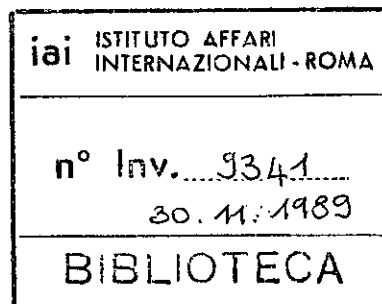


THE SOUTHERN REGION AND THE ATLANTIC ALLIANCE
IN A CHANGING STRATEGIC LANDSCAPE
RAND

Istituto Affari Internazionali
Oxnard (CA), 20-21/XI/1989

- a. (Programma)
- b. (Lista dei partecipanti)
- c. "A proposed agenda for the first of two joint IAI-RAND workshops"
- 1. "The Southern region and Atlantic Alliance in a changing strategic landscape: a RAND conference report / prepared for the Ford Foundation (by) Lynn Ordway
- 2. "Out of area threats and Western cooperation: problems for Europe and the Mediterranean"/ Stefano Silvestri
- 3. "Political and economic issues within the alliance: the future of burdensharing and the Southern region"/ James Steinberg and Charles Cooper
- 4. "Soviet perspectives on the Western Alliance: the place of the Mediterranean"/ Robbin Laird
- 5. "Soviet perspectives on the Western Alliance: the place of the Mediterranean: comments on the paper of Robbin Laird"/ Mario Arpino
- 6. "North-South relations South of Western Europe: implications for the Alliance"/ Roberto Aliboni
- 7. "The Mediterranean area in perspective as seen from the United States and from Italy"/ Maurizio Cremasco
- 8. "The future of U.S. strategy towards the Mediterranean"/ Harry D. Train II
- 9. "Changes in the character of the East-West strategic relationship: implications for NATO's Southern region"/ Ian O. Lesser



THE SOUTHERN REGION AND THE ATLANTIC ALLIANCE
IN A CHANGING STRATEGIC LANDSCAPE

Monday, November 20, 1989

9:45 Welcome and Introductory Remarks

10:00 Ia. "Changes in the East-West Strategic Relationship:
Implications for the Southern Region"

Ian Lesser, RAND
Respondent: Dr. Arrigo Levi,
Corriere della Sera

2 Ib. "Changes in the Character of Out-of-Area Threats:
Implications for the Southern Region"

Stefano Silvestri, IAI
Respondent: Dov Zakheim, SPC

12:30 Luncheon

1:30 IIa. "Political and Economic Issues within the Alliance"

3 Jim Steinberg, RAND
Respondent: Colonel Raffaele Noviello
Centro Militare Studi Strategici

IIb. "Soviet Policy Towards the Mediterranean"

4 Robbin Laird, Institute for Defense Analyses
Respondent: General Mario Arpino,
Italian Second Air District

3:30 Break

6 4:00 IIc. "North-South Relations in the Mediterranean:
Implications for the Alliance"

Roberto Aliboni, IAI
Respondent: Charles Cooper, RAND

6:30 Drinks

7:00 Dinner

8:30 Optional Session

QUESTA PUBBLICAZIONE È DI PROPRIETÀ
DELL'ISTITUTO AFFARI INTERNAZIONALI

b

THE SOUTHERN REGION AND THE ATLANTIC ALLIANCE
IN A CHANGING STRATEGIC LANDSCAPE

November 20-22, 1989

Professor Roberto Aliboni
General Mario Arpino
Commander R. Mitchell Brown
Dr. Charles Cooper
Dr. Maurizio Cremasco
Mr. Bradford Dismukes
Dr. Robbin Laird
Dr. Ian Lesser
Dr. Arrigo Levi
Dr. Robert Levine
Dr. Mark Lorell
Professor Cesare Merlini
Colonel Raffaele Noviello
Lynn Ordway
Professor Stefano Silvestri
Dr. Jim Steinberg
Dr. Jim Thomson
Admiral Harry D. Train
Dr. Carlo Trezza
Admiral Guido Venturoni
Dr. Dov Zakheim

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RAND
Istituto Affari Internazionali
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Strategic Research and Management Services
Italian Embassy
Office of Italian Naval Chief of Staff
SPC International, Inc.

System Planning Co.

THE SOUTHERN REGION AND THE ATLANTIC ALLIANCE IN A CHANGING STRATEGIC
LANDSCAPE -- A Proposed Agenda for the first of two Joint IAI - RAND
Workshops

The workshop will discuss security issues facing the Southern Region of the Atlantic Alliance, with particular emphasis on challenges and requirements flowing from the evolving East-West strategic relationship (i.e., NATO missions) and those arising from a range of "out-of-area" or non-NATO threats in and around the Mediterranean. A central theme will be the manner in which these strategic demands may be balanced in the formation of future U.S. and Italian policy.

I. *Southern Region Security Issues -- Enduring and Emerging.*

The nature of the security environment in the Southern Region will be shaped by developments in two broad areas, each of which should be explored, and the relationship between the two assessed:

a) Changes in the character of the East-West strategic relationship, including nuclear and conventional arms control initiatives, and decisions on force structure and strategy. What will be the implications of developments in these areas for coalition deterrence and defense, and most importantly, the linkage between NATO's Southern and Central Regions?

b) Changes in the character and extent of threats to security originating outside the direct NATO - Warsaw Pact competition. Issues to be addressed would include growing conventional capability, and the risk of nuclear, chemical and ballistic missile proliferation around the Mediterranean littoral; threats to sea lines of communication; and the prospects for political turmoil in the region. Further, how might crises

- 2 -

"out-of-area", including those beyond the Mediterranean, effect political cohesion in the Alliance generally, and relations in the Southern Region in particular? What new patterns of crisis management can be considered, and what are the implications for strategy, forces and bases?

II. *Broader, Security-Related Issues.* Developments outside the military sphere, narrowly defined, can be expected to play a central role in shaping security challenges and responses in the Southern Region. The following would be key subjects for discussion:

a) Political and economic concerns within the Atlantic Alliance (i.e., West - West), including burdensharing, the future of the American commitment to Europe, the prospects for European defense cooperation, "1992" and associated issues (trade relations, regional economic development), energy, and defense-industrial development;

b) East-West relations in their political and economic dimensions, including the question of Soviet policy towards the Mediterranean countries;

10 | c) The evolution of political and economic relations between the industrialized North and the developing South (e.g., North Africa) of the Mediterranean region, and opportunities for promoting prosperity and stability.

III. *Security Perspectives.* How may the strategic perceptions of the U.S. and Italy with regard to the Southern Region be characterized? What are the unique national characteristics of the security debate in this area? In what manner are diverse security concerns likely to be reconciled or balanced? More specifically, and for example:

- 3 -

a) What are the implications of the tension between Italian security interests in the Mediterranean and NATO's Central Region? Between the Atlantic and European dimensions of coalition deterrence and defense? What would be the form and direction of a new Italian Defense Model, and what sort of strategic assumptions would be associated with it?

b) What are the likely prospects for U.S. strategy towards the Mediterranean region, and the perceived balance between NATO-related and "out-of-area" concerns? What are the implications for basing and the presence of forces?

IV. *Conclusions.* The workshop would seek to establish key elements of continuity and change with regard to security in the Southern Region, and explore options for U.S., Italian and Alliance policy. Issues for further consideration would be identified, with a view towards the formulation of an agenda for a second series of meetings.

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WORKING DRAFT

THE SOUTHERN REGION AND ATLANTIC ALLIANCE IN A CHANGING STRATEGIC LANDSCAPE: A RAND CONFERENCE REPORT

Lynn Ordway

April 1990

WD-4735-1-FF

Prepared For

The Ford Foundation

This Working Draft is intended to transmit preliminary results of RAND research. It is unreviewed and unedited. Views or conclusions expressed herein are tentative and do not necessarily represent the policies or opinions of the sponsor. Do not quote or cite this Working Draft.

THE **RAND**
CORPORATION

PREFACE

This report summarizes the proceedings of a conference held jointly by The RAND Corporation and The Istituto Affari Internazionali (IAI) November 20-21, 1989 in Oxnard, California. The conference, hosted by RAND and sponsored by The Ford Foundation, provided a forum for analysts to present and comment on alternative security strategies for NATO's Southern Region. Participants discussed the various Mediterranean perspectives-- North-South, East-West, South-South, and West-West--in the context of current economic, political, demographic, sociological, and military trends. The findings will be of interest to policymakers and NATO advisers working on security issues affecting the Mediterranean and the surrounding area.

An overview of the Southern Region topics and recommended Alliance policy actions is presented here. Regard it as a ground plan for future conference sessions as well as a synopsis of the first meeting's presentations and discussion. The individual papers presented are briefly summarized and their authors identified. Views expressed in the discussion sections, however, are not attributed and neither the papers nor the comments should be regarded as representative of any government or private organization. Participants and their affiliations are listed in the appendix.

SUMMARY

The first joint RAND-Isitituto Affari Internazionale conference on the Southern Region and Atlantic Alliance, in a changing strategic landscape offered participants an opportunity to exchange ideas on Alliance security strategies for the Mediterranean and surrounding areas. Sessions were organized to provide an overview of the various elements affecting NATO strategy choices in the theater and to survey a wide range of topics including:

- Changes in East-West relationships
- The character of out-of-area threats
- Political and economic issues
- The effect of North-South relations on the Southern Region
- Soviet policy toward the Mediterranean
- U.S. and Italian perspectives
- Future U.S. strategy

Historically, analysts have had difficulty defining Alliance policies of deterrence and defense in the Mediterranean, largely because of the remoteness of the Soviet threat and the nonnuclear focus of the region's security strategies. The scale and diversity of the region and its proximity to historical centers of crisis and instability in North Africa and the Middle East have further complicated the task. The unique geographic dimension of Southern Region security confers a significance that transcends East-West competition and will probably continue to do so.

Because of the Southern Region's geographical location, out-of-area security concerns are of particular importance. Past approaches to such concerns have lacked an encompassing Alliance policy base, as territorial boundaries defined by treaty limit Alliance involvement to the area north of the Tropic of Cancer.

While the Alliance meets regularly to discuss out-of-area problems, such discussion has not led to operational action or to a specific definition of the NATO role beyond that of an adviser.

Reduced military budgets faced by all Alliance members in the present era of conventional and nuclear force reductions will further compound the problems already associated with reaching and maintaining burden-sharing agreements. In the future, the Mediterranean and surrounding areas will require additional attention and continuing U.S. political, military, and economic support. The United States, however, may not be able to provide such support since cohesive factors operating in the Alliance over time--a well-defined threat from the Warsaw Pact, the "place at the table" provided by NATO membership, and general support for the U.S. presence in Europe--may be losing their unifying pull both within Europe and across the Atlantic.

Conference participants found assessing Soviet perceptions of the region especially difficult at a time when communism's fall in Eastern Europe seemed to be obeying what one participant called a "reverse domino" effect. More than ever before, the Soviets view the Mediterranean as a mosaic rather than a unified flank, a fact that may explain the absence of a defined policy toward the Southern Region. Lack of an overarching Soviet objective for the area led participants to conclude that the Soviets will probably continue to involve themselves in the Mediterranean only on an ad hoc basis.

North-South issues affecting the Southern Region added further uncertainty to the discussion of future security strategies. Major obstacles stand in the way of North-South economic integration, especially in the Alliance context. Trade patterns reinforce political ties in the area, and the institutional lack of economic development planning makes defining the economic-military-political relationship between North and South difficult at best. Resolving these difficulties will add an additional dimension of complexity to future Alliance relations in the Southern Region.

Italy and the United States have somewhat divergent perspectives on Southern Region security, and the gap between these perspectives is likely to widen. Italy has demonstrated an increasing willingness to support NATO actions in the Southern Region, but friction has arisen when U.S. and Alliance policies did not coincide. Military actions undertaken by the United States acting as a solo player outside the Alliance have been met with resistance from other Southern Region members as well. The Alliance, the United States, and individual Mediterranean countries may find it even more difficult to agree on area jurisdictional and basing issues in the future.

Naval arms control remains high on the list of specific concerns. Upcoming treaty negotiations will most probably include measures which will directly affect the Mediterranean area. Of specific concern is the Sixth Fleet, which has played an important role in Southern Region security since World War II; without it, the strength of the Alliance would greatly diminish. The United States steadfastly adheres to its NATO commitments, but views the Mediterranean, the Middle East, and Southwest Asia a continuum of vital U.S. interests and considers naval arms control in the Mediterranean a threat to overall area security.

In their final statements, participants concurred that the problem of Southern Region security strategy needs attention but reached only a tentative agreement on how such a strategy should be created. Some of the more problematic components affecting the area's security, including the impact of changes in East-West relationships, will undergo substantial transformation in the near term. Many participants predicted that the changing face of Central and Southern Region security may require new institutions to enhance and expand Alliance policies, but all present conceded that prescribing specific courses of action to create these new institutions will be extremely difficult.

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I. CHANGES IN THE EAST-WEST STRATEGIC RELATIONSHIP: IMPLICATIONS FOR THE SOUTHERN REGION

Ian Lesser explored the question of the Southern Region's future importance to NATO in a paper on changes in the East-West strategic relationships. Two major trends are significantly changing East-West relations: the evolution of political detente and parallel developments in conventional and nuclear arms control. These trends are unlikely to shift major Alliance attention southward, but developments in the Central Region will definitely affect the Mediterranean area.

The paper and discussion that followed are summarized below.

HISTORICAL OVERVIEW OF SOUTHERN REGION SECURITY

In the past, the following factors have made defining the character of deterrence and detente in the Southern Region particularly difficult:

- Perceived diffuseness and remoteness of the Soviet threat.

Unlike Central Europe, the Southern Region has no specific, concentrated area of vulnerability; as a result, no specific Alliance policy defines area strategies. National and regional approaches to security matters have taken precedence in the Southern region.

Low probability of nuclear exchange.

Strategic thinking about the Mediterranean has focused largely on nonnuclear problems, emphasizing conventional weapons, traditional missions, and longer war scenarios. This is not surprising, given the relative absence of concentrated vulnerability and the perceived remoteness of the Soviet threat. A conflict in the Southern Region

is much less likely to escalate to the use of nuclear weapons.

- Special significance and distinctiveness of the Southern Region.

The scale and diversity of the region as a whole, and its proximity to historical centers of crisis and instability in North Africa and the Middle East add another dimension to the region's security affairs. This dimension exists independently of East-West competition and is likely to continue to do so.

- Relationship of the Southern Region to the United States. The United States has consistently contributed to the cohesion of the various regional sub-theaters and has linked Central and Southern region security. The U.S. has also helped meet the Southern Region's needs for power to protect against out-of-area threats, although the presence has not been provided without friction. Overall, however, the United States has acted to cement diverse Southern Region interests.

TRENDS IN EAST-WEST STRATEGIC RELATIONSHIPS

Political detente can provide the Southern Region with opportunities to play a more significant role internationally. As adversarial tensions in the Central Region relax, the focus of Alliance affairs in the Southern Region will shift from the military component. The political aspect will then come to the fore, providing a milieu in which Southern Region countries are better equipped to participate actively. In the friendlier economic climate arising from political detente, expanded possibilities for East-West trade suggest Italy's role as a "favored interlocutor" in dialogues between West and East.

On the other hand, changes in the Central Region will not necessarily mean increased stability in the Southern Region. Resources and interest presently devoted to the Central Region may shift to the South, but we have no guarantee the shift will happen

in an even, predictable way. In fact, as the risk of military confrontation in the Central Region diminishes, the Southern Region may experience neglect through "marginalization." At the same time, many opportunities for potential conflict exist in the South. Yugoslavia and even Albania will probably continue on the troubled path toward democratization, a path that may lead to instability in the Balkans, the Adriatic, and the area as a whole. Similarly, as the East-West balance shifts, friction may flare up between Greece and Turkey--friction that has been held in check by NATO-Warsaw Pact competition--and make the Eastern Mediterranean a problem area.

Second, the trend toward nuclear and conventional arms control will clearly affect East-West strategic relationships as a whole and will have distinctive consequences for the Alliance Southern Region. Although the Southern allies may play a less central role in some NATO functions, the effect of arms control negotiations on Alliance relations and strategy will be felt as strongly in the Mediterranean as anywhere. Negotiations affecting the nuclear component of flexible response will be especially sensitive for all Southern allies. The South's long-standing need to preserve both sets of couplings--the strategic coupling between Europe and the United States and the coupling between deterrence in the Central and the Southern Regions--combined with the existence of various specific out-of-area concerns reduce the likelihood that the outcome of current negotiations will entirely satisfy Southern Region members.

While asymmetric conventional force reductions could favorably affect the East-West security picture, the impact on the Southern Region with regard to out-of-area threats is far less likely to improve. With arsenals in the Middle East and North Africa growing unconstrained, the link between asymmetric force reductions and improved security is less than automatic in the Southern Region.

DISCUSSION

All participants agreed that the Southern Region has an important place in NATO policy. They displayed varying degrees of optimism, however, about the future role of the Alliance in handling Southern Region affairs. The area's ongoing strategic importance was emphasized again and again; as one participant pointed out, the increasing rate of arms accumulation in areas on the southern rim of the Mediterranean, combined with accelerating disarmament in the Central Region, make it quite likely that there may one day soon be a higher concentration of conventional fire power in the Mediterranean than in Central Europe. This does not bode well for Southern Region security.

Elements within the Eastern Mediterranean also hold the potential for threatening Southern Region security. Yugoslavia was mentioned repeatedly as a likely source of regional ethnic unrest in the increasingly unstable Balkan area. Within the Alliance, Turkey and Greece were singled out as possible trouble spots. Turkey has strong historical, religious, and psychological links to the Arab world and to volatile Azerbaijan, links which will become even more important if fundamentalism in the area continues its rise. Turkey's uncertain status as an EC applicant adds even more storm clouds to the Eastern Mediterranean horizon.

Participants then discussed how the Allies collectively and Italy alone could best provide political, economic, and moral support for former communist countries. While some preferred a problem-by-problem incremental approach with little or no formal NATO involvement, most preferred the option of using the existing Alliance structure in new ways as a far more practical solution. Problems could arise, however, if Alliance direct assistance to Eastern Europe reduces the level of aid to member nations.

Throughout the discussion of changes in the East-West strategic relationship, conference participants stressed two themes:

• The multiplicity of issues facing strategists in the Southern flank. Changes in Eastern Europe, perceptions of a declining Soviet threat, regional allegiances, area ethnic unrest, arms control negotiations, and changing area population demographics make forecasting NATO strategy scenarios in the Mediterranean more difficult than ever before.

• The need for an Alliance policy to face these issues. The Alliance lacks a unified strategy for maintaining security in the Southern Region, but changes in East-West relationships may give the Alliance a chance to develop one. Doing so will be problematic unless analysts can incorporate many diverse political, economic, and demographic trends into planning strategies.

II. CHANGES IN THE CHARACTER OF OUT-OF-AREA THREATS: IMPLICATIONS FOR THE SOUTHERN REGION

Stefano Silvestri emphasized the importance of incorporating recent political trends and ongoing area developments into the existing Alliance patterns of out-of-area crisis management. First, he considered two international political trends:

- Global integration. The NATO member nations are no longer relatively insulated, as they were in the past. Thanks to recent developments in communication and information technologies, increased international trade, and trends in Mediterranean population and migration, out-of-area countries have become increasingly integrated into the global community and, specifically, into the Alliance.
- Shifting power configurations. As integration occurs, more and more countries in addition to the superpowers are taking on increasingly important roles in international affairs.

Silvestri's paper and the ensuing discussion are summarized below.

MODELS OF OUT-OF-AREA CRISIS MANAGEMENT

These changing patterns must be met with changing Alliance approaches to crisis management. Old ways of crisis management, especially those employed by the United States and the Soviet Union, have traditionally emphasized the use of intervening military forces (or threats to use them), backed up by economic leverage. The chief "target" of such strategies typically was the other superpower. These strategies often failed to take into account the actions and perceptions of local players. If continued, the old ways of crisis management pattern will undoubtedly lead to further difficulties and the increased

likelihood of psychological, terrorist, and low level/low intensity conflict initiated by out-of-area forces. The three most likely models of crisis management are:

- The U.S.-led status quo approach.

The current U.S.-led manner of resolving out-of-area conflicts no longer works, and maintaining the status quo under U.S. leadership will become increasingly difficult. An attempt to establish bilateral agreements between each European ally and the United States would tend to strain existing political differences among the European countries and between them and the United States. Furthermore, the U.S. Congress will probably become increasingly unwilling to bear the costs of such leadership.

- The European-led approach.

Recent experiences involving local conflicts in the Mediterranean have demonstrated that European forces are "probably seen as "less threatening" or "less interfering" than American ones." Yet, the Europeans have approached the initiation of a European-led NATO strategy for dealing with out-of-area conflict cautiously and ambiguously and no purely European organization has provided a more viable alternative forum than NATO for coordinating policies. Starting from scratch to develop a new organization or integrated group of organizations, or creating some reasonable new structure from existing institutional components is no small task. Moving from that task into the unfamiliar policy territory of defining a political agenda for handling out-of-area crises would be even more difficult. The reality of declining European military budgets would further complicate the realization of the European-led model.

- The incremental approach.

The third class of solutions presented would create alliances whose policy initiatives would be able to deal with small conflicts but not much more. The obvious benefits of flexibility and appropriate strategy choices do not outweigh the disadvantages presented by alliances that are unable to provide the strength or duration of support needed for anything of more consequence than the most minor conflict.

OUT-OF-AREA CRISIS MANAGEMENT STRATEGIES FOR THE FUTURE

Obviously, none of these three models of crisis management offers a reliable or universal solution to the problem of dealing with out-of-area threats or crises. Europe may therefore want to consider additional alternatives, to expand its outlook and to move beyond thinking of out-of-area conflicts in limiting, conventional ways. Doing so would allow policymakers to create new coalitional approach.

Ideally, a coalitional approach would enable the European nations to develop ways to use existing Alliance structures in more political, less military ways. It would allow decision makers to distinguish between more and less vital out-of-area interests, to rank Alliance concerns by assessing what crises are likely to prove most critical, and to decide where and how the Alliance will intervene in out-of-area conflicts.

Guidelines for developing a coalitional approach follow:

- Move toward a reliance on preventive security strategies that take into account local and regional interests.
- Avoid high risk operations.
- Develop a better global strategy for incorporating economic, financial, trade, and military elements into crisis-management strategies.
- Use the UN and other existing organizations to resolve out-of-area conflicts with or without Alliance involvement.
- Encourage direct U.S.-Soviet negotiations.

- Give greater consideration to local players' strategies, and use appropriately scaled approaches to meet out-of-area threats.

DISCUSSION

The discussion of Silvestri's paper fell into three general categories:

- The nature of current and potential future out-of-area conflicts
- How to reasonably go about defining possible future solutions to these conflicts
- The viability of a new coalitional approach

Almost all participants agreed that the basic starting point for dealing with NATO issues in the Southern Region at the conference was that the United States and the Soviet Union will stand down in Europe. But, as one respondent pointed out, in considering out-of-area issues, the potential stand-down in Europe means little. The participants' debate on the nature of out-of-area threats to the Southern Region led to a consensus on four points:

- Although the threat from the Warsaw Pact is declining, the potential for out-of-area threats is increasing.
- The United States and the Soviet Union will continue to play roles in the out-of-area conflict arenas.
- While the United States and the USSR will not completely abandon their current positions, it is impossible to predict what future Mediterranean strategies will be.
- Individual NATO allies have specific out-of-area spheres of primary concern. For the United States it is Latin America; for France, Tunisia; for Belgium, Zaire; for Spain, Morocco; and for Italy, Turkey and Greece, the Balkans.

The second topic of discussion--how NATO might best cope with conflicts in peripheral regions--brought on even more debate, especially among those who disagreed about NATO's ability to negotiate solutions should problems in any of these member nations' spheres of concern develop into a full-blown conflict. Participants offered no rock-solid plan for Alliance involvement in out-of-area conflict but generally supported the notion of moving into the realm of political consultation. Invoking a consultory status would obviate the need for all-NATO agreement and (possibly) allow for greater flexibility of response.

In his summary, the speaker presented the case for framing the coalitional approach as a principal powers strategy in which the party with the most at stake in a conflict would take the lead in out-of-area conflict resolution with the support of fellow member nations. He advised against restricting conflict resolution to the weakest--i.e. the military--component and once again encouraged conference participants to take a global view of possible NATO and non-NATO solutions to prevent and resolve out-of-area conflict.

III. POLITICAL AND ECONOMIC ISSUES OF THE ALLIANCE: FUTURE BURDEN-SHARING AND THE SOUTHERN REGION

James Steinberg, in presenting a paper coauthored by Charles Cooper, outlined two opposing sets of forces operating in NATO burden-sharing debates. Of the two countervailing forces, cohesive factors have always exerted a stronger unifying pull on Alliance members than divisive ones. Despite heated debates, member countries have in the end managed to reach a consensus on economic issues and, in doing so, have strengthened Alliance bonds. For reasons detailed in the Steinberg-Cooper paper, continuing to overcome differences and reach a consensus on economic issues within the Alliance is likely to be even more difficult in the future.

A summary of Steinberg's remarks and the ensuing discussion follows.

U.S. ROLE IN ALLIANCE BURDEN-SHARING

The economic future of the Alliance hinges largely on its membership's ability to agree on burden-sharing. Three centripetal forces have encouraged past agreement:

- The common goal. Individual nations have worked together in NATO for the purpose of defending against the common military threat posed by the Soviet Union and the Warsaw Pact.
- The legitimating element. Membership in NATO gives individual nations both legitimacy and a forum for voicing national interests to a wider European and transatlantic audience, i.e., a "place at the table."
- Support for the U.S. presence. The common agreement on the importance of a U.S. presence in Europe has linked members and helped overcome potential transatlantic frictions.

Defining the nature and level of the U.S. presence will become the pivotal point of future NATO economic relations. The most divisive centrifugal forces within the Alliance have historically been economic ones involving the United States. Current account deficits, macroeconomic policy and trade issues have been especially contentious issues. The anticipated 1992 integrated European market will add further power to the divisive elements' pull, requiring analysts to consider:

- Potential for transatlantic cooperation. Will economic issues continue to be a divisive force or will the stronger European market provide a basis for transatlantic military sector cooperation?
- Effect of microeconomics on macroeconomic policy requirements. How will changes in the defense industrial base in a time of rising costs and declining requirements affect Alliance burden-sharing debates?
- Possible new market structures. Will U.S. and European manufacturers respond to the need for greater efficiency with increased cooperation or with tougher competition among fewer market participants?
- Political dimensions of EC integration. If 1992 brings an EC decision to approve Austria's membership application before (or instead of) Turkey's, will Turkey remain willing to cooperate as a NATO partner as fully as it has in the past?

BURDEN-SHARING AND THE SOUTHERN REGION

The Southern Region and the Alliance as a whole view the debate on burden-sharing differently. Traditional burden-sharing analyses have focused on arguments over computational methods and on the potential for wealthier European countries to free-ride by contributing less than their fair share to maintaining the public good of NATO security. In the Southern Region, however, some of the poorer Alliance countries who have traditionally paid a higher relative proportion of GNP than their neighbors to the North contend they are not getting their money's worth.

Despite the fact that the Soviets pose a far greater threat to Northern and Central than to Southern Europe, countries in the South have sought strongly and repeatedly to be viewed as legitimate and fully contributing members of the Alliance. Examples of support to NATO provided by Southern Region states include the Italians' recent willingness to accept basing responsibilities for American cruise missiles and for the F-16s of the 401st Tactical Fighter Wing. On the other hand, Southern Region members, like other European members of NATO have been reluctant to support the United States in its unilateral military out-of-area activities.

Finally, the developing NATO attitude toward out-of-area conflict will affect the economic future of U.S. bases in the Mediterranean area. These bases are important to the burden-sharing calculation and contribute to local economies. If the Southern Region host countries impose greater restrictions and higher fees, however, the utility of maintaining these bases may decrease sufficiently to cause the United States to scale back or pull out entirely.

DISCUSSION

The rapidly unfolding changes in the Central Region, combined with the possible long-run emergence of the European Community as an alternative security forum cast serious doubt on the future

equilibrium of Alliance burden-sharing. Participants forecast analytic and administrative difficulties. As additional economic variables for defining the responsibilities of burden-sharing create more sophisticated equations, the difficulty of reaching consensus among members on these more complex economic requirements will increase.

Furthermore, factors that encourage cohesion within the Alliance are weakening. Discussants predicted that as the economic ties linking European members tighten, the possibility for U.S. exclusion will become more and more real. Most participants agreed that an integrated European market will block U.S. military sales and make the defense of Europe more costly at any level, but did not agree on the possible allocation or specific magnitude of these higher costs.

IV. SOVIET POLICY TOWARD THE MEDITERRANEAN

Robbin Laird defined the classical Soviet approach to the Alliance as *anticoalitional*, not only because the Soviets try to create and exacerbate fissures in the U.S.-European relationship, but also because they have shown considerable concern in recent years over the effects of changing coalitional relationships between Eastern and Western Europe. They have tried to obstruct European integration efforts by undermining various condominiums. The approach changed after 1985 into what Laird called the "Gorbachev mutation."

Laird's paper and the discussion that followed are presented below.

DEFINING THE "GORBACHEV MUTATION"

Elements of the mutation are rooted in assessments of the Soviet elite and are characterized by the following trends:

- Recognition that the Warsaw Pact presence binds the Alliance together. The West sees increasing evidence that the Soviets now realize that the Pact threat actually provides a cohesive force for holding the Alliance together.
- Appreciation of the common civilization. Europe now provides the cultural attraction for Soviet youth that the United States held in the past.
- Adaptation to Europeanization. Today's Soviet leaders are far less "Americacentric" than those of the 1960s and the 1970s, and today's Soviet thinkers are far less likely to present the Atlanticist and Europeanist frameworks as opposing, mutually exclusive alternatives.

- Development of more sophisticated diplomatic policy. While the Soviets have not given up bilateralism, they have become more skilled in multilateral diplomacy.

The "Gorbachev mutation" does not directly affect Southern Region security or Moscow's perception of the area as a whole. The Soviets do not see the Mediterranean as an integrated region, but rather as a mosaic of separate states. A growing body of Soviet literature suggests that as the Central Front becomes less important, other security issues will come to the fore, but nothing suggests that the Soviets expect a southward shift of Alliance attention. The Soviets view Italy, Spain, and France as primary Alliance players and the fact that these three nations are cooperating without Britain, the United States, or Germany, makes the Mediterranean an increasingly important area for the Soviets.

