understood and utilised by science, though far from mastered, as demonstrated by the threat of global warming and increasing reports of drug-resistant bacteria and viruses.

This does not prevent the possibility, of course, that Catholicism and Protestantism may still compete for European souls, nor that there may still be philosophical differences between Catholic Southern Europe and predominantly Protestant Northern Europe. Some in the Protestant countries see the EU as principally of Catholic-socialist inspiration and therefore suspect its motives – a contention belied by the fact that a predominantly Protestant country such as Germany has been a driving integrationist force within it. It is difficult, however, to imagine a more 'a-religious' undertaking than the EU, religion being an area upon which it has never spoken a word (although a future EU constitution may make some oblique reference to it) and which is fully outside its remit.<sup>37</sup>

Only in regard to Turkey, an EU candidate with a predominantly Muslim population, have some EU politicians – prominent among them the President of the EU Convention on the Future of Europe, Valéry Giscard d'Estaing – ventured that it ought not to qualify for membership



as the EU consists of only 'Christian nations'. They thereby overlook the fact of a growing Muslim population in heartland Europe. British Asians, both Muslim and Hindu, are playing an increasing role in defining the identity of the United Kingdom. And something similar is happening in Germany, France and Italy, where many young people are excited by Muslim, Turkish and Arab culture, whose synthesis with European and North American youth culture is particularly visible in the rap and hip-hop scene.<sup>38</sup>

Yet there is a void, a yearning – conscious or subconscious – for a higher Being inside many people. It is as fundamental as the quest for the competing psychological phenomena of separatism or universalism discussed above under 'nationalism'. This is where sects like the Solar Temple find their niches (or, in officially atheist China, the *Falun Gong* sect).

It is also where one expression of religion, Islamic fundamentalism, may have found fertile ground, especially among Muslim immigrants in and around the large cities of Western Europe. Unable or unwilling, as the case may be, to integrate into the host societies, often jobless, linked up by satellite dishes to the television programmes of their countries of origin, some are choosing to adopt their idea of fundamental Islam. Islamic fundamentalism seemingly shows a way out, by rejecting a Western culture that they feel is rejecting them, and by holding out the prospect of a future where God, Allah, is not relegated to a corner of society, or the mind, but takes control of it. Islamic fundamentalism must also be seen as a reaction against the failure of 'Arab socialism' in the post-World War II period in countries like Algeria, Iraq, Libya, Syria and Egypt to bring greater material wealth to their populations, and the regimes becoming increasingly oppressive as a result.

There is a basic difference between Islam and Christianity (and indeed earlier heathen beliefs in Europe). Christianity – starting with Jesus' advice to render unto Caesar the things that are Caesar's and to God the things that are God's, and continuing with Thomas Aquinas – believes that there are two sources of knowledge: divine revelation and human reasoning. While the former is privileged, the latter is permitted and even encouraged. This allowed philosophy, the humanities and eventually the sciences to advance, including those dealing with government, economics and social affairs.

The British political philosopher Larry Siedentop sees Christianity as enjoying certain distinct advantages when it comes to competing for humanity's souls. Christianity, he argues, is the only religion which allows a truly 'one-on-one' relationship between God and the individual, in what he terms its 'deep individualism' coupled with its

‘universalism’ and its call for ‘moral equality’ and ‘equal liberty’ between all humans. Christianity, he says, appeals to each person’s inner, outside his or her family, clan or society. He sees this message of Christianity as having, historically, eventually upended feudalism in medieval Europe and as directly underlying the American constitution. While it has also contributed to today’s, in his view, excessive individualism, consumerism and ‘economism’ in politics – phenomena that he deplors, the appeal of Christianity should not, he concludes, be underestimated.<sup>39</sup>

In the fundamentalist version of Islam, the purpose of the state and government is to enable the individual Muslim to lead a good Muslim life and to return society, and the whole of the Islamic world, to the golden age of Mohammed. This has, over more recent centuries, led to a stifling of independent thought, science and open societal discourse, marking a departure from the early Middle Ages, when Arab scholars from Spain and elsewhere played a major role in developing philosophy and in transmitting the teachings of the ancient Greek and Roman philosophers. The now prevailing doctrine casts a shadow over the Muslim world. Fundamentalist regimes such as those in Saudi Arabia and to some extent Iran try to reconcile an orthodox reading of the Koran with the exigencies of a society that depends on economic and social development for its survival. Democracy faces a difficult task when religion claims to be not only God but also Caesar (a fact with which the Christian world of the Inquisition was not unfamiliar, of course).

Many Western experts on Islamic fundamentalism argue that, despite its undeniable efforts to recruit among immigrants in Western Europe, it is basically defensive and, in addition, influences only a small fraction of what is in fact a very diversified and splintered European Muslim population. They see it as trying to avoid a ‘Westernisation’ of the masses in the Islamic world that arrives via a satellite-transmitted, mass-market, commercial, Hollywood-type of culture.<sup>40</sup> Other observers see the aggressiveness of Islamic fundamentalism as a revenge for long-standing domination of the Arab world by Western powers, or as a reaction against secular nationalism, such as in Egypt.<sup>41</sup>

How much of a threat is Islamic fundamentalism to Europe? On the one hand it may win over some people, such as amongst the jobless young. The greater its following, the more it risks being perceived by ‘ordinary’ French, Germans, etc. as a menace, and the greater the rush to parties like the *Front National*. On the other hand, Islamic fundamentalism would presumably find the going rather tough in trying to win over anything more than a minority in Western Europe, even among more receptive immigrants. Its very intolerance against deviations would

likely prevent it from becoming a mass, unified movement, just as conflicts among (and within) Arab countries, say between Shiites and Sunnites, permit outside powers to divide if not rule, as between Iran and Iraq since the early 1980s. Moreover, it is difficult to see how any larger number of Western women could embrace the fundamentalist variant of a religion that casts them down from hard-earned improving legal and social equality with men to ideological subjugation. The threat to Europe from Islamic fundamentalism may well lie less in its spread than in the popular and political reaction by those who feel threatened by it.

### **Demography: ageing in Europe, pressure from without**

Another challenge to the 'natives' of Europe comes from migratory pressure, both from other European countries and from outside the Continent. Just as a television advertisement showing an attractive woman slipping into a sports car on the Champs Elysées may, according to some, 'subvert' an Islamic mind, female or male, so it may also attract it to escape the pressure of poverty or oppression.

