

The Consequences of NATO- and EU- Enlargement for Three Regions

(Arctic Baltic, Central – and Southern Europe)

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I

The consequences of NATO and EU enlargement can be considered in the 10-year perspective utmost, because the considerations embracing longer time perspective have a character of speculation forecasts based on, at least, two development scenarios: the most pessimistic and optimistic ones. Assuming such development scenarios seems to imply an intermediate scenario, which in fact, taking into account several factors, may also not come true. Therefore forecasting and considering the optimal 10-year preceding period appears to be the most realistic.

During the Berlin international seminar organised at the beginning of 1998 by the National Statistics Office, *Prof. Aleksander Zelias*, the Head of Statistics Department at the Economic Academy in Cracow and the Rector of Higher Private School of Business and Management in Chrzanow, assented issues concerning statistical data and methods to forecast chances, dangers and problems. Among numerous examples to illustrate the complexity of the problem, he gave forecasts published by the American Institute of Science and Technology in 1971. From 531 forecasts in a given period, only 28% came true completely, and 40% only partially. According to Prof. Zelias, however, in spite of the forecasts deceptiveness, these long-term ones in particular, their importance will grow especially due to better and better research methods. In this context, information included in documents published at the beginning of 1998 by leading Baltic states business- and economy representatives concerning the economic situation in the Baltic region and barriers for immediate foreign investments in this area seems very interesting. In the introductory material to these documents, addressed to the Baltic states politicians, there was included a forecast that the Baltic region development potential allows to predict almost ten times bigger growth in trade in the 15 – 20-year-perspective (!). Similarly one can talk about studies sponsored by the American government in the mid-nineties referring to world economic development trends. Conclusions drawn there include, among others, Poland into countries of future development perspectives in the market economy area. The consequences of NATO and EU enlargement should be seen mainly in the institutional-interstate inter-actions, like NATO, bilateral relations of the member states and aspiring countries.

A supportive factor in this process are the activities of several regional initiatives, like Central –European Initiative started by so called Vysehrad Group where the aspiring to the EU countries: the Czech Republic, Poland and Hungary have played an essential role. From an earlier group of states acting in so called Pentagonal and Hexagonal, the Central – European Initiative include

also such EU countries as Austria and Italy. The consequence of pre-accessive consolidation of Vysehrad Group countries was calling the CEFTA Association, the members of which are today Bulgaria and Romania. The importance of these states association is essential taking into regard strengthening multilateral, interstate relations with countries outside the EU or preparing to join it, and also those whose joining perspectives are longer (Bulgaria, Romania, Slovakia). The EU enlargement supportive trend, especially in the context of social – religious movements and non-governmental organisations activities can be, for instance, a strong involvement of European Ecumenical Gathering of European Churches and the European Conference of Roman Catholic Bishops. The representative of Vatican is permanently seated in the Council of Europe. The Second Ecumenical Gathering of the European Churches Conference and the European Conference of Roman Catholic Bishops in Graz in 1997 became an aspiration to present the reconciliation way between the Germans and Poles after the Second World War at the doorstep of the next century. The Commission for Contacts between the Polish Ecumenical Council and German Evangelical Church conducted an initiative to present the participants the Polish – German reconciliation as a significant step to Europe's unity. Being aware of the responsibilities of the mentioned above Churches for the European continent lots and inspired by the Graz Gathering, the Commission of Contacts have undertaken a dialogue with Poland's eastern neighbours, the Kaliningrad District, then with Byelorussia and Ukraine, with which Poland has established very good relations. The consequence of NATO constructive approach towards Eastern Europe was initiating Partnership for Peace, and its consequence, in turn, was the organisation of joint maritime peace manoeuvres in 1994 in the Baltic area with the participation of the Baltic states' and NATO's navies. These operations, under an English cryptonym Baltic Operations have been organised regularly every year since that time. The plans of the NATO enlargement onto the east in Poland, the Czech Republic and Hungary are being realised and advanced faster than it was expected in 1996. The Euro-Baltic region, due to NATO activities, is becoming the area of the greatest military – political stabilisation, contrary to the southern European region, i.e. the Balkans. Here the practice of multi-sided military co-operation within, for instance, permanent meetings of the Nordic states and the Baltic republics' defence ministers seem very interesting. This practice may, in a longer perspective, contribute to enlarge this formula to all Baltic states meetings, probable with the USA participation (!). Long and multisided co-operation of the Nordic states was an inspiring factor and influenced the cooperation between the Baltic states realised since 1992 in the Council of the Baltic States.