DISCUSSION

Soviet perceptions of the Southern Region are not easy to discuss at a time when communism's fall in Eastern Europe seems to be obeying what one participant called a "reverse domino" effect. More than ever, the Soviet objectives in the Southern Region appear vague and unfocused. As a result, conferees questioned the wisdom of placing too much weight on the importance of Soviet perceptions of the Europeanist vs. Atlanticist debate. To most present, the Soviets remain a military threat to be countered but they could not agree on how the Soviet threat is manifested in any formal policy on Mediterranean affairs.

According to the participating Italian analysts, the Soviets view the responsibility for maintaining established stability in the Southern Region as a NATO job and Italy no more than a "communication and resupply corridor to the Central Region." In reality, however, Italy has in the past had to deal with area crises affecting non-NATO interests, and to act as peacekeeper in a capacity outside its Alliance role. Thus, the Soviets consider Italy unique in the area, as it is not merely a part of NATO, but

also an independent actor with its own policy requirements and needs.

While the Italy-France-Spain coalitional possibilities would give new political and military significance to the Southern Region, some saw the coalition as little more than wishful thinking. Still others rejected the entire paradigm and sought insight into the Soviet perspective on the Balkans and Eastern Europe and on the effect of recent changes there on the Southern Region. One participant rejected the Atlanticist vs. Europeanist perception of Soviet strategy entirely and suggested that the real concern should be for the absence of Soviet strategy for the Mediterranean and the Soviets' "entirely ad hoc approach to recent strategy choices."

In summary, participants were able to agree on only the following points:

- Soviet perceptions of the Mediterranean are ill-defined and limited to incremental approaches specific to the particular Soviet theater of military operations.
- Recent changes in the overall Soviet foreign policy (the "Gorbachev mutation") have not addressed the Southern Region or given it much importance.
- Soviet policies with respect to the Southern Region do not constitute a cohesive approach.
- The lack of an overarching Soviet objective for the Southern Region continues to cripple Soviet analysts in their attempts to formulate a forward-thinking approach to the Mediterranean.

V. NORTH-SOUTH RELATIONS SOUTH OF WESTERN EUROPE: IMPLICATIONS
FOR THE ALLIANCE

Roberto Aliboni began the session by characterizing the past Alliance role in North-South relations as limited. NATO has never placed a primary focus on resolving North-South or development questions south of Western Europe, and lacks competence in such issues. Furthermore, the relationship between security and development is fragile, tenuous, and difficult to define, especially in the Southern Region. The Alliance will probably not undertake any major economic cooperation or North-South development programs in the future, but will need to consider North-South relations in formulating strategies for the Southern Region. A summary of his remarks and the ensuing discussion follows below.

HISTORICAL OVERVIEW OF NORTH-SOUTH RELATIONS

Threats to the stability of the Mediterranean in the 1980s stemmed mainly from North-South or South-South dynamics. The Islamic revival which rose from the ashes of 1970s nationalism thrived on the failure of the Western nations to integrate the Middle Eastern countries into the economic and political mainstream and the subsequent failure of those countries to invest in "political success, human and civil rights, and economic welfare." The substantial effects of the failure will continue to trouble North-South relations.

The Mediterranean economy lacks balance. It involves middle-income countries who have succeeded reasonably well at industrial development, but whose capacity for agricultural self-sufficiency is definitely declining over time. Moreover, bilateral trade with the EC is unbalanced, as well; the Mediterranean area has little importance for the EC but depends on vital trade with the community. With the fall of oil prices at the end of the 1970s came a decline in the area's prosperity. The resultant debt, while not on the order of that felt in Latin America, is

increasingly burdensome to the Southern Region countries. As a result, the Mediterranean countries will require increased trade from the North to reach economic equilibrium and will place great value on EC trade agreements.

Looking at specific North-South elements of trade with Mediterranean countries and within the Southern Region itself gives a strong overall sense of the economic imbalance. West Germany is the top trading partner of Italy, Greece, Portugal, France, and Turkey; Italy is the top trading partner of Libya, Syria, Lebanon and Cyprus--the most radical countries in the region--while the United States provides the primary external market for Israel, Jordan and Egypt. These North-South economic links strongly parallel international political ties and reflect the South's economic dependence, a dependence which extends to the South-South dimension, as well.

In addition to the economic and political aspects of North-South relations south of Western Europe, Aliboni described relevant demographic and environmental trends. Migration will become a political issue in 1992 as the southern Mediterranean frontiers become increasingly permeable. The population expansion will exacerbate already severe environmental problems and growing pollution of the Mediterranean Sea will place the Southern Region's economy at even greater risk.

DISCUSSION

Questions on the relationship between North and South in economic and security terms have no easy answers. The discussants agreed, however, that Aliboni's paper provided a useful framework for examining underlying issues in the Alliance and the Mediterranean. Formidable obstacles to North-South economic integration complicate the task facing analysts looking at the future of Europe in 1992 and beyond. Population pressures from the South and economic competition from Eastern Europe's light industrial sector also make future North-South economic scenarios difficult to predict. Discussants emphasized a strong preference

for increasing North-South economic cooperation, but expressed skepticism about the effectiveness of traditional direct foreign aid in easing the integration.

Participants identified the following Mediterranean trouble spots:

- **Turkey:** Loyal membership in NATO may lose its appeal if Turkey's EC membership is postponed or rejected. Without Turkey's strong presence as a democratic bridge to the Moslem world, stability in the Eastern Mediterranean could suffer.
- **Libya:** Relationships between the Maghreb states (Libya in particular) and the EC as a whole constitute sources of potential transatlantic friction. As one participant pointed out, 71% of Libyan trade takes place with EC countries. This supports the view that the European side of the Atlantic will not match the anti-Khadafi zeal of the United States.
- **Egypt:** Political unrest, rapid population growth, socioeconomic problems, and reduced U.S. aid, combined with the importance of its central role in a number of security strategies make Egypt a candidate for crisis.

None of the analysts present were able to progress from diagnosis to prescriptions. There is no institutional plan for the economic development component of future European strategy, and as a result, coordinating security and development is difficult. Bilateral trade patterns do not always mesh with overall NATO policy. Most agreed, however, that a reinforcement of the Southern nations' trade patterns in a bilateral framework should not come at the expense of the EC or the interests of the Alliance.

VI. THE MEDITERRANEAN AREA IN PERSPECTIVE AS SEEN FROM ITALY AND THE UNITED STATES

From the Italian perspective, Maurizio Cremasco found little reason to believe that the Alliance attitude toward the Southern Region will alter its current course of "rational neglect," despite the changes that have occurred in the Italian point of view in recent years. He called the Alliance posture "rational" because it allows the organization's members to enjoy all the geostrategic and military benefits of a strong Mediterranean presence without the area's requiring more than minimal attention or support. To date, the effects of such "neglect" have been minimal, but the future offers no such guarantee. The following summarizes Cremasco's paper and the discussion that followed.

THE ITALIAN PERSPECTIVE

Since 1979, Italian foreign policy has reflected an increased willingness to assume and expand commitments, both military and political, both inside and outside the NATO framework. These commitments include:

- Accepting the deployment of U.S. cruise missiles as part of an overall modernization of nuclear forces in Europe
- Inviting the redeployment of 72 F-16s in the USAF 401st Tactical Fighter Wing from Spain
- Mine hunting efforts in the Red Sea and Persian Gulf
- Creating a rapid intervention force

The rapid intervention force (Forza di Intervento Rapido, or FIR), accompanied by a modernization of the Italian Navy and expansion of the Air Force, reflected an increased Italian concern for the possibility of extra-NATO contingencies. Chemical weapon proliferation in the southern Mediterranean, the Libyan purchase of Soviet SU-24 Fencer fighter bombers, concern about the

implications of planned CFE force reductions, plus the growing possibility of long range surface-to-surface missiles in the area fueled the Italian strategic concerns.

THE AMERICAN PERSPECTIVE

The United States sees the Southern flank of NATO as a place to "engage and confront the Soviet Union in the complex play of international competition and regional influence." The Sixth Fleet represents both a peacetime instrument of U.S. policy and an element of Commander in Chief Allied Forces Southern Europe (CINCSOUTH) operational strategy in the event of a NATO-Warsaw Pact confrontation.

While the presence of the U.S. Navy clearly reassures and supports the Southern allies, the United States has other concerns in the Mediterranean. The true U.S. interests go beyond NATO Southern flank security to the Middle East and North Africa. Although Soviet forces in the area are not withdrawing, the impact these forces have on the future U.S. role in the Mediterranean is declining over time, especially as out-of-area conflicts demand primary concern.

Two American foreign policies tend to separate the U.S. and Alliance strategies in the Southern Region:

- The U.S. military aid and economic support to Egypt, Morocco, and Tunisia
- The U.S. confrontational attitude toward Libya

These policies, along with the special relationship with Israel, could develop into serious friction over the issue of U.S. basing in the Mediterranean. Several NATO countries (Italy and Turkey most vocally) have clearly restricted the American use of bases to NATO concerns only; several non-NATO countries have limited the use of U.S. bases within their boundaries to situations in which their own national interests are at stake.

Looking to the future, Cremasco forecast:

- The value to the United States of crucial geostrategic basing advantages in the Southern Region will not decline.
- Finding ways to converge Alliance and United States interests will become increasingly difficult.
- American out-of-area interests will grow to dominate NATO concerns and the United States will act less as an Alliance member and more as an individual national force.

DISCUSSION

Participants agreed that a major Alliance modernization effort in the Southern Region is unlikely, but they disagreed about why. They listed the following problems for the Mediterranean both from an Italian and a U.S. point of view:

- The presence of increasingly binding economic constraints on the United States and Europe members
- Recent decline in Italy's military exports status
- Relatively more harmful effects of CFE I and II cuts on countries in the Southern flank
- The U.S. basing issue

Throughout the discussion, participants expressed concern about the difficulty of reconciling the possibility of a nuclear-free Mediterranean with Alliance security requirements and U.S. non-NATO interests in thwarting out-of-area conflict from the South. Many voted for the option of handling non-NATO conflicts on a problem-by-problem basis, with the principal powers construct gaining support. One participant expressed hope that force cuts in the Southern Region, with or without naval arms control, would lead to an increased emphasis on readiness and sustainability, with a resultant "leaner, more effective presence in the Mediterranean." Equally likely, however, is what another

participant called "a downward spiral of Western military capabilities in the Mediterranean."

CONFIDENTIAL

VII. THE FUTURE OF U.S. STRATEGY TOWARD THE MEDITERRANEAN

In the final conference session, Admiral Harry D. Train discussed likely prospects for U.S. strategy toward the Mediterranean region, contrasting the former U.S. strategy of peacemaking and containment in the Mediterranean with the current Sixth Fleet commitment to balancing NATO and out-of-area interests. Pointing out that the Mediterranean has long been an area of strategic importance to the United States, Admiral Train presented a historical perspective on the nature and significance of maritime conflict in the Mediterranean during World War II and reminded conferees that "while the war could not have been won in the Mediterranean...it conceivably could have been lost there."

A summary of his remarks and the discussions that they elicited follows.

THE HISTORIC U.S. PRESENCE

In the period following World War II, the Mediterranean threat has never been exclusively Soviet. The Sixth Fleet, therefore, has served as more than simply a Warsaw Pact deterrent force. Other reasons for maintaining a strong U.S. force presence in the Mediterranean over the past 40 years include:

- Stabilizing the oil-bearing regions of the Middle East
- Protecting geographic access to vital adjacent areas
- Maintaining the tenuous balance of peace between Greece and Turkey and enabling U.S. friendships with both
- Protecting U.S. economic interests and keeping trade routes open
- Providing a force-in-being and the elements of a multi-national operational strategy to an area weak in Alliance organizational structure

- Providing capabilities in support of Israel's continued existence as a free and independent state

By and large, these views reflect U.S. interests independent of, but not necessarily in conflict with, those of the Alliance. The key difference between U.S. and NATO is one of perspective. According to the speaker, "While NATO tends to think about and discuss the Mediterranean as NATO's southern flank, the United States, while steadfastly adhering to its NATO commitments, thinks of the Mediterranean and the Middle East and Southwest Asia as a continuum of U.S. vital interests." Hence, the U.S. strategy is not restricted to NATO concerns, but does respect such concerns and maintains a NATO focus, reflecting the desire to provide what Vice Admiral Ballantine of the U.S. Navy called "a hinge upon which the door of peace swings in the Mediterranean."

DISCUSSION

All present agreed on the importance of the Sixth Fleet as a vital component of Alliance strength in the Southern Region, but once again the expectation of arms control reductions and budget cuts drove the discussion. Participants noted the potentially destabilizing effects of naval arms control and voiced concerns that the in-area force reductions will act as a catalyst, inviting the possibility of an out-of-area conflict involving the Alliance forces in the Mediterranean. Their recommendations for maintaining a viable Alliance presence in the Mediterranean included the following:

- Flexible operations. Planning for an increased emphasis on flexible operations in the Mediterranean would allow a qualitative shift in force structure in response to quantitative reductions in number of forces present.
- Greater choices. More possibilities for ad hoc non-NATO solutions as well as new Alliance

approaches to ongoing problems would expand the range of possible solutions in the Mediterranean.

- An increased emphasis on readiness. As the number of available troops declines, NATO and the United States will have to improve remaining forces' responsiveness.
- An expanded view of the area. A greater potential for Black Sea and Persian Gulf conflict will require the United States and NATO to rethink Sixth Fleet responsibilities.

VIII. CONCLUDING REMARKS AND DISCUSSION

The first RAND-IAI conference addressed the need for a cohesive Alliance strategy to define Southern Region security in a changing European landscape and to frame the multifaceted problem facing Alliance policymakers. All agreed that NATO and the United States will have to address themselves to the absence of a clearly defined NATO policy on the Mediterranean, but there was no absolute consensus on how to do so. Future meetings of these Southern Region analysts will need to consider the problem's two distinct components:

- What will the overall Alliance security structure look like?

NATO is basically a Central European structure with a heavily northward focus. Its goal has been to provide security in the face of a clearly defined Warsaw Pact threat, and its attitude toward the Mediterranean has been one of "rational neglect." Before the Alliance can devise Southern Region policy in any but an artificial way, it will have to redefine overall NATO strategies.

- How will changes in the overall Alliance security structure affect the Southern Region?

One participant noted that the greatest strength of the Alliance has been its ability to focus on a well-defined set of issues falling within a well-defined territorial region. The new East-West relationship is rapidly rendering the existing set of policies obsolete and incomplete. Problems that once would have been dismissed as irrelevant and outside the ken of the Alliance can no longer be separated out of policymakers' perspectives.

Developing an Alliance policy for the Southern Region cannot be done overnight nor can it be forestalled much longer. To keep the Mediterranean a peaceful sea requires "rocking the boat" vigorously enough keep up with tremendous political changes throughout Europe without losing sight of the fact that NATO's greatest strength has traditionally been its ability to act as ballast, anchoring Europe and providing institutional and military stability. One participant suggested a four point agenda for smoothing the Alliance's transition:

1. Define NATO's overall security structure.

The overall security structure question needs to be resolved first. Without a well-defined Central Region policy, analysts will have no way to link security in the Central and Southern Regions, to incorporate East-West changes into North-South dynamics, or to meet increasingly complex demographic challenges in the Mediterranean.

2. Examine the special problems in the Southern Region more closely.

There are special problems in the Mediterranean which need attention. The Alliance is not set up to handle merging Southern and Central region concerns or the growing problem of out-of-area threats. Mediterranean member nations will need to participate actively in defining Alliance policy affecting their own political future and the future of the entire area.

3. Address the problems of defense economics.

Growing problems of the appropriate defense strategy, programmatic structure, basing costs, and industrial policy during a period of reduced budgets and growing EC integration will require Alliance attention. Overall tension between economic and

military components affecting the Southern Region need to be worked out.

4. Prepare for upcoming naval arms control.

The RAND-IAI group needs to begin preparing for naval arms control negotiations by creating analytic constructs comparing differences in the nature and magnitude of destabilizing effects resulting from various cuts. Adequate planning for the future will equip analysts with solid policy recommendations made in advance of formal naval arms control negotiations.

Despite the uncertainties facing the group and its disagreements about the role of the Alliance in future Southern Region security policy, all participants agreed completely on one thing: by the time of the next RAND-IAI conference, the European landscape will look very different. The success of Southern Region security strategists to formulate viable strategies will rest on their ability to plan for the new landscape, to operate within the existing structures while simultaneously interacting with newly developing ones, and to build a Mediterranean policy where none currently exists. Without a thorough, forward-thinking approach, Alliance members in the Southern Region run the risk of suffering the consequences of ad hoc, politically driven decisions made without sufficient consideration for the long-range future of Mediterranean security.

APPENDIX

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Dr. Charles Cooper	RAND
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Mr. Bradford Dismukes	Center for Naval Analyses
Dr. Robbin Laird	Institute for Defense Analysis
Dr. Ian Lesser	RAND
Dr. Arrigo Levi	Corriere della Sera
Dr. Robert Levine	RAND
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OUT OF AREA THREATS
AND WESTERN COOPERATION
(Problems for Europe and the Mediterranean)
by Stefano Silvestri

New Threats

When a Libyan missile almost landed on Lampedusa, Italy might well have invoked Article 5 of the Treaty. Article 5 might also have been invoked by the US when its aircrafts were attacked by Libyan fighters flying outside Libyan territorial waters. The United States and Italy did not seek to invoke Article 5 nor really contemplated having such an option. It is not clear, however, if the failure to do so was motivated by the relatively low level of the threat, by the willingness to react alone without strings coming from the Allied perception or by the sheer conviction that the Alliance would have turned down such a move, or by a combination of all three these factors.

The ongoing détente between Washington and Moscow is spreading toward local crises and conflict, with beneficial effects. The Soviet retreat from Afghanistan, the agreement on Namibia and Angola, the growing possibility of a Vietnamese retreat from Cambodia, have also been made possible by the better climate established between the Superpowers. The crisis in the Gulf has also benefitted from this new era: the ceasefire agreement and the establishment of a United Nations supervision was brought about by greater cooperation between the US and the USSR.

Economically, however, the growing poverty of many countries, linked to agricultural failure and/or bad economic management, is widening the gap between industrialized, newly industrialized and under developed countries. Demographically, huge overcrowded cities, full of

young, relatively literate and unemployed dwellers, will promote instability throughout the Third World. Socially, the destruction of traditional structures and the inability of either Occidental or Marxist programs to help underdeveloped countries will increase forms of fundamentalist refusal of foreigners. Politically, ethnic or religious conflict and the emergence of new ideologies which cannot always be implemented successfully are likely to develop dangerous paths of foreign and military policies, leading to dangerous tensions as well as future crises and wars.

Equally impressive is the growth of the Third World military potential. Excluding all Allied countries, the states of the Mediterranean and of the Middle East are fielding more than 2 million soldiers (plus about 5 million of reserve and paramilitary), more than 1.500 bombers and fighter-bombers, almost 1.900 interceptors, 35 submarines, 45 major naval surface combatants, about 150 missile armed ships and boats, around 24.000 tanks and 2.500 SAMs. A technological weapons race is going on, with the acquisitions of medium and intermediate range ballistic missiles, sophisticated airplanes like the Tornados, F-15s, F-16s, Su-24Ds, Awacs, etc.

This arsenal is largely related to local war scenarios, but could also be used to confront outside military pressures or to widen and escalate regional crises. We should add to that the demonstrated capacity of some Third World countries to work out less conventional strategies against their perceived foes, supporting terrorists or utilizing indirect economic pressures and inducements.

Local conflicts in the Mediterranean, and the Near and Middle East, have a tendency to become internationalized through indirect means if the direct ones are not available. A case in point is the use of terrorism against Western (mainly American) objectives located in Europe.

Vital and not so vital interests

Decreasing military confrontation in Europe and continuing wars and crises in the Third World might signal the beginning of new problems to be managed by the Alliance, irrespective of its willingness to deal with out of area crises.

The major military problem probably lies in the competing requirements for the relatively scarce resources (both financial and military) of the West. This problem might be exacerbated in the future by the increasing costs of new technologies and by the obvious political difficulty of gathering enough domestic consensus for further increases of the Western defence budgets.

This problem could undermine the solidarity among Atlantic allies. An example of this can be drawn from the situation in the southern region of Nato, with respect to out-of-area contingencies.

One of the main problems for the Europeans is defining the "vital interests" defended by the Alliance. According to the traditional behaviour of the Alliance, Central European interests have been considered somewhat more "vital" than the Southern European and Mediterranean ones. It is also true, however, that, at least in principle, the Southern European allies are currently guaranteed by the concept of "vital interest": this is the key pillar of extended deterrence for the Southern Region.

Out-of-area interests are more "opinionable" than "vital". In 1983, the South West Asia Impact Study of Nato stated that no "conceivable contingencies" in the area were bound to create unmanageable security problems for the Alliance. A policy of greater involvement in overseas contingencies, resulting in a de facto linking of the Southern Region of Nato with out-of-area crisis management - even for simple reasons of geographic proximity - will inevitably blur the strategic assessment of what is "vital" and what is "opinionable", diminishing the strategic importance of present distinctions.

It is also true, however, that out-of-area crises are growing in strategic importance anyway. Thus, NATO will have to deal with the setting up of many strategies "à la carte" without losing its political and military coherence. Differing perceptions and alternate priorities of arms procurement will grow, straining NATO internal consensus and efficiency.

The "let us do the best we can" and "if somebody wishes to do more let him" attitudes on out-of-area issues were already present in the 1967 Harmel report: "Crises and conflicts arising outside the area may impair its (NATO) security either directly or by affecting the global balance. Allied countries contribute individually within the United Nations and other international organizations to the maintenance of international peace and security, and to the solution of important international problems. In accordance with established usage, the Allies, or those among who wish to do so, will also continue to consult on such problems without commitment and as the case may demand."

The consultative mechanism is fine and generally well accepted: it exists, it can be used and it has been used. It does not constitute a problem within the Alliance. Discussion of out of area problems take place on a regular basis within the Alliance. Regional experts meet twice a year and submit reports of a high quality to the Atlantic Council where, in turn, they are reviewed. These reports are mainly examined in terms of what is happening in different parts of the world and, by and large, it is reported that a remarkably high level of agreement is reached. Discussions do not usually go beyond what the Alliance as such should be doing about the problem.

The question is: what does consultation really mean? It stands for discussion and exchange of views, and should not be confused with a process which requires that an agreement be reached nor an action be taken. Such a process sets a standard for consultations which often cannot be attained, especially when dealing with out of area

questions. On the other hand, consultation should not be confused with informing Allies after the fact that unilateral actions have been taken.

Despite the cautious and ambiguous wording, however, the language on the out-of area problem in the Nato communiqués has constituted the framework within which it was formally possible and politically feasible for the European countries to establish bilateral agreements with the United States on the utilization of European facilities by the American Rdf and on military compensation measures if American forces are taken out from Europe.

The Allied military cooperation

While the Alliance has been politically absent from overseas crises, it has been operationally present, and very much so. The most positive experience has been the coordination between Western naval forces present in the Gulf and around it.

Politically speaking, each country was following a different path. Italy, for instance, was maintaining relatively good diplomatic relations with Iran, while France was committed to sustaining Iraq militarily and the US were clearly suspicious of Iran (even if the only direct military attack against an American military vessel was performed by an Iraqi airplane). Each country, with the notable exception of the US, was engaged in protecting its own merchant vessels, or those showing its flag, and the only agreed common operation has been the clearing of mines from international waterways. Even the rules of engagement of the various Western Navies were markedly different.

As a matter of fact, however, the general consensus is that the cooperation between local commanders on the spot has worked admirably, that communications and information were exchanged rapidly and effectively, that misunderstanding were avoided and that the Western

naval forces on the whole were perfectly able to act together at any given moment, sharing tactical information and in accordance with common operational lines. This positive experience was made possible by the existence of Nato common procedures and interoperable systems, established for the North Atlantic and the Mediterranean, but also working outside.

In a way, the cooperation in the Gulf did even exceed Nato established experience. This cooperation has worked particularly well between French and American forces, along the lines of a general military agreement existing between the US and the French Navies, worldwide. The United States, France and the United Kingdom already benefit from sharing "out-of area" intelligence on the Middle East (on the basis of the UK-USA agreements as far as the British are concerned, and on an ad hoc basis for the French), even if there are a few limits where Israel is concerned: this information is not normally circulated between Nato allies, on the basis of the "need to know" principle.

The relative success of the Gulf operation, however, should be confronted with the bitter failure of the Beirut operation, where the same Western Powers were engaged (less the Benelux countries). Political differences and operational commonalities were more or less the same in both cases. In Beirut, however, the key deployment was carried out by land forces, completely absent in the Gulf. There was, therefore, a difference of vulnerability. In the Gulf, the problem was to protect naval forces against easily identifiable military attacks (or mines, equally identifiable, given the right technological means). In Beirut, the problem was to protect the men in the field against a murky array of direct and indirect threats, and the most tragic losses came from the use of terrorist tactics. While it was possible to maintain a strictly defensive military posture in the Gulf, the protection of the Western forces in Beirut required offensive military actions (retaliatory and preemptive): the decision of the US government to initiate a number of air raids and the naval shelling of some military objectives on the hills surrounding Beirut has rapidly undermined the Western consensus, hastening the end of the entire exercise.

Similarly, while US and European governments were in apparent agreement on the need to curb international terrorism and to exert strong pressures on the governments supporting it, the American raid against Libya was supported only by the British government.

The reality of operational cooperation between Western forces out of the Nato area, therefore, is only a limited asset and cannot compensate for the absence of more complete (and complex) political agreements.

Western overseas military activities have been "multi-bilateral" operations. Functionally, a kind of star-shaped structure has been formed, with the US forces at the center, relayed with each separate Ally. Intra-european cooperation was mainly possible thanks to the interoperability each of them had established with the USA.

Moreover, only the US had the kind of staying power and retaliatory capabilities needed to guarantee a secure deterrence against unwanted or excessive escalation of the conflict. While the US forces were greatly profiting from the help of the Allies (utilizing some of their logistical assets, asking them to take up some of the military roles vacated by American forces previously committed to Nato or even compensating for some of its deficiencies, as in the minesweeping operations in the Gulf), the European presence would have been simply impossible without American help.

This same conclusion can be drawn also from other more limited experiences, albeit with a few qualifications. The French engagement in Chad or the British war in the Falklands have been largely national affairs: in both cases, however, the US strategic backing has greatly eased the European burden, minimizing the risks and allowing the Allies to take the necessary risks. The European Allies can still play a critical role in determining the success or failure of US out of area actions in many out of area contingencies. US ability to rapidly redeploy forces and equipment from Italy, the FRG and UK may be

critical. So may the ability to draw down the inventories of Nato countries temporarily with key items of supply or combat equipment (as was the case during the Vietnam and the Yom Kippur wars as well). No single Ally acting in isolation, however, could oblige the US to reconsider its course of action, while the US opposition could effectively kill any European initiative.

The practical problem is that such arrangements are best handled quietly and on a bilateral basis, between the US and each concerned Ally. Few contingencies, if any, can be expected to induce an Alliance-wide consensus. Therefore, no real and urgent pressure is felt for establishing a multilateral framework of consultations and decisions, while many reasons exist for keeping them all at a much more discreet and fragmented level.

Military considerations, however, should be checked against political requirements. What has been working at the specific military level might be seen as largely insufficient at a wider political level.

European problems

A better policy of crisis management has to confront squarely the problem of differing perceptions and interests, and of possible "divisions of labour" between Europeans and Americans. If the Alliance as such cannot decently deal with a problem so intimately linked with its overall security policy, then a case has to be made for other ways and means, other channels of communication, other coalitions for action.

The emerging European tendency to deal with out-of-area issues, has been underlined in some European Parliament reports, namely the 1981 Diligent Report on the protection of maritime lines of communication in the Mediterranean and Persian Gulf and the 1982 Haagerup Report on European security policy.

Each Western European power (with the exception of the Federal Republic of Germany) is preparing its armed forces to operate with enhanced rapidity and increased flexibility far from the national borders. A rather optimistic description of these forces can be found in the table at the end of this text.

The creation of rapid employment forces has its rationale more in the need to adjust the military instrument to defend national territory against the changing threat environment, than on the need to perform overseas missions. The French FAR, for instance, has been conceived with its priority employment on the European central front in mind. However, enhancing the mobility of some units, establishing a skeleton structure of C3 for the force, and planning for integrated training exercises means creating the capability - and the mentality - to employ the military instrument rapidly, selectively, and with specialized, mission-oriented forces. These are the relevant features needed for many out-of-area military interventions in future contingencies.

To some extent, the European RDFs are more shadow than substance, especially in terms of long-range air transport capability, logistic sustainability and specialized armament. It would be naive to believe that they can effectively be employed in an overseas contingency different from relatively undemanding peacekeeping operations, without being strengthened and supported by other national forces, much less mobile, and without adequate training. The almost complete absence of adequate training grounds and staging areas is as important as the other material shortcomings, if not more. Even the mere possession of a force which can be rapidly employed outside the national territory, however, can have a beneficial political effect on the resolve of Western governments, and on their attitude to tackle overseas crisis situations. The main risk is that politicians might underestimate the shortcomings, while the military leaders might underplay them in order to carry out operations deemed politically necessary, creating a situation of grave concern.

France and Britain - and Italy and West Germany to a lesser degree - possess Naval forces capable of fulfilling the role and the missions typical of out-of-area operations requiring a maritime component. They have the proven logistical capacity to sustain limited naval forces at long range regardless of local resources. But, apart from Britain, France and Italy have inadequate long-leg air transport capacity, and airlift over long distances will either require the utilization of staging facilities en route to the crisis area or the use of the American air transport assets.

Logistical and transportation problems, sustainability and staying power, as well as the need to have the backing of sufficient reinforcements at hand, and of being protected by an overall credible deterrent posture, have required in the past, and will require in the future, the European overseas interventions to be shouldered by some form of direct US commitment and/or acceptance. This necessary help doesn't come free, however, for it generally complicates the political picture of the crisis management operation itself. No European military presence in Beirut or in the Gulf would have been possible without the presence of overwhelming American forces in the same spot, capable of decisive strategic intervention, thereby guaranteeing a much needed deterrence against escalation by the enemy. This presence, however, was badly resented by the local actors, and immediately propelled the crisis to the heights of an East-West issue, complicating its management. Any US presence, moreover, comes with its burden of previous American commitments and long established alliances and political decisions, obscuring the carefully weighted differences of political posture that the European allies would prefer to stress.