Western Europe has become a major destination for migrants from many of the world's poorest countries seeking refugee status or political asylum. They come from both developing countries and from poor countries in Europe itself. Some southern European countries such as Greece, Italy and Spain, which for centuries had net emigration to the New World and to Northern Europe, now experience major net immigration. For example, hundreds of people risk their lives every month in hazardous voyages across the Strait of Sicily to southern Italian islands from nearby Tunisia, or from Morocco across the Strait of Gibraltar to Spain – often paying small fortunes to traffickers. Countries in Central, Eastern and South-Eastern Europe, meanwhile, send migrants, mainly to Western Europe. They also receive them, either from neighbouring countries following the freer migration climate after the fall of communism, or from outside Europe. The Central, Eastern and South-Eastern parts of Europe also serve as transits for migrants wanting to go further west.

The reasons for migration also include racial and religious intolerance, wars, including civil wars, and deteriorating economic and political conditions. During the first few decades after World War II migration was only a trickle, largely explained by labour shortages in the 1960s in a country like Germany. Today it has become a tide, which receiving countries that may face high unemployment and extreme-Right parties on the rise are doing their best to halt. The means are several: stricter criteria for granting refugee or asylum status; speedier processing of

pending requests; visa requirements vis-à-vis more countries; greater policy co-ordination among European countries on migration and asylum; and greater efforts to integrate foreign populations into national life. All these measures have led to a sizeable reduction in legal migration into Western Europe. However, illegal migration is considerable, with statistics by definition uncertain. It is subjecting those who engage in it to nightmarish underground lives in a new, unfamiliar setting – often leading to crime, drug peddling and prostitution. It has also led to even more xenophobia in receiving countries, as people attribute such activities to foreigners as a group.

Economic development may well determine the outcome. If unemployment can be reduced in Western Europe through more rapid economic growth, then the perceived threat from foreigners may be reduced. As the countries in Central and Eastern Europe reach higher economic growth, migratory pressure to the West may lessen. If a growing number of developing countries in the South can continue to evolve, then this will reduce migration to the North. The more developed countries in Asia, Latin America and the Arab world already receive large numbers of immigrant workers from poorer countries nearby or further away (although the living and working conditions of the people concerned are likely to be even worse than if they had gone to a European country). To the extent that Europe wants to reduce immigration from distant lands, it therefore has a strong interest in global economic development.

If Europeans instinctively tend to fear massive immigration, demographic facts may well in the not too distant future make them change their stance. Falling birth rates are bringing about major changes in the age structure of the populations in most countries. The ‘baby boomers’ of the 1940s and 1950s are still working, thus helping to support the relatively smaller number of retired people. However, already by the 2010s, the baby boomers will have reached retirement age, the active population will fall and the number of the very elderly – the over-eighties – will rise sharply as people live longer. The age structure in many countries will change from the classical pyramid – more younger people at the base and fewer older ones at the top – to more of a cylinder. If in 1960 the old-age dependency ratio – that is, the proportion of those retired to those of working age – was about 15 per cent, today it is about 20 per cent. By 2030 it is expected to be around 35 per cent. By 2050, two active people will have to support each pensioner, while today the burden can be shared among four.

This would pose less of an economic problem if it had not been for the fact that most European countries – such as France and Germany – have

relied on a 'pay-as-you-go' system for the payment of pensions. Present-day workers pay for present-day pensioners. (The opposite system, practised by a few, such as the United Kingdom, consists in having future pensioners pay funds, mainly private, which are not touched by others than themselves, and this only when they reach retirement.) 'Pay-as-you-go' works well as long as the pyramid shape holds, but less so with a cylinder-shaped population age structure.<sup>42</sup> Pensions may have to be reduced or taxes increased, or both, with unknown political consequences. The young may refuse to pay and the old may all turn into ardent defenders of their pension rights. Early retirement – now an oft-used method to hold down unemployment – would most probably have to be curtailed, while retirement age may have to go up. Financial markets will be affected, as more savings will be called upon to finance more and more time spent in retirement due to increased longevity. Public health costs will rise, since older people have more health problems than young people.<sup>43</sup>

However, one should be careful as regards the economic consequences. The same forces which are now causing 'downsizing' and unemployment – computerisation and automation (increasingly by robots) – could well in future permit a smaller proportion of the population to support both the elderly and themselves. To the extent they do not, immigration could provide a way out and may in the process become more politically palatable, especially if the immigrants can take up qualified jobs that will add to the national income. In other words, people's fear of what is foreign may come to be weighed against that of an empty wallet.

The European Union's 'four freedoms' – for people, goods, services and capital – had in principle come true through the realisation of the Internal Market (the '1992 project') in the 1990s. The Economic and Monetary Union, started in 1999 with the introduction of the single currency, at least partly completed the process as far as capital was concerned, while the Schengen Agreement did the same for people and goods.<sup>44</sup>

However, the weakness of Schengen was that, once illegal immigrants – whose numbers had risen considerably by the 1990s and the early 2000s – were inside the Schengen area, it was difficult to prevent them from moving to any other Schengen country. In the 1990s, various efforts to arrive at a harmonised legislation on immigration and asylum at EU level had failed. There was only the general commitment in the 1997 Amsterdam Treaty to introduce it by 2004.<sup>45</sup>

At the EU's 1999 summit in Tampere, Finland, only a general plan to reach harmonisation was agreed. Another three years were to pass until the EU's summit in Seville in 2002 stated the ambition to reach political

agreement on all aspects regarding immigration and asylum by 2004. This would include co-operation among police and border-control authorities and exchange of information, and would also involve non-EU sending and transit countries.<sup>46</sup> The EU's sudden activity was in part explained by the success of the extreme-Right *Front National* candidate, Jean-Marie Le Pen in the first round of the French presidential election in the spring of 2002 and by the rise of an anti-immigration party in the parliamentary elections in the Netherlands shortly before. (Individual EU countries such as the United Kingdom and Italy toughened their immigration and asylum legislation at around this time, making harmonised EU legislation more difficult to achieve.)

The EU's ability successfully to integrate immigrants from its periphery as true EU citizens will be one of its main challenges in the years to come, not least because the EU will need a new supply of labour to compensate for its low birth rates. However, can the EU absorb the numbers required without in the meantime giving added fuel to extremist, anti-foreigner parties? The alternative could be to try to encourage higher birth rates through taxation policies and the like. In many countries two bread-winners are necessary for a typical family to make ends meet. Even so, many women feel they want to make a career or at least to do 'something useful' and so delay the first child until they are in their thirties. This leads to longer 'inter-generation gaps' and hence to reduced birth rates, as also do fewer children per couple.