Among interesting events connected with the military matters in the Baltic area, one should mention the Baltic Conference held at the end of May 1998 in Visby, organised by The Armed Forces Communication and Electronics Association. It must be assumed that the 1995 WEU decisions concerning numerous military initiatives towards the Baltic region, creating the Baltic Peace Forces including, will become a reality. The Euro-Arctic-Baltic region will be a model zone of multinational co-operation in the world, where, in spite of some participants' differentiation in the life style, the mutual problems will be resolved without any conflicts, although not free from the possibility of collision, contrary to the Balkan region which will remain the area of tensions requiring

joint intervention of the remaining European states. Taking, into account the interactions between NATO member states and aspiring countries, multinational relations are of great importance, like for instance French–German–Polish relations within the so called Weimar Triangle. Bilateral relations between France, Germany, the USA on one side and Russia on the other play a similar role. They create platforms of multilateral, interstate interactions where NATO plays a strongly catalysing role towards the current development of the situation in Europe.

These mentioned above conditions influence a broad economic – social development of Poland in a positive way, although they do not take away the burdens of solving complex inner problems.

II

Basing on these considerations, the consequences of the NATO and EU enlargement will fall differently in two mentioned above areas.

The most advantageous consequences will be certainly for the Arctic–Baltic and Central European areas.

Creating the Danish–German–Polish Corps, the commanding staff stationed in Szczecin at the beginning of 1999 will make a qualitative change in this zone. Establishing this structure will integrate Germany within the framework of multinational military structures and created earlier in 1993 Euro Corps with the participation of Belgian, French and Dutch units. Although the importance of this Euro Corps is rather symbolic at the present stage, but taking into regard its usefulness for the in future created multinational EU units within the WEU, its role may significantly grow.

The role and importance of the Danish–German–Polish Corps, the commanding staff stationed in Szczecin, should be considered in a different way after Poland joining NATO in 1999. Such a corps will significantly connect Germany in the NATO command structure on the Baltic–Northern European area. The Ost Corps, created after incorporating DRG into FRG on the eastern territory, made quite an autonomous group of national troops within NATO. After creating the Danish–German–Polish military structure, the role of this corps will be precisely defined.

The economic potential of Germany inclines to a broader anticipation, particularly in the context of development variants, of the situation in Russia and the course of integration processes within the EU so success and possible disadvantageous development scenarios. The least advantageous would be, of course, an extreme variant, i.e. a probable collapse of deepening the EU integration processes and a perspective withdrawal of the USA from Europe and growing destruction tendencies in Russia at the same time. Such a situation would directly influence Germany's future politics which currently is relatively passive in activating moderation activities like: exerting influence an inner situation in small peripheral European countries, e.g. Estonia or Slovenia, subordinating them economically. Moreover, Germany has a great accommodation effectiveness in adapting to a new situation. This is thanks to a relatively

big organisational effectiveness and economic potential. Its strong economical ties in trade with different European countries, however, shows, at the same time, a strong quotient of multisided subordination/vulnerability, especially due to trade which would show the necessity of respecting certain attitudes in mutual relations. Aggressive behaviour could, in a long term, cause damage for Germany in these relations structure. The processes of multilateral relations globalisation limit essentially the behaviour of effective economically countries outside. Such a situation paradoxically influences the basic reevaluation of perceiving the phenomenon of peace in a broader dimension than only local. The number of local conflicts after the Second World War is on a relatively high level but they do not include strategic areas on the border of the main countries in the Euro-Atlantic zone, so Russia and the USA.

NATO enlargement will also strengthen the USA presence in the Baltic and Northern European region. It is confirmed by the USA bilateral treaties with the Baltic republics from the beginning of 1998, and also USA engagement in Finland's project from spring 1998 concerning adapting a priority policy of financial support for northern EU regions in the Barents Sea area, so in the framework of activities of the Euro-Arctic Council for Barents Sea Region, isolated from the Council of the Baltic Sea States. From the point of view of the USA global military strategy, the Arctic region plays an essential role, among others through a permanent system of radio-location bases situated from Greenland, Iceland to the Shepherd Islands which are overseas autonomous territories of Denmark. Poland entering NATO would tightly "buckle up" the American presence in the central Baltic area through Poland. Thanks to American-Baltic treaties, the Danish-American NATO presence made the possibility of excessive German-Russian rapprochement in this area relative, and in this way, prevent from these countries domination in this region of Europe. The consequence of Poland's membership in NATO will be a greater possibility of American political manoeuvrability in the Baltic region in German-Russian relations. The announcement of giving two American divisions to NATO command in Europe disposition shows for Poland after it joins the Alliance a trend of defined NATO enlargement consequences in the Baltic-Central European area. The Polish factor can essentially moderate hitherto existing bilateral relations in this region. It is disputable that the Baltic - North European region can be of marginal importance on the background of events in other regions in Europe! The greatest stabilisation zones will be strengthened just in this part of Europe, which does not mean that it will have a marginal character!