Recent experiences, however, have reshuffled the European traditional ability to deal with the local problems involved with overseas crisis management, and the existence of a better disposition of local actors toward the European forces, probably seen as "less threatening" or at least as "less interfering" than the American one. And of course the relatively greater European dependence on raw materials and energy

sources located in some of these regions, and the greater European share of trade with them, make Western Europe logically suited for taking more overseas commitments.

The enlargement of the European Community in the Mediterranean, with the accession of Spain and Greece, has increased the need to work out an overall approach toward this area, taking into account the problem of Turkey, whose entry into the Community is practically excluded for the time being, but whose role for the defence and security of Western Europe remains vital and should be insured against any "islamic" drive of this country, born out of a sense of isolation and frustration in its dealing with the West. The strict interdependence existing between the Community and countries such as Morocco (whose King even asked for its admission to the EEC), Algeria, Tunisia, Libya and Egypt (not to mention Israel) create an obligation for Europe to work out a better and overall crisis management approach to the Mediterranean as a whole.

Demographic developments might become crucial. As far as Europe is concerned, the Mediterranean Basin, Africa and the Near and Middle East are experiencing a rate of increase of their populations completely at odds with that of Western Europe, where we expect the population to remain relatively stable, and become progressively older.

Presently, considering the EEC together with the other riparian countries of the Mediterranean, the population percentage of the EEC is about 61,5%. By as early as the year 2000, the EEC lot will decline to 53,8% and in 2015 to 47,3%. The year 2015, therefore, will see 372 million non-EEC Mediterranean people, as opposed to 333 million of relatively rich Western Europeans. In these few years, while the EEC population will grow by about 13 million, that of the other Mediterranean countries will grow by over 170 million. Four countries alone, Turkey, Egypt, Algeria and Morocco will have a population of about 270 million: generally young, unemployed and city dwellers.

Direct and indirect threats to European security coming from overseas include the proliferation of armaments (including the possibility of nuclear proliferation, coupled with new missile potential), the redislocation of US forces, formerly standing in the area, and now redeployed elsewhere according to other strategic priorities; the steady USSR policy to support its military presence on the fringes of its empire by finding new allies and new support facilities (most recently in Syria and Iran); the possibility of war scenarios starting from the many "soft bellies" located overseas and spreading to continental Europe.

In general, Europe will have to weigh the risk of being "squeezed" between the bilateral game played by the two superpowers and the growing political and strategic importance of the countries overseas. With respect to technology, European forces could also experience a dual disadvantage, in that they are less advanced than the Americans, and have fewer numbers, and possibly also less determination, than their likely foes in the Third World. A lot will depend on the Western European capacity to maintain an acceptable technological lead, avoiding the risks of a slow decline of the technological content of their weapon systems. Without such a lead, in fact, they could have to withstand much greater risks than their American ally.

The answer to the future European contribution to crisis management, has mainly to do with the working of European and allied institutions. The new experience of the WEU Special Working Group should be remembered here as well as the potentialities of the EPC (European Political Cooperation). While the former has the advantage of utilizing both the Foreign Affairs and the Defence machineries of its European members, its major shortcoming is that of its inclusion in an international organization like the WEU, with no clear future ambitions spelled out. The latter has the advantage of a clearer institutional setting and of its linkage with an international organization relatively strong and vital, with great European ambitions, but without working experience with the military and suffering from the suspicions held by the national governments against European supranational integration.

An obvious compromise solution can be the utilization of the WEU system while waiting for its eventual integration in the wider EC setting. In order to make it work, however, the WEU should be strengthened and reformed (probably along the lines suggested by the recent paper prepared by V. van Eekelen for the European Strategy Group).

Problems arise, however, when concrete steps have to be decided and implemented, mainly because the political framework is still very far from clear. Take for instance the Belgian proposal to gather a kind of standing, or on call, European naval force in the Mediterranean, under the WEU flag. This proposal has found strong misgivings in Italian foreign policy circles, motivated by the difficulty to work out a clearcut relationship between this WEU naval force and the analogous NATO force: should the first become an alternative to the latter? and in this case, would not that signal a decrease of the European interest in the US commitment to NATO (the US being present in the NAVOCFORMED, but not in the WEU force)? I might personally think that these concerns are greatly exaggerated, but they are the direct consequence of the political confusion and incertitude of today's situation.

In any case, therefore, we should stress the need of a global strategic approach to crisis management, including economic and political leverages, as well as military. The EC alone has the competence to deal with the demographic problems of the Mediterranean, the diversification and security of energy supplies, the "quest for industrialization" of developing countries, and so on. While the revised Bruxelles Treaty of the WEU explicitly considers economic security, no economic management has ever been carried out through it (while the EC is invited at least to the Summit of the Seven): a further reason for going toward a merger between the EC and the WEU.

The case should be made, therefore, for a number of reforms of the existing institutions, for seriously discussing the enlargement of WEU to Turkey, for the establishment of a complex and important Mediterranean policy of the EC (particularly addressed to Turkey, Egypt, Morocco and Algeria, and favouring regional integrations in the Gulf and in the Maghreb), for the strengthening of EPC. We could usefully draw some ideas from a previous paper on "The European Community: progress or decline", produced by five European institutes.

Meanwhile, no sensible European choice can ignore the necessary relationship with the US, especially where overseas problems are concerned. Crisis management goes hand in hand with other transatlantic problems like burden sharing and the future of US military presence in Europe. The Atlantic Alliance, however, cannot be considered as the best institution for dealing with these matters: the economic dimensions of crisis management are almost as important as the military ones, and are practically excluded from the competences of the Alliance (even if they are theoretically included in the Treaty and receive some attention in specialized committees of the Atlantic Council).

Some technical decisions could help to smooth and speed up the consultations: the allied political coordination could profit from stronger links between the high level crisis management centers created in each Western country. Their connection with the American centers through technologically advanced communication means would allow for rapid transmission of information, quick consultations and real-time coordination of military initiatives. In the post-Achille Lauro affair, when American F-14 fighters forced the landing of an Egyptian aircraft with Arab terrorists on board at the Sicilian airbase of Sigonella, the communications between Washington and Rome were far from perfect, and reportedly were complicated by translation problems. The possibility for the top decision-making bodies of the Atlantic Alliance countries to communicate directly and fully, outside the existing Nato framework as well, would enhance the badly needed

consultation and coordination process, thus indirectly strengthening, at least at the "technical" level, the Western response capacity to out-of-area crises.

We can agree on the need to overcome some of the major shortcomings of the European armed forces in terms of equipment, training, transport capacity (especially airlift) and sustainability. The idea should be of overcoming them through a joint investment plan and not through individual countries acting alone. Common procurement coordinated by a European agency would be the optimum. Short of that, we could stress the need for more standardization and interoperability of the European equipment needed for overseas contingencies. The various European rapid deployment forces could train together in specifically devised exercises, in a way similar to the training conducted by Nato Ace Mobile Force (AMF). If the possession of a rapid deployment force increases the capability to deter and to intervene overseas - even within the operational and logistic limits previously outlined - common training will facilitate a coordinated military response if and when it becomes politically feasible. In the long term, the European rapid deployment forces should become the hard core of a truly "European" military intervention capacity in overseas contingencies involving vital European interests.

Other things should be done, moreover. The European countries should intensify their intelligence collection effort in out-of-area regions, thus demonstrating their seriousness toward overseas commitments. This would be particularly useful for fighting international terrorism and for coping better with peace-keeping forces. A European satellitary capacity would be important: France has acquired a good capability for high-resolution photographic survey of areas of interest with the "Spot" satellites. European countries could jointly develop more sophisticated military reconnaissance satellites (both optical and radar). The present agreements between France, Italy and Spain on the Helios satellite are a step in the right direction. The joint European development of a new satellitary capacity, involving optical, radar and communication intelligence would be the obvious second step.

The future of crisis management

Present trends suggest the development of new crisis resolution patterns. The identification of these patterns is essential for any decision on what to do overseas and how. At the present stage, we can underline the following points:

- a. Crisis management operations rely more frequently on slow, homeopathic strategies, than on surgical interventions.
- b. There is a tendency to avoid high risk operations (involving a high level of military commitment and high visibility of the forces of outside powers), in favour of relatively low risk operations. Ground forces are more rarely put into action, as the preference is for relatively less visible and less vulnerable Naval forces. Ground based air forces are used for transportation, warning, intelligence collection and command, control and communication, more than for actual combat. Sea based air forces are used to support both the navy and the army ashore in their military engagements, when available: their actual utility in the Beirut case, however, was greatly disputed by many.
- c. There is a need (and in some cases a clear attempt) to use a better combination of various leverages other than the military ones for crisis management. The economic leverage in particular has been tried various times, with mixed results. While economic sanctions were apparently ineffective, at least in the short run (in the long run, in the case of Iran, they might have had a significant impact) economic aid proved to be of some immediate importance to help Iraq withstand the Iranian pressure. The hope of substituting the military presence with an economic one of equal effectiveness was not successful. Nevertheless, the need to work out a better global strategy encompassing economic, financial, trade and military elements at the same time seems to be generally accepted.

d. There is the idea of strengthening and enlarging the present policy of prevention of crises, with the aim of limiting damages beforehand and simplifying the following task of crisis management.

Cases in point are, for instance, the agreements worked out among the nuclear countries exporting nuclear technology, for increased limitation and circumscription of the risks of nuclear proliferation, through a combination of restraints and inducements. A similar instrument is the Missile Technology Control Regime agreed upon by the Seven most industrialized countries in April 1977, and soon to be applied in order to attempt curbing the development of a new Argentinian-Arab middle-range missile.

Like many other agreements to limit the trade of weapon systems, however, the Missile Regime also faces the major problem of including all the relevant producers and exporters in the draft. The recent Gulf experience is not encouraging: when a Chinese missile developed with Israeli technological help ends up in Saudi hands, every attempt at controlling technology looks rather farfetched. In another case, the mixed results obtained with the application of COCOM's regulations to curb the export of militarily relevant technology to the Communist countries left the matter open for further considerations. The fourfold increase in the number of countries holding chemical weapons and the spread of nuclear weapons technology to Third World countries, is another case in point. The attempt to strengthen and streamline those regulations, however, has been made, and might lead to better results in the future.

Other means of crisis prevention, or at least of setting up a better framework for dealing with it, include the renewed attention to the Geneva Convention against the use of chemical weapons, and the negotiations for a new Treaty for chemical disarmament. Also, some Western governments are showing growing interest in the possibility of increasing the respect for the

existing international laws of war and neutrality: indeed, the main legal justification of the Western military presence in the Gulf was the decision to oblige the belligerents to comply with the internationally recognized rights of neutral countries and the principle of freedom of innocent passage in international waters. Crisis reduction centers between the nuclear powers as well as agreements to avoid accidental confrontations and to manage possible accidents peacefully (e.g. the one between US and USSR, on naval incidents in the high seas) are going in the same general direction.

e. There is an increased tendency to utilize the existing multilateral machineries, in particular the UN, as useful tools for "saving face", as frameworks for diplomatic exchanges and negotiations, as suppliers of peace-keeping forces and observers and, possibly, as impartial instruments for fact gathering and for the assessment of relative responsibilities. The importance of this development should not be underestimated: it is worth remembering how, a few years ago, the simple idea of utilizing the UN machinery was regarded with a mixture of scorn and suspicion by the US. The change has been important and should be underlined. The UN should not be overestimated, however. Its forces are able to observe peace, but not to keep it. Its "objectivity" is more a function of skillful diplomatic compromises than respect for the actual truth. Its usefulness as a diplomatic framework is a consequence of the better relations between the USSR and the US more than of its intrinsic value. The face-saving role of the UN, however, together with the possibility of handling various crises at the same time and to dispatch time-gaining mediators easily accepted by all parties are unique features whose importance we should remember.

f. Greater emphasis is put on the direct negotiations between the US and the USSR, not only on their bilateral questions but on regional crises as well, from Afghanistan to Angola and Kampuchea. This positive tendency might have negative effects, however. The

idea of the superpowers deciding the future of other countries at will was never very well received by the governments concerned. This might be considered trivial when the receiving end has no way of opposing the diktat. The picture changes completely when a strong opposition is possible, or when the will of the superpowers has no real means of imposing itself on the local actors. This seems to be the most common case today.

Nevertheless, the utility of the US-USSR negotiating framework should not be underestimated, and will continue to be significant in the future. One should not think, however, that bilateral agreements of this kind could suffice without important local backing and multilateral support from the allies.

g. The need to take into account the perceptions and actions of the local players (or at least of the more powerful among them) is now more evident than ever (see the point above). Local powers sometimes have their own crisis management and intervention strategy, and this is to be taken into careful account. The benign neglect showed by the West towards the repeated Saudi attempts to destabilize the Horn of Africa, in the name of their brand of islamization and arabization of the local governments, ended up with dire consequences and with a direct increase in civil and international wars, helping the Soviets to establish a firmer hold on Ethiopia. The latter is simply one example among many others, even more disruptive, such as the Egyptian-Saudi war in Yemen, the Vietnamese invasion of Kampuchea or the South African heavy-handed policy towards its African neighbours.

The objective of enrolling local allies should, therefore, be tempered by a careful consideration of the objectives sought by these same allies, and by a correct assessment of our capacity to influence or restrain their ambitions, if need be.

In general terms, no crisis management will be possible in the future without greater consideration of the local forces and wills.

h. Finally, the need to combine different kinds of leverage; the ability to deal with the other superpowers and with local countries at the same time; the necessity of enrolling the allies in a common strategy to be pursued both locally and internationally, both militarily and through other means, can be summarized as the capacity to manage a "coalition strategy", completely different from that of the relatively simple time when Great Powers could do it alone.

Western European Forces available for out of area operations.
 This table (taken from A.H Cordesman, Use of Force in the Middle East, in J.I. Coffey & G Bonvicini (eds.) The Atlantic Alliance and the Middle East, MacMillan Press, 1989) has to be considered largely a myth.

<u>Country</u>	<u>Land Forces</u>	<u>Air Forces</u>	<u>Naval Forces</u>	<u>Mobility Forces</u>
Belgium	1 Paracomm. regiment 2 Motorized infantry bn.	Misc. Helos 18 Mirage 5B fighters		12 C-130H 2 Boeing 727QC
Denmark	1 regimental combat team			3 C-130H
France	1 Parachute division 1 Air-Portable marine division 1 Light armoured overseas int. bgde 1 Motorized infantry bgde 1 Infantry rgt.	1-2 Combat helicopter regiments Up to 100 Jaguar, Mirage III and Mirage 5, plus 25-50 Alphajets	1 Carrier TF 1 Helicopter TF 80+ naval combat aircraft 8 Submarines 2-10 Atlantique and Neptune MPA 6 Assault ships 590 Naval Commandos	48 C-160 13 C-160NG 6 tankers 6 logistic ships
West Germany	1 Airborne division 5-10 special security/commando bns.	1-2 F-4F FGA sqns. with 20-30 fighters	3-7 Frigates and Destroyers 6 Type 206 Submarines 5-10 Minecrafts	2-4 Boeing 707-320 C
Greece	1 Paracommando regiment	1-2 F-5A/B or Mirage F-1CG sqns. with 36-40 fighters	3-5 Frigates and Destroyers	3-4 C-130H 5-7 LSD, LST, LCT 5-10 LCU/LCM
Italy	1 Airborne bgde 1-2 Mechanised or motorised bgdes 2 Amphibious btns., Misc. helos sqns.	2-6 Attack and light attack sqns with up to 72 fighters 3-4 Atlantic MPA 1-2 Interceptor/ recce sqns.	1-2 Helicopter or VSTOL TFs with 5-8 surface ships each, 1 Marine inf. group 4-8 Minecraft	8 G-222 3-5 C-130H 2 Tankers/logist ships 4-9 LST/LCM 2 LPD
Netherlands	1 Infantry bgde	18 NF-5B Misc. Helos 1-2 MPA	2-4 Destroyers frigates/corvettes 2 Amphibious combat groups	2 Fast combat support ships

Portugal	1 Commando rgt. 1 Special Forces bn.	8-20 G-91 Lt. Attack fighters	3-6 Frigates 3 Marine bns.	1-3 C-130H
Spain	1 Paracommando bgde 1 Airportable bgde 3-5 Infantry bns. 1 "Tercio" Foreign Legion Misc. Command and other bns; and cos.	10-30 F-5A/B fighters Misc. Helos	1 VSTOL TF. with 6-8 surface ships 1 Marine rgt. 5-10 Minecrafts 5-10 Patrol crafts	2-3 C-130H 2-4 KC-130H 4-7 landing crafts 2 Attack transport
Turkey	1 Parachute bgde 1 Commando bgde ? Infantry bgdes ? Other units	18-36 F-5/RF-5 fighters ? F-100D OCUs fighters Misc. Helos	5-8 Destroyers or frigates 1 Marine bgde 5-8 Patrol boats 6-12 Minecrafts	2 Support ships 5 Tankers 2-5 C-130E 3-5 LST ? LCT/LCU/LCM
UK	3 Parachute bns. 1 SAS rgt. ? Infantry and armoured Recce bns.	45-72 Jaguar/Bucaneer Harrier attack fighters 18-36 FGR-2 (F-4) Tornado AWX ? AEW/MPA aircraft Misc. Helos 1-2 Rapier rgts.	1-2 Helo-VSTOL TFs with 8-16 surface ships each 1 Marine cdo bgde, 1 Special boat & 2 Marine raiding cos. 3-6 SSNs 5-8 SS ? Others surface ships 7-20 Minecrafts	11 VC10e1 15 Victor K-2 & 14 CP-1 tankers 2 LPD assault 5 Landing ships 2 Support ships ? Tanker ships

POLITICAL AND ECONOMIC ISSUES WITHIN THE ALLIANCE:
THE FUTURE OF BURDENSARING AND THE SOUTHERN REGION

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QUESTA PUBBLICAZIONE È DI PROPRIETÀ
DELL'ISTITUTO AFFARI INTERNAZIONALI

Every seasoned conference goer has learned to expect (with a mixture of dread and ennui) the obligatory paper on the crisis in NATO and the problem of burdensharing. An outside observer might easily reach the conclusion that handwringing is the favorite form of physical exercise for the NATO pundit. It is a testimonial to the sturdiness of the alliance that most of the predictions of woe and doom proffered by the authors of such papers never come to pass.

Nonetheless, the problem is persistent, and continues to arouse passion on both sides of the Atlantic. The hearings last year by the special House Armed Services Committee Panel on Burdensharing are a reminder of the important place that this issue continues to play in trans-Atlantic relations. While the dizzying pace of change in Eastern Europe has seized the headlines, many are already beginning to think about the implications of change in Eastern and Western Europe for the future of the Alliance.

Most serious students of the burdensharing problem have come to understand that assessing burdensharing is more than simply a question of totting up and comparing the defense expenditures of each alliance member, or even devising ever more clever and complex indices to weigh the nature of each ally's contribution. Rather, burdensharing turns out to be a shorthand for a whole web of political and economic relations between alliance members as they attempt to reconcile differing views of the purpose of the alliance and the appropriate means for achieving those goals.

In fact, the burdensharing problem is an inherent part of an alliance that consists of 16 sovereign and democratic nations. Although the allies influence each other (individually and collectively), ultimately each nation's policy must be set with regard to its own domestic constraints. The Alliance per se has no coercive power over its members' policies, and a democratically elected government that consistently ignored its own electorate in favor of the wishes of its

allies would soon find itself the "previous" government. What is most remarkable about the burdensharing debate is not its persistence, but rather that the alliance has learned to live with it, as it has evolved through many different forms and transmutations. This attitude of accomodation is a pre-requisite in a non-coercive alliance of democracies; it has also proved a source of the Alliance's durability.

In this paper, we will look at the burdensharing issue in its broadest dimensions. We begin with a brief review of the underlying sources of tension within the Alliance. The second section then turns to an examination of how recent developments in East-West and West-West relations (especially conventional arms control and the movement toward a more integrated Europe as symbolized by 1992) are likely to transform the burdensharing debate. Although the rapid and unpredictable course of events in EasternEurope over the past several months makes any prognostication perilous, we attempt to assess how the general trends that are now emerging are likely to affect Alliance relations. In the final section, we will examine more specifically how these forces are likely to affect the Southern Region.

WHAT BURDENSARING IS REALLY ALL ABOUT

Over the years, there has been a tendency among American politicians to view the burdensharing question as simply a matter of figuring out a fair way of divvying up the cost of baking the NATO pie. Implicit in this model is a belief that we know (and can agree on) how big the pie should be, and what it should be made of. Most of the arguments center around issues such as how much credit should be given for providing the oven for baking pie and the attendant disruption to other household activities from having the pie-baking going on, and how much credit to give those who volunteer Grandma to do the baking as opposed to those who hire a pastry chef.

Given this model, it is not surprising that the debate has focused unduly on the extent, if any, of "free riding" within the Alliance, and has accordingly degenerated into simple statistical exercises such as comparing the percent of GNP each nation spends on defense as a measure of "burden".¹ Although these indices certainly bear some relationship to the cost or "burden" associated with NATO membership, it is clear that the relationship is a partial, incomplete and at times misleading indication of the contribution that each ally makes toward the common defense. Even more important, such simple analyses assume that all the members of the alliance agree on the level and type of effort required (in our analogy, the size and flavor of the pie), when in fact this has seldom been the case.

A number of analysts have examined the technical problems with indicators like percent of GNP as a measure of burdensharing (tangible v. intangible costs; monetary v. non-monetary; on budget v. off; exchange rate fluctuations; output v. input measures). It is not

¹In a recent RAND Report, this was termed the "fundamentalist" view of burdensharing, see Cooper, Charles A. and Benjamin Zycher, **Perceptions of NATO Burden-sharing**, RAND/R-3750-FF/RC, June 1989.

difficult to see, for example that increased British expenditures for the Falklands War did not enhance NATO security, even though it raised the share of British GNP devoted to defense. Similarly, a nation that spends more because of inefficiency and waste in defense procurement will appear to be doing more (carrying a larger "burden") even though not necessarily enhancing collective security.

A whole literature has sprung up attempting to correct these analytic difficulties, from partisans (like the Eurogroup) and more academic observers. On the whole, this literature has tended to show that the disparities between NATO members are not as great as might seem using cruder indices.² Indeed, despite the fears expressed by some members of Congress at the time of President Truman's commitment of US troops to Europe, the Alliance has proved to be quite successful in generating large force contributions from the European allies --notwithstanding the diversity of political parties and philosophies of -- the various European governments over the past four decades.

But such studies have done little if anything to quell the political controversy about burdensharing -- in part because the argument over burdensharing frequently masks more fundamental disagreements over the Alliance goals and the means to achieve them. We turn now to examine briefly some of the more persistent sources of conflict within the alliance.

THE POLITICAL/MILITARY DIMENSION - OR HOW BIG AND WHAT KIND OF PIE?

NATO has held together for forty years through remarkable changes and often great stress because the sixteen member nations have shared a over-arching common goal and purpose -- the need to act together to resist the potential military and political threat posed by the Soviet

²See, for example, Cooper and Zycher, op. cit., secs II and III; Steinberg, James, "Rethinking the Debate on Burdensharing", *Survival*, Jan.-Feb. 1987.

Union and its Warsaw Pact allies. The strength of this common resolve should not be underestimated: it has allowed the Alliance to overcome deep and potentially acrimonious divisions and created a climate that favors compromise and conciliation over confrontation. But this shared general sense of purpose masks important divisions. While all agree that the Soviet military capability and international behavior require a common effort to maintain collective security, there are significant differences on the two sides of the Atlantic (and among the European members) as to the nature and the extent of the threat, and the appropriate means to counter it.

On the whole, American policy makers and analysts have tended to view with greater alarm the conventional force disparities between NATO and the Warsaw Pact, and have tended to place greater emphasis on the need for NATO to take steps to reduce those disparities. Although some Americans have argued that the European view stems from lack of information on the nature and extent of the threat,³ the disagreements in fact stem rather from differing assessments of Soviet intentions, of the strategic significance of disparities in forces, and the appropriate NATO posture to counter those disparities.

The impact of differing assessments of Soviet intentions is obvious. Even large force disparities are not necessarily destabilizing if one has confidence in the other's intentions. But even where (as in East-West relations) the intent is ambiguous or even hostile, the presence of force disparities per se does not necessarily guarantee that the stronger will seek to use its advantage. Although Europeans and Americans may all agree that at some level, disparities between East and

³See, for example the testimony of former Assistant Secretary of Defense, Richard Perle, **Defense Burdensharing: The Costs, Benefits, and Future of US Alliances**, Committee on Armed Services, House of Representative, H.A.S.C. No 100-111 (1989), p. 86: "I believe...that if allied officials has the same access as their American colleagues to the steady stream of intelligence pointing to the unrelenting buildup of Soviet military power, they would react much as we do -- with concern and apprehension, and possibly even money."

West military capabilities may be so large as to threaten Western security, there would seem to be rather significant differences on where that threshold is located.

Moreover, the nature of the threat posed by these disparities is also the source of disagreement. For some, it is a threat of outright invasion. But for many in Europe (and increasingly in the US), the prospect of a Warsaw Pact invasion has seemed implausible for some time. Instead, the concern is that military advantage can be used to coerce the policies of Western governments in a way that would advantage the Soviet Union (the "blackmail" argument.)

These differing assessments of the nature and type of threat feed into further disagreements on how NATO should respond to the threat. For example, a military posture that was adequate to give Western European nations confidence against Soviet political blackmail might not prove adequate (or appropriate) to assure the defeat of an actual invasion. Ever since the end of the period of the "New Look" and massive retaliation, the United States has pressed the European members to place a greater emphasis on conventional forces and conventional defence as the focus of alliance military strategy, which the US believed necessary to maintain the credibility of deterrence.

Europeans, by contrast, have tended to argue that increased conventionalization of NATO strategy tends to undermine deterrence by making war more thinkable. Only by emphasizing the near certainty of nuclear escalation can war effectively be deterred. This divergence of view was an important factor in the French decision to withdraw from NATO's integrated military command at the time the Alliance was adopting its strategy of flexible response (MC 14/3), creating perhaps the most profound crisis in NATO's history.

This difference of view has two distinct consequences for the burdensharing debate. First, given the high cost associated with maintaining adequate conventional forces for a robust conventional defense, the US position has led the US to push for increased defense spending, an argument bound to prove less than fully persuasive to allies who believe that strengthened conventional forces are not only unnecessary, but actually counterproductive. When American political and military leaders accuse their European counterparts of doing too little, one can almost hear Europeans mutter to themselves "perhaps you are doing too much". Second, the disagreement exposes the most intractable element of burden (or "risk") sharing -- the costs associated with the failure of deterrence. The Americans' preferred approach, with its emphasis on direct defense, seems to many Europeans to increase the possibility of an unimaginably catastrophic conventional war fought on European territory with mainly European casualties; while the Europeans preference for a lower threshold seemed to Americans to run an unnecessarily high risk of strategic escalation that would threaten the American homeland.⁴

Over the past decades, NATO has "resolved" these differences in perspective in a time-honored fashion: a solemn decision by NATO as an institution to respond to US concerns about the need for more effective conventional forces (and thus more spending) (LTDP and the 3% commitment, the Conventional Defense Initiative), and in practice only modest (at best) changes in Europeans' defense plans (both spending and composition of forces) as a result of that decision. With the prospect of significant reductions in the Warsaw Pact's conventional capability

⁴From the American political perspective, there are two quite divergent ways to respond to these various differences in perception. One is to argue that the US should reduce its own efforts to match the Europeans, based on the European perception of the threat -- "why should we care more about Western Europe than the Europeans? The alternative is to accept the differences and argue that higher US expenditures are justified precisely because the US values the product (e.g. higher confidence of deterrence, or higher confidence in the ability to resist a Warsaw Pact attack without resort to nuclear weapons) more than the Europeans.

(through unilateral and negotiated reductions) and a general easing of the East-West political confrontation, a whole new round of debate over strategy and the role of military forces is in the offing (we will turn to this topic in Section II).

Differences over the nature and extent of the Soviet threat also have an important out-of-area dimension. During the early years of the Alliance, the United States (although it sought broad Western military involvement in Korea through the United Nations), was the most forceful advocate for limiting NATO's activities to Europe, out of fear that NATO would become embroiled in colonial wars. Over time, as the US has grown to see conflicts in the developing world as an extension of the East-West conflict (a view that reached its zenith in the Reagan doctrine) American leaders have argued that the outcome of those conflicts are relevant to security in Europe, and therefore worthy of appropriate, concerted NATO response. Europeans, by contrast, have been -- inclined to try to isolate conflicts outside the region from European security concerns, seeking to limit the likelihood that conflict in the developing world will spill over into conflict in Europe.

In some cases, the European allies have been persuaded that out-of-area threats are appropriate for a more collective response (the mine-sweeping activities in the Red Sea and the Persian Gulf, and coordinating responses to terrorism). But even in these cases, there has been a reluctance to use NATO as the forum for the common effort, with many European governments favoring ad hoc arrangements or more "European" institutions (EC, WEU). The prospects for a growing out-of-area role for NATO is discussed at greater length in the second part of this paper.

Obviously, the differences between the US and Europe on these issues are not absolute; nor do all Europeans share identical attitudes (nor do all Americans, for that matter). What is commonly agreed is that NATO must maintain significant capability; that some significant

conventional forces are required but that conventional defense alone is not enough; that some contingencies outside of Europe require response by NATO. Nonetheless, the differences between the U.S. and its European allies in this area are sufficiently great that they have proved a persistent, underlying source of conflict over several decades.

THE ECONOMIC DIMENSION

The second critical element which has driven the burdensharing debate over NATO's history has been economic -- specifically, the periodically flaring trans-Atlantic economic tensions over trade and macro-economic policy. It is only a slight exaggeration to suggest that the degree of vitriol in the burdensharing debate can be mapped isotonically with the state of US-West European economic relations. From the balance of payments crises in the 1960's and early 1970's that spawned the Mansfield Amendments, to the over-valued dollar of the early -- 1980's followed by trade and budget deficits, economic relations have deeply colored debates over the fairness and adequacy of alliance members' contribution to common security.

Some of these difficulties are explicitly linked to the burdensharing problem. To the extent that US economic difficulties are linked to balance of payment problems stemming from overseas deployments, or budget deficits driven by increased defense spending, adjustments of the burden would appear to offer relief (e.g. through substituting European for US forward deployed troops, increased host nation support or compensating increases in European defense budgets to allow reductions in US spending). This element is less pronounced than it once was in part because the U.S. current account deficit is so large that the direct impact of overseas defense activities on it is relatively unimportant and in part because current account deficits are more tolerated than they once were. Nonetheless the US Congress still continues to push for costly "buy American" provisions, such as the insistence on using US coal in Europe, provisions which are justified, at least in part, as a means of reducing overseas purchases.