## Globalisation

Today, more people, and more world regions, are part of the world economy than ever before – the type of economy where money counts (as opposed to a barter economy) and where the different parts are related to each other through trade in products, services and through investment. The process is often referred to as globalisation – an economic and social process essentially driven by technology, especially in the information and communications sector. Globalisation benefits especially from falling costs of transport and communications, the volumes of data that can be transmitted across the globe and the liberalising economic policies pursued by governments both at national level and internationally. The WTO is the main instrument for promoting globalisation in the way it can best prosper, namely as a single, coherent system based on increasingly open trade and worldwide rules.

However, it would be wrong to consider the WTO as such an independent, Machiavellian actor in this process, as many of those opposed

to globalisation do. The WTO is simply a secretariat, trying to make its nearly worldwide membership agree on proposals made by any country or group of countries. As such, it depends entirely on the will of its members, especially the two dominant economic powers, the EU and the United States.

Trade liberalisation and investment can be pursued, delayed or halted, depending on political choice. The nature of that choice depends on the costs and benefits associated with free trade, in particular relating to employment and living standards. If these are seen as not being lastingly advanced through freer trade at worldwide level, the reaction will be a new emphasis on regional trade groupings, such as the EU or NAFTA. Already such a trend is noticeable. Protective tariffs may be introduced against outside countries or trade groupings, on the argument that these engage in dumping with the aid of state subsidies. Other reasons invoked may be that they do not sufficiently safeguard minimum social and environmental standards, workers' rights, democracy and human rights.

The world community's weighing of the costs and benefits of the WTO's system is illustrated both by the failure of its 1999 summit in Seattle and by the, in the end, successful – but painful and ambiguously worded – agreement on a Doha Development Agenda reached in Qatar in 2001. Paradoxically enough, developing countries are today the WTO's main supporters, as they try to gain better access for their textiles, agricultural commodities and raw materials to the markets of the world's richer countries. The latter for their part need the WTO for their sales of many advanced products and services, and for the protection of intellectual property rights as they relate, for instance, to computer software and music. It is only the awareness of the cost of protectionism and of any breakdown in the world's trading system that keeps both groups, so far, prepared to accept the cost of further market openings, thereby permitting globalisation to continue.

Modern information and communications technologies open up daunting vistas to humankind. It is expected that internet access via mobile phones and computers will rise from 2.5 per cent in 2002 to 30 per cent by 2010.<sup>47</sup> Business is profiting from this development. There is hardly any barrier any longer between buyers and sellers. The former can, at the push of a button, find the particular product or service they are looking for at the best possible price. Competition among sellers will increase, reducing inflationary pressure. Large sums are being saved through the large-scale avoidance of middlemen. Instant information can be had through increasingly refined software relating to inventory, sales projections and so forth.



Globalisation has doubtless increased overall global wealth. Many countries in Central and Eastern Europe, Asia, Latin America and Africa have shown impressive growth rates over decades thanks to it, permitting large parts of their populations to lead better lives. However, it is also leaving many people and countries behind. It uproots millions, forcing them to move from countryside to city in search of a precarious existence, after the local agriculture cannot compete against imports, often subsidised, from abroad. It smashes traditions without replacing them with any new. Alongside the nouveaux riches of a rising entrepreneurial class is a sub-proletariat living in shanty towns around increasingly unmanageable mega-cities in Africa, South America and Eurasia. The poor in Bombay are directly affected by decisions taken in Wall Street or the City of London.<sup>48</sup>

It is on these sides of globalisation that its many detractors focus their criticism. They see it as leading to unaccountable corporate control over the world economy, the loss of workers' rights in the global marketplace, and austerity-oriented policies of the World Bank and the International Monetary Fund in their lending to developing countries, leading to increased poverty, environmental degradation and the destruction of local cultures.

The violent protests against globalisation in Seattle in 1999, Prague in 2000, Göteborg and Genoa in 2001 may in the main have been the work of professional rioters, but many thousands of peaceful protesters joined in the demonstrations on behalf of hundreds of non-governmental organisations with widely different agendas. Apprehension is spreading to many policy-makers, especially in developing countries and so-called 'emerging economies', for even countries that have followed globalisation's precepts face economic difficulties.

If, however, globalisation were reversed – through, say, new trade barriers, a breakdown in the multilateral trading system, restrictions in the flow of capital and nationalisations of industry – then the economic consequences could easily be catastrophic in the form of a worldwide depression that would also hit Europe hard. In a manner of speaking, globalisation has put the train of the world economy on a new track with an unknown destination. Pulling the brakes could easily derail it. Jumping off could kill you and, if not, will leave you in the middle of nowhere.<sup>49</sup>

It is too early to know the worldwide political, cultural and social effects of globalisation. Sceptics foresee that it will exacerbate conflict between civilisations as opposed to states.<sup>50</sup> Others believe it will instead erode differences between civilisations, making them more likely to understand each other and so less likely to turn to conflict. An author



such as Thomas Friedman in *The Lexus and the Olive Tree* argues that the struggle is between traditional societies of all sorts (symbolised by the olive tree) and technological innovations that lead to globalisation (symbolised by the luxury Lexus car). Governments risk losing control over their nations' destinies as they cannot opt out of globalisation since it is driven by technology. If such technology is the 'hardware' of globalisation, it can only be used successfully if coupled with globalisation's 'software', i.e. a well-educated workforce and the legal systems, transparency and honesty that come with a functioning democracy.<sup>51</sup>

### **The role and future of the multinational enterprise**

Multinational enterprises (MNEs) are the main vehicles by which globalisation takes place. They have existed for a long time, as has indeed globalisation itself. What is new is the way they combine with information and communications technologies to change the world economy. Their antecedents were the trading companies. In earlier times these were a driving force behind European colonialism. Their aim was to collect raw materials or specially sought-after products such as gold, silver, tea, porcelain or silk and take them back to the home country. There these products could be sold at a profit, which was all the larger as the companies could use slave labour or poorly paid workers in the colonies and often enjoyed (crown-protected) monopolies at home.

During industrialisation, when the wealth of the home country was increasingly seen as dependent on a steady supply of cheap raw materials, such enterprises became the main expression of imperialism. As in colonial times, however, sales in the colonies were secondary to those in the mother country. The break with the old came in the late nineteenth and early twentieth centuries, when a few companies – for example, Nobel of Sweden in Germany, Bayer of Germany in the United States, and Singer of the United States in Scotland – began to establish themselves abroad for the purpose of building up markets. Foreign subsidiaries were sought in order to overcome punitive tariff barriers, which were so high as to render exports unprofitable. Often the companies gained market advantages with patented products or processes. The United Kingdom was the dominant foreign investor up until the end of World War I. After that the United States took the leading role – its companies having grown wealthy and more visionary as a result of a long experience with continent-wide operations.