The implications of the NATO and EU enlargement will be slightly different in the Central Europe area after joining NATO by Poland, the Czech Republic and Hungary. Today it is very difficult to forecast very precisely economic-social development scenarios in the whole of Europe, especially taking into regard the dynamics of changes taking place in Byelorussia, Russia and Ukraine. Their economic-social development can be essentially influenced by a proper reaction policy from the side of Germany, the USA and other major western countries and by the readiness of financial engagement to support the systemic changes processes. The World Bank and International Monetary Fund can play a significant role there. Among many crucial economic-social problems that the mentioned above countries face, one has to touch also upon the possibility to gain the West financial support for numerous valuable development initiatives,

like for instance the Polish initiative of May, 1997 to build an energy – transport line from Odessa to Gdansk. The meeting of Polish, the Baltic republics' and Ukrainian presidents on 27 May, 1997 in Tallin and also undertaking works by Poland and Lithuania to call a joint inter-parliamentary gathering in order to co-ordinate favouring integration activities in the framework of further NATO and EU enlargement onto the East plans are factors additionally strengthening Poland's position in future functional – regional structures of co-operation in a perspective new dimension on the Baltic–Black Sea platform. Supporting such an initiative by the West would strengthen not only the development of functional inter-regional ties but it would significantly contribute to deepen the processes of military–political security in the whole of Europe.

Thus the process of western European integration will undoubtedly be the stabilisation factor, the same as the common currency EURO will strengthen the integration from the point of view of its outer interaction. Thus this process will make irreversible the negative phenomena from the past like extreme nationalistic behaviour, aggressions between countries, although one cannot exclude some conflict bearing situations, many matters and questions of argument.

The Poland's Lithuania's and Ukraine's presidential meeting at the end of May 1998 strengthens a defined trend of systematic including Ukraine into a larger Euro–Baltic co-operation. Ukraine is interested in such a form of co-operation which in case of Poland realises a political concept of so called Inter-sea, so a region of a close cooperation from the Baltic to the Black Sea. Multi-sided Polish–Ukrainian co-operation develops successfully in the framework of the Bug Euro Region. Ukraine also participates actively in the co-operation with Poland in other Euro–region Karpaty, where also Slovakia is partly engaged in. Joining NATO by Poland will additionally strengthen its position with Ukraine which has signed special agreements with the North Atlantic Alliance. Also the Polish–Ukrainian possibilities concerning equipment and ordinance production seem favourable.

Since 1997 another Euro-region Niemen has been created in the framework of Polish-Lithuanian and partly Byelorussian co-operation.

Poland's eastern border will become a EU eastern border after 2006 the latest. After that time, the hitherto existing multisided Polish–German relations will gain a new dimension because Germany will also be particularly interested in developing its relations with the East, with Russia in particular, through the Kaliningrad District. The Kaliningrad District may pose a problem of special concern for the enlarging onto the Baltic area EU. Special talks with Russia will probably be held in the framework of Partnership Agreement signed at the end of 1997, concerning giving real special rights for this district, especially in the aspect of a special economic zone which would provide guarantees for a foreign capital for sure locations.

The declarations expressed so far has become quite illusory and propaganda-like. Thus there would be real legal systemic guarantees; maybe even bilateral between Russia and the EU in this matter. It will also refer to the military–political issues so international–legal status of the district. International experts of the CDU/CSU co-governing German party dealt with this problem in 1993.

A close perspective of Poland entering the EU have caused a statement of the EU Commission from June 1998 relating to the necessity of the EU financial engagement in opening a transit passage across Poland from the West to the East in the following directions: Kiev, Moscow and from Scandinavia, from Finland and Sweden in the southern direction across the Czech Republic and Slovakia. In the EU announcement it has been clearly pointed to a through modernisation and reconstruction of the road system and railway – communication networks. The consequences of Poland's future membership in the EU are visible in decisions of important Baltic concerns, as for instance Daimler-Benz Aerospace (which opened its office in Warsaw at the beginning of 1998) to invite Poland to the western European air industries co-operation and works to modernise and adapt MIG – 29 to NATO standards, and Swedish Volvo of June 1998 to change the buses assembly factory near Wroclaw into an independent branch of a big production factory , closing at the same time production plants in Germany (Heilbronn) and in Hungary. The costs of such an investment were initially evaluated for about 100 million USD. The decision of Volvo consortium places the Swedish capital ahead capital engagement of other western European countries, the Baltic region including. Sweden shows also a growing interest to tighten closer ties in the area of multisided industrial co-operation with Poland, including military branches. Sweden since 1994 has been realising a broad range of industrial co-operation with Germany in military equipment production, embracing among others various types of vehicles and submarines.