Another aspect of the trans-Atlantic relationship closely related to the burdensharing issue is defense procurement and the two-way street. For many years, European concern about US dominance of defense procurement in the Alliance was as endemic as US complaints about Europeans not contributing their fair share of defense spending. This dominance was manifest in the large imbalance in defense trade across the Atlantic, favoring the US at its height by as much as 6-7:1 (higher by some estimates). However, in recent years, more concerted efforts by European governments to "buy European", and arrangements with US manufacturers to reduce the defense trade imbalance (co-production, licensed production, offsets) have served to narrow the gap.

Despite the improvements in trans-Atlantic defense trade, the long-term economic consequences of defense spending (especially in high technology research and development) remains an area of considerable tension and mutual mistrust. When the United States first announced the SDI, many Europeans worried that the massive infusion of funds into key technologies such as sensors and data processing would seriously disadvantage European civilian R&D (since Europeans feared that they would be shut out from sharing in the technology as a result of US security restrictions.) These fears not only led Europeans to try to find a means to participate in SDI research (through government to government memoranda of understanding) but also spawned a number of government-led European efforts on both the civilian side (the most prominent being EUREKA) and more recently, the military side (EUCLID, the European Cooperative Long-Term Initiative for Defense sponsored by the IEPG) to counter the perceived US advantage.⁵ From the US perspective, the growing European interest in maintaining the European defense industrial base has led to a concern that the US would be shut out of the European defense market, a worry fed by incidents such as the cold reaction to the Secretary Weinberger's suggestion for American participation in EFA (although, of course, the US offer did not include an offer to actually purchase any of the aircraft!)

⁵ (Ironically, US scepticism concerning the economic value of military-induced r&d has increased in recent years.

Other aspects of economic friction (such as disputes over trade barriers and macro-economic policy) are only tangentially related to the security relationship, though acrimony engendered in the economic domain tends to spill over into the security relationship, as Americans (who sometimes seem to view the US commitment to Europe as a favor to Europeans) are tempted to retaliate in the security domain for felt insults in the economic relationship. Periodic trade disputes (such as the recent controversy over EC limits on imports of American beef with growth hormones) have ultimately been resolved reasonably amicably. Whether this conflict will become more or less manageable as Europe moves toward completing the internal market as part of "1992" is discussed in the next part of this paper.

II. THE DEBATE TRANSFORMED

In the first part of this paper we argued that the NATO-wide consensus in support of a collective response to the Warsaw Pact's military threat has been a powerful unifying factor that has tended to modulate otherwise divisive forces within the Alliance. Recent events (including a general warming of East-West relations, political changes in Eastern Europe, unilateral Soviet force reductions and the prospects for a conventional arms control agreement) have served to reduce the threat. Coupled with the growing momentum behind European integration symbolized by "1992", it is no longer farfetched to envision a time when the political landscape of Europe will be radically altered from its Cold War contours. Will these changes bring new harmony to NATO or will they tend to unleash conflicts which until now have been muted by the need to maintain consensus in the face of a common, heavily armed adversary? In this second section, we explore the impact of these recent and impending events on NATO and the burdensharing debate.

The Political-Military Dimension

The past year has witnessed an enormous acceleration in the process of conventional force reductions in Europe. After a decade and a half of stalemate in MBFR, the Soviet Union has not only accepted in principle asymmetric reductions leading to parity in forces and effective verification, but has moved concretely through unilateral force reductions and more forthcoming negotiating positions to demonstrate its interest in reaching an agreement. Indeed, although a final agreement has not yet been reached and important issues remain, many in Europe and the US are already beginning to discuss the objectives of a second round of conventional arms negotiations (CFE-II), leading to reductions of as much as 50%.

At first blush, it would seem that reductions in WP forces (either unilaterally or as a result of arms control) would take some of the steam out of the burdensharing problem. Whatever the proper level of defense effort by the West, it must surely be the case that less is required if the adversary has less -- although how much will likely be subject to dispute. As Soviet forces are reduced, the burdensharing argument is likely to be transformed from who should do how much more, to who will reap the benefit of having to do less.

This could prove very important in the current fiscal climate, since for many of the NATO allies, there appears to be a significant gap between the planned military program and likely available resources. CFE will, to some extent, allow nations to reduce their defense program. But the political dynamic set in motion by CFE may also lead governments to cut their defense spending in light of improved East-West relations and the gap between plans and realities would remain - or even be exacerbated, if lower requirements drive up unit costs.

Reductions may well trigger a whole new set of burdensharing controversies. At a minimum, NATO will need to sort out how to allocate the reductions mandated by CFE. There is evidence that some NATO members, anticipating the outcome of the negotiations, have already begun to reduce their planned procurement of equipment likely to be constrained by CFE, thereby hoping to pocket for themselves some of the economic benefit of CFE. Different formulae for distributing the cuts (equal percentages, oldest equipment first, perhaps followed by cascading) will lead to different distributions of costs and benefits.

Up till now, NATO has been quiet on the subject of allocating potential CFE cuts, perhaps out of fear of reopening divisions that have been carefully smoothed over in the process of hammering out NATO's negotiating position in Vienna. But sooner or later these issues will arise as national and NATO planners try to grapple with structuring their force requirements for the coming decade.

A similar problem is likely to arise for manpower (particularly if CFE leads to alliance-wide limits on stationed forces, as proposed by the USSR, as opposed to limits only on US and Soviet forces, as suggested by NATO). Demographic and cost constraints have put pressure on NATO governments to reduce manpower (especially active duty forces); governments will prefer to use CFE limits to justify manpower reductions rather than admit publicly (and to each other) their unwillingness to bear the political and economic costs of retaining current force structure. The manpower dimension may prove particularly important for the US, where the size of US forces in Europe has been the perennial focus of burdensharing arguments. Politicians in Washington will watch closely to see whether CFE results in a significant cut in US forces in Europe (the 30,000 proposed by President Bush is likely to be seen as the minimum acceptable cut); if the reductions generated by CFE appear insufficiently large, there may be growing pressure for further, unilateral cuts, even if a second round of CFE is in the offing.

On a more fundamental level there is a distinct possibility that disagreements between the US and Europe on strategy and force posture will simply be replicated, albeit at a somewhat lower level of forces. The course of current CFE negotiations holds out the prospect of establishing something resembling parity at approximately the current NATO force level. For those who believe, however, that the existing balance is reasonably stable (notwithstanding Warsaw Pact superiority in the "bean count") there is a cogent argument that NATO should be willing to tolerate similar stable asymmetries at lower level of forces (particularly as the political climate between East and West becomes less hostile). This would provide a rationale for unilateral Western force reductions in response to CFE. Indeed, there is a danger that the level of force reductions (and associated budget savings) from CFE may be insufficient to meet the domestic political expectations awakened by recent events in Eastern Europe and the prospect of a CFE agreement. If for example (as noted above), CFE results in only modest reductions in US troop strength in Europe, the political energy in the US Congress in

support of additional, unilateral withdrawals may increase. The same may prove true if CFE does not appear to produce significant defense budget savings for NATO members. Of course, as recent events have made clear, there is also a reasonable prospect that the Soviet Union and/or its Warsaw Pact allies will make their own unilateral cuts post-CFE, putting further pressure on NATO governments to show tangible benefits from the changing military balance in Europe.

These disagreements could extend not simply to the quantity of forces, but also to the mix of forces, as reductions begin to challenge NATO's operational strategy. For example, as US forward troops are reduced as part of CFE, the question will arise as to whether NATO will still need to maintain the requirement of 10 US divisions in 10 days (or at least some improved strategic lift to return US troops to the European theater). If so, there will be new costs associated with providing the necessary capability -- along with the inevitable question -- who pays? The recent NATO arrangements for helping to finance the relocation of the 401st Tactical Fighter Wing from Spain to Italy -- and the current controversy in the US Congress over footing the American share of the bill -- shows how complex the burdensharing dimensions of redeployment in light of CFE are likely to be. Similar issues will arise for other aspects of infrastructure (ports and landing facilities, air bases, logistics). In addition, most analysts believe that lower force levels will require new emphasis on aspects of NATO operations such as mobility and improved C³I -- imposing new costs even as quantities of CFE-constrained equipment decline. Finally, at some level of force reductions, the credibility of forward defense (at least as currently understood) itself will become an issue, and a new debate on strategy (with associated burden allocation issues) will emerge.

CFE-1 by its nature means fewer troops and certain categories of equipment (at least within the Atlantic to Urals region) but not necessarily lower defense expenditures. In addition to the compensating costs that NATO nations might incur in order to maintain the credibility

of NATO strategy at reduced force levels, several nations will continue to maintain significant financial commitments for out-of-area and force projection activities and for strategic nuclear forces (France, for example spends around 30% of its military equipment budget on nuclear forces).¹

Finally, successful conclusion of conventional force negotiations is certain to re-raise the thorny problem of theater nuclear weapons -- which ones and where. Although the complex issues of TNF are beyond the scope of this paper, it is important to keep in mind the important burdensharing dimension of theater nuclear weapons. For the United States, it has been particularly important that European allies share the political burden of flexible response through their willingness to accept basing of nuclear weapons. For Europeans (especially West Germany) there is a keen desire to avoid "singularity" (basing in just one country). These concerns shaped the exact nature and scope of the INF deployment decision in 1979 and will play an important part in future decisions concerning TNF modernization and unilateral or negotiated TNF reductions.

Ultimately, conventional and theater nuclear force reductions will go to the very heart of the trans-Atlantic burdensharing debate -- namely, the role of the United States in Europe. Although the presence of US forces in Europe (and the extension of the nuclear umbrella that has been associated with them), are not the only elements of the US "contribution" to European security, they are the most visible, and most specifically identified with the US role in burdensharing terms. As forces come down on both sides, both Americans and European will need to address whether, and in what form the US should remain. Must the US maintain sizeable forces in Europe? Can the US (or should it) revert to its pre-WW II posture as Western Europe's strategic reserve? Is extended deterrence credible without US troops actually present in theater? Is a

¹ See Fontanel, Jacques. "Defence Costs and Budgeting in France" in Roper, Boyer, Lellouche, eds. **UK-French Defence Cooperation** RIIA 1989 p. 109

US military presence required to act as counterweight to the Soviet Union even in a post-Cold War era? What role does the US have to play in maintaining a stable Europe where the potential for conflict comes not primarily from the East-West fault line, but from national or ethnic divisions? Does a continued, albeit dramatically reduced US presence contribute to maintaining the broader range of trans-Atlantic ties? Who benefits from the US continuing to play any of these roles? and, of course, who should bear what costs? These questions, and many others, will not prove easy to answer in part because of the inherent geo-strategic differences between the Soviet Union's position as a continental power in Europe and the United States' more remote position across the Atlantic.

BROADENING THE AGENDA

If (and as) the military threat from the East recedes, NATO will inevitably be drawn into a debate over its own future. More specifically, what role(s) might NATO usefully play to supplement what is now its dominant function, namely a complex defensive military alliance? How will the broadening of NATO's agenda affect intra-Alliance relations, particularly with respect to burdensharing?

A number of emerging issues already surface to a greater or lesser degree within NATO councils. They include

- non-European ("out-of-area") threats to European (or Western) security such as the Persian Gulf, the Middle East and terrorism;
- the political and economic dimensions of East-West relations (which may expand to include issues such as economic and technical assistance to the Eastern European members of the Warsaw Pact; the creation of new security institutions in Europe);

- coordination of economic and development assistance to developing nations (North-South issues);
- common non-military threats (environment, health, etc.)
- West-West economic issues

Of course, many of these issues are currently being addressed in other fora, ranging from the EC to CSCE to the Group of Seven. It is unclear how suitable a forum NATO will prove for these topics, but the very success of NATO to date suggests that its members will not cavalierly abandon it, even if, in the future, the need for close coordination of military forces in Europe diminishes. But the addition of new objectives to the NATO agenda (or increased attention to existing but secondary issues) will in itself create new sources of controversy. It may be useful to compare this phase of NATO's development with the mid-1960's, when the Harmel report revitalized the Alliance by redefining NATO's mission; but in turn added added new and often controversial issues, such as arms control, to NATO debates. Moreover, to the extent that any of these issues involve financial contribution from members, the same basic issue of appropriate or "fair" shares will remain, with the possibility that one or members of the Alliance would "opt out" (at least on individual issues or roles) becoming increasingly more likely as the NATO agenda broadens to include issues less closely connected with the military dimension of national security.

1992 AND ALL THAT

If in fact the military dimension of the trans-Atlantic relationship becomes less central as result of a diminished threat, it seems likely that economic issues will become even more important in shaping intra-Alliance relations. We have seen that in the past, tensions along the economic dimension have fueled the burdensharing debate -- how are the broad forces now at work re-shaping Europe likely to affect burdensharing issues in the future?

CFE per se should have only a limited impact in this area. On the positive side, improved East-West relations are likely to dampen disagreements between the US and Western Europe over East-West trade and technology transfer to the East. Assuming current trends in Eastern Europe and the Soviet Union continue, it seems likely that the US will modify its rather hard line stance on both technology and credits to members of the Warsaw Pact (although at present the disagreements between the US and its European allies remain pronounced.)

There is, however, considerable potential for new friction in the area of weapons procurement in the post-CFE world. Reduced overall procurement requirements may lead to intensified competition between manufacturers for pieces of the smaller pie -- and a desire on the part of governments to maintain their industrial base (and employment) by supporting national procurement. This trend will be mitigated by the growing importance of production efficiency as procurement quantities are reduced and budgets decline, since the need for greater efficiency will lead to further consolidation of the defense industry and at least the potential for more trans-national cooperation. From the American perspective, a critical question is whether the focus of cooperative efforts is intra-European or whether it will extend to include US firms. For Europeans, conversely, the concern will be whether a declining US manufacturing base leads to even greater US political pressure to "buy American".

Completing the market

To some extent, the answer to these questions may be influenced by the two sides' perceptions of the trans-Atlantic ramifications of "1992". To the extent that Americans view "1992" as the construction of Fortress Europe, retaliatory measures, both in defense and non-defense sectors, are likely; while a more open, but unified European market could soothe buy-domestic pressures. In general, Americans' initial apprehensions about the course and intent of "1992" have begun to ease,

but the prospect for trans-Atlantic conflict remains considerable. So long as the US continues to run large trade deficits, Americans will be highly sensitive to perceived unfair trade barriers, whether or not they are in fact the principal cause of those deficits.

Although defense procurement is excluded from the 1992 mandate, the close association between defense and other high tech sectors that fall within 1992 means that there will almost certainly be a spillover into the defense sector. And the movement toward greater European consolidation is already well underway --Thomson/Philips; MBB-Daimler; GEC-Plessy-Siemens; the list expands virtually each month. These moves enhance the competitiveness of European industry vis a vis the US, but could also result in the further exclusion of the US from European markets. Over the last decade, the imbalance (in the US favor) in the two way street has been reduced considerably (and in some cases eliminated); it is hard to imagine that Europeans would allow the situation to deteriorate seriously, while American concerns about dependence on foreign sources are again on the rise.² The growing disarray in NATO/CNAD sponsored trans-Atlantic cooperative procurement projects (NFR 90, MSOW, ASRAAM) is not encouraging.

Deepening and Broadening the Community

The impact of "1992" on intra-West European and trans-Atlantic relations is not limited to the economic sphere. The Single European Act not only gave new impetus to completing the internal market, but also revived the effort toward greater political integration. Movement in this direction would affect trans-Atlantic relations in a number of

²"The trend [toward increasing purchase of military parts and components from overseas] is intensifying concerns among Government and private analysts about the competitiveness of American weapons technology and the nation's ability to meet its military needs in wartime. And it has brought growing objections from companies, politicians and workers about the loss of American jobs and profits." Stevenson, Richard "Foreign Role Rises in Military Goods", *The New York Times*, Oct 23, 1989 p.1.

dimensions. For example, the movement toward currency union holds out the prospect of much closer macro-economic policy coordination within Europe that could prove even a more formidable interlocutor for the US than the already significant role played by German macro-economic policy.

On the political side, enhancement of European Political Cooperation, and an emerging EC role in shaping political relations with Eastern Europe could lead the EC to become a competing (parallel if not rival) institution with NATO in the area of European security and foreign policy. Although the US has welcomed some enlargement of the EC role (as, for example, with respect to economic aid to Poland and Hungary), there is a serious, if latent potential for the two to diverge. All of these factors play into the long-standing dilemma -- does a stronger, more united Europe mean an effective European pillar within a thriving trans-Atlantic alliance? Or do they lead to a Europe more inclined to act independently from (and potentially at odds with) the United States? And to what extent will the trans-Atlantic dialogue of the twenty-first century consist of a bilateral discussion between the US and the EC, versus the multilateral forum of NATO?

To some extent the answer to these questions will depend on the course followed by the EC. To the extent that the focus of the EC's growth is on "deepening" ties among the Twelve, the more likely that the EC will take on a security dimension. To the extent that "broadening" occurs to increase the diversity of security interests within the Community (through the extension of membership to neutrals and even members of the Warsaw Pact) the more important the "Western" dimension of NATO will remain. And all of this depends to some degree on the evolution of other security related institutions, including the WEU and the CSCE. Multiple geometries seem the likely future, with considerable overlap and uncertainty over the defining roles of each institution.

III. THE SOUTHERN REGION

Up till now, we have discussed broad trends in Alliance political and economic relations in very general terms. But the impact of these forces is likely to vary for different members of the Alliance, and the final part of this paper we turn to consider some of the specific consequences for the Southern Region members of NATO. We hope that our colleagues from the Southern region can help us in furthering our own understanding of how these forces are likely to affect this important component of the Alliance.

In this section, we will consider in turn how force reductions, broadening the NATO agenda, and economic integration of Europe may affect the Southern Region.

CFE AND THE POLITICAL/MILITARY IMPACT ON THE SOUTHERN REGION

CFE seems certain to have a differential impact on the Southern region, one that may well enhance the importance of an area that too often in NATO thinking and planning has been relegated to the status of a "flank" to the main Central Region confrontation. If, as seems likely, force reductions are structured around zones, the principal reductions will come in the Central region, with lesser cuts in the rest of Europe, and even the possibility of some redeployment of forces from the Central region to other parts of NATO. Moreover, because naval forces, which are excluded from the current CFE negotiations, make up such an important component of Southern region forces, the impact of the reductions will not be as great, and indeed, the role of the Southern regions' naval forces could be enhanced as NATO strategy is revised in light of CFE.

This potential "lesser" impact on Southern region is a double-edged sword -- potentially an increased role for Southern region nations, but at the same time, the prospect that there will be fewer

opportunities for reductions in defense spending by allies in this area. Of course, this will depend to some extent on specific NATO decisions (for example, in the case of Italy, the future of the redeployment of the 401st air wing at Crotone post CFE), particularly as to the method of allocating reductions. SHAPE now is assessing a plan for "cascading" NATO equipment in response to CFE (to assure that the most obsolete equipment in NATO is reduced). This could enhance the modernization of some of the older forces in the region (such as Turkey and Portugal)¹ but could place new burdens on those nations associated with operating the equipment. Although the outcome of these issues is very uncertain, they are likely to raise important burdensharing issues, with respect both to roles and to costs.

Over the past several years, a number of the countries in the region have demonstrated very concretely their commitment to NATO and the importance they attach to maintaining a seat at NATO's table. The Italian decision to accept basing of GLCM, and subsequently the redeployment of the 401st Tactical Fighter Wing, is a clear indication of the importance Italy's leadership places on demonstrating its willingness to shoulder important aspects (financial and non-financial) of the NATO burden. In Spain, despite the acrimony surrounding the renegotiating of the basing agreement with the US, Felipe Gonzalez' strong support during the referendum on Spanish membership in NATO (notable in light of the PS prior opposition) was critical, and

¹see, for example the remarks of Portugal's Secretary of State for Defense, Eugenio Ramos: "Instead of destroying military equipment to meet the ceilings, the more modern countries' most sophisticated weaponry could be move to countries such as Portugal, whose Armed Forces are being modernized and which could in turn destroy their oldest weapons." **Diario de Noticias** 14 Oct 1989 (reprinted in FBIS West Europe, FBIS-WEU-89-203 23 Oct 1989 p.16). See also Istanbul **Milliyet** 10 Oct 89 (FBIS-WEU 89-198, 16 Oct 1989 p. 27): "Now Turkey is making a new proposal to NATO: 'For us, a significant portion of the weapons you will destroy is new. We are spending millions of dollars to modernize our Army. Instead of destroying thse weapons, donate them to us or sell them cheaply'.....This proposal, which originated in the General Staff, will gain Turkey billions of lira."

reflected an awareness that full participation in "Europe" included assuming the burdens (again, financial and political) associated with membership in NATO. And despite the political "burdens" associated with NATO membership for Greece (e.g. association with a nuclear strategy which is contrary to national policy and conflict over the role of US bases) and its endemic conflicts with Turkey (which has once again led to their vetoes of each others' NATO force goals), and Turkey's own grievances with the West (delay in acting on Turkey's EC application, US statements concerning the "Armenian genocide"), neither Greece nor Turkey seems likely to contemplate leaving the Alliance in the foreseeable future.

NATO'S EXPANDED AGENDA AND ITS IMPACT ON THE SOUTHERN REGION

A broadening of NATO's agenda, if it occurs along the lines discussed in part II is likely to enhance the importance of the Southern region within NATO. To a considerable extent, this is due to the special relationships between Southern region members of NATO and potential sources of instability that could affect Western Europe in the post-Cold War era. Italy and Yugoslavia, Greece and the Balkans, Turkey and the Arab World, Spain and the Maghreb, Portugal and Africa, France and her former colonies -- the range of contacts and influence are broad and potentially critical if NATO's attention turns more and more to these potential hotspots.

The recent meeting in Budapest of deputy prime ministers and foreign ministers of Italy, Hungary, Austria and Yugoslavia is an indication of the kind of role that southern region countries might play in a Europe where problems, sources of instability and solutions are no longer seen primarily through an East-West prism. As Italian Foreign Minister Gianni de Michelis wrote: "It is in everyone's interest to find ways to contain the centrifugal forces of disorder in Central Europe. The region must become a place of economic, social and cultural

cohesion....And Italy has a special role to play -- a contribution to make in stabilizing a part of Europe that politically has been called the East, that geographically is in the center but culturally is part of the west."² De Michelis made a special point of noting "[s]ignificantly, Italy's European Community and NATO partners have encouraged Italy to proceed" with the Budapest meeting.

How these relationships will evolve within NATO also remains uncertain. In the past, Southern region members have become increasingly reluctant to assist the United States in conducting military activities out-of-area. But if NATO itself becomes the auspices under which such activities are undertaken, there may well be a greater willingness to play a role. And certainly in the non-military realm (such as assistance to the developing world) the special relationships such as Spain with Latin America could prove vital.

The future of US bases in the Southern region is closely tied to the evolution of attitudes in NATO toward out-of-area activities. The bases are an important element in the burdensharing calculation for the region, because base payments are an important source of financial assistance to a number of countries in the region, and the economic activity generated by the bases is important to local economies. As East-West tensions ease, and force cuts are implemented, the continued utility of the base may depend on the extent to which they are available for out of area contingencies. If countries in the region continue to impose greater and greater restrictions on permissible activities, the high cost of maintaining the bases (as well as the political conflict that often goes hand in hand with overseas basing) may lead the US to scale back or even abandon some of the bases in the region. This in turn could affect the level of security assistance provided by the United States to countries such as Greece and Turkey.

²Gianni de Michelis, "A Hasburg 'Reunion'", *The New York Times*, November 10, 1989 p. A19.

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The expansion of the EC to include Spain and Portugal, and the movement toward a more complete market, has significantly increased the importance of the Southern Region in the new European thinking. Although there is much discussion of the economic power of the Federal Republic of Germany, Italy's recent economic performance has been even more impressive, and Spain's and Portugal's economic growth seems likely to be give a particularly sharp impetus by the disciplines of "1992." And Italy is also increasingly playing a important role in the intra-European cooperation in defense procurement, a process likely to accelerate in the post "1992" world.

Conversely, the future of Turkey's application for EC membership is likely to have a profound impact on Turkey's role in Europe, not only from the perspective of the prospects of Turkish economic modernization, but also in the political sphere, as the EC takes on a broader range of functions as a result of the Single European Act. There appears to be a growing fear in Turkey that the movement to expand the "European" membership of the EC (beginning with Austria) could come at the expense of Turkey's application. Up till now, EC membership has been seen by some as an appropriate "reward" for Turkey's loyal membership in NATO.³ If Turkey's importance as the southeastern anchor of NATO is seen to be in decline as result of improved East-West relations, Turkey's EC prospects may suffer; conversely, if Turkey is viewed as an increasingly important democratic bridge to the Middle East and Moslem world, the likelihood that its application will be approved will be enhanced.

³see, e.g. Dr. Haluk Ulman, "Turkey Is Now Isolated" Istanbul **Gunaydin** 5 Oct 1989 (FBIS-WEU-89-194, 10 Oct 89 p. 26): "Those formulating Turkey's foreign policy could tell their Western friends, 'Our position within our joint defense system is very important, therefore you have to support us. Otherwise' It is clear that as long as the winds of the 'Cold War' were blowing, this was a strong trump card."

The EC's growing interest in Eastern Europe could have important consequences for Community's poorer members, such as Greece and Portugal. As the level of economic assistance to Eastern Europe is increased, the funds available for development assistance to the existing members may decline. The economic cost of assisting Eastern Europe could also affect the Community's willingness to include Turkey, since the successful incorporation of Turkey into the Community could require economic aid at least on the scale of that made available to Portugal and Greece.

CONCLUSION

In this paper, we have surveyed a number of the possible implications of changes in East-West and West-West relations and their impact on the burdensharing debate. It is important to keep in mind that some of these factors are likely to come into play in the relatively short run -- e.g. allocating the reductions in forces among Allies; while others -- the emergence of the EC as an alternative security forum to NATO -- are more long range and speculative.

It is worth noting that those who have predicted doom for NATO to date have been wrong. At the same time, the current pace of change both in the East and in Western Europe seems to guarantee that the security landscape in Europe will look very different ten years from now and consequently NATO's future role is more uncertain.

We hope that this discussion will help stimulate further research into areas that are likely to be affected by this changed security landscape, particularly as it affects the Southern region. Analysts both in the US and Europe have a real opportunity to help inform the debate during this time of great fluidity in the future of trans-Atlantic relations.

ROBBIN LAIRD

SOVIET PERSPECTIVES ON THE WESTERN ALLIANCE: THE PLACE OF THE MEDITERRANEAN

This paper provides an overall assessment of how the Soviet analyze and understand how to deal with the Western Alliance, with special emphasis on the Mediterranean element of the Alliance.¹ The first section examines general Soviet perspectives on the evolution of the Western Alliance. The second examines the impact of these perspectives on the Soviet approach to military strategy in the European theater. The third section identifies the range of elements in what I call the Gorbachev "mutation" of the fundamental Soviet approach. The final section details the place of the Mediterranean Alliance member states in the general Soviet approach to the Alliance and in the Gorbachev "mutation."

1. General Soviet Perspectives on the Alliance

"Atlanticism," in the Soviet view, has allowed the United States to exercise considerable influence over political and economic developments within Western Europe.² From the Soviet perspective, an Atlanticized Europe is one in which American definitions of Western security needs dominate Western Europe's security interests and political and economic relationships with the Soviet Union. Such an Atlanticized Europe was able to exist only under the specific conditions of American predominance over Western Europe that existed in the late 1940s and early 1950s.

This type of Atlanticism has been seriously undercut by the changing balance of power (or, in Soviet terminology, the "shift in the correlation of forces") between the United States and Western Europe. The growth of West European economic power has led to the emergence of the West European "power center" in the capitalist world, a power center that has exercised growing assertiveness and even independence from the United States.

¹ This paper reflects the argument developed in Robbin Laird and Susan Clark, *The Soviet Union and the Western Alliance* (Boston: Unwin-Hyman, 1989).

² For earlier treatments by the author of the general Soviet approach to the Alliance see the following: "The Scientific-Technological Revolution" and *Soviet Foreign Policy* (New York: Pergamon Press, 1982) (coauthor Erik Hoffmann) and *The Soviet Union, the West and Nuclear Arms* (New York: New York University Press, 1986).

The resurgence of the West European power center has occurred most dramatically in the political-economic realm. Economically, Western Europe has become a serious economic competitor as well as collaborator with the United States. West European scientific and technological capability is a significant factor in European economic development and provides the basis for significant progress in cutting edge industries as well. The West Europeans have become major players in trade and capital transfer relations with the Third World, in many ways even more diversified than U.S. economic relations with the Third World. Politically, the West Europeans have collaborated to an unprecedented extent in the creation and development of intra-European economic relations. Strong Soviet skepticism about the European Economic Community (EEC) has slowly given way to recognition of the significance of trans-national European cooperation as well. Notably, the Soviets are paying increasing attention to the process of economic transformation of European markets associated with the 1992 target date for eliminating the remaining economic barriers in the Common Market.

The emergence of the West European power center has led to increasing assertiveness within West-West military-security relations as well. The West Europeans have increased the scope and extent of intra-European security cooperation, most noticeably in armaments development and production. Cooperation has occurred among the major players in European security (e.g., Franco-German cooperation) in attempts to increase Europe's weight in Alliance policy. This weight is manifested in the development of the West Europeans' own policies and relations toward Eastern Europe and the Soviet Union. The West Europeans deploy the bulk of NATO's peacetime conventional forces in the European theater and a significant component of NATO's European theater-based nuclear forces. The European nuclear powers -- Britain and France -- are undergoing a significant modernization of their forces and the Soviets have been paying increasing attention to those forces.

Nonetheless, the West European effort to shift military-security relations with the United States in their favor is limited by the fact that Western Europe is only a "quasi" power.

center in military relations. The United States continues to possess by far and away the most significant nuclear component of Alliance forces. The United States continues to be the critical reserve of the Alliance, which is vital to the reinforcement of NATO's forces in times of crisis. The United States possesses the West's major out-of-area military capability (only France and Britain remain key players with Italy playing a growing role). It is simply not the case that West Europeans believe they can go it alone. Rather, they seek to define more effectively what is in their interest to do both within Europe and within the U.S.-European relationship.

In other words, a major shift has occurred within the Alliance. Although America remains the most significant military power, the West European powers have an increasingly critical role in the evolution of Western security policy. America may initiate, but Europe can veto changes in Western policy. In this connection, the West European economic and political development is a critical determinant in what the West can do militarily.