Multinational enterprises could not really take off in the period between the two world wars, as they had been able to do in the pre-

World War I era, when the world was in many respects as 'globalised' as it is today.<sup>52</sup> Operations in different countries were rarely co-ordinated. Tariffs were high. It was difficult to move capital across frontiers due to exchange controls. Communication was slow. Cartels in oil, steel and other sectors were not only tolerated but even encouraged by European powers. They were seen as stabilising markets, even at an international level. National economies had to be kept 'pure' – i.e. as free of foreign capital as possible – and exports of capital were generally looked at with suspicion, at least by the continental European powers. The aim was to export as much, and import as little, as possible in true mercantilist tradition. Trade agreements were mainly bilateral between countries, and modified with each new ministerial meeting between the countries. The result was a jungle of rules, in which few companies could expand their foreign trade and investment. There followed the inflation of the 1920s, the depression and deflation of the 1930s, the currency instability after the abandonment of the pound's gold footing in the wake of World War I, and the rise of totalitarian regimes in Italy, Germany and elsewhere.

World War II changed all that. After the war, US companies could start expansion in Western Europe – first the United Kingdom and then on the Continent. They were even encouraged to do so by various provisions in the Marshall Plan (in particular that non-repatriated profits would remain untaxed). Numerous factors contributed to this development: lower labour costs in Europe than in the US; the need for reconstruction; the rise in personal income in Western Europe permitting companies to expand and new consumer markets to develop; greater knowledge on the part of decision-makers about how economies work; the rise of management studies, first in the US and then in Europe; a steady increase in the supply of better educated people, filling higher positions in companies; multilateral and ever-more open trade regimes under the General Agreement on Tariffs and Trade; greater currency certainty under the Bretton Woods system – with the dollar, linked to gold, as the world's anchor currency; strong defence needs due to the Cold War, fuelling the rise of an 'industrial–military complex'; and new and quicker means of communication and transport.

For the first time MNEs could co-ordinate the activities of subsidiaries in different countries. Knowledge became the primary engine behind the growth of companies and national economies – as opposed to earlier eras when access to physical labour, raw materials or the ability to mass-produce manufactures had been decisive. Knowledge – first how to produce things, but increasingly how to co-ordinate the knowledge and efforts of others – became the most important factor behind growth.

Paradoxically enough, the technological progress in communications technology that served MNEs so well in the 1945–90 period has now gone so far as to jeopardise the very existence of the traditional, major MNE conglomerate. Before, the ‘proprietary knowledge’ of MNEs could be kept inside the company walls with relative ease. New knowledge could be added through expansion and the hiring of talent. Today, however, communications are so easy, cheap and instantaneous that this method is less successful. The internet makes it so much easier to ‘steal’ and share knowledge that the organisational cost of MNE expansion – co-ordinating actions and making sure that information is not leaked to competitors – may in many cases become too high to justify the benefits of size alone. Those MNEs that tried to remain big *and* centralised – such as IBM in the 1980s and early 1990s – faced major problems. Those that decentralised almost to the point of being MNEs only in name – such as today’s reformed IBM – have sometimes fared better, even though the question then arises why the different operations should come under one company.<sup>53</sup>

In future, MNEs are likely to have to go down this path, with the possible exception of ‘vertically integrated’ industries such as oil companies (well–pipeline–port–truck–petrol station). Decentralisation will also become necessary in order to adapt products and services to more local conditions. Boeings or Airbuses may only have one appearance worldwide. However, more and more consumer goods, even cars, may have to be different depending on the region. ‘Just-in-time’ production (to minimise stocks) will be supplemented by computer-guided ‘just-in-quantity’ production lines. More and more MNEs will loosen links with subsidiaries, or shed them, and instead work with temporary partners for each project. Knowledge will be sought on an equally ad hoc basis, with outside consultants anywhere in the world being hired for individual undertakings.

### **Europe in the world of the future**

The five above-mentioned forces – nationalism, terrorism, religion, demography and globalisation – are of course not the only ones likely to have an effect on the evolution of Europe over the coming years and decades. Many others could have been raised, such as AIDS and global warming, but they belong in a different book.

While it is difficult to predict particular developments in the coming decade, it is less so to foresee general world trends to which Europeans will have to adapt. The world in 2015 is expected to have a population

of some 7.2 billion people, up from slightly over six billion in 2002. More than 95 per cent of the increase will be in the developing countries (although birth rates are going down there, too), whereas Europe's population will decrease.

The risk of war among developed countries is low. Most conflicts are likely to be small-scale internal upheavals due to religious, ethnic, economic or political discord. However, terrorism could provoke more important international conflicts, such as between India and Pakistan, or between the US (or a US-led coalition) against a country of the 'axis of evil' type, or even against a terrorist group not based in any one country. They are likely to become more lethal with the arrival of weapons of mass destruction (nuclear, biological and chemical), longer-range missile delivery systems and other technologies.

Transnational criminal organisations are expected to grow and become increasingly skilful at exploiting the global spread of sophisticated information, financial and transportation networks. They will try to corrupt leaders of unstable, economically vulnerable or failing countries, infiltrate banks and businesses in difficulties and co-operate with insurgent political movements to control sizeable geographical areas. They will earn their money from trafficking in human beings, narcotics, racketeering, the smuggling of toxic materials, hazardous wastes, illicit arms, military technologies and contraband.

There is likely to be dynamic economic growth, especially in the so-called emerging markets, such as China and India. Globalisation will lead to more international trade and hence interdependency among countries. This could contribute to greater overall international stability. However, some countries may not be able to join fully in this development, including those in sub-Saharan Africa, the Middle East, Latin America, Central Asia, the Caucasus and even in South-Eastern Europe. Income gaps in countries are expected to widen and large regions will be left behind.

Environmental problems will persist and sometimes worsen. With increasing land use, the already significant degradation of arable land will continue. Water will become even more of a scarcity in large parts of the world. More tropical forests will be cut down and greenhouse gas emissions will increase substantially, potentially worsening any 'global warming'.

In such a world, Europe will have to help others, as well as itself. It will have to invest in technology, in public education and in broader participation in government to include increasingly influential actors, such as non-governmental organisations. Europe will also have to be on its guard against both primitive and precision-guided weapons threaten-

ing from other world regions, by developing counteracting technology of the missile-defence type, as well as intelligence, military and diplomatic capabilities. Other threats are weapons of mass destruction planted by terrorists in European cities or against nuclear plants. Europe will also have to co-operate more closely with others on a global scale, to counter the many economic, financial, environmental, criminal, security and other threats mentioned.

### **Europe's choice of its future**

The European Union is, at present, the most important vehicle for European unification. It forms an essential framework for continued peace and development in Europe. It provides direction for economic and political reform in the many countries in Central, Eastern and South-Eastern Europe which prepare or hope to join it. If unification succeeds – say, in the form of a functioning EU federation – it will be a remarkable feat, for it would be in the absence, or at least fading presence, of the many elements that brought about West European integration in the first few decades after the World War II.

If, however, the peoples of the EU were to say ‘no’ to federation before or after it has come about – as expressed through the rise of ‘Euro-phobic’ parties in member states or major political divisions as regards further integration – then Europeans will have to think of an alternative, which, for want of a better name, could be called ‘good-neighbourliness’. They would be close to one another, but not formally unite in a federation. They would trade, invest and move freely about as far as each country would want and permit. Time could be expected to take care of the rest – with the present degree of international contact and means of communication signifying that the process would be unlikely to lead to anything but further rapprochement. Countries would follow different courses as they saw fit, for others to emulate or avoid. With an outside threat perceived, joint defence would come into play, via NATO or with Europe acting on its own.

There are two problems with such a more timid outcome. As one observer puts it:

Of course, most of those ... who would resist deeper supranational integration of the federal type, and are content with intergovernmental co-operation, would not welcome disintegration. But a shallow Europe, held together only by concertation among diplomats, would be unable to avoid sporadic disunity that might deteriorate eventually into renewed conflict. In such circumstances, national sovereignty preciously preserved would be practically useless.<sup>54</sup>

The second difficulty with a status quo solution to the question of further European integration has to do with its lack of adventure, of mission, of direction, of vision. People need goals, and simply keeping the same level of inter-country integration, being content with what has been achieved, is for many not sufficiently inspirational. If the sails do not billow, the rudder cannot steer. Hence the quest for integration as the way to find a new driving force, a new purpose, especially in a world of fiercer and fiercer competition and new threats.

Whatever choice Europeans make, there is nothing deterministic about it, as Europe's own history since World War II has taught us. Europe's most noble task will be to believe in its own capacity for change, while preserving democracy, human rights and the rule of law. Democracy is slow, but precisely because of this, it has time to adjust its course. A snail has more time to adjust than a speeding hare. Moreover, wherever democracy goes, it knows it has the people with it – even those who are in the minority – and that is half the success of any national or federal venture. Democracy – a healthy, uncorrupted democracy where debate is free, a multitude of opinions can come to the fore and corruption and crime are nipped in the bud – is also the best way to prevent the rise of usurpers and tyrants.

There are probably Hitlers, Stalins and Milosevices all around us. However, they – unknown to us and probably also to themselves – will remain only potential tyrants and unable to start their wars and oppression as long as democracy remains strong. They will not be able to impose their obsessions or complexes on the rest of us. And their butchers – the Dzierzynskis, the Berias, the Himmlers and the Fouchés – will be unable to take up their gruesome profession. There may be fewer spectacular pages in history books this way but, more importantly, there will be fewer people suffering. As Montesquieu put it: 'Happy the people whose annals are blank in the history books'.<sup>55</sup>

Europe's annals have been anything but blank. We must then seek comfort in a more recent thinker, the Spanish philosopher José Ortega y Gasset. In his book *Toward a Philosophy of History* – published in 1941, the darkest year of World War II – he said: 'Man's real treasure is the treasure of his mistakes, piled up stone by stone since thousands of years'.<sup>56</sup> Europe has suffered enough. It must surely by now have learnt enough.

**Notes**

- 1 Kissinger (1973, p. 1).
- 2 The Bonn Accord on Afghanistan was remarkable for the number of countries contributing to it or approving of its results. They included, in addition to the NATO countries, Russia, Iran, Pakistan and India.
- 3 The conflict in the Chechen Republic (Russian Federation) – erupting in 1994 and halted via a fragile peace agreement between 1996 and 1999 – had not been resolved, in spite of the fact that Russian troops had gained control over most of the territory and Moscow exercised direct administration since 2001. Some 200,000 refugees had fled to neighbouring republics and about 5,000 Russian soldiers and an unknown number of Chechen insurgents had died since 1999 alone. Chechen terrorists seized a theatre in downtown Moscow in 2002 and took some 800 people hostage. In the ensuing attempt to liberate the hostages, 129 of them died along with the terrorists. A bomb attack by Chechen terrorists against the central administration building in Grozny shortly afterwards claimed over fifty lives. A referendum in Chechnya on a constitution for Chechen autonomy within the Russian Federation was held in 2003, with an overwhelming majority voting in favour. It was not certain, however, that the result would translate into an end to the hostilities.
- 4 See, for example Hirschmann (2001, pp. 7–15).
- 5 The League of Nations – established in 1919 and dissolved in 1946 following the creation of the United Nations and the League’s failure to prevent World War II – nevertheless represented a noble idea and the beginnings of an international order, the main lines of which were to be followed after 1945 by the United Nations, NATO, the European Union, the Council of Europe and others. As MacMillan (2000, p. 85) writes: ‘The League did represent something very important: both a recognition of the changes that had already taken place in national relations [as a result of World War I] and a bet placed on the future ... Of course power still counted, of course governments looked out for their countries, but what that meant had changed ... Now war was a cost to all players, as the Great War proved. National interests were furthered better by peace, which allowed trade and industry to flourish. And the nation itself was something different, no longer embodied by the monarch or a small elite but increasingly constituted by the people themselves.’ If the United States had joined the League – as did its successors after World War II – that conflict might never have occurred.
- 6 Von Loringhoven (1998, pp. 13–19) sees ‘sub-regional’ co-operation in Europe as important in at least three respects: it accompanies and facilitates EU and NATO enlargement; it provides ‘soft security’ by promoting co-operation in practical fields; and it furthers democratisation by involving local and non-governmental actors. He considers the strengthening of sub-regional co-operation particularly important in Central and Eastern Europe and the Balkans.
- 7 There are numerous examples of economic rivalry between the EU as such and the US that could spill over into the political domain. They include trade



issues within the World Trade Organisation and EU insistence that the US negotiate with it as representing all EU members, rather than deal with them individually, in areas such as air connections and the inspection of ship cargoes to the US to check for the presence of weapons of mass destruction. Given the extent of transatlantic economic relations, these differences are not likely, however, to lead to major political friction. Conversely, political friction, such as over the Iraq conflict in 2003, could well affect economic relations via consumer boycotts and investment that avoided certain countries considered to be in the 'opposite camp'. Again, however, any such action is also likely to hurt employment in the home economy due to the pronounced intertwinement among developed economies.

- 8 Moravcsik (1998, pp. 407–8).
- 9 Jakobson (1994, p. 314). Translation from the German original.
- 10 There are major official efforts to have larger numbers of Germans learn French and more French learn German, but they are frustrated by the growing role of English. There is perhaps also a general difficulty for a Latin and a German culture fully to understand each other, in spite of there being a mutual attraction between the two, as reflected for instance in the number of tourists in both directions. Furthermore, France's perceived 'universal civilising mission', born out of the French Revolution, contrasts with Germany's greater emphasis on its own national identity and cohesion and on finding its proper place in Europe. Another irritant has been France's relative comfort with a certain protectionism, as opposed to Germany's more free-trading instincts.
- 11 Pedersen (1998, pp. 196–204) goes so far as to call the France–Germany tandem 'Europe's co-operative hegemon', with France granting Germany indirect primacy in the economic-monetary sphere and Germany letting France lead in the security and defence areas: 'The most important reason for the survival of Franco-German collaboration in the post-Cold War era is ... Germany's offering France a share in its evolving regional hegemony *and* the opportunities for regional hegemonic rule which such a continental leadership offers both countries'.
- 12 The Eurocorps, headquartered in Strasbourg, was established in 1992 following the establishment, in 1988, of a Franco-German Joint Security and Defence Council on the initiative of German Chancellor Helmut Kohl and French President François Mitterrand. Belgium, Luxembourg and Spain soon joined France and Germany as members. Eurocorps is integrated into the NATO military command structure and is composed of 65,000 troops stationed on the territory of the member countries for rapid dispatch in the event of a crisis. It has 800 tanks, 1,700 armoured vehicles and 500 artillery at its disposal.
- 13 Fouquet (2000, pp. 9–10), translation from the French original. One is reminded of the lament of the early twentieth-century French statesmen Georges Clemenceau, who said that: 'There are always twenty million Germans too many' (*Il y a toujours vingt millions d'Allemands de trop*).
- 14 The sophisticated love–hate relationship between the UK and France has given rise to a considerable literature. The two nations seem at the same time

to admire and disparage their cultural differences, while having more in common at a more fundamental level. Any aspiring Briton must know at least some French. Yet the British feel a little superior to the French, as if the perceived relative disorder of French political and civic life, the alleged carelessness of French drivers or French ‘amour’ were national characteristics and a cause for amusement. The French, by contrast, do not look down on the British. They often secretly admire them for taking the contrary viewpoint in, say, the EU, even as they may criticise them for not toeing the line.

- 15 German–British relations have also been helped by the fact that the Germans have more readily accepted the domination of the English language in Europe and the world. German is of course much closer linguistically to its Germanic neighbour English than is Latin-based French. English words – whether or not they exist in English, such as the German word for a mobile phone (Handy) – invade the German language, and the Germans (except the linguistic purists) readily take to them. No doubt German, because it is a Germanic language like English, will be able better to incorporate the onslaught of English than, say French or Italian. Since Germany, unlike France, does not have any universal ambitions for its language, it is not likely, either, to have the same fierce opposition to English as France. Something more than language is afoot, however. On many issues the Germans and the British seem to understand each other better than they do the French, who may at times seem to them a little overbearing and as having ulterior designs for France, as opposed to the EU as a whole. There may be a cultural-linguistic reason for this, a Latin–Germanic divide, so to speak. However, perhaps also a more decentralised view of things in federal Germany and ‘devolutionised’ the UK than in comparatively centralised France can explain this.
- 16 Russia has concluded an agreement with Turkey to lay a pipeline under the Black Sea to deliver close to twenty billion cubic meters of gas annually, covering more than half of Turkey’s needs and enhancing Moscow’s influence in the country. Russia is also pressing Azerbaijan to have the latter’s oil go through Russian pipelines and ports. Russia’s military campaign in Chechnya must also be seen within an energy context, since a granting of Chechen independence would mean losing an important oil supply and transit area. Furthermore, Kazakhstan and Turkmenistan – which together have oil and gas reserves equivalent to those of Saudi Arabia – are receiving assistance from Moscow to fight Islamic fundamentalism and could easily draw closer to Russia and thereby increase the latter’s energy leverage over Europe.
- 17 There is no US government encouragement, let alone financial support, for MacDonald’s, say, to set up a (franchise) store on the Champs-Élysées, or for Disneyworld to build an amusement park in Japan. The only argument could be that the US supports free trade and investment through the WTO and other fora, and that this facilitates US multinationals to invest abroad. However, it is difficult to fight against that when all countries – including

developing nations playing host to multinationals – seem to support such WTO principles.

- 18 The rest of the world often does not realise that US difficulties in following international initiatives derive from the country's division of powers, especially between the administration and the Congress. Thus, even if the US administration had wished, say, to abolish the death penalty, it could only do so at federal, not state, level. The Kyoto Protocol on climate change would have met insuperable opposition on Capitol Hill, as would efforts in the early 2000s to have the US Senate ratify the convention for the establishment of an International Criminal Court. In a parliamentary democracy of the European type, by contrast, a government by definition has a (more or less secure) majority also in parliament, including for the ratification of treaties.
- 19 May (1992, pp. 106–7) sees at least two strands in US foreign and security policy: Jefferson's call for an 'empire of liberty', by which Americans 'thought of their nation as destined to be a great empire, but not on the European or Roman model. The United States would not acquire and rule colonies', but rather provide an example through its own political system and thereby enhance its own security. The spread of the 'American system' constituted the second strand of thought, by which the United States would build relations with other countries through the 'natural affinity of republics and the natural unity of states'. Both strands have informed US foreign policy, also in regard to Europe, up until the present day.
- 20 Kaplan (2002, p. 148).
- 21 The UN Security Council's Resolution 1244 of 1999 reaffirmed the sovereignty of the Federal Republic of Yugoslavia over Kosovo but indirectly left the region's future open and entrusted its management to a UN Interim Administration.
- 22 A study by UNICEF (United Nations Children's Fund), the OSCE and the United Nations High Commissioner for Human Rights published in 2002, drew a particularly sombre picture of the human trafficking situation in the region. Entitled *Trafficking in Human Beings in South-Eastern Europe*, the study said that an estimated 80 per cent of the victims of human trafficking in Albania are under the age of eighteen. The price for a prostitute in Romania was reported to be between €50 and €200 and in Kosovo between €700 and €2,500. The study called for clear human rights standards to assist the victims and equally clear legislation against human trafficking in national law.
- 23 The disappearance of Yugoslavia – a state founded after World War I that saw its various parts secede during the 1990s, leaving in the end only Serbia and Montenegro – marked the end of the effort to unite the 'South Slav' nationalities under a single roof. The 'Serbia and Montenegro' declared in 2003 came about mainly as a result of European Union pressure. It did not have a capital city, only an administrative centre, Belgrade; nor did it have a common central bank or currency, as Serbia used the dinar and Montenegro the euro. After three years, either side would be entitled to hold a referendum on whether it wanted to gain independence.