Taking into consideration shaping new development perspectives of economic political Polish-German relations, it was of a great importance to transfer a hitherto existing representative seat of the World Bank from Germany to Warsaw in 1997. This bank's tasks and plans of credit-financial activities are directed onto supporting the economic development of Central and Eastern Europe.

The world Bank has invested over 4 milliard dollars in Polish economic reforms and probably it is not the end. It is worth mentioning here the comparison of aid given by the EU and OECD countries in the framework of so called G – 24 group for the south eastern Baltic region.

EU and OECD Countries (G – 24) Aid for the Eastern Baltic States (in million ECU) in 1991 – 1994

	Estonia	Latvia	Lithuania	Poland	Kalinin-grad	Peters-burg
Denmark	20.33	26.86	35.39	279.93	0.20	0.40
Finland	80.49	47.62	28.63	171.82		
Germany	23.25	33.54	80.12	4,250.18		
Sweden	98.58	51.65	91.58	642.91		
Other EU countries	37.72	44.69	66.47	5,549.04		
G – 24	120.00	167.00	165.81	7,231.99		
Total	387.37	371.36	468.00	18,125.87		

Source: The Commission of the EU, 1996

The data presented above shows a great engagement of western countries in financial aid rendered for Poland in particular. In the OECD countries group, the so called G 24, the USA, apart from international corporations, presents a special engagement, the financial contribution of which makes over half of the whole given help. In the sum of about 20 milliard dollars one has to take into consideration the remission of Poland's credit debts, which in fact in the consequence of Poland's new loans have kept the state of Polish debt at the previous level, i.e. over 40 milliard American dollars (!). At the beginning of 1998, the German Chancellor, *Helmut Kohl* in his announcements stressed the need to continue the NATO enlargement process, in which Russia should be in future associated, and this organisation ought to become a broader Atlantic Euro – Asian (!) security forum: *Roman Kuzmiar* (1996) is right in this sense that the dynamics of newly created international relations is in the phase of a certain imbalance which, in my opinion, is dominated by the influence by strengthened Euro – Atlantic structure, and after including Russia, Ukraine and Kazakchstan?

The proposition of Polish and German economy ministers from the beginning of 1997 concerning the promotion of joint German–Polish endeavours in Ukraine can be the forerunner of the future common Polish–German economical policy towards these countries.

The practice in the Kaliningrad enclave shows, however, that Germany realises a separate economical policy in this region not taking into account Poland, and, in many cases, these activities have a competitive – ousting character because of a greater German capital penetrating force.

For instance in Estonia, the German mark is the currency which makes the basis of functioning for the national currency – Estonian crown (!).

The future will show if some Polish–German initiative of joint activities in this area will remain only initiatives of a clearly spectacular propaganda character, a tactical manipulation of the German side to achieve its own strategic goals, or an attempt to gain mutual advantages on the principle of mutual interest... Only a skilfully correlated in the NATO and EU framework economic policy realised by Poland's future governing elites creates a realistic development opportunities for our country in a new structure of international relations.

So the presence of the World Bank representative in Poland creates a perfect chance to take advantage of appearing such possibilities in the direction which is recommended for Poland.

The location of the European Union Central Bank in Frankfurt/Main, currently the biggest financial–stock centre of Western Europe, places Germany strongly in economical–political and bank–monetary structure of the western world. Transferring the World Bank representative to Warsaw in 1997 somehow forces Germany, for at least a certain time, to respect co-operation with Poland in the southern and Northern Central–Eastern European (Euro–Baltic) region.

The factor which favours a successful development of Poland is the engagement of global American–British centre of financial–political and military–

strategical activity for the Anglo-Saxon presence in this part of Europe through leadership in NATO, the strategic agreement between the USA and the European Union and a close connection of Euro with an American dollar.