Soviet analysts express concern, however, that a stronger Western Europe, more independent and more capable of defending itself, might well be emerging. The Soviets hope to promote, or at least contribute to, a crisis of statecraft in the West and thereby impede the development of a more "mature" partnership between Western Europe and the United States. They are especially concerned to impede the emergence of a better division of labor between Western Europe and the United States in the security area, a division that would allow the Americans to confront the Soviet Union more effectively both within and outside Europe.

Especially significant to Soviet peacetime strategy toward the Alliance has been the need to influence the shape and direction of West European foreign policy as the West struggles to define its policy in East-West relations. The increased assertiveness of Western Europe has provided the Soviets with opportunities to undercut American influence in Western Europe and to try to hinder the development of various kinds of Western relationships (e.g., the strengthening of the Bonn-Paris relationship) which the Soviets find damaging to their interests.

In addition, a basic challenge for the Soviets is to manage as successfully as possible the "mediated nature" of their relationship with Western Europe. The Soviet-West European relationship is shaped in part by the attempt to influence one another's allies. The Soviet Union has made a significant effort to influence American policy toward the Soviet Union and to limit American foreign policy capabilities by attempting to shape West European foreign policy behavior. The West European powers, in turn, have made a significant effort to shape Soviet foreign policy behavior by increasing West European ties with Eastern Europe. The West Europeans have used trade and various forms of commercial relations as a key means to expand their influence in the Eastern bloc.³

Also, Soviet assessments of the evolution of security policy in the key West European countries reflects a keen awareness of the shifting "correlation of forces" in Western relationships and the increasingly assertive role of Western Europe within the Alliance. These assessments underscore the necessity for crafting a more effective policy toward Western Europe both to influence the independent evolution of Western Europe and to shape American options and opportunities.

II. The Military Strategy Dimension

The Soviet approach to the Alliance attempts to combine a political-military and military-technical strategy. The political military strategy revolves around an anti-coalition approach. The military-technical policy emphasizes the need to be able to prevail if war comes in Europe through the use of conventional forces and the threat of immediate escalation in the event of nuclear use by NATO.⁴ The political-military strategy underscores the salience of the political aspects of military competition with the West and the need to better leverage the Alliance in times of crisis and war.

Marshal Akhromeyev's formulation of the impact of coalitional strategy is to argue for the importance of the lessons of World War II for Soviet policy today. "The main lesson of

³ See the chapter by Charles Gati in Laird and Clark, *The Soviet Union and the Western Alliance*.

⁴ See the chapter by Petersen and Trulock in Laird and Clark, eds., *The Soviet Union and the Western Alliance*. Also see the manuscript by John Yurchko, *The Soviet Union and Military Crisis*.

World War II, namely that war must be combated before it has begun therefore assumes special topicality today. Historical experience indicates that joint, concerted, and vigorous action on the part of all peace-loving forces against the aggressive actions of imperialism is necessary in order to defend peace.⁵

Central to Soviet thinking is the need to prevail in the initial period of any future war and the salience of the political factors to such an effort. Among the critical political factors affecting success in the initial period of war are the following: the ability of the Alliance to mobilize forces, the ability of the Alliance to transition generally from a crisis to armed conflict, and the ability to deal with nuclear escalation.

With regard to mobilization, the Alliance will undoubtedly see conflict over whether or not to mobilize forces, over which forces to mobilize and over whether the Soviet Union is really prepared to go to war. During the crisis period, the mobilization decision will become tantamount to the shift to war. Gorycev, for example, has argued that there is an almost irreversible nature of the mobilization process and that this process will be deeply affected by the political environment. "If a war generally is politics through and through, on the eve and at the start of a war its political aspects are even more prevalent."⁶

The general transition from peacetime to wartime will be deeply affected by political conflict within the Western Alliance. Differing national interests may well come to the fore which the Soviets would seek to exploit. A significant disinformation effort will be made in the political arena to compound NATO's difficulties. Soviet military analysts refer to NAZI efforts as models for success in the phase of transition from crisis to war. According to Matsulenko

The NAZI leadership carried out a large range of measures involving virtually all the bodies of state and military administration, all means of mass information and the diplomatic corps. Here the main goals of the political actions was to conceal the very factor of the aggression being prepared and to prevent the nation which was to be attacked from promptly discovering the

⁵ Marshal Akhromeyev in FBIS, May 13, 1986, p. 8.

⁶ Colonel General M. Goryev, M.V. Frenze -- *Voennyi Teoretik* (Moscow: Voenizdat, 1985), p. 242.

danger threatening it. The surprise and deception were aimed at concealing the very measures related to organizing the aggression, and in particular the strategic deployment of the armed forces, the axes of the main thrusts and the time of attack. The most limited number of persons was involved in working out the operational-strategic planning documents and measures were taken to mislead the enemy about the place, time and methods of actions.⁷

After hostilities have begun, the Soviets will seek to prevail at the conventional level. Nonetheless, the campaign would be fought under the constant threat of nuclear use. The political dimensions of the nuclear decision are very significant in Soviet thinking. In spite of Soviet claims of an all or nothing strategy for nuclear deterrence, Soviet analysts have contemplated the use of limited nuclear strikes for political purposes.⁸ According to lectures given at the Soviet General Staff Academy in the mid-1970s, students were taught that "political actions may affect the selection of the TVD for action, the selection of the countries to be hit by nuclear strikes, or the nations not be attacked by nuclear weapons."⁹

From the standpoint of an anti-coalition political-military strategy, the Soviets might conduct their military campaign in such a manner as to put primary pressure on those states with forward deployed forces in West Germany. They would pick on what they perceive to be the weak links (Netherlands, Belgium and Canada) and encourage these states to withdraw from German soil. The Soviets might well define the threat as American "militarism" and West German "revanchism," the threats against which they "must" act. Soviet leaders would convey through diplomatic and propaganda channels that they have no hostile intentions against other European states, especially those European states with forward deployed forces. If the Soviets could get one state to withdraw its forward deployed forces, they would hope to set off a chain reaction of withdrawal. They would especially hope by means of such a chain reaction to pressure the British to withdraw. Given the U.S.-British "special relationship," a British withdrawal of forward deployed forces might well be perceived to have a significant

⁷ V. Matsulenko, "Nekotorye vyvody iz opyta nachal'nogo perioda Velikoi Otechestvennoi voinyi," *Voenno-Istoricheskiy Zhurnal*, No. 3, 1984, p. 38.

⁸ See the author's book coauthored with Dale Hierspring, *The Soviet Union and Strategic Arms* (Boulder, Colorado: Westview Press, 1984).

⁹ "Principles of Strategic Action of the Armed Forces," Lecture Materials of the Voroshilov General Staff Academy.

effect on U.S. attitudes and policies. The Soviets could more credibly offer "non-intervention" pledges to the British than to any other major European Alliance power.

The key Soviet objective would be to isolate to as great extent as possible the Federal Republic of Germany. If some forward deployed forces could be pressured diplomatically to be removed, an isolation process would be started. The Soviets would hope to freeze West German mobilization and West German willingness to support reinforcement efforts as long as possible. The Soviets will convey to the German Chancellor that significant mobilization will be considered an act of war, thereby raising the risk of mobilization from the outset.

The Soviets would also seek to pressure France to follow the "traditional" strategy of protecting French territory. The Soviet leaders would clearly encourage the French to keep the Force Action Rapide in French territory and would encourage the French to remove French forces from Germany in exchange for a non-aggression pledge. A key question for Soviet leaders would be whether or not to begin attacking French nuclear forces. Would frontal attacks or restraint be more effective in encouraging French acquiescence in West German neutrality?

As the Soviets began military operations against NATO forces in West Germany, they would hope to encourage key Alliance states to fall back upon solely national strategies. They might declare from the outset limited objectives against NATO forces in Germany and, if they were successful in capturing specific concentrations of national forces, might exchange prisoners for pledges of neutrality by the specific country.

Throughout the German campaign, the Soviets would seek to influence American policy and actions by Soviet successes on the battlefield. The Soviets would seek to destroy or isolate U.S. forces, and then perhaps seek U.S. pledges for West German demilitarization as well.

III. The Gorbachev Mutation

Much of Gorbachev's approach toward Western Europe can be assessed as a mutation of the more fundamental Soviet policy toward Western Europe. What are the fundamental elements of that mutation?

A. Direct Recognition of the Soviet Threat to Western Europe

Unlike Soviet leaders in the past, Gorbachev and his advisors have explicitly recognized the existence of a Soviet threat to Western Europe. In the past, Soviet analysts would refer to the significant role the "myth" of the Soviet threat played in justifying Western defense efforts. Now a more open discussion of the threatening aspects of Soviet conventional forces is underway. The Soviets have limited this discussion, but a fundamental understanding of the threat which a surprise attack scenario poses for the West underlay Gorbachev's proposed unilateral reductions.

B. Explicit Recognition of a common "European" civilization

Like many of his concepts, Gorbachev has adopted the common "European home" theme from his predecessors. He and his closest advisors on Europe have frequently pushed the notion of a common European civilization cutting across the ideological divide of East and West. To Americans, the Soviets underscore that the common European home theme does not exclude Americans; but in private discussions with Europeans they certainly underscore the common interests between Europe and the Soviet Union, at the expense of the United States.

Gorbachev's recent speech in Strausbourg before the Council of Europe provided the most explicit and wide-ranging presentation of the common European home theme. Notably, the entire scope and sweep of the security dimensions of this theme looks suspiciously similar to the notions of "all-European" security cooperation developed under Brezhnev. The basic notion is that the Europe of the blocs should be replaced by a cooperative security environment with no military alliances within Europe.

What is new is the explicit recognition of the dynamics and legitimacy of West European economic and political cooperation. In the past, Soviet analysts as well as policymakers were considerably skeptical of the value and validity of the European integration

process. Increasingly, Soviet analysts and leaders recognize the reality of these processes and the need to come to terms with West European cooperation.

C. Coping with Europeanization

To deal with the Europeanization process, the Soviets have been arguing that there is a good and bad form of Europeanization. The good form of Europeanization occurs in the economic domain. Economic integration and economic cooperation across the ideological divide are supported. The bad form of Europeanization is West European military integration. Soviet analysts have been especially concerned that European military integration would allow the United States to remain in Europe but at a much lower cost. The military "confrontation" would continue, but with the dynamic of a European integrative process as its stimulant.

D. Pursuit of Differentiated Bilateralism Via a "Softer" Touch

To abort such Europeanization, a softer touch is required. The policy of threat reduction will undercut European military integration efforts. The notion is that West European elites and publics will be much more interested in the process of military integration if there is a perception of a serious Soviet threat. If the Soviets alter threat perceptions, the West European integration process will be deflected.¹⁰

Also, critical to deal with the Europeanization process has been the continued pursuit of a policy of differentiated bilateralism. For example, the Soviet approach toward France plays on concerns the French have vis-a-vis other West Europeans, notably the French concern over the reunification challenge posed by Germany.

E. Nuclear Disarmament Pursued Via Conventional Reductions

The Soviet campaign against nuclear weapons is as old as nuclear weapons themselves. Under Gorbachev, the Soviet leadership has pursued this campaign with new vigor and new energy. Notably, the Soviet leader has introduced significant conventional reductions as a

¹⁰ See my chapter on the Soviets and European security cooperation in France, West Germany and the Europeanization Challenge, (Cambridge: Cambridge University Press, forthcoming 1990).

means to achieve the elimination of nuclear weapons from Europe. The Soviet leadership has proposed bilateral discussions with the European nuclear powers, multilateral discussions, and the elimination of every category of nuclear weapons within Europe (most recently the SNF weapons).

E. Conventional Restructuring Via Defensive Defense

The Soviet leaders and security analysts have also introduced discussions of new alternatives to the current structures of defense. They have drawn on the assessments of the European left in developing alternative defense concepts. Even the Soviet General Staff has been drawn into discussions of alternative defense concepts with Europeans (as well as Americans). Although it seems the General Staff concepts focuses more a restructuring for manoeuvre warfare than on restructuring to eliminate an ability to attack.

IV. The Role of the Mediterranean in the Soviet Approach to the Western Alliance

The Mediterranean region is seen to be a mosaic of states affecting Soviet interests. According to A. O. Chubar'ian," Italy, France and now Spain are NATO members; there is also socialist Yugoslavia here, occupying a leading position in the nonaligned movement; Greece, although belonging to the North Atlantic bloc, is playing an ever greater and more constructive role in the struggle for peace and security in Europe; Turkey is also a member of NATO with all the ensuing consequences..."¹¹

The Mediterranean region is adjudged to be particularly volatile requiring serious efforts at stabilization. According to L. Medvedko, "It is no secret that not only the interests of the Mediterranean countries and their neighboring states collide and intertwine here, but also those of the great powers."¹²

¹¹ A. O. Chubar'ian, editor, *The Mediterranean and Europe: Istoricheskie traditsii i sovremennye problemy* (Moscow: Nauka, 1986), p. 7.

¹² L. Medvedko, "Fair Winds and Dangerous Reefs: Problems of Mediterranean Security," *Pravda* (21 June 1989), p. 4, translated in JPRS (Soviet Union), 26 July 1989, p 21.

In the Gorbachev period, some Soviet policymakers have even noted that the traditional anti-coalition strategy pursued by the Soviet Union has contributed to instability in the region. According to one Soviet foreign ministry official,

Until quite recently the Soviet side saw in some of the region's crisis situations a factor weakening NATO's southern flank. For example, the differences between the Greeks and Turks were long seen in this light. Attention was concentrated on their role as a factor destabilizing NATO. In the meantime the adverse effect of the animosity between the Greeks and Turks on the whole of the situation in the Mediterranean was underestimated, as well as the use of this animosity by the US to build up its military presence and boost its influence on both parties. The danger was underestimated that the USSR should be drawn, even if indirectly into a conflict between Greece and Turkey, as well as the extra difficulties for the Soviet side in negotiating with the Greeks and Turks.¹³

Soviet perspectives on the Mediterranean members of NATO do not focus on the region as a whole but rather on specific roles those countries play in the Western Alliance.¹⁴ The level of cooperation among the European states and the US in the region was seen to rise in the early 1980s. As Major General L. Nikitin noted, "The 1980s are characterized by the further development of the infrastructure of the Mediterranean zone in the interests of national armed forces as well as NATO.. Being interested in the utilization of elements of the infrastructure for its own armed forces, the United States is actively assisting its partners in its improvement."¹⁵

From a military operational point of view, the Soviets divide states in the region into occupants of the Western or the Southwestern TVD.¹⁶ The Western TVD includes Belgium, Czechoslovakia, Denmark, East Germany, France, Great Britain, Ireland, Luxembourg, the Netherlands, Poland, Portugal, Spain, Switzerland, West Germany, Western Algeria, northern Morocco, the southern part of the Baltic Sea and the western part of the Mediterranean Sea.

13 Sergei Sereda, "A Search for Ways to Reduce Tension in the Mediterranean," Unofficial Transcript.

14 See especially the two books by V. S. Shein, *SShA i NATO: Hvoistalia imperialisticheskogo partnerstva* (Moscow: Nauka, 1985) and *SShA i Iuzhnaya Evropa: Krizis atlanticheskogo partnerstva* (Moscow: Nauka, 1979).

15 Maj. Gen. L. Nikitin, "The Mediterranean in US and NATO Plans," *Zarnbeznoye voyennoye obozreniye*, no. 9 (September 1988), translated in JPRS (Soviet Union), March 9, 1989, p. 6.

16 See Phillip Petersen and Notra Trulock III, "Soviet Views and Policies Toward Theater War in Europe," in Laird and Clark, *The Soviet Union and the Western Alliance*.

Thus, the Alliance states with Mediterranean interests involved in the Western TVD are France, Spain, and Portugal.

The Southwestern TVD includes the territories of Albania, eastern Algeria, Austria, Bulgaria, Cyprus, northern Egypt, Greece, Hungary, Italy, Libya, Malta, Monaco, Romania, San Marino, Tunisia, western Turkey, Yugoslavia, the Odessa and Kiev Military Districts of the Soviet Union, the western part of the Azov and Black Seas, the Marmara, Adriatic and Aegean Seas and the eastern part of the Mediterranean. The key Alliance states in this nexus are Italy, Greece and Turkey.

From the standpoint of military operations in a future war, the key tasks for the Soviets are to prevail in the Central Front and to prevent the possibilities of continued actions by Alliance states outside of this region contributing to the battle in the central region. The Mediterranean states in the Western TVD are perceived to play roles critical to potential reinforcements.

The French are seen as the critical logistical rear to the Alliance. Their increasing involvement in the military activities of the alliance are of growing concern to the Soviets.¹⁷

The Spanish are seen also in the light of potential contributors of geographical space for the reinforcement of the Central Front. The Spanish are seen as providing the potential unsinkable carrier on the South which the British provide in the North.¹⁸ The Portuguese are seen as contributors to Naval operations in the Atlantic and as adjuncts to the war at sea supporting the resupply efforts on land.¹⁹

The Southwestern TVD is a swing theater, largely important for naval operations. The ability of the NATO navies, led by the Americans, to carry out operations disrupting Soviet actions on the Southern underbelly of Europe is important in Soviet thinking, but derivative of the major tasks in Central Front operations.

17 See Robbin Laird, *France, the Soviet Union, and the Nuclear Weapons Issue* (Boulder, Colorado: Westview Press, 1985).

18. Phillip Petersen, "The Iberian Peninsula in Soviet Military Strategy," forthcoming in our book on Iberians security policy.

19 See Susan Clark, "Soviet Perspectives on Portuguese Security Policy," in *Ibid.*

The Italian contribution cuts across both naval and Central Front requirements. The Italian, American and Allied naval operations proceeding from Italian bases are critical components to the Naval resupply and ASW operations.²⁰ The Italian contribution to operations on the Central Front are also recognized, but in the context of potential actions by the Soviets in time of war against West Germany, Switzerland and Austria.

The Turkish and Greek cases provide special instances of the military significance of the anti-coalition strategy. As mentioned above, one of the key dimensions of the Soviet approach to a future war in Europe is to try to draw upon fissures in the Alliance. The Greek-Turkish conflict has been seen almost as a paradigmatic case for Soviet activity.

The Mediterranean "theater" as such is subordinate to Central Front requirements in Soviet general staff thinking. But from another standpoint, political developments in the region are of increasing salience to the "political" approach the Soviets are taking toward the Alliance. I will focus here briefly upon Soviet treatments of the political dynamics of Spain, Italy and France in the Mediterranean region.

For Soviet analysts of the region, as the Soviet-American conflict attenuates more traditional cleavages come to the forefront for resolution. Also, North-South or at least issues not easily reduced to East-West ones become more important in shaping the tone and dynamics of Western Alliance politics. In other words, in a post-CFE Europe more traditional cleavages among states must be examined as causes of tensions in the region, especially within the Alliance.

Also significant to the Soviets is the attempt to abort the European security consultative process in the Southern region. The Spanish-French-Italian effort to coordinate policy in the Mediterranean is of increasing salience to the Soviets as one measure of how likely a Europeanized Alliance might be in the years ahead.²¹

²⁰ See A. N. Vinogradov, "Italiia v planaakh vashingtona," *SShA*, no 12 (1986), pp. 26-37.

²¹ For a comprehensive treatment of the Europeanization theme see B. G. Baranovskii, *Zapadnaia evropa: Voenno-politicheskaia integratsiia* (Moscow: Mezhdunarodnye otnosheniia, 1988).

The Italians are seen to have been important contributors to the cohesion of the Western alliance. Often, they have been seen as playing too often into the American hands, rather than asserting national interests.²² But Soviet analysts are well aware of the trend toward greater national assertiveness in Italy and with it a growing emphasis on the Mediterranean dimension of Italian security policy.²³ For some Soviets at least, the ability of Italy to combine efforts to contribute toward Alliance cohesion and central front defense with greater ability to influence Mediterranean events will be an important litmus test of change within the Alliance as a whole.

The Spanish are treated as an interesting case of the general dynamics of the European idea as a whole.²⁴ Soviet analysts see them as captured by a European idea that is leading the Spanish to negate traditional interests. The concern is that the Spanish will become modern by becoming full-fledge participants in a European integration process which will include a European pillar in the Alliance. In this regard, the close relationship between Spain and France is of great interest to the Soviets, the French being perceived to be generating a pernicious influence on Spanish thinking about the future of the Alliance.

The French are seen to be the bulwark state trying to Europeanize the Alliance. The French are seen to be trying to cooperate with key Mediterranean states, especially Italy and Spain, in transforming the Alliance into a more politically oriented Alliance seeking to spread Western (especially West European influence) in the Third World.

As such, the Soviets have been quite concerned with what is perceived to be the potential convergence of three trends. First, the French have become much more actively involved in Alliance military activities, including in the Mediterranean. Second, the Spanish are actively restructuring their military forces to play a broader role. Third, the Italians are

22 See, for example, N.K. Arbatova, *Vneshnaya politika Italii* (Moscow: Nauka, 1984), part four.

23 See N. K. Arbatova, "Italianskaya konceptsiya natsional'noi bezopasnosti," MEMO, pp. 122-128.

24 See Susan Clark, "Soviet Perspectives on Spanish Security Policy," to appear in our forthcoming book on Iberian security policy.

seeking greater independence by acting toward the South and pursuing cooperation with other European states wherever possible.

In short, the evolution of the policies of the European Alliance states in the Mediterranean is seen by Soviet analysts to be an important dimension of the emerging political and military environment in a post-CFE Europe. It is especially seen as part and parcel of the potential theater emergent from integrationist pressures within Europe as a whole. This challenge will grow in the years ahead and will be closely monitored by Soviet analysts and will feed into Soviet policy makers initiatives, such as the development a naval arms control agreement in the Mediterranean zone.²⁵

The danger as well as the objective has been well stated by V. Stupishin of the Soviet Foreign Ministry.

The growth of military integration in Western Europe...may provide Western Europe with yet another instrument for influencing the United States. But a far more essential and really negative result of this will be that the split of Europe into opposed blocs will be consolidated and new obstacles will be put up in the general European process and the construction of a common European home will be impeded, to the detriment of our interests as well. This is why we are so concerned over the military-integration tendencies in Western Europe.²⁶

25 G. M. Sturua, "Ukrepenie bezopasnosti v sredizemnomor'e: Voenno-morskoi aspekt," *SSSR*, pp. 34-43.

26 V. Stupishin, "Indeed, Nothing in Europe is Simple," *International Affairs*, no. 5 (1988), p. 73.

DRAFT PAPER

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SOVIET PERSPECTIVES ON THE WESTERN
ALLIANCE: THE PLACE OF THE
MEDITERRANEAN
(OXNARD, CALIF, NOVEMBER 20-21, 1989)

(COMMENTS ON THE PAPER OF ROBBIN LAIRD BY MARIO ARPINO, MAJOR
GENERAL, ITALIAN AIR FORCE, ROME- ITALY)

THERE IS NO DOUBT THAT, IN THE LIGHT OF THE SERIES OF
DEVELOPMENTS AND CHANGES WHICH VERY RECENTLY OCCURRED, AND STILL
OCCUR IN THE SOVIET UNION AND IN ITS EAST EUROPEAN ALLIES, THE
INTEREST IN OBSERVING SOVIET BEHAVIOUR INCREASES EVERY DAY.

EVERYBODY REMEMBER THE SO CALLED "DOMINO LAW" WHICH
YEARS AGO SO BADLY AFFECTED THE SOUTH EAST ASIA COUNTRIES IN
FAVOUR OF INTERNATIONAL COMMUNISM. WELL, AS A RETALIATION OF
HISTORY, WE OBSERVE NOW A SORT OF NEW GENERATION "DOMINO LAW"
AFFECTING DAY BY DAY THE COMMUNIST COUNTRIES IN FAVOUR OF THE
FREE WORLD.

SO, IN THIS EVER-CHANGING FRAMEWORK, I FEEL THAT I
MUST JUMP VERY QUICKLY OVER THE FIRST SECTION OF THE PAPER, WHERE
MR. LAIRD EXAMINES GENERAL SOVIET PERSPECTIVES ON THE EVOLUTION
OF THE WESTERN ALLIANCE, AND OVER THE SECOND ONE, DEALING WITH
THE SOVIET APPROACH TO MILITARY STRATEGY IN THE EUROPEAN THEATER.
IN MY VIEW, SOVIET ANALYSTS' PERSPECTIVES IN THESE TOPICS ARE
SIMPLY CORRECT. A STRONGER WESTERN EUROPE MIGHT WELL BE EMERGING
AND PROVIDE MORE EFFECTIVELY TO ITS DEFENSE, BUT, AT THE SAME

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TIME, WEST EUROPEANS ARE REALISTIC ENOUGH TO UNDERSTAND THAT THEY CANNOT FOLLOW THEIR WAY ALONE, WITHOUT THE UNITED STATES. AND THIS FOR THE SOVIETS IS A FRUSTRATING FEELING, BECAUSE, DESPITE THEIR EFFORT FOR "DECOUPLING", A STRONGER WESTERN EUROPE HELPS THE U.S. TO DEVOTE MORE RESOURCES " OUT OF AREA", JEOPARDISING SOVIET INTERESTS IN OTHER REGIONS OF THE WORLD.

SO, THEY UNDERSTAND THAT DIFFERENT STRATEGIES ARE TO BE SOUGHT, AS ADVERTISING THE "ALTERNATIVE DEFENSES" OR OTHER ISSUES, AIMED TO DIVERSIFICATE WEST EUROPEAN COUNTRIES POLICIES IN TERMS OF DEFENCE. LIKE FOR THE ROMANS, THE MOTTO IS "DIVIDE ET IMPERA", THAT MEANS ISOLATE AT MAXIMUM EXTENT WEST GERMANY, ISOLATE THE MEDITERRANEAN COUNTRIES, LET FRANCE FOLLOW HER OCEANIC INTERESTS, LET GREEKS ARGUE WITH TURKISH, LET SPAIN DEAL WITH THE F. 16 ISSUE, LET THE PACIFISTS AND THE GREENS DO THEIR JOB.....

AS FAR AS THE GORBACHEV'S MUTATION IS CONCERNED, I AGREE UPON THE FUNDAMENTAL POINTS TAKEN BY MR. LAIRD. BUT, DESPITE GORBACHEV'S POSSIBLE PERSONAL INCLINATIONS AND ALL THE INDICATIONS OF HIS "NEW POLITICAL THINKING", I SHARE THE OPINION WITH PEOPLE BELIEVING THAT THE SOVIET UNION IS "OBJECTIVELY" NOT YET PREPARED FOR A MOVE IN THE GLOBAL COMPETITION FROM THE MILITARY FIELD TO POLITICAL, ECONOMIC, TECHNOLOGICAL AND CULTURAL AREAS. ALTHOUGH THE PROCESS OF DISINTEGRATION OF COMMUNISM SEEMS TO BE FAST, MUCH MORE TIME IS REQUIRED AND, IN THE MEANTIME, SOVIET MILITARY POWER STILL MUST BE CONSIDERED A THREAT TO BE COUNTERED.

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NO OTHER REMARKS ON THE FIRST THREE POINTS, BUT I WOULD LIKE TO DEAL A LITTLE BIT MORE IN DEEP WITH THE FOURTH ONE, THE ROLE OF THE MEDITERRANEAN IN THE SOVIET APPROACH TO THE ALLIANCE.

TO DO THIS, I NEED TO EXPLAIN WHAT IS, ACCORDING TO MY OPINION, THE SPECIAL ROLE CURRENTLY RETAINED BY MY COUNTRY, ITALY, IN THE MARITIME SUB-REGION.

NORMALLY, IN THE INTERNATIONAL POLITICAL AND MILITARY RELATIONSHIPS ITALY AND MEDITERRANEAN ARE SIMPLY CONSIDERED AS A SOUTHERN FLANK OF THE CENTRAL REGION OF NATO. FROM THE PAPER OF MR. LAIRD, I REALIZE THAT THE SOVIETS SEEM TO HAVE AN IDENTICAL APPROACH. I WOULD LIKE TO POINT OUT THAT ITALY ALSO HAS A PRECISE IDENTITY IN ITSELF. ITALY IS NOT ONLY A THIN APPENDIX OF THE CONTINENTAL MASS. IT HAS ALSO TO BE CONSIDERED AS A DEEP LINK IN THE MEDITERRANEAN BETWEEN EUROPE, CONTINENTAL AFRICA AND MIDDLE EAST. THIS "DOUBLE SOUL" OF OUR COUNTRY, THAT IS BOTH CONTINENTAL AND MARITIME, PUTS FORWARD THE REQUIREMENT TO MATCH OUR SECURITY IN THE NATO FRAMEWORK WITH THE DEMANDING PROBLEM OF OUR SECURITY ACROSS THE ENTIRE MEDITERRANEAN BASIN, AND BEYOND.

IT IS TRUE, AS THE SOVIETS AND MAYBE ALSO THE AMERICANS FEEL, THAT KEEPING STABILITY IN THE AREA IS A NATO JOB, AND THAT THE MEDITERRANEAN AND ITALY CAN BE CONSIDERED AT THIS REGARD AS A COMMUNICATION AND RESUPPLY CORRIDOR TO THE CENTRAL REGION.

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BUT IT IS ALSO TRUE THAT ITALY, AS A MEDIUM POWER IN ITSELF, MUST VERY OFTEN COPE, AS IN THE RECENT PAST, WITH AREA CRISIS AFFECTING NATIONAL OR MULTINATIONAL NON NATO INTERESTS, OR PERFORM PEACEKEEPING DEPLOYMENTS AS WE DID IN LEBANON, IN SINAI (AQUABA) AND IN THE GULF.

IN THIS WAY, WE DEAL WITH AN AREA THAT IS ONLY IN PART OF INTEREST OF NATO, BUT FROM WHICH NATO COUNTRIES AND THE WEST CAN BE INDIRECTLY THREATENED. THAT'S WHY ITALY MUST FIND OUT AN OWN AREA POLICY, IN SUPPORT TO ITS PECULIAR INTERESTS AND TO THOSE WHICH ITALY SHARES WITH THE ALLIANCE.

THAT'S WHY IN THE MOST RECENT YEARS OUR FOREIGN POLICY HAS BEEN MUCH MORE ACTIVE IN THE AREA, AT THE POINT THAT, ACCORDING TO MR. LAIRD'S PAPER, THE SOVIET UNION GIVES TO ITALY, TOGETHER WITH FRANCE AND SPAIN, AND, FOR DIFFERENT REASONS, TO GREECE AND TURKEY, A SPECIAL ATTENTION IN THE CONTEXT OF THE WESTERN AND SOUTHWESTERN TVD NATIONS.

THIS VIEW DESERVES AN INDIVIDUAL COMMENT, WITH REGARD TO BOTH ITS POLITICAL AND MILITARY MEANINGS. THE ROLE OF ITALY WILL POP UP IN A VERY CLEAR WAY.

IN MY VIEW, IN SPITE OF THE ANTI-COALITION STRATEGY PUT FORWARD BY THE SOVIET UNION IN OUR AREA FOR MANY YEARS LONG, THE RESULTS APPEAR TO BE VERY POOR. AND SOVIETS KNOW THAT ITALY HAS BEEN AND PRESENTLY STILL IS A GOOD WEAVER IN PREPARING THE FAILURE OF THEIR STRATEGY. EVERYWHERE THERE IS A POSSIBILITY TO LINK TOGETHER NATIONS DIVIDED BY DIFFERENT INTERESTS, ITALIAN FOREIGN POLICY ACTIVATES TO SOFTEN THE SITUATION.

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WHERE THE STRATEGY OF THE SOVIET UNION IS TO DIVIDE NATIONS, THE STRATEGY OF ITALY IS TO FASTEN THEM TOGETHER IN EVERY WAY REGARDLESS THEIR BELONGING TO THE ALLIANCE OR NOT.

WHERE THE STRATEGY OF THE SOVIET UNION IS TO PROVOKE A DECOUPLING OF THE SOUTHERN REGION FROM THE CENTRAL ONE, ITALY HAS WELL UNDERSTOOD THAT THE SO CALLED ZERO-ZERO OPTION DECREASES THE STRATEGIC COHESION OF THE ALLIANCE, AND THAT THE EQUATION HAS A QUALITATIVE NATURE, WHICH REQUIRES MEASURES OTHER THAN MILITARY, BUT ALSO MILITARY.

THE RESULT IS THAT, ON THE POLITICAL SIDE, ITALY IS STRENGTHENING RELATIONSHIPS WITH MALTA, TUNISIA, EGYPT, MAROCCO AND ALGERIA, THE LATTER VISITED BY MR. COSSIGA, OUR PRESIDENT OF THE REPUBLIC, FEW DAYS AGO. ON THE MILITARY SIDE, WE HAVE SPECIAL AGREEMENTS FOR AIR AND NAVAL COOPERATION WITH FRANCE AND SPAIN FOR BETTER, JOINT TRAINING IN THE WESTERN MEDITERRANEAN AREA. AS FAR AS THE EAST MEDITERRANEAN IS CONCERNED, MAY OCCUR THAT THE ESTABLISHMENT OF AN ITALIAN FOUR STARS AIR FORCE GENERAL IN THE NEW NATO POSITION OF DEPUTY OF THE U.S. NAVY ADMIRAL COMMANDING SOUTHERN EUROPE ALLIED FORCE MAY HELP TO SOFTEN THE PROBLEM OF TURKISH-GREEK JOINT AIR AND NAVAL TRAINING.

THE FAILURE OF THEIR AGING ANTI-COALITION STRATEGY URGES THE SOVIET UNION TO STRESS THE UTILIZATION OF THE PLAYING-CARD OF "ARMS CONTROL" ALSO FOR THE SOUTHERN REGION. FOR THE SOVIET LEADERSHIP, IN FACT, ARMS CONTROL HAS ALWAYS BEEN A POTENTIALLY FERTILE GROUND. HERE WE MUST PAY ATTENTION, BECAUSE OUR PUBLIC OPINION IS EXTREMELY SENSITIVE TO WELL ADVERTIZED

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ISSUES AS "ARMS CONTROL" OR "DENUCLEARIZATION". BUT, ACCORDINGLY WITH AMBASSADOR HENNING WEGENER, ASSISTANT SECRETARY GENERAL FOR POLITICAL AFFAIRS IN BRUSSELS, THERE IS GOOD ARMS CONTROL AND BAD ARMS CONTROL. INTO THE LATTER CATEGORY FALLS THE SOVIET PLAN FOR TURNING THE MEDITERRANEAN INTO "A ZONE OF STABLE PEACE, GOOD NEIGHBOURLINESS AND COOPERATION", ALREADY LAUNCHED BY BREZHNEV, REPEATED BY GORBACHEV, AND RECENTLY REITERATED AT THE VIENNA FOLLOW-UP MEETING. THE BULK OF THE PROPOSAL IS FOR THE DENUCLEARIZATION OF THE MEDITERRANEAN, THE REMOVAL OF BOTH THE U.S. AND THE SOVIET FLEETS AND RELATED BASE FACILITIES, AND THE ESTABLISHMENT OF A SPECIAL FORUM FOR MEDITERRANEAN COUNTRIES. WE DEEM ALL THIS CONTRARY TO OUR STRATEGY OF NUCLEAR DETERRENCE, CONTRARY TO OUR COMMON DEFENCE NEEDS, CONTRARY TO THE CONCEPT OF RISK-SHARING WHICH IS ONE OF THE ALLIANCE FUNDAMENTS.

COMING BACK TO MR. LAIRD'S PAPER WHEN DEALING WITH THE POLITICAL DYNAMICS OF ITALY, FRANCE AND SPAIN, I FEEL THAT ANTI-COALITION POLICY OF THE SOVIET UNION IS GOING TO FACE A NEW SET-BACK IN THE NEAR FUTURE. IN FACT, MANY OBSERVERS ARE IN THE OPINION THAT THE INTERESTS WHICH THE THREE NATIONS SHARE WITH THE NON-ALIGNED STATES OF THE REGION ARE AT LEAST SO DEMANDING OF CREATIVE DIPLOMACY AS THE ACTUAL DIFFERENCES WHICH SEPARATES THEM. IT SEEMS TO ME THAT MY COUNTRY HAS WELL UNDERSTOOD THIS, AND THAT IT IS PREPARING TO TAKE THE LEAD IN WORKING TO ENSURE THAT EUROPEAN COMMUNITY, AS IT MOVES TOWARD AN UNIFIED MARKET IN 1992, WILL PROMOTE ECONOMIC GROWTH, MORE SOCIAL JUSTICE AND, DEFINITELY, MORE REGIONAL COHESION AND STABILITY TO THE SOUTH AND THE EAST OF THE MEDITERRANEAN.

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THE LAST COMMENT ON THE FINAL SECTION OF MR. LAIRD PAPER IS RELATED TO CONSIDERATIONS OF MILITARY NATURE WHERE ITALY IS CITED SEVERAL TIMES. I MUST ONLY NOTE THAT, MOST LIKELY, WITH THE ADHERENCE OF SPAIN TO THE ATLANTIC ALLIANCE AND THE "RAPPROCHEMENT" OF FRANCE, THE INTEREST OF THE SOVIET UNION FOR MY COUNTRY SEEMS TO BE INCREASINGLY HIGHER. MAYBE THEY SEE A NEW SET-BACK IN THEIR ANTI-COALITION STRATEGY AND HAVE UNDERSTOOD THE ACTIVE ROLE OF ITALY. MATTER OF CONCERN FOR ITALY AND FOR THE SOUTHERN REGION COULD BE THE RECENT ESTABLISHMENT OF THE SOUTHWESTERN TVD, WHICH MIGHT INDICATE THE PLANNING OF SOVIET AIR AND NAVAL OPERATIONS IN THE MEDITERRANEAN APART FROM SIMULTANEOUS OPERATIONS IN THE CENTRAL EUROPE.

I HAVE NO OTHER COMMENTS ON MR. LAIRD'S PAPER, WHICH IS CLEAR, CHALLENGING AND COMPREHENSIVE. I HAVE NOW REMAINED ONLY FEW REMARKS OF MORE GENERAL INTEREST.

PERSONALLY, I FEEL VERY UNCOMFORTABLE DISCUSSING AND DEALING WITH SOVIET PERSPECTIVES AND POLICY IN A MOMENT IN WHICH EVERYTHING CHANGES AND EVOLVES EVERY DAY. THE "DOMINO-LAW" I MENTIONED AT THE BEGINNING IS STILL OPERATING AND IT WILL CONTINUE TO OPERATE FOR A LONG TIME. UNDER MANY ASPECTS, EUROPE OF TWO WEEKS AGO WAS COMPLETELY DIFFERENT FROM EUROPE OF TO-DAY, WHICH IN TURN DEEPLY DIFFERS FROM EUROPE OF NEXT DECEMBER.

THE EVOLUTION IS VERY FAST, AND THIS MEANS THAT TO-DAY WE LACK OF THOSE WELL CONSOLIDATED REFERENCE POINTS WE HAD UNTIL FEW DAYS AGO. OR MAYBE THEY HAVE REMAINED THE SAME, BUT WE CANNOT TRUST ON THEM ANYMORE.

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ANYWAY, WE CANNOT STOP OUR THINKING AND, WHEN DEALING WITH SOVIET SECURITY POLICY AND WAITING FOR A STABILIZATION, WE MUST ASSUME INTERIM REFERENCE LINES.

WHATEVER MAY HAPPEN, BY SURE WE HAVE AT LEAST TWO INVARIANTS: THE FIRST ONE IS GEOGRAPHY, THE SECOND ONE IS THE CHARACTER OF PEOPLE. WE LEARNED FROM GEOPOLITIC THEORIES THAT THESE TWO INGREDIENTS ALONE ARE ABLE TO DINAMICIZE THE WORLD.

IN THE CASE OF SOVIET UNION, DISREGARDING IF THE POWER IN RUSSIA WAS RETAINED BY IVAN THE GREAT, IVAN THE TERRIBLE, ZAR PETRUS THE GREAT, CATERINE, STALIN, BREZNHEV OR GORBACHEV, THE INHERENT EXPANSIVE FORCE OF THE PEOPLE LIVING IN THAT COUNTRY HISTORICLLY DEVELOPED ALONG THREE LINES OF REFERENCE, HEADING SEPARATELY FROM MOSCOW TOWARD THE BALTIC REGION, THE FAR EAST, THE BLAK SEA AND THE STRAITS.

WE MUST ALWAYS REMEMBER THAT MEDITERRANEAN IS JUST BEYOND THEM.

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NORTH-SOUTH RELATIONS SOUTH OF WESTERN EUROPE:

IMPLICATIONS FOR THE ALLIANCE

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For many years instability in the Southern approaches to Western Europe arose essentially from the Arab-Israeli conflict and its main components: radical anti-Western Arab nationalism, inter-Arab rivalries, the emergence of Palestinian nationalism with its radical ramifications. Though close to Western Europe, the threats emanating from the region were tackled by the USA after it had displaced Britain and France as a result of the Suez war in 1956.

In the seventies this picture changed sharply. As anti-Western as it may be, nationalism in the Middle East is a secular and modernizing movement, stemming from the Western revolutions of the end of the XVIII century. The final goal of the Middle Eastern national regimes is to enter the Western community. The reason they are anti-Western is that the West did not integrate them as quickly and easily as they had expected,

given the equality (or superiority) of their civilization with respect to the Jewish-Christian one. These regimes - from the Shah to Sadat - had promised their people a full integration onto the international stage with full political dignity and economic welfare. In the seventies it became quite clear that they were unable to deliver either international dignity or the civilian and economic standards of Western democracies. The revival of Islam, against the West as a different civilization and against secularization and Western modernization, resulted from the failure of the national Middle Eastern regimes to ensure political success, human and civil rights and economic welfare.

● The nature of the threat to security in the areas south of Western Europe therefore changed: it became harder, subtler and persistent because the Islamic radicals, unlike the nationalists, are struggling to destroy the West and its values. Furthermore, the ability of the USA to cope with these threats alone has changed too. More and more, Western European countries are now being associated to the USA in all the most important operations out of the NATO area.

△ What one should not overlook in the new situation is that threats which come today from the Southern approaches stem primarily from the failure of the Middle Eastern countries to become integrated into the Western, secular, modernized circle. In this event the failure to modernize their economies plays a crucial role. Hence the importance of North-South cooperation for development for the sake of regional stability and Western security.

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This paper deals primarily with North-South relations in the regions South of Western Europe (Mediterranean and the Gulf - as defined in the notes to Table 1 - and Africa South of Sahara). The effectiveness and directions of this cooperation are assumed to be important factors influencing the threats to the Alliance from the Southern approaches to Western Europe. Implications for the Alliance, however, require a more elaborated approach because there is no direct relationship between it and North-South development cooperation in two important respects. First, the Alliance as such is not engaged in development cooperation in the regions South of Europe. Such cooperation is carried out by Western national agencies, on bilateral grounds, and especially by the European Community (EC), on multilateral grounds. The only coordination that might actually take place is at the level of the Group of Seven. Second, the Alliance is not competent with respect to threats coming from out of the NATO area and actually rebuffed a number of attempts at getting involved with them. The out-of-area operations which did take place in the regions South of Europe were international in character and did not involve the Alliance. Implications for the Alliance are by definition indirect both in effecting development cooperation and in considering the threat.

However indirect, implications are important. The decision not to extend the Alliance beyond its present area, though quite reasonable, does not mean the West can neglect threats coming from the South. Western intervention will probably continue. In the recent past, intervention that took place outside the

multilateral frame of the Alliance stirred divisions among the allies and probably will continue to do so also in the future. To this divisive effect of the Southern threats, the Southern European countries are the most exposed. The implication for the Alliance is that an unsuccessful North-South cooperation in the Southern approaches to Western Europe may weaken the cohesion of the Alliance, particularly that of the Southern European countries. This means, in turn, that successful North-South cooperation South of Western Europe is a collective interest. Consequently, the Alliance should support the effort made by the individual Western European countries, other Western countries and the EC to evolve an efficient development programme. It should also plan to coordinate the flows of resources to different underdeveloped regions in order to enforce an appropriate division of labour among the main industrialized countries and areas. This means that subjects like protectionism and regionalization in economic international relations - today widely discussed in the Atlantic framework - should also take into account constraints deriving from security.

To look at these problems this paper is divided into three sections: 1) an outline of the relations between the North and South in the regions of the Mediterranean and the Gulf; 2) an examination of the main EC policies in its Southern approaches and of the transfer of resources from the North on bilateral grounds; 3) an evaluation of the consistency between the development cooperation enforced by the Western countries in the Gulf and the Mediterranean and their security requirements, with

the aim of ascertaining the implications for the Alliance of the North-South relations South of Western Europe.

North-South Relations South of Western Europe

As indicated in the preceding section, in this paper North-South relations south of Western Europe refer to three main areas: the Mediterranean, the Gulf and Africa South of Sahara (ASS). I will concentrate on the Mediterranean, however, and will consider the Gulf and ASS only when appropriate in relation to our argument.

General picture - When considered from an economic angle, the three regions south of Western Europe look very different. According to the World Bank ranking, based on income, the ASS countries (with few exceptions) are included among the low-income economies. In contrast, the Gulf countries are either high-income or upper-middle-income economies. The most wealthy of them, however, are categorized as such only in financial terms. They very often are almost completely dependent on oil, sparsely populated and largely underdeveloped. Finally, the Mediterranean area, unlike the other two, is neatly divided between economically developed and underdeveloped countries, respectively in the north and the south of the basin respectively. The underdeveloped Mediterranean countries, however, are included among the middle-income economies. They are relatively fast-developing countries, with considerable industrial structures. They fared fairly well between 1965 and 1980 (see Table 1) and, despite the early '80s contraction in the Arab oil-producing countries and the slow down of the Western

economies they continue to show rates of growth higher than those recorded on the average by other lower- and upper middle-income countries in the world.

If industry is considered, the Southern Mediterranean countries seem fairly successful. According to the UNEP's "Blue Plan" (1): "Alors que vers 1950 les pays riverains de la méditerranée assuraient un pourcentage (3%) de la production inférieur à celui de 1929 et qu'on croyait définitif le déclin du bassin méditerranéen, ces pays ont connu, après 1950, une croissance supérieure à la moyenne mondiale et certains d'entre eux ont même connu une croissance spectaculaire. La valeur ajoutée des industries manufacturières du bassin méditerranéen (supérieure à 200 milliards de dollars en 1983), accuse cependant encore un fort déséquilibre entre les régions méditerranéennes de la rive Nord et celles des rives Sud et Est (environ 80% et 20% respectivement)". Faster developments in the heavy industries (steel, fertilizers, petrochemicals, etc.) have been prevented by European -especially South-European- policies destined to slow down their decline for social reasons. On the other hand a strong development in light industries is being encouraged by the gradual enlargement of their internal markets. This internal evolution, however, is in itself insufficient to allow for sustained growth. Policies of export promotion have proved at least as important and were stimulated by the opportunity offered by the access to the large market of the EC. This access is curtailed by the application of restrictive policies on textile and petrochemical products.

Food and agriculture, together with demographic tendencies, are definitely less favourable factors in the Mediterranean growth equation. Demographic tendencies will be taken up later. As for food and agriculture, despite remarkable progress in domestic production (see Table 1), the overall situation is unsatisfactory and probably will even get worse. Again it is worth quoting the "Blue Plan": "Déjà avantagés par leur niveau de développement, les pays les plus développés de la rive Nord ont vu leurs productions croître avec la réalisation de la Communauté Economique Européenne, au point d'atteindre largement, voire de dépasser, leur auto-suffisance dans la plupart des denrées de base. Dans le même temps, les pays du Sud et de l'Est du bassin, malgré des tentatives de réformes agraires et de modernisation à l'échelle nationale, sous la contrainte de leur manque de moyens et de leur pression démographique, pâtissent d'une productivité insuffisante et d'un déficit alimentaire structurel, et souvent croissant".

As for the Gulf countries, Table 1 very clearly shows the effect of the contraction prompted by the fall of the oil prices in 1979. To the contraction one has to add the effect of the Gulf war (data for Iran and Iraq are unavailable through the World Bank). The income reduction resulting from the contraction and the war, however, cannot necessarily be interpreted as a downgrading of the Gulf economies. The strong policies of austerity implemented by the GCC countries because of the contraction did not compromise anyway the huge capital already installed. Furthermore, by taking advantage of the contraction, these countries have demonstrated a remarkable flexibility in

streamlining the economy and cutting expenses without incurring social instability. Partly, these considerations apply to Iraq as well, though the reconstruction poses very difficult problems for both Iraq and Iran.

Oil will remain an immense source of wealth for all the Gulf countries. At the same time, their recent unfavourable political and economic evolution may have taught them how to manage their economies better. With less waste, the diversification of their economies, as slow as it might turn out to be, will proceed, supported by significant resources. In this process the EC is involved as the "natural", nearest market for the petrochemical, aluminium and chemical industries that these countries are relentlessly and successfully developing according to their comparative international advantage.

As for ASS it will be sufficient to recall that its hopes for development are rather more distant than those of the Mediterranean and the Gulf. ASS will remain a mere recipient of aid for a long while. For historical, geographic and economic reasons, however, the EC will maintain a special responsibility towards it and ties closer to it than other industrialized areas.

Dependence and trade relations -- Though dependence is a general fact of life in the North-South relations, the dependence of the regions south of the EC must be stressed. Table 2 shows that the EC accounts for 48.6% in the 1987 total trade (exports + imports) of the Mediterranean area: It accounts for 30% of the Gulf countries' total trade and for 43.3% of that of ASS. Only the importance the USA has for Latin America can compare with the

European pattern of relations with its Southern room. It may be interesting to note that Asia is not dependent on Japan to a similar degree. This consideration reinforces the conclusion already mentioned above that growth prospects for the regions under consideration are tied to EC policies and development cooperation, though the extent to which they depend on the USA is not negligible. In the case of the Gulf, one has also to note how important a market Japan is for the Gulf countries.

Nevertheless, the areas in question could not be less unimportant in the total trade of the industrialized countries shown in Table 3. The Mediterranean accounts for 3.8% in the total trade of the EC. It must be noted, however, that it accounts for as much as the whole of Asia (3.9%) and more than the other developing areas -including ASS (2.3%) and the Gulf (2.1%)- and the European socialist countries (2.6%).

Inter-regional North-South relations seem more important for the USA (to whom Asia accounts for 12.8% and Latin America for 12.4%) and Japan (to whom Asia accounts for 23.8% and the Gulf 7%) than for the EC.

According to these figures, first of all one can say that North-South inter-regional relations between the USA and Latin America, on the one hand, and Japan and Asia, on the other, appear more balanced than those between the EC and its Southern approaches. Second, as imbalanced as they may be, EC-Mediterranean relations are more important (and less imbalanced, I would dare say) to the EC than are any other inter-regional relations of the EC. Third, the EC is only

modestly "dependent" on all the regions considered in Table 3, but those regions are remarkably dependent on it. On the whole, this means that the EC is the most important outlet for the developing areas (especially the Mediterranean and the European socialist countries), while the most important outlet for the EC is the industrialized world.

Southern Europe and the Mediterranean - A more detailed look at the shares of the EC, three of its members (France, the FRG and Italy) and the USA in the total trade of the individual Mediterranean countries gives further insights into the structure of the region.

Table 4 gives a view which cuts across North-South relations. In addition to the individual Southern Mediterranean countries, it takes into consideration the individual Southern European countries. These countries are divided into four groups, according to the dominance of the four industrialized countries shown in each column: France, FRG, Italy and USA. France is the most important partner of the three Maghreb countries and Spain. Italy is by far the most important partner of Libya, in addition to a heterogeneous group including Syria, Lebanon and Cyprus (one would say that curiously enough Italy is a partner to most of the radical countries of the region). The USA has a definite special relationship with Israel, Egypt and Jordan. The FRG is the first partner of all the Southern EC countries (slightly behind France for Spain) plus Turkey, Yugoslavia and Malta. Moreover, in every group it is very often second to the dominant Western partner. One still has to note that the FRG shows a surplus in its trade

balance in relation to all the EC and non-EC countries listed in Table 4 (with the notable exceptions of Algeria and Libya). The Southern European countries show surpluses in relation to other Mediterranean countries, but not in relation to the FRG.

What is outstanding (though not very surprising) in this picture is that a central role in Mediterranean trade relations is played by two non-Mediterranean countries, FRG and partly the USA, rather than by most traditional Mediterranean powers, like France and Italy. A second remarkable feature is the parallel between trade relations and actual political links. The conclusion is that the Southern European countries, though highly integrated into the Mediterranean economic environment, do not dominate it. Beyond the fact that the EC is the most important partner of the Southern Mediterranean countries, there is the fact that their most important and significant partner is the FRG. Despite the overwhelming role played by the EC in the Mediterranean trade, the special relationship between the USA and the Eastern Mediterranean group composed of Israel, Egypt and Jordan indicates that economic responsibilities in the Southern approaches to Western Europe are shared by the USA. If we consider the special relationship between France and the Maghreb countries from a different angle, we can also conclude that there is a strong correlation between political and economic factors in the area.

Demographic trends and international migrations - As has just been noted, the FRG shows surpluses in relation to almost all the EC and non-EC Mediterranean countries and the South European

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CONCLUSION

countries, in contrast, show surpluses in relation to other Mediterranean countries (though less regularly than FRG's) but not in relation to the FRG. It is interesting to wonder how deficits are paid. The way they are gives a very clear picture of the Mediterranean economy and its pattern of integration. In fact, they are offset by tourism and labour. While tourism is exported by all the EC and non-EC Mediterranean countries, labour today is immigrating mostly from the non-EC Mediterranean countries (though it has not ceased to move from Southern to Northern members of the EC).

The basis of North-South relations in the Mediterranean is the intensity of the regional economy of services (transport, labour, tourism) in addition to trade, together with the necessity to preserve the sea and the environment as the most important medium of this economy. A full consideration of Mediterranean integration and its prospects would require an indepth analysis of the balance of current accounts as well as the balance of trade. The present consideration will be limited to a factor which is of crucial importance to security: demographic trends and international migrations.

Migration in the Mediterranean is going to increase sharply because of growing demographic differentials between the EC countries and the non-EC regional countries.

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According to several studies, particularly, the "Blue Plan", the demographic structure of the Mediterranean is undergoing a sweeping change. In 1980, the Northern shore accounted for 56% of the overall Mediterranean population. In 2020 it will account for no more than one third of it.

This tendency is coupled with a growing proportion of young people in the non-EC Mediterranean countries. The slow growth foreseen in these countries will not allow for younger generations to be fully employed. Prospects for a persistent growth differential with respect to the EC will induce a large number of people to migrate to the EC. As a result, the migration pattern already inherent in the Mediterranean economy will be markedly emphasized. Moreover, one has to think of the fact that the end of the boom undergone by the Arab world during the seventies put strong limitations to inter-Arab migration.

As a consequence of these developments, growing pressure on the EC is expected, similar to that put on the USA by Mexican immigration. What is new is that countries like Italy and Spain, which had previously been countries of emigration, are rapidly translating into receiving countries of immigration.

According to Massimo Livi Bacci (2), the work force that will not be available because of the demographic trends prevailing in Western Europe will amount to an average 10% of the total Western European work force. This would imply more or less 250,000 immigrants per year. However, it cannot be taken for granted that this will actually be the case in the near future nor immigrants will come from or mainly from the Mediterranean. Another Italian demographer, Antonio Golini (3), points out the possibility that the high unemployment rate prevailing among the European youth may prompt "protectionist" policies by the EC Governments. Furthermore a somewhat declining economic scenario, together with economic "tertiarization" and technological advancements in

Western Europe might well combine with a decreasing labour demand. Strong constraints on immigration may also come from security policies and fear of social and racial conflicts. Finally, there are new and considerable extra-Mediterranean flows of migrants already competing with old and new Mediterranean flows. They come from ASS, South-western Asia and Eastern Europe. In Italy, even in the absence of deliberate policies, an important part of immigrated people have a Christian background (people from the Philippines, Ethiopia, Eitrea, Cape Verde, etc.).

Only part of the 250,000 jobs calculated by Livi Bacci will be available to people coming from the non-EC Mediterranean countries. Nevertheless, pressure is already strong and the Mediterranean frontier, because of the sea, the long coastline and the intensity of tourism and travel will remain to some extent permeable. On North-South grounds the problem cannot be solved by the closure of the frontier. In any case, demographic trends at work in the Mediterranean require more resources to be invested from the EC and the West into the non-EC Mediterranean countries. If the EC is not be able or willing to host people seeking jobs from abroad, this requirement will increase and become imperative.

Recent economic developments - Recent developments did not make things easier. As already indicated, the fall in the oil prices at the end of the '70s and the slow down of the Western economies increased the Mediterranean countries indebtedness and required governments to enforce policies of strict austerity and

restrictions. Table 5 presents elements that may be used to assess the intensity of these developments.

A number of observations can be drawn from this table. In the Mediterranean, all the countries (with the exception of Algeria and Libya) show a deficit in their balance of trade. This is inherent to the economic structure and not merely the result of business cycles. What is remarkable, however, is the fact that all these countries - with the exception of Israel, that increased its deficit considerably - have either largely contained their deficit or even reduced it (sometime sharply, as in the case of Syria. This same consideration applies in the Gulf to Bahrein and Iraq, both of which shifted from a deficit to a surplus position. As for the other Gulf countries, (with the exception of Iran) what is shown by the balance of trade (significant reductions of their surpluses) is less the result of restrictive policies than that of the fall of the oil prices.

That there are restrictive policies at work, however, is shown by the figures reporting the variation in exports and imports. This variation is intended to explain the reason for the variation in the balance of trade. In the Gulf countries, changes in the balance of trade very often combined with a more substantial reduction in imports than in exports. In any case, with the exception of the UAE, imports have been reduced everywhere. With few exceptions, all the countries concerned restricted imports while increasing exports or increased exports more than imports, thus setting in motion a considerable transfer of real resources abroad. This has had a greater impact in the Mediterranean than

in the Gulf countries. It explains recurrent popular riots, from Algeria, to Tunisia, Jordan and Egypt.

An aspect of what we have just seen is the growing debt of the Mediterranean countries, which unlike the Gulf countries had to tackle the situation with different financial resources. Tables 6 and 7 give some debt indicators. They show that the Mediterranean is considerably less in debt than Asia and Latin America -though more than Eastern Europe. Six countries are primarily responsible for the Mediterranean debt (1987 figures): Algeria (22,881), Egypt (40,264), Israel (26,332), Morocco (20,706), Turkey (40,818) and Yugoslavia (23,518). The Debt/Exports ratio (Tab. 7) says that the Mediterranean is doing less well than Asia and Latin America, whereas Eastern Europe and ASS are increasing the ratio very quickly (data on Eastern Europe are overevaluated in relation to other areas: see note 2 on the Table). This growing, though not catastrophic, debt is the result of the tendencies we have just observed. External debt, to the extent it feeds development, may be an opportunity and is consistent with a virtuous international cooperation. However, more international development aid is required in addition to the reforms these countries have adopted, for this Mediterranean debt to turn into an opportunity for development.

EC Development and Cooperation Policies

Different sets of "association agreements" and cooperation relationships have been set in motion since the birth of the EC. They reflect different trends. A first trend results from the necessity for some members to settle their special economic

relations with the former colonies at the very moment they entered the EC customs area. This led to the association agreements with the ACP countries (African, Pacific and Caribbean) and with the three Maghreb countries. A second trend is motivated purely by economic and commercial factors: the extension of the EC's agricultural protectionism to the Mediterranean products and the proximity of the large EC market to economies committed to export led development policies. This brought about a proliferation of agreements and later on the attempt to organize them with the so called "overall Mediterranean policy". Today, the association agreements regard all the Mediterranean countries except Albania and Libya. A third trend arose as a consequence of the first oil crisis in 1973-74 and gave way to the Euro-Arab Dialogue (EAD). The EAD, though officially extant still today, has never really taken off and it is being replaced by more fruitful relations between the EC and sub-regional entities, like the GCC (Gulf Cooperation Council). The renewal of the EC relations with the newly-born Union du Maghreb Arabe (UAM) may follow this sub-regional trend in EC-Arab relations and, at the same time, replace the old Mediterranean association agreements with the three Maghrebian countries.

Mediterranean association agreements provide commercial preferences and concessional aid. The European Investment Bank has a special project-loans programme for the most important associated countries in addition to what is provided by the agreements. A number of agreements are in fact nothing more than traditional agreements for trade and economic cooperation. The

difference lies in the fact that the association agreements proper are endowed with somewhat elaborated institutions (which in the case of the ACP include an Inter-Parliamentarian delegation). These institutions can be considered the political structure dealing with inter-regional relations in the same way the OAS does for the Western hemisphere.

2 Whether these agreements worked satisfactorily is a very controversial question. Multilateral aid extended by the EC is definitely insufficient, as is especially evident in the case of ASS and its present debt. The most of official resources, either concessional or not, reach the countries South of Western Europe through bilateral channels. The Mediterranean countries are able to attract private funds to an extent the ASS cannot. The cooperation that is deemed most important, however, is the commercial one. Preferences are extended to all manufactured products, except textiles and petrochemicals. They are somewhat greater than those extended by the General System of non-Reciprocal Preferences for Manufactured Products provided within the GATT to all the LDCs. Preferences and other facilities are extended to agricultural products as well. However, access given to the latter is very selective and limited because of the internal preference ensured by the EC's Agricultural Common Policy to its members.

Is the EC market a real opportunity for the associated countries in the Mediterranean? Limitations to agricultural products, petrochemicals and textiles definitely limited exports and development of the associated countries. However, much has

depended on their policies as well. Countries like Turkey, which adopted policies of industrialization associated to policies of export promotion managed to take the opportunity offered by the EC. In contrast, those countries which adopted inward-looking policies of industrialization, like Algeria that today is rapidly trying to change its course- did not manage to do the same.

The most serious problem is agriculture. For a number of products, like olive oil, vegetables, tomatoes and citrus fruits, access has gradually been provided by the EC regulations. This access determined important investment in the countries concerned to promote export. To some, this must be interpreted as a diversion of resources from food production, an event definitely negative in view of the almost structural deficit of these countries in producing food.

In any case, the second enlargement of the EC to Greece, Portugal and Spain has put in question the access of the Mediterranean agricultural as well as manufactured exports to the EC. George N. Yannopoulos, who analyzed the trade effects of the second EC enlargement, had some reservations about the ability of Spain to supply all the more industrial products the EC preference would permit, whereas he had no doubt about agricultural products - as already witnessed by the early Greek case (4). Thus he seemed to imply that some room was left for the non-EC Mediterranean countries. In a seminar given later at Wiston House (5), however, he was more explicit about the adverse consequences affecting the Southern Mediterranean countries,

especially the Maghreb countries: "It may be argued that entry has undermined the EC's system of preferences for associated non-EC Mediterranean countries.... Although agreement has been reached that their exports will be maintained at 1986 levels ... the expanding EC market has been denied to the Maghreb states.... In response to this situation a number of countries (Cyprus, Malta, Morocco and Turkey) have applied for EC membership or requested closer links."

As for the implementation of the Single Market at the end of 1992, it does not seem it will negatively affect exports coming from the LDCs in general nor those of the Mediterranean and African countries. The harmonisation of services (which include tourism) may affect the Mediterranean countries, though it may also offer them new opportunities in case EC-Mediterranean joint ventures are encouraged.

Where the Single Market is going to create special problems for North-South relations is in currents of migrations. After 1992 people will be able to move freely within the EC territory and it will be easier for people entering from the Southern EC frontier on the Mediterranean to look for jobs throughout the EC. This possibility is seen as both an economic and a security problem. Presently, the attitudes of the individual EC countries are vary. The Schengen Group and Britain carry out more precise and restrictive policies, whereas a debate is underway in the South European countries which are inclined toward more open policies. The question definitely deserves negotiations among the EC members. That the South European countries will act as a group

in the negotiation is not improbable. This is a point which might have a direct impact on security and some implications for the Alliance.

On the whole, the EC has been carrying out, from its inception, an important programme of developmental cooperation with the main areas lying south of Western Europe. This policy must be adapted to allow more opportunities for food and agricultural development in the countries concerned. Furthermore, the enlargement of the EC to the Southern European countries is now putting into question the effectiveness of the overall programme. The programme must be profoundly reconsidered and probably it must be based less on trade preferences and more on direct economic cooperation and foreign investment. The Single Market may have an impact on services and migration. These special files must definitely be included in the remodelling of the cooperation policies of the EC. This adds to the need of revamping the overall programme with fresh ideas and new goals.

Bilateral aid and transfer of resources

Tables 8 and 9 show some figures for the distribution of bilateral resources to the main developing areas. Table 8 shows transfers defined by the OCDE's Development Aid Committee "Net Total Receipts" of the receiving countries. These flows are net (disbursements less reimbursements on non-concessional components) and include both official and private components. Table 9 gives "Total Official Flows" addressed by donor countries to the receiving countries. These flows are expressed in gross figures and include governmental contributions only. Therefore,

whereas net total receipts give the final result of the policies of cooperation followed by a given country, total official flows give a view of the policy goals wished by governments.

Results expressed by the two tables are not very different, however. In both cases the Mediterranean receives considerably less from the EC than Latin America and Asia. It receives more from the USA, which allocates similar amounts of resources to the Mediterranean and Latin America. This is because of the importance of the USA flows towards key-Mediterranean countries, like Egypt and Israel (about 11,500 millions dollars in the period to which the table refers). ASS is definitely receiving the bulk of the EC transfer and seems to be the main focus of its attention.

The directions of bilateral resources -like those of bilateral trade (see first section)- suggest that in the Mediterranean a strong US presence combines with the overwhelming EC commercial and economic relations. This may not be without political strategic consequences.

Conclusions

Prospects for growth in the Mediterranean area and the Gulf depend to a not negligible extent on the overall international environment. Proximity and the present pattern of economic and commercial relations suggest that these prospects depend mainly on the EC, especially in the case of the Mediterranean countries. The EC definitely has a special responsibility in helping these areas to develop.

This seems particularly true if we consider that the Mediterranean economy is in fact even more integrated has been demonstrated within the limits of this paper, because of the importance of services, transport (including gas and oil transport), tourism and labour movements (remittances). More than trade, it would be important to take into consideration current accounts (for which data are more difficult to gather). Moreover, as has been said, the Mediterranean Sea is the medium where this integration takes place and its protection adds to the substance of Mediterranean inter-regional integration. Geography and the "tertiarization" of the economy compel the EC and the Southern Mediterranean countries to increase their cooperation and ask for reinforcement of the development and cooperation policies already implemented by the EC and its member countries. In the second section of this paper I suggested some directions for reshaping and strengthening these policies.

If the EC development policies must be reinforced and renovated, one important question arising on political and economic grounds concerns the role the Southern European countries expect or are expected to play. Their special position as far as out-of-area security is concerned is in some respect parallel to their perceived or actual interest in a special economic cooperation with the countries south of the EC.

A special role of the Southern European countries in relation to the economic development of the Southern LDCs is quite natural and should be welcomed. However, a reinforcement of their bilateral cooperation only, at the expense of that of the EC,

could be inconvenient for the wider interests of the West and the Alliance. It would pose, on economic grounds, the same risk of isolation that the out-of-area intervention poses on the grounds of security, and would create risks of more or less creeping splits in the fabric of the Atlantic and European organizations. As special and helpful as it may be, the role the Southern European countries are expected to play must take place within a reinforced EC development cooperation. This is of crucial interest to the Alliance.

Is there any serious possibility that a South European solidarity would cut across the European and Atlantic solidarity? I said that some split may occur within the EC in relation to migration policies. It seems improbable that this would occur on more general grounds. However, one has to take note of the fact that the French government has proposed the setting up of a Western Mediterranean Community to Spain, Italy and Portugal. Diplomatic contacts on this subject are in motion, though French South-western European members seem to accept the exercise less for the sake of implementing the proposed plan than for the sake of checking France and limiting damages. Whatever success this project may have, one has to stress that it shows the tension between North and South regarding the role of Southern Europe. At the same time it sheds light on another negative trend, that is the idea of separating the "healthy" sector of the Mediterranean from the unstable Eastern one. Such an event would isolate Greece and Turkey, add vulnerability in the Eastern wing of the Alliance and put Italy on a dangerous frontier. If this is happening, it

is because of latent tensions and rivalries within the Alliance, that is the economic and political role of USA and FRG in the Eastern Mediterranean illustrated by this paper. In this sense, again, the confirmation and reinforcement of unitarian EC development policy is a strong interest of the Alliance.

A further conclusion is that economic roles of the EC, the USA and Japan are less regional than conventional wisdom suggests. The evidence shown by this paper suggests that the EC is very active in Latin America and, in turn, USA is very active in the Mediterranean. There is no substitute for geographical proximity. However, this pattern can be helpful in avoiding segmentation (regionalization) within the wider circle of the international economy and smooth trilateral competition. A better coordination and distribution of Western aid policies must be pursued because it is an interest of the Alliance. OCDE is already there and make a good work. More coordination at the Seven level is probably needed.

Finally, one has to underline the prospect of a competition between the need to develop the South and now the East. Relations with the Eastern countries, as demonstrated by this paper, are important. They are perhaps more attractive to the Western European countries than are relations with the Southern countries. Both sides imply security problems for the Alliance. It seems to this author, however, that it would be a mistake to divert resources from the South to help the East. Additional resources must be found and/or the management of existing resources must be improved.

Notes

(1) PNUE, Le Plan Bleu. Avenirs du Bassin Méditerranéen. Résumé et Orientations pour l'Action, Centre d'Activités Régionales du Plan Bleu pour la Méditerranée, Sophia Antipolis, 1988.

(2) Demographic Trends: Consequences on the Labour Market, paper presented at the "Third Conference on the Mediterranean World's Crossroads: The Approach to Mediterranean Development", Aspen Institute Italia, Barcelona, June 1987.

(3) La società europea in transizione: le trasformazioni della popolazione in Europa e sue relazioni con il mercato del lavoro e le migrazioni internazionali (The European Society in Transition: Changes in European Population and their Relationship with the Labour Market and the International Migration), paper presented at the "Foro di Dialogo Italo-Tedesco", Bad Neuenahr, October 18-19, 1989.

(4) "Trade Effects from the Extension of Customs Unions on Third Countries: A Case Study of the Spanish Accession to the EEC", Applied Economics, 19, 1987, pp. 39-50.

(5) The quotation is from the résumé provided by the House staff: Southern Europe in Transition: Roles in Nato and Integration into the European Community, Wilton Park Papers, 6, 1988, pp. 5-7.

This author was among the participants in the seminar.

Tab. 1 - Growth of productions: South European, Mediterranean and Gulf countries;
1965-80 (A) and 1980-87 (B) (average annual growth rate)

	GDP		Agriculture		Industry	
	A	B	A	B	A	B
Middle-income economies	6.2	2.8	3.4	2.5	6.0	2.9
- <u>Low-income ec.</u>	5.7	2.1	3.5	2.3	6.0	1.8
Egypt	6.8	6.3	2.7	2.7	6.9	5.5
Jordan	n.a	4.3	n.a	4.1	n.a	4.5
Lebanon (1)	-1.2	n.a	n.a	n.a	n.a	n.a
Morocco (1)	5.4	3.2	2.2	3.6	6.1	1.2
Syrie (1)	8.7	0.3	4.8	-1.1	11.8	1.5
Tunisia	6.6	3.6	5.5	4.2	7.4	2.7
Turkey	6.3	5.2	3.2	3.3	7.2	6.7
- <u>Upper middle income ec.</u>	6.7	3.4	3.4	2.6	5.8	3.7
Algeria (1)	7.5	3.8	5.6	6.0	8.1	4.3
Greece	5.6	1.4	2.3	-0.1	7.1	0.4
Iran	6.2	n.a	4.5	n.a	2.4	n.a
Iraq	n.a	n.a	n.a	n.a	n.a	n.a
Lybia	4.2	n.a	10.7	n.a	1.2	n.a
Oman (1)	15.2	12.7	n.a	9.4	n.a	15.1
Portugal	n.a	1.4	n.a	-0.9	n.a	1.0
Yugoslavia	6.0	1.5	3.1	1.4	7.8	1.4
High income economies	3.7	2.6	0.8	2.8	3.2	2.3
France (1)	4.3	1.6	1.0	2.6	4.3	-0.1
Israel (1)	6.8	2.2	n.a	n.a	n.a	n.a
Italy (1)	3.8	2.1	0.8	0.8	4.0	0.5
Kuwait	1.3	-1.1	n.a	23.6	n.a	-2.3
Saudi Arabia (1)	11.3	-5.3	4.1	10.3	11.6	-10.4
Spain (1)	4.6	2.1	2.6	0.9	5.1	0.4
UAE	n.a	-4.3	n.a	11.6	n.a	-8.4

Source: World Bank, World Development Report 1989, Washington DC

Notes: (1) GDP and its components are at purchaser values

Tab. 2 - Selected Western Industrial Countries: Shares in the Total Trade of Main Developing and Socialist Areas, 1987

	EC	JAPAN	USA	FRANCE	FRG	ITALY	UK
Mediterranean (1)	48,6	2,8	10,2	8,7	13,2	11,3	4,7
Gulf (2)	30,0	18,7	10,3	4,3	5,3	5,9	5,9
Africa South of Sahara	43,6	7,0	11,0	10,7	8,9	5,8	7,0
Asia	15,5	18,9	18,0	2,0	4,6	1,5	3,4
Latin America	22,5	6,1	41,1	3,9	6,1	2,6	2,6
Eastern Europe (3)	26,9	3,4	2,5	4,0	10,1	4,7	2,5

Sources: elaboration on IMF, Direction of Trade Statistics, Yearbook 1988

Notes : (1) Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Libya, Malta, Morocco, Syria, Tunisia, Turkey, Yugoslavia

(2) Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates

(3) Bulgaria, Czechoslovakia, GDR, Hungary, Poland, Romania, USSR

Tab. 3 - Main Developing and Socialist Areas: Shares in the Total Trade of Selected Industrial Countries, 1987

	MEDITERRANEAN	GULF	AFRICA S. of S.	ASIA	LATIN AMERICA	EASTERN EUROPE
France	4,2	1,9	3,5	3,7	2,7	2,4
FRG	3,8	1,3	1,7	4,5	2,4	3,6
Italy	6,9	2,9	2,5	3,2	2,3	3,6
UK	2,5	2,7	2,4	5,9	1,9	1,6
USA	2,4	2,1	1,9	12,8	12,4	0,6
Japan	1,0	7,0	1,8	23,8	3,7	1,6
EC	3,8	2,1	2,3	3,9	2,3	2,6

Source: see Tab. 2

Tab. 4 - Shares of Selected Industrial Countries in the Total Trade of the Mediterranean and Gulf Countries, Africa South of Sahara, Asia and Latin America, 1987

	EC	France	FRG	Italy	USA
Greece	64.0	8.1	22.9	14.0	4.0
Malta	68.0	3.0	22.1	17.3	9.6
Turkey	46.4	4.9	20.1	8.4	9.6
Italy	56.3	15.4	19.8	/	7.3
Yugoslavia	41.0	3.8	19.2	11.2	4.3
France	59.5	/	17.9	11.6	7.0
Portugal	66.5	13.0	14.9	6.7	5.5
Spain	58.3	15.2	14.4	8.8	8.2
Morocco	56.0	25.3	5.8	5.5	6.1
Tunisia	71.9	25.0	15.5	13.6	4.1
Algeria	65.7	21.5	10.6	15.4	15.0
Libya	71.2	6.0	13.9	29.3	...
Syria	49.1	9.2	8.5	17.6	4.7
Lebanon	34.5	7.0	4.8	9.2	5.4
Cyprus	52.8	3.7	7.5	8.7	3.7
Israel	38.8	4.0	8.5	4.5	19.7
Egypt	41.0	8.0	8.5	10.3	16.9
Jordan	23.2	3.0	5.2	4.5	6.9

Sources: see Tab. 2

Tab. 5 - Mediterranean and Gulf countries: Export and Import Trends and Balance of Trade, 1984 and 1987

	Variations in (1)		Balance of Trade	
	Exports (index numbers)	Imports (index numbers)	1984 (US\$ millions)	1987 (US\$ millions)
Algeria	74	69	+1,379	+1,530
Cyprus	103	108	- 790	- 888
Egypt	146	115	-7,626	-7,805
Israel	144	147	-3,991	-6,030
Jordan	125	107	-2,090	-2,128
Lebanon	198	53	-1,860	- 862
Libya	62	70	+3,590	+1,643
Malta	153	159	- 322	- 533
Morocco	131	111	-1,741	-1,504
Syria	65	38	-2,124	- 305
Tunisia	118	95	-1,389	- 897
Turkey	143	120	-3,538	-2,673
Yugoslavia	128	119	-1,746	-1,158
Bahrein	89	76	- 385	+ 94
Iran	70	60	+ 812	+1,919
Iraq	98	71	- 662	+ 359
Kuwait	80	75	+5,372	+4,611
Oman	80	87	+1,184	+ 764
Qatar	45	98	+3,453	+ 964
Saudi Arabia	63	73	+8,751	+2,345
UAE	72	112	+11,299	+5,241

Source: see Tab. 2

Notes:

(1) The ratio (1987/1984) indicates by an index number (base 1987) variations in exports and imports (e.g.: Algeria shows a decrease in 1987 export with respect to 1984 of 26%; Cyprus an increase of 3%; etc.)

Tab. 6 - Total External Debt, 1984-1987: Mediterranean and Main Developing and Socialist Areas

	(US\$ millions)				(Shares)			
	1984	1985	1986	1987	1984	1985	1986	1987
Mediterranean	135,077	151,063	171,952	193,477	15.3	15.4	16.2	16.3
Africa South of Sahara	81,713	93,216	109,399	128,779	9.3	9.6	10.3	10.9
Asia	205,616	235,267	261,783	289,653	23.3	24.3	24.6	24.4
Latin America	377,429	388,595	406,031	442,491	42.7	40.2	38.2	37.3
Eastern Europe	82,087	97,744	113,249	131,335	9.3	10.1	10.6	11.1
Developing countries and Eastern Europe	881,922	965,885	1,062,414	1,184,725	100.0	100.0	100.0	100.0

Sources: see Tab. 7

Tab. Z - EDI/XGS (1), 1984-1987: Mediterranean and Main Developing and Socialist Areas

	1984	1985	1986	1987
Algeria	99.6	108.7	210.3	217.7
Cyprus	73.6	100.8	103.8	103.8
Egypt	230.3	296.7	347.2	343.1
Israel	226.5	221.2	214.0	191.1
Jordan	96.7	120.9	138.9	141.6
Lebanon (2)	(14.9)	(19.3)	(21.5)	(25.7)
Malta	24.9	24.8	23.0	22.0
Morocco	359.3	374.1	379.9	381.8
Syria	101.6	129.1	232.1	190.4
Tunisia	130.6	162.8	189.0	182.1
Turkey	186.5	198.3	263.0	248.1
Yugoslavia	117.5	118.8	111.3	147.3
Mediterranean	160.3	179.1	210.0	218.5
Africa South of Sahara	209.9	241.4	329.7	362.3
Asia	12.3	133.5	141.3	125.0
Latin America	285.9	308.9	369.0	359.5
Eastern Europe (2)	210.5	271.6	325.1	333.5

Sources: World Bank, World Debt Tables 1988-89; for Eastern Europe: OCDENotes: (1) External Debt Total/Exports of Goods and Services
(2) does not include exports of services

Tab. 8 - Main Developing Areas: Net Total Receipts from Selected Western Industrial Countries, 1984-1987 (millions of US \$)

	EC+Members	U S A	JAPAN	FRANCE	F R G	ITALY
Mediterranean	9,943.0	14,015.0	1,778.3	4,445.7	2,999.1	-51.9
Gulf	2,798.9	51.0	-554.4	934.5	789.8	-0.5
Africa South of Sahara	26,487.4	4,416.0	1,071.2	9,405.4	3,951.4	3,273.8
Asia	14,251.8	-481.0	21,987.4	2,845.7	3,423.1	595.6
Latin America	17,855.9	14,399.0	18,952.1	4,749.5	7,565.7	1,373.9
- Central Am. & Caribbeans	7,794.8	10,985.0	15,322.1	2,266.1	2,658.5	139.2
- South America	10,061.1	3,414.0	3,630.0	2,483.4	4,907.2	1,234.7

Source: OCDE, Geographical distribution of Financial Flows to Developing Countries, Paris 1989

Notes: Total Receipts, Nets: In addition to Official Development Assistance, this heading includes, in particular: other official bilateral transactions which are not concessional or which, even though they have concessional elements, are primarily trade facilitating in character (i.e., "Other Official Flows"); changes in bilateral long-term assets of the private non-monetary and monetary sectors, in particular guaranteed export credits, private direct investment, portfolio investment and, to the extent they are not covered in the (other) headings, loans by private banks. Flows from the multilateral sector which are not classified as concessional are also included here.

Tab. 9 - Main Developing Areas: Total Official Flows (Gross) from Selected Western Industrial Countries, 1984-1987 (millions of \$)

	EC+Members	U S A	JAPAN	FRANCE	F R G	ITALY
Mediterranean	9,163.0	13,552.0	1,867.7	2,887.4	3,144.3	1,260.1
Gulf	360.1	29.0	165.6	32.3	104.8	218.0
Africa South of Sahara	28,173.5	5,348.0	1,750.2	10,776.2	4,895.8	3,653.4
Asia	10,234.6	5,897.0	14,727.4	939.1	3,931.4	617.6
Latin America	19,596.0	11,101.0	3,084.1	2,283.6	4,802.0	1,724.0
- Central Am. & Caribbeans	2,447.3	7,864.0	1,555.4	520.7	618.3	293.7
- South America	8,148.7	3,237.0	1,528.7	1,762.9	4,183.7	1,430.3

Sources: see Tab. 8

THE MEDITERRANEAN AREA IN PERSPECTIVE AS SEEN
FROM THE UNITED STATES AND FROM ITALY

by MAURIZIO CREMASCO.

1. The Mediterranean area as seen from a NATO vantage point.

NATO's Southern Region was often dubbed in the past as the "soft underbelly" of the Atlantic Alliance. There were reasons for such a definition: the endemic instability of the political institutions of the Southern Region countries and their poor economic situations; the shaky relationship between Greece and Turkey, characterized by sudden bursts of bilateral crisis up to the brink of open hostility; the slower pace of modernization of Southern Region armed forces. Year after year, NATO concern was officially voiced. With the deployment of a Soviet Mediterranean Fleet starting in the mid-sixties and reaching its peak in the mid-seventies, NATO added a new term to its military glossary: the "threat from the South". Thus NATO was explicitly admitting that the Alliance had lost its naval supremacy, and that the Mediterranean Sea was not an "American lake" anymore. Official concerns notwithstanding, NATO consistently adopted an attitude towards its Southern Region which I would like to call "rational neglect". Neglect, because NATO was never able, nor really willing, to organize a coherent, Alliance-wide effort to strengthen its defense posture in the South, leaving the task of helping Greece and Turkey militarily and economically to the United States and West Germany. Rational, because, in the South, NATO still enjoyed important geostrategic and military advantages; because the Soviet naval presence was certainly limiting the American peacetime politico-military options in the Mediterranean, but was no match for the U.S. Six Fleet supported by other allied navies (French Navy included) in case of war; because the threat against North and Central Europe was larger in quantitative terms, more ominous because of a higher possibility for a Warsaw Pact short warning attack, and more devastating because it was pointed at the core of the European continent; and because Soviet military exercises clearly indicated the lower priority of the Southern Front within Soviet planning for a war in Europe.

Is the present Southern Region picture so different from the past as to justify a change in NATO's attitude? Are there elements in this picture that may act as a cure for NATO's so-called "Central Front syndrome"? I do not think so. Actually, I would argue that the present picture is bound to reinforce that attitude, even though NATO has not ended its official concern about the need to involve the entire Alliance in helping the LDDI (Less Developed Defense Industry) countries.

The threat from the East in the Southern Region actually appears to be even less today than it was in the past.

Hungary is on the path of internal liberalization, following the Polish model, and appears set for a peaceful transition to democracy. A national election will be probably held not later than next spring and a victory of the reformist forces is expected. A striking example of the political change in that country has been the dismantling of its part of the "iron curtain" and the attitude taken by the Hungarian government, in the face of sharp criticism from some of its allies on the exodus of East German citizens to the West across its Austrian border. In 1988, Budapest announced a 14% reduction in its defense budget for 1989 (1), a 40% decrease in the number of conscripts and the conduct of fewer military manoeuvres. Furthermore, at least one-fourth of the 65.000 Soviet troops stationed in Hungary will be withdrawn by 1991, (2) in the framework of the unilateral reduction plan outlined by Gorbachev in December 1988. This plan provides for the withdrawal of six Soviet tank divisions from East Germany, Czechoslovakia and Hungary, for a total cut of 5.000 tanks and 50.000 men (3). Finally, the deterioration of the Hungarian-Romanian political relationship to a "bottom point" -- as stated by the Hungarian Foreign Minister Gyula Horn in July 1989 -- and the emergence of official concerns for an alleged Romanian "military threat" underlines the present precarious state of cohesion of the Warsaw Pact in the Southern Region (4).

Bulgaria's communist regime has not changed its very conservative political character, while erratically trying to emulate some of the economic policies adopted by the Soviet leadership (5). However, Sofia joined the other Warsaw Pact allies in disarmament moves, and announced a 12% reduction in the defense budget, plus a cut of its armed forces amounting to 10.000 men, 200 tanks, 200 artillery pieces, 20 aircraft and 5 naval units (6).

Romania has always been, and still is, a case "per se". Secretary Ceausescu holds the country in a tight grip and no liberalization moves can be expected from the Romanian regime. Bucarest, which had cut its defense budget by 5% in 1986, has not followed the wake of unilateral reductions started by the Soviet Union. But the country is in a very deep economic crisis. Thus, it appears unlikely that Ceausescu would be in a position to devote a great amount of resources to future military budgets.

Hungarian, Bulgarian and Romanian armed forces are still largely equipped with old weapons systems -- T-54/-55 main battle tanks (MBTs), BTR-50/-60 armoured personnel carriers (APCs), FROG and SCUD surface-to-surface missiles (SSMs), AT-3 anti-tank missiles, SA-4 and SA-6 surface-to-air missiles (SAMs) and Mig-17 and Mig-21 combat aircraft) (7) -- appear to be lagging behind their modernization programs, and are considered to be at an

average level of operational readiness.

No Soviet forces are deployed in Bulgaria and Romania. The hypothesis that Bucarest would accept such a deployment, even in a scenario of an East-West crisis in Europe, has always been considered unlikely. Today, this hypothesis appears even more remote.

Furthermore, the manning of the Soviet divisions located in the three Military Districts of Odessa, North-Caucasus and Trans-Caucasus is between 50% and 75%. This means that these divisions need to be brought up to 100% manpower and provided with additional armaments and equipment before being employed. This improvement in operational readiness would constitute an element of warning which might be lacking in Central Europe where the Soviet divisions are considered to be combat ready.

Even the implementation of the INF treaty tends to favor the Southern Region. In fact, the elimination of Soviet SS-12 and SS-23 short range missiles has left the SS-21 as the only tactical missile system which could be effectively used in a conventional role due to its high accuracy (estimated CEP of 50 meters). However, because of their range (120 Km.) and their actual deployment the SS-21s pose a greater threat of preemptive attack against the northern and central European territory, in a short warning attack scenario, than against the Southern Region.

Finally, the "threat from the South", represented mainly by the Soviet aeronaval presence in the Mediterranean, has also shown a downward trend in terms of yearly ship-days and average daily strength. However, the reported expansion of the facilities that the Soviet Navy uses in the Syrian port of Tartus (8) is a clear confirmation that the Soviets still have the same special interest for the Mediterranean.

NATO Southern Region armed forces on the other hand have undergone a significant modernization, with further steps to be taken in the current procurement programs.

The Greek Army has acquired AMX-30 and Leopard-1A3 MBTs, and is upgrading its old M-48s, which still constitute the bulk of its armoured divisions. The anti-tank capability of the ground forces have been strengthened with the procurement of Improved TOW and MILAN missiles. The anti-aircraft defense has been improved with the acquisition of ARTEMIS-30 systems and Improved HAWK and STINGER missiles. The Air Force is now flying F-16 and Mirage 2000 combat aircraft. The Navy will be modernized with the acquisition of MEKO 200 frigates.

Italy intends to spend 5430 billion Lira in 1990 and 5719 billion Lira in 1991 in procurement. The Army will receive new tanks and new armoured fighting vehicles. Its battle management

capability will be upgraded with the CATRIN C3I system. Multi-Launchers Rocket System (MRLS) and FIROS-30, MILAN anti-tank missiles, STINGER surface-to-air missiles, ASPIDE-SPADA air defense system, KORMORAN and MAVERICK air-to-surface missiles are currently in service. The Air Force has acquired the long-range, all-weather TORNADO aircraft, is receiving the new AMX fighter-bomber, is converting 4 B-707 to tanker aircraft, is participating in the development of the EFA (European Fighter Aircraft), and is planning the procurement of AWACS type radar aircraft. The Navy has acquired its first aircraft carrier and has signed the contract for the development of the EH-101 naval helicopter and the procurement of HARRIER aircraft. Moreover, new ships -- ANIMOSO class destroyers and MINERVA class corvettes -- are entering into service, while the production of the LERICI class minehunters and SAURO class submarines is continuing.

Turkey has undertaken a 10 year 10 billion dollar plan to modernize its armed forces. The programs to start over the next few years include: armoured combat vehicles, MLRS, mobil radars, light transport aircraft, basic training aircraft, low-level air defense system, helicopters, minehunting ships, electronic warfare equipment. Currently underway are the coproduction of the F-16C/D aircraft, the procurement of STINGER missiles, the participation in the MEKO 200 class frigate international program and in the MAVERICK air-to-surface missile joint venture, the acquisition of more LEOPARD-1A3 tanks from West Germany, the further construction under licence of German submarines and DOGAN class fast patrol boats.

Furthermore, even European countries not belonging to the Southern Region have recently taken a new interest in the area.

In 1987, West Germany sent some frigates to the Mediterranean as its contribution to the partial fulfilment of the naval forces gap produced by the re-deployment of American and Italian ships to the Persian Gulf to conduct mine clearing operations and protect the freedom of navigation in that area.

In 1989, Belgian and West German naval units, and Dutch aircraft participated in the NATO exercise "Dragon Hammer" together with American, British, French, Italian, Spanish (the first large-scale participation of Spanish air and naval forces in a major Mediterranean exercise) and Turkish air and naval forces (9).

There has also been an expansion in the size of the bilateral French-U.S. naval exercises conducted in the Mediterranean Sea. The 1989 exercise "Phinia" involved three aircraft carriers, two amphibious assault ships and 15 other combat vessels operating under French command.

All this, however, is not sufficient to indicate that NATO is suddenly "re-discovering" and re-evaluating the importance of its

Southern Flank.

In fact, the political developments in the Soviet Union, Poland and Hungary, and the gradual resurgence of the "German question" under the impact of the massive exodus of East Germans and the unwillingness of the DDR regime to adopt the necessary economic and political reforms, are pointing towards a period of instability in central Europe. It is very unlikely that the Soviet Union, after having accepted the anti-communist evolution in Poland and the prospect of a similar process in Hungary, would be willing to accept the possibility of "losing" the German Democratic Republic as well. In regard to this problem, the Soviet Foreign Minister Eduard Shevardnadze issued a very strong warning during his speech at the United Nations in September 1989 (11).

If the present tendency of Eastern Europe to leave the framework of Yalta continues, then Central Europe could again become an area of instability and risk. NATO appears to be fully aware that a crisis in the East will have a profound effect on the security of Western Europe and jeopardize the ongoing arms control effort for the reduction of the two military alliances' conventional forces from the Atlantic to the Urals. In this perspective, the security problems of the Southern Region seem more marginal than ever.

On the other hand, while a crisis in Eastern Europe falls directly within the NATO's area of responsibility, the crisis-prone areas of the Southern Region are all outside of this area of responsibility which extends only to the limits of the territorial waters of the Mediterranean littoral countries.

In conclusion, it is difficult to see how NATO could be more worried about the military balance and the security problems of its Southern Flank now than it has been in the past. One could even argue that if the Vienna CFE negotiations result in a conventional forces reduction treaty, NATO would tend to privilege the north-central front when deciding where the armaments cuts should be made.

2. The Mediterranean area as seen from a U.S. vantage point.

The United States has always considered the Mediterranean area both as the Southern Flank of NATO and as the arena in which to engage and confront the Soviet Union in the complex play of international competition and regional influence.

Therefore, the Sixth Fleet has always been given two responsibilities: in case of a NATO-Warsaw Pact confrontation, it is the aeronaval force earmarked for assignment under the operational command of CINCSOUTH; in peacetime, it is the military

instrument of U.S. foreign policy in the Mediterranean.

Thus, the American naval presence has a very high symbolic political value as the element of reassurance and support for the American friends in the area and as the long arm of the American military power for the potential adversary.

The United States is aware that the SOVMEDRON (Soviet Mediterranean Squadron) has changed the naval military balance in the Mediterranean. However, not to the point of jeopardizing the military, and in particular the political, missions of the Sixth Fleet.

Basically, in the scenario of a NATO-Warsaw Pact war in the Southern Region, the SOVMEDRON would not be able to perform a sea-denial mission, but rather a mission-denial mission -- that is a mission intended to make more difficult, if not impossible, the accomplishment of the typical tasks of the Sixth Fleet -- and only for a limited period of time. Without fully endorsing the definition of the Soviet Fleet as a "one-shot Navy", it is clear that this period of time will shrink in proportion to any Soviet inability to exploit the element of surprise to the maximum by mounting a pre-emptive missile attack against the Sixth Fleet, coordinating, as much as possible, aircraft, surface units and submarines.

Even the peacetime mission of the Soviet Mediterranean Fleet, that is acting as a counterbalance for the American naval presence, reassuring and supporting the countries of the Mediterranean with whom Moscow has special politico-military links, and conditioning the Sixth Fleet's political mission has its own limits. In fact, the constraints the SOVMEDRON would like to impose on the employment of the Sixth Fleet in missions of political pressure and intimidation, or in missions of "naval suasion" in accordance with Edward Luttwak's definition (12), are somewhat weakened by the lack of a widespread network of support facilities in the Mediterranean, by the lack of land-based air support and by the overall American aeronaval superiority in the area.

The Soviet Mediterranean Fleet has never constituted an element of superpower confrontation or a factor of further complication or destabilization in the North-South or South-South crises of the past -- the only exception being the 1973 Arab-Israeli war when, after the Israeli encirclement of the Egyptian Third Army and alleged preparations for the use of Soviet airborne forces in the Sinai, the Soviet naval units were deployed between the Egyptian coast and the American Sixth Fleet in a clearly confrontational move.

In the most recent case in which American forces were used as an instrument of political coercion (the attack against Libya in April 1986), the Soviet naval presence did not influence the

American course of action during either deployment or engagement. Nor did the Soviet naval units even remotely try to interfere with the American aeronaval forces deployed in the Central Mediterranean supporting and carrying out the attack on Libyan targets together with UK-based F-111 fighter-bombers.

In reality, the true interests of the United States in the Southern Region are related only partially to the East-West balance of power, the security problems of NATO's Southern Flank, and the activities of the Soviet Fleet in the Mediterranean. Washington is more concerned with the situation in those littoral regions which are outside of NATO's area of responsibility (the Middle East and North Africa), and with the geopolitical and geostrategic links connecting the Mediterranean area to the Red Sea and the Persian Gulf. This means that while NATO necessarily has an in-area projection, the United States is projected more towards the out-of-area by virtue of its foreign policy interests.

This projection had at least two consequences: since the end of the seventies, NATO's military posture in the South was weakened by the periodic re-deployments to the Indian Ocean and the Arabian Sea of one of the two Sixth Fleet's carrier battle groups supposed to be regularly stationed in the Mediterranean. European allies often reacted to the American foreign policy actions in the out-of-area with attitudes ranging from uncommitted to critical and with responses ranging from uncooperative to negative, opening serious rifts in the European-American relationship.

On the other hand, when a basic consensus was reached among the allies, the collective actions were often paramount in defusing the crisis situation and in showing the substantial coincidence of Western interests and concerns, even though each European country was ready to underline the "national" character of its decisions, i.e. the fact that its actions were outside of the framework of the Atlantic Alliance and were not to be interpreted as following the American lead.

The out-of-area policy of the United States in the Southern region is characterized and influenced by several factors: the continuation of the economic and military aid to the friendly nations of the area (Egypt, Morocco and Tunisia); the "special" relationship with Israel; the confrontational attitude towards the Libyan regime; the diplomatic effort aimed at gaining the European support for the American policy; and the political struggle to maintain the naval and air facilities essential for the conduct of that policy.

The strategic importance the United States attributes to Israel, together with the influence of the powerful pro-Israeli lobby, is the main element of the position of force Tel Aviv enjoys vis-a-vis the American Administration. The "special" relationship is mainly based on the U.S. awareness that Israel is the only

"true" ally in the Middle East, on the role the U.S. feels Israeli facilities and military support could play for the support of American forces in out-of-area contingencies (13), and on an expanding industrial and technological cooperation, in accordance with the December 1987 U.S.-Israeli agreement (14). This relationship has consistently played a significant role in undermining American willingness to apply the political pressure needed for the success of U.S. peace initiatives.

The U.S. hostility and its confrontational approach to Libya has gradually mounted with the increase of Tripoli's anti-Western and, more specifically, anti-American attitude; the expansion of Libyan destabilizing activities abroad; and its role in supporting international terrorism (15). The recurrent Washington-Tripoli crises and the American military actions have been the single most divisive issue between the United States and its European allies in the framework of American Mediterranean policy.

The Libyan-American air clash and the downing of two Libyan Su-22 aircraft in 1981, the sinking of Libyan patrol boats and the destruction of a SAM site at Sidra in March 1986, the bombing of Tripoli and Benghazi targets (including Col. Qaddafi residence) in April 1986, and, finally, the downing of two Libyan Mig-23 fighters in January 1989 were met with concern, embarrassment, diplomatic "dissociation", cautious disagreement, and outright criticism by the European governments (the only exception being Britain's Prime Minister Margaret Thatcher). In this context, the Italian negative reaction to the April 1986 air raid was the least nuanced among those of key European allies.

Only fifteen days after the air clash and the denunciation of the Libyan attempt to produce chemical weapons in the Rabta factory with the alleged help of Western firms, however, the Reagan Administration authorized five American oil companies (16) to resume operations in Libya.

The U.S. diplomatic effort to rally the support of its European allies has very seldom had the expected results. The American Administrations never fully understood or accepted the motives behind the different positions of the European countries and their unwillingness to have their foreign policy identified (by the Arab States in particular) with that of the United States.

Ironically, in the mine hunting operation in the Red Sea in 1984 and the Gulf operations in 1987, even though each European nation deployed its naval forces solely on the basis of a national decision, and not within a NATO or Euro-American framework, the final result was a show of Western cohesion and resolve. The operational coordination and logistic support (e.g. English support for Dutch minesweepers in the Gulf) among the different national forces further indicated that even independent national decisions, when applied to the military reality of the mission, could result

in real cooperation (17).

For years, the United States paid rent for the bases the American forces utilize in Greece, Portugal, Spain and Turkey through generous military and economic aid. Recently, because of the reduction imposed by Congress on the amount of the budget for foreign aid requested by the Pentagon, and the high percentages devoted to Egypt and Israel (65% of the \$ 4.79 billion appropriated by Congress for FY 1988) (18), the renewal of the base agreements has become a difficult issue and the discussions have resulted in tough bargaining.

The Southern Region countries maintain that the bases and the aid are separate subjects and tend to point to the domestic political implications of a protracted American presence.

The re-deployment of the U.S. 401st Tactical Fighter Wing from Torrejon (Spain) to Crotona (Italy) removed the major obstacle for an agreement with Madrid. The American commitment to supply 20 F-16 aircraft, HAWK missiles, 57 ASW, combat and utility helicopters, 60 tanks and other military equipment, plus the promise to increase U.S. aid to more than \$ 150 million in FY 1989, cleared the way for an accord with Portugal for the bases in the Azores. The withdrawal period for the U.S. facilities in Greece are to terminate in May, 1990. As of October 1989, U.S.-Greece base negotiations were still in suspense. The talks are to continue after the November 1989 general election in Greece.

The United States is aware that the allies could ask in the near future for the re-opening of negotiations on the bases. Considering the prospect of negative results, the United States is looking for alternatives in the Mediterranean. After the failure of the development of extensive facilities at Ras Banas because of Egyptian government opposition, the Pentagon has quietly been upgrading facilities at Moroccan air bases to improve their capability to service U.S. aircraft. Moreover, joint American-Egyptian military exercises are periodically held and U.S. use of Egyptian bases in particular contingencies is not excluded.

However, American use of the bases in the allied countries and in the Arab countries of the Southern Region is dependent upon the authorization of the host country and conditional upon the type of contingency as in the case of the bases in Somalia, Oman and Kenya. NATO countries (Turkey and Italy more explicitly than others) have declared that the bases are for use only in declared NATO crises. Similarly, the other non-NATO countries have hinted that the authorization will be given only when specific national interests are at stake.

In conclusion, the out-of-area interests of the United States in the Southern Region will continue to have precedence over NATO commitments and priority in shaping the U.S. military posture in

the area, if the pattern of better U.S.-Soviet relationship persists and if the East-West confrontation declines as the present, available evidence suggests -- unless Gorbachev fails. Thus, the North-South parameter is bound to be the privileged vantage point from which the United States will look at the strategic and political equation of the Southern Region. But the North-South crises have consistently played a divisive role within the American Administrations and in the Euro-American relations. This is an element that should not be forgotten or underestimated when trying to assess how future American and European policies might interact in NATO's Southern Flank.

3. The Mediterranean area as seen from an Italian vantage point.

Because its geographical location, military commitments in NATO, and political and economic relations with the riparian nations, Italy is "by necessity" a Mediterranean country. But in geosatratagic, political and economic terms, Italy is also, again "by necessity" a European country. In fact, the firmest and most irrevocable points of reference for Italian foreign policy -- NATO and the European Community -- are centered outside the Mediterranean region.

Thus, the Mediterranean "vocation", which, in many respects, implies the maintenance of good relations with all the nations in the area coexists with the Euro-Atlantic role, which consists of active participation in the European Community striving for a full European political integration, and full loyalty to the Atlantic Alliance in the context of a special relationship with the United States.

This coexistence has sometimes led to ambiguities in the policy formation and vacillations between the Mediterranean and Euro-Atlantic projections causing confusion and misinterpretation on the part of the United States and the NATO-European partners.

The Italian political spectrum (but with notable differences between right and left wing) has long recognized the need for a coherent Mediterranean policy, particularly since the external events from the mid-1960s and the endemic North-South and South-South crises changed the geostrategic and geopolitical landscape of the region.

Effort to enhance the North-South dialogue, support for the role of the United Nations in situations of crisis, attempts to play an effective and important "brokerage" role in the area mediating between competing powers, effort to involve the economic instruments of the European Community in support of the riparian countries of the region were all elements of the Italian

Mediterranean policy.

But the potential ambition of the Italian policy was, and still is, limited: by the fragmentation of the Italian political system, which requires a consensus from all parties forming the coalition government on all aspects of policy; by the instability of the same system, which does not allow for long-term planning, even though Italian foreign policy has shown remarkable consistency through the years; by the limited capacity of the Italian armed forces to act autonomously in the area; by the unsupportive attitude of the Italian public for any role which might require the deployment of Italian units outside of the national territory, in particular in cases of military risk and possible casualties among draftees.

These weaknesses tend to undermine the credibility of the Italian role, especially when the country intends to adopt unilateral moves, participate in multinational initiatives, or act as a "broker".

Since mid-1979 Italy has adopted a foreign policy with a higher profile and has shown a clear willingness to assume larger political and military commitments, both within and outside NATO's framework. In this context, several examples can be cited:

- (1979) The Italian Government accepted the deployment of American cruise missiles in Italy. The decision was fundamental to the viability of the whole program aimed at the modernization of NATO nuclear forces in Europe.

- (1979) An Italian Army helicopter unit was sent to Lebanon as part of the UNIFIL (United Nations Interim Force for Lebanon).

- (1980) Italy signed a treaty with Malta for economic, technical and military assistance in which it agreed to safeguard the island's neutrality.

- (1982) An Italian naval force, composed of three minesweepers, was deployed in the Gulf of Aqaba as part of the MFO (Multinational Force and Observers) designated to guarantee the Camp David Agreement between Egypt and Israel.

- (1982-1984) An Italian Army contingent participated in the MNF (Multi-National Force) in Lebanon.

- (1984) Minehunting ships were sent to the Red Sea to participate in an international minehunting operation to clear the passage through the Suez canal.

- (1987) A naval force composed of three minehunting ships and three frigates was sent to the Persian Gulf to help keep the Strait of Hormuz open to international shipping and to protect Italian tankers.

- (1988) The Italian Government approved a NATO plan to redeploy the 72 F-16 fighters of the USAF's 401st Wing from Spain to Italy.

These decisions contributed to the new dimension of the Italian foreign policy in the Mediterranean and, at the same time,

showed its more assertive character. On the one hand, this new dimension has been somewhat marred by the political difficulties involved in the policy making process. In fact, in all cases of Italian participation in multinational operations decisions have been made only after long and heated parliamentary debates. On the other hand, this new assertiveness has also affected the traditional Italian-American relationship somewhat, changing the Italian patterns of consistent and acritical adhesion to the United States policy lines. The 1980 refusal to join the United States in creating a multinational naval force in the Arabian Sea, the deterioration of Italian-American relations during the seizing of the "Achille Lauro" liner and the Sigonella affair, the dispute about the use of the Italian bases in non-NATO contingencies, and the Italian negative reactions to the U.S. policy towards Libya are all good cases in point.

NATO, and the special relationship with the United States, is still the cornerstone of Italian foreign policy. However, particularly in the Mediterranean area, European and national factors have assumed greater importance in the decision making process governing Italian policy towards North Africa and the Middle East. In September 1989, in presenting the foreign policy of the recently formed government and stressing its continuity, Foreign Minister Gianni De Michelis underlined four main courses of action: the continued effort towards the 1992 European economic integration, to be seen, however, as a step towards the European political union; the special attention to be devoted to the central-southern region of Europe, with the attempt of creating a quadrilateral relation linking Italy, Austria, Hungary and Yugoslavia -- the stability of the last three countries being of paramount importance to Italian security; the full support of the Mubarak plan "one of the last solutions for the Palestinian problem"; a renewed effort, in conjunction with the EC partners, towards an expanded integration with the riparian countries of the Mediterranean (19).

Turning now to the military policy and the role of the armed forces, a series of consideration can be made.

In the last ten years, there has been a gradual but evident transformation in Italian military policy. This transformation has not altered the basis of this policy that dates from 1949, but has extended its boundaries and created new prospects. Italy has been forced to shift from a mere "defense policy" within the framework of NATO planning to a more comprehensive "security policy" in which threats different from the traditional ones, and national-only contingencies, are considered.

From the mid-sixties to 1973, Italy still evaluated the "threat from the South" basically in terms of increased Soviet capabilities in the Mediterranean and in terms of possible support by some riparian country, offering the Soviet forces their naval

and air facilities in case of an East-West confrontation. Since the threat was fundamentally Soviet or pro-Soviet, in the context of a NATO-Warsaw Pact conflict, it could be dealt with through NATO.

The Yom Kippur war, with the barely avoided confrontation between U.S. and Soviet forces in the Eastern Mediterranean, the Arab use of oil as an instrument of political blackmail, and the events of the late-seventies (the Islamic revolution in Iran, the Soviet invasion of Afghanistan and the Iraq-Iran war) were clear indications of the possibility of an East-West conflict stemming from an out-of-area crisis and the increased strategic link between the Gulf and the Mediterranean regions.

For Italy, it was no longer possible to delay a review of the changes in the security parameters of the Mediterranean strategic equation and a re-evaluation of the Italian political and military role.

In 1980, Socialist Defense Minister Lelio Lagorio declared that it was no longer the era of the "frontal threat" in Europe, and it argued that the new threat emerging from the South had to be met with imaginative political initiatives and not with "a roar of weapons". In this context, Lagorio advocated a role of greater national commitment to a Mediterranean policy of cooperation and assistance, and a strengthening of Italian military capabilities to give credibility to that role (20).

In 1982, Lagorio, underlining the fact that Italian military policy could not mirror that of NATO in all its aspects, went on to state that, unlike the situation in the mid-seventies, NATO no longer offered Italy a total defense guarantee (21).

The statement did not imply a shift in the traditional Italian role and missions in NATO, but merely the recognition that the situation in the Southern Region could call for the defense of specific national interests, and the expressed awareness that there could be contingencies in which Alliance support would be lacking, or late in coming.

In the military policy of the Republican Giovanni Spadolini, who replaced Lagorio as Defense Minister in 1983, there were no radical changes with respect to the policy line adopted by its predecessor, but only adjustments in tone, emphasis, and priorities. Emphasis was no longer put on the defensive nature and the geographical limits of the Atlantic Alliance. The role of Italian military policy was considered feasible and credible only "in close connection with the Western strategic plan". The possibility of "national", bilateral crisis in the Mediterranean was not ignored, but considered within a framework which excluded non-NATO defense requirements (22).

The Mediterranean "dimension" and the out-of-area projection

of Italian military policy, however, were not reversed. In fact, the higher profile of Italian foreign policy was mainly achieved through the employment of military forces.

The failure of the Lebanese peacekeeping mission, the mines threatening the merchant shipping through the Gulf of Suez, the increase of international terrorism directed against Italy --the hijacking of the "Achille Lauro" liner (October 1985) and the massacre at Rome Fiumicino airport (December 1985) -- the 1986 U.S. crisis, and the Libyan missile attack against Lampedusa island, pushed Italy to the forefront of the Mediterranean crisis line.

Thus, the "Gorizia gap" further paled as the element by which Italian security and defense policies were to be determined, and the Mediterranean became the area which the military view as the most probable theatre of a North-South or South-South crisis possibly also involving the Italian armed forces.

Today's threat perceptions and military scenarios also include: the possibility of a bilateral military confrontation between Italy and a Mediterranean country over a controversy affecting important national interests; the possibility of Italian involvement in a Mediterranean crisis precipitated by other actors; and the possibility of hit-and run military actions conducted by small scale terrorist units, blackmail by terrorist groups, and indirect threats to the country's political or economic system.

Modernization of the Italian Navy and Air Force to enhance their capability of operating in the Mediterranean, and reinforcement of the military posture in the South, were initiated in the late seventies, together with the creation of a 10.000 man rapid intervention force (FIR -- Forza di Intervento Rapido), composed of land, sea and air components (23). Army units were redeployed to Sicily, the manning of the Army brigades stationed in the South was increased, and the existing facilities and the local technical and logistic support were improved. The Air Force upgraded the air defense system in the South with new ARGOS 10 radars, reconstituted the 37th Wing at Trapani Birgi airbase with F-104S aircraft in a fighter bomber/interceptor role, and improved its ability to conduct TASMO (Tactical Air Support of Maritime Operations) missions by procuring the AMX aircraft. Moreover, the conversion of four B-707-368C airliners into tanker aircraft will further expand the operational radius of action and endurance of TORNADO and AMX aircraft, thus improving their Mediterranean role. Finally, the planned acquisition of HARRIER VTOL aircraft to embark on the "GARIBALDI" through-deck cruiser (which in the near future will be joined by another sister ship), and procurement of ANIMOSO class destroyers, MINERVA class corvettes, and LERICI class minehunters will enhance the Italian Navy's capacity in in-area and out-of-area operations.

Obviously, the modernization of the Italian armed forces

is also improving their capability to perform NATO's military tasks and missions. However, it appears that there is greater Italian concern for extra-NATO contingencies given the more evident increase of the ability to fight a naval and air war in the whole Mediterranean area; the power projection capability provided by the GARIBALDI with the HARRIERs on board; the tendency to acquire autonomous means of intelligence and warning (the airforce intention to procure AWACS aircraft and acquire the capability to launch small intelligence-gathering satellites are good cases in point); the improved capability for rapid deployment of elite Army units.

This concern is currently fueled by several other trends and developments.

The first, is the possible proliferation of long range surface-to-surface missiles among the Mediterranean countries. The Chinese sale of CSS-2 intermediate-range (2200 miles or 3560 kilometers) missiles to Saudi Arabia has been seen as a case which could be repeated in the Mediterranean area, along with the extension of the range of the SCUD missiles (possessed by Egypt, Libya and Syria) already realized by Iraq during the Gulf war (24).

The second, closely tied to the first, is the fact that, as disclosed by the CIA director William Webster in April 1989, by the year 2000 at least fifteen nations will be producing, and possibly exporting, their own ballistic missiles (25). Even though somewhat crude and inaccurate, these systems could be employed with chemical, biological and nuclear warheads constituting a serious threat. Israel is currently developing the 500-700 Km. range JERICO II missile and Argentina is reportedly helping Egypt and Iraq on the development of the SS-1C CONDOR II missile with a maximum range of approximately 1000 Km. Brazil is developing two mobile missiles, reportedly based on the SONDA experimental rocket series, with a range of 350-1200 Km.. This trend is a clear indication of the failure of the MTCR (Missile Technology Control Regime) (26) attempt to curb the proliferation of surface-to-surface missiles in the Third World.

The third, is the proliferation of the capacity of Third World countries to produce chemical weapons. Apart from the countries in the Gulf, newcomers in the the Mediterranean area are reportedly Egypt (27) and Libya, whose Rabta plant has provoked another crisis between Washington and Tripoli.

The fourth, is the long range ground attack capability acquired by Libya with the Su-24 FENCER fighter-bombers delivered by the Soviet Union in April 1989 (28). The FENCER sophistication represents a remarkable qualitative jump in the operational capability of the Libyan Air Force because of its high speed penetration, low level navigation, all-weather delivery, and weapons load options. Furthermore, its combat radius of action is long

enough to reach Italian territory with a low-low-low flight profile.

Lastly, Italian military are worried about the implication of the reductions which will have to be adopted if a CFE treaty is signed -- in particular the reduction of the air forces. Actually, these reductions will be applied to the Italian territory, but not to the territories of those countries in the Mediterranean area which could potentially become adversaries in one of the confrontational scenarios previously mentioned.

NOTES.

1. The reduction of 14% respect to the 1988 military budget came after the 24.7% increase of the previous year.

2. Jackson DIEHL, "Hungary, Poland Likely to Reduce Defense Spending", The Washington Post (WP), 9 December 1988, p. A16. According to Col. Gen. Matvei Burlakov, Commander of the Southern Region Group of Forces, the Soviet troops remaining in Hungary will be re-deployed away from the Austrian border to bases on the eastern part of the country. Jane's Defense Weekly (JDW), 6 May 1989, p. 795.

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14. The agreement signed on December 15, 1987 allows Israel freedom to compete for U.S. military contracts on equal terms with companies in the U.S. and NATO members. The agreement also included a clause providing for increased Israeli-American cooperation in research and development of new military technology.

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20. Lelio LAGORIO, "Indirizzi di Politica Militare", Servizio Pubblica Informazione della Difesa (SPID), Rome, June-July 1980.

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THE FUTURE OF U.S. STRATEGY TOWARDS THE MEDITERRANEAN
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JOINT RAND-ISTITUTO AFFARI INTERNAZIONALI WORKSHOP
ON
THE SOUTHERN REGION AND THE ATLANTIC ALLIANCE IN A CHANGING
STRATEGIC LANDSCAPE

QUESTA PUBBLICAZIONE E DI PROPRIETA'
DELL'ISTITUTO AFFARI INTERNAZIONALI

WHAT ARE THE LIKELY PROSPECTS FOR U.S. STRATEGY TOWARD THE
MEDETERREANEAN REGION, AND THE PERCEIVED BALANCE BETWEEN
NATO-RELATED AND "OUT OF AREA" CONCERNS?

INTRODUCTION

I deployed to the Mediterranean for the first time, as a young 22 year old ensign, in the year 1950. The U.S. Sixth Fleet at that time was new -- and it was huge. Its mission was to display peacetime naval presence in a restless theater. In carrying out that mission we alternated between massive carrier battle group operations and dispersed single ship operations designed to display Sixth Fleet presence over the entire Mediterranean Basin. The carrier battle groups consisted of enormous twenty ship circular screens around an aircraft carrier, a battleship and two cruisers. The alternate dispersed operations were occasionally focused on a perceived vulnerability. At times, for example, we operated small detachments of ships in the northernmost reaches of the Adriatic Sea. On those occasions, a battleship or heavy cruiser would moor alongside the outer breakwater at Trieste with its two forward turrets pointed at the Gorizia Gap while lone destroyers patrolled the waters along the Yugoslav coast with highly trained linguists listening for radio transmissions which might indicate hostile intent on the part of communist forces bent on expanding Soviet influence into Greece and Northern Italy. President Truman's commitment to stemming the "Mongol hordes" was total. Vice Admiral Ballantine, the Commander of the U.S. Sixth Fleet, explained our role in frequent messages referring to the Sixth Fleet as "the hinge upon which the door of peace swings in the Mediterranean".

The United States strategy at that time was "containment". And the essential element of that strategy was the United States Sixth Fleet in the role of peacemaker. It is important to understand the significance of the word "peacemaker". It is not the same as the word "peacekeeper". "Peacemaker" connotes dominance. "Step out of line and we'll whip your ass". "Peacekeeper" implies hostage status. "Don't shoot at each other, guys, because, if you do, you are going to hit us and we do not think that is a very good idea".

Twenty-six years later I was, myself, to serve as the Commander of the U.S. Sixth Fleet. While the fleet I commanded was considerably smaller than that commanded by Vice Admiral Ballantine, it was enormously powerful. And it continued to be the dominant force in the Mediterranean. Containment was no longer the essential element of U.S. strategy in the Mediterranean. But "peacemaking" continued to be the primary focus of U.S. political objectives in the Mediterranean Basin. And so it remains to this day. But bear in mind that while "containment" is strategy, "peacemaking" is only a technique. We have, therefore, the problem of describing the evolution of U.S. strategy in the Mediterranean from "containment" of yesteryear to that which governs our behavior today.

The specter which hangs over the heads of accountable U.S. political leaders when thinking about continued U.S. interest in the Mediterranean is that of the British withdrawal from east of Suez. When does a nation decide that it can no longer afford to be a "peacemaker"? One can only presume that when Dennis Healey, the then U.K. Secretary of State for Defense, decided that the U.K. should withdraw from east of Suez, it was on the basis that the U.K. no longer had vital interests to defend in the Indian Ocean. While this was probably true, the

problem was that the rest of the world did have some vital interests in the Indian Ocean. Of these the two major interests were, (1) oil for the industrial nations of the world and, (2) regional stability. The vacuum created by U.K. withdrawal from east of Suez has driven a major component of U.S. national strategy ever since Dennis Healey's mid-sixties decision. And it certainly drives U.S. strategic thinking when assessing likely prospects for future U.S. strategy toward the Mediterranean Basin, and the perceived balance between NATO-related and "out of area" concerns.

Today's strategic appraisal is probably going to be performed against the backdrop of not only geopolitical developments, but also a number of immutable historical facts. It will also be performed with the painful truth in mind that no one can really predict what is going to happen in the Mediterranean. No one ever has. Therefore a careful assessment of current U.S. and Allied vital interests in the Mediterranean has to be the starting point.

SOME RELEVANT HISTORY

The intensity of maritime conflict in the Mediterranean during World War II was the product of a number of unrelated causes. Certainly the war could not have been won in the Mediterranean. Yet it could conceivably have been lost in the Mediterranean. The strategic significance of U.S. landings in North Africa stemmed only from a conviction by President Roosevelt that the United States had to engage the Germans, some where, anywhere, as early as possible. Mobilization had not progressed to the point where the U.S. Army could participate in frontal operations on the continent, so it fell to the U.S. Navy to bring the Army to their first, albeit limited campaign in North Africa.

Diverting Hitler's attention from the Central Front by engaging his Italian ally as vigorously as possible in the Mediterranean was probably as important in its own way as the commitment of the U.K. to the continuation of the war somewhere, anywhere after the evacuation of Dunkirk. That "somewhere" was the land campaign in North Africa.

The World War II Battle of the Mediterranean was the Royal Navy's war. But in the post-war era, the course of politico-military history in the Mediterranean was determined not by what the British did, but rather by what the British did not do — or could not do. The most significant event was the emergence of the new state of Israel on May 14, 1948. The Jews had a home for the first time since the Diaspora, but their hold upon it was maintained in succeeding years only by successive wars against the surrounding Arab states. On the very day the Six-Day War broke out in June 1967 the last British Commander-in-Chief of the Mediterranean left Malta. The withdrawal from East of Suez had now extended all the way to Gibraltar. And the long involvement of the United Kingdom in "the Middle Sea" had come to an end. For over a century British naval power and financial strength had imposed upon the Mediterranean a level of politico-military calm that had not been enjoyed since the days of the Roman Empire. The baton was finally dropped at Gibraltar. The passing of the baton, which had occupied a decade and a half was consummated when it was formally picked up by the United States.

But the Six-Day War had several other consequences. The Suez Canal was closed for a sufficiently long period that the super tanker was born of desperation by the oil industry. The nature of one of the world's most important sea lines of communication was inalterably changed. And the Soviet Union entered the

Mediterranean as a major naval power. Meanwhile the situation in North Africa changed beyond all measure with the whole of the North African Coast split into independent Arab states, often at odds with one another, enriched by oil and united only in their dislike of their former colonial masters -- and Israel.

U.S. VITAL INTERESTS IN THE MEDITERRANEAN

U.S. Commitments to NATO: In assessing U.S. vital interests in the Mediterranean, one must begin with its firm commitment to NATO. Other U.S. interests do not necessarily pale in comparison, but NATO does drive the process. U.S. presence in the Mediterranean anchors NATO's southern flank. NATO's southern flank is complex both