- 24 In 2002 NATO decided to reduce, by mid-2003, its forces in Bosnia and Herzegovina from 19,000 to 12,000 troops and in Kosovo from 38,000 to 33,000 troops. The EU took over responsibility from the UN for training and supervising Bosnian police forces in 2003 and could be expected soon also to take over peacekeeping duties from NATO. In the same year NATO handed over to the EU the peacekeeping in the 'former Yugoslav Republic of Macedonia', in a first manifestation of the EU's emerging European Security and Defence Policy.
- 25 Richard Holbrooke, the chief US negotiator for peace in Bosnia in the 1990s, in his foreword to Margaret MacMillan's *Paris 1919: Six Months that Changed the World*, wrote: 'As our American negotiating team shuttled around the Balkans in the fall of 1995 trying to end the war in Bosnia, the Versailles Treaty was not far from my mind. Reading excerpts from Harold Nicolson's *Peacemaking 1919*, we joked that our goal was to undo Woodrow Wilson's legacy. When we forced the leaders of Bosnia, Croatia and the Federal Republic of Yugoslavia to come together in Dayton, Ohio, in November 1995 and negotiate the end of the war, we were, in effect, burying another part of Versailles' (MacMillan, p. x).
- 26 Oil (proven and possible) reserve estimates for the Caspian Sea region range from 30 billion to 200 billion barrels. Industry analysts often use a middle range figure of 90 billion barrels, similar to the estimated reserves of China and Mexico (Forsythe, 1996).
- 27 Separatist movements gained new strength in the Caucasus region in the early 1990s following the breakup of the Soviet Union. In the south Caucasus, intense fighting broke out between Azerbaijan and Armenians in Nagorno Karabach, a region of Azerbaijan predominantly populated by ethnic Armenians, before a ceasefire could be established in 1994 with international assistance. Fighting also broke out in Georgia when two regions, Abkhazia and South Ossetia, sought independence. Ceasefires were reached here also. Common to all these conflicts is that they have not as yet found a political solution. Tens of thousands of people were killed and hundreds of thousands were displaced and still remain so.
- 28 The possible effects of a Chinese–Russian rapprochement are complex and multiple. It may increase pressure on North Korea to negotiate an end to the Korean War and permit nuclear inspection. It could also increase Chinese pressure on Taiwan, push Japan closer to the United States and Russia and assist Japanese investment in Siberia by promoting a more stable political environment.
- 29 From 'The county of Tron', in *Selected Articles* by Bulgarian author Stoyan Chilingirov (available only in Bulgarian).
- 30 By way of example, over two million Hungarian speakers live outside Hungary's borders – in the Czech Republic, Slovakia, Romania (Transylvania), Ukraine, Serbia and Montenegro, not to speak of North America and Australia. Over thirty-two million Russians live outside Russia's borders in fourteen countries formerly belonging to the Soviet Union. (Source: 'Britannica world data', *Encyclopaedia Britannica 1999 Year Book*.)

- 31 Pfaff (1993, p. 13).
- 32 As related in Pfaff (1993, pp. 53–4).
- 33 The 2002 Football World Cup had many political overtones. Korea reaching the semi-finals was reported to have impressed the North Koreans, perhaps bringing reunification between the two countries closer. Many Americans were concerned that the unexpectedly strong performance of the US team would expose the US as trying to dominate the world in yet another domain. It was remarkable to see how the world came together during the month-long tournament, with teams from all corners of the globe meeting each other in friendly competition and permitting billions of people to see that any differences between humans are insignificant when compared with their similarities. However, football can also lead to different feelings. One only has to think of the frequent hooligans' riots after games and the 1969 Honduras–El Salvador 'Futbàl War', which was provoked by a controversial match between the two countries.
- 34 In a first ever joint publication on 30 November 1999, four major Swedish dailies (*Dagens Nyheter*, *Aftonbladet*, *Svenska Dagbladet* and *Expressen*) argued that there was close co-operation between neo-Nazi groups and motorcycle gangs; that every third prosecutor had been forced to abandon cases after intimidation and threats; and that nine out of ten policemen said that the threat to the rule of law was increasing, with many admitting that they dared not apprehend certain suspected criminals out of fear of retaliation.
- 35 De Winter (1998, p. 221) maintains that: '[First,] European integration weakens the national state "from above", as many competences pass to "Brussels". Second, following the setting up of the Internal Market, the European Union developed a large number of programmes at the regional level. At the same time, in several countries, the unitary state was weakened "from below" through the process of federalisation (Belgium, and Italy in the future?), the granting of autonomy to specific communities (Spain) and devolution (France). Hence, in relative terms, the regional level gained in importance as a policy level vis-à-vis the unitary state ... Independist parties hope that the decline of decision-making relevance of the state will facilitate its demise.'
- 36 The EU actively supports transfrontier co-operation among its member states, where about 10 per cent live in border regions and roughly half a million cross borders daily to go to work. The so-called 'Interreg' programme within the EU's Agenda 2000 foresees spending close to €5 billion on cross-border co-operation between 2000 and 2006, some of it with EU candidate countries in Central and Eastern Europe.
- 37 One difference may be, for instance, in the approach to EU agreements, where Protestant nations are reported to hesitate for a long time before signing but then to do their best to live up to them afterwards. By contrast, Catholic nations are said to sign more readily but then be more easy-going about implementation. The Swedish journalist von Sydow reports speculation among EU civil servants in Brussels, to the effect that Catholics are supposed to like legal frameworks, including constitutions, when Protestants

prefer informal negotiations; that Catholics have an aversion to free markets where Protestants like them and see them as the EU's *raison d'être*; that Catholics are centralists and have an aversion to decentralisation, whereas Protestants are worried about a resurgence of a 'Roman Empire' and prefer the nation state (von Sydow, 1999, pp. 15–22).

- 38 It is also often forgotten that Muslims carried the torch of Greek and Roman learning during Europe's Dark Ages, eventually helping to bring Europe out of a period of obscurantism and furthering its coming together.
- 39 Siedentop (2000, Ch. 10).
- 40 One is indeed left to wonder what goes on in the mind of a woman in, say, Saudi Arabia who sees how a super-model like Michelle Pfeiffer lectures and seduces a glamorous Robert Redford in between plane trips and television shows as in the film *Up Close and Personal* – while the woman in question herself cannot venture outside unless veiled and cannot in any way help shape the society in which she lives except in the home and among the family, where her influence may be considerable. Similarly, the film *Titanic*, which may have been seen by most of mankind, has a young woman in luxury class abandon her arranged husband in favour of a charming young third-class passenger who, aside from his Hollywood idol looks, has nothing to offer but his love. How will that film, and others like it, affect world history by modifying perceptions or cultural patterns? Presumably, many people in the more strict Muslim countries will become slightly schizophrenic as they try to reconcile their strict, absolute principles with the values, or lack thereof, beamed to them by all dominant Western media.
- 41 Tibi (1997, pp. 31–46) believes that today's Islam is engaged in a desperate battle to fight the cultural dimension of (Western) modernity, while readily accepting the scientific-technological part. He sees the trauma of trying to 'de-Westernise' modernity through such 'partial modernisation' – i.e. 'dividing the indivisible' – as underlying much of present Islamic fundamentalism.
- 42 Privately placed payments for future pensions will, however, depend on the performance of the funds in which they have been invested, a not entirely reassuring prospect in view of the numerous corporate scandals in recent times and the fall in stock prices they provoked.
- 43 The European Union's population is projected to fall from its present 375 million to 330 million by 2050. Italy, for example, is expected to lose 28 per cent of its population by that time, while in Spain 43 per cent of its population is forecast to be older than sixty, up from 22 per cent today. (Source: United Nations Population Division.) The working-age population in the EU is foreseen to decline by at least 2.15 million people between 2005 and 2015, but only 1.25 million new working-age citizens will be available to take their place. Fewer people means that unemployment will come down, but also that wage-led inflation may go up. The euro – assuming it by that time encompasses many more countries – could be expected to increase labour mobility in an even more integrated EU. Coomans (1998, pp. 5–28),

with whom these figures originate, in this situation expects massive labour movements to more expansive regions, also from Central and Eastern Europe, which he sees as a major workforce pool in tomorrow's Europe. Even so, birth rates there are also low.

- 44 The European Commission in 2002 reported mixed progress on the implementation of the EU's Internal Market provisions. Sweden, Finland, Denmark, the Netherlands and the United Kingdom had an 'implementation deficit' of less than 1.5 per cent, while for France, Greece and Portugal it was in excess of 3 per cent. For some countries the deficit was indeed growing due to new directives being adopted.
- 45 The Amsterdam Treaty committed the EU to a harmonised EU legislation on immigration and asylum by 2004 via the 'qualifying majority' decision-making procedure in the Council of Ministers. However, Germany, at the EU summit in Nice in December 2000, refused to yield its veto right in the area of asylum and immigration, arguing that its inner social cohesion was at stake if it was not left to manage its own immigration policies. Germany in 2000 had 5.5 million immigrants, with some 300,000 arriving each year. The country received 320,000 refugees during the war in Bosnia and Herzegovina and 200,000 following the Kosovo conflict, even though many have since returned to their regions of origin.
- 46 In 2002 the EU agreed on a directive (the so-called 'Dublin II' Agreement, following an earlier Dublin Convention on First Asylum), stating that a country where an asylum-seeker first entered the EU would remain responsible for examining his or her request, even if that person subsequently moved to another EU member state. A new centralised data system, Eurodac, would use fingerprints to trace the person's movements within the EU.
- 47 Estimate by Manuel Castells, Professor of Sociology at the University of California and author of the trilogy *The Information Age: Economy, Society and Culture*, as reported in Kaplan (2002, p. 5).
- 48 Coffee is an example. Coffee consumption increases steadily around the world. When at first prices paid to the coffee farmers in developing countries rose in response to heightened demand, producers in many countries which had not traditionally grown the crop began doing so, causing global production to rise and prices to fall to lower and lower levels. As the preference for better coffee quality rose in richer countries (a wealth effect sometimes referred to as the 'cappuccino effect'), millions of smaller coffee producers were unable to adapt and had to abandon production. With few outlets for other crops remaining, due not least to subsidies for agricultural exports from rich countries, their future looked bleak. Neither the general public nor prospering roasting companies seemed to pay much attention to this example of globalisation's downside aspects.
- 49 There is also the related risk of generalised deflation. If inflation – considered the main threat during much of the post-World War II era – is 'too much money chasing too few goods', deflation can be said to be 'too many



goods chasing too little money'. It is a process in which the prices of products (and services) tumble along with corporate profits, when there is suddenly not enough demand to absorb the amounts produced. Price deflation became a fact in several OECD countries in the early 2000s, most notably in Japan. In factories around the world robots are working twenty-four hours a day (some of them producing new robots). This may pose a problem for the future of manual labour, first in industrial production and then in lower-level services, where robots already clean cars and rooms. (However, other services where tasks are more complex or demand a relationship with the customer may flourish, such as in restaurants, personal care and gardening.) If companies begin to undercut each other severely in order to sell, international tensions and protectionism could rise as certain countries would be faced with rising trade deficits. Eroded corporate profit margins could trigger new lay-offs in order to reduce costs, while higher unemployment could impact on consumer spending, not only among those affected spending less, but also those who fear they may be next in line. Such a 'glut world economy' would be difficult to overcome.

- 50 Huntington (1993, p. 25), one of the main proponents of this theory, sees the 'clash of civilisations' that he expects will shape the world as being especially between the 'Western, Confucian, Japanese, Islamic, Hindu, Slavic-Orthodox, Latin American, and possibly African'. Since Europe encompasses at least two of these, its role in such a 'clash' would seem uncertain. Park (1997, p. 124), citing various scholars, argues that 'modern economic globalisation is entirely consistent with nationalism', especially since 'nationalism originally was able to spread only because a degree of globalisation already existed. The communications revolution also contributes to nationalism, since it leads to the growing perception of political and economic inequalities between ethnic groups ... There is also a global "demonstration effect", in which the example of one successful ethnic nationalism stimulates the claims of another.'
- 51 Friedman (2000).
- 52 See, for instance, Wolf (2001, pp. 178–90). Wolf observes that the portion of world production traded on global markets is not much higher today than it was in the years leading up to World War I. International mobility of labour was clearly higher at the time. For instance, the United States increased its population in the 1890s by 9 per cent due to immigration. International capital flows were also considerable in the nineteenth and early twentieth century. In the case of the UK, it averaged 4.6 per cent of GDP between 1870 and 1913, a level unparalleled in any country in today's world.
- 53 See e.g. Buckley and Casson (1991, pp. 102–13).
- 54 Duff (1997, p. 3).
- 55 Attributed to Montesquieu by Thomas Carlyle in his *History of Frederick the Great*, 1858–65.
- 56 As related in Kaplan (2002, p. xvii).