The American presence in Europe is a balance element towards a possibility of future German–Russian influence division in Europe. This division will, in fact, have smaller effects, in this case, experienced by co-operating or depending on their partners. The American presence influences in a positive way the multilateral relations in Europe. The USA is frequently engaged as a mediator or stimulator for the dialogue between selective countries, for instance in the case of Polish–Ukrainian political dialogue. *Zbigniew Brzezinski* is the initiator of American support for this dialogue. He personally acts to strengthen multi-sided Polish–Ukrainian relations. As it has been mentioned before, this trend was reinforced by, among other, the subsequent visit of the Polish president in Ukraine at the end of June 1998.

A right idea that strengthening multisided trends of co-operation between European countries will prevent from appearing hegemonic tendencies among strong countries is the basis of actions of such an American–British global centre. A close Polish-Ukrainian co-operation, to a certain degree, can either weaken a future German-Russian alliance, or limit Germany's hegemonic tendencies in Central–Eastern Europe.

Future Europe will probably face divisions of Euro–regional activities platforms such as, for instance Baltic, Carpatian – the Black Sea, which include groups of closely connected countries like the Nordic ones, Baltic republics, some countries of the Commonwealth of Independent States closely co-operating with Germany, Poland, and they, in turn, with such countries as Austria, the Czech Republic, Slovakia, Hungary, Bulgaria, Rumania. The initial financial burdens of German economy resulting from introducing Euro will be somehow compensated by Germany's close economic – social relations with new EU members such as Poland, the Czech Republic, Hungary. These countries, Germany including, will create after 2007/8 a region of so called mutual economic – social advantages, inhabited by about 150 million people which would make nearly half of the population living in the enlarged EU. Hence some EU members' fears seem understandable in the light of Germany's growing importance and its political–economic expansion onto the East thanks and in the framework of the EU.

Creating a branch of the Berliner Bank, the sixth biggest German bank in 1997 is a sign of progressive German presence in Poland. Opening this branch was thanks to the Initiative of Polish–German Chamber of Industry and Commerce founded in the autumn of 1996. It is interesting that it happened after the Maastricht Treaty and in the time when the Euro issue was frequently under the EU economic–social discussions. Due to this fact, the need to introduce changes in the Polish banking law and adapting it to western European requirements becomes very urgent. The need of legislation changes is raised more and more strongly by the National Bank of Poland. But joining the economic – social system is still a matter of time because the adaptation preparation activities are quite time consuming. Giving a capital contribution of 100 million USD for the Polish Bank PKO SA by EBOiR in the first half of 1998 is a sign of support activities of common Central and Western European banks.

In the whole European context, the NATO enlargement can contribute to an essential modification of Free Aerospace Treaty of 1992, and Disarmament Treaties.

III

The situation in Central Europe, after the EU and NATO enlargement will be shaped by instability in the Balkans, in particular by potential conflicts resulting from Greek Turkish disagreement concerning Cyprus and by reminiscences of ethnic armed conflicts in former Yugoslavia.

The participation of Hungary in NATO military structures, however, may influence the situation in neighbouring Bulgaria and Rumania, and also Slovakia in a positive way. Joining NATO influences merely a certain sphere of states' interactions and activities in defined situations of international tensions, so it does not have a direct impact on an broader processes of permanent dynamic interaction behaviour between countries belonging to the Alliance. But the membership in the EU causes a significant degree of mutual dependencies, even giving up national sovereignty for the favour of supra national structures and agreed jointly acts and rights. And thus in the Czech-German and Polish-German relations, a so called German syndrome is appearing. It concerns the so called historical events, including the ones of claiming character, especially from associations of compatriots. These attitudes grow stronger especially during election campaigns, addressed in particular to the main co-governing party CDU/CSU. Western European politicians, especially British, Danish, French and, Dutch ones, are aware of the German syndrome. Therefore they understand well the need to reform the EU economic-legal system in the framework of hitherto existing number of members to 2005 and then they will accept the new ones, so Estonia, the Czech Republic, Poland, Hungary and Slovenia. It is not an accident that the elections in Germany take place in 2002 and 2006. So the best time to receive new members may be the year 2007 or 2008 (!). Till that time Germany will undergo a further integration in the EU framework and it will "get used to" new NATO members which will later join the EU. The German syndrome will still play an important role in Europe's unification process because this country still has the most effective economic system, although about the year 2010 the quotient of people getting older will be so strong that the population will drop below 75 million... The forecasts say that even then Germany will remain the biggest populated European country in Europe, except Russia. The differences of earnings levels will influence keeping restrictions protecting its own work market towards new member states by the present EU members. The unemployment in Europe includes about 20 million active professionally people in defined profession groups.

Thus the situation of general security in Europe after NATO enlargement in the ten year-perspective can be drawn clearly in the Arctic-Baltic-Northern European, and Central European regions. It is less clear in the Southern European area.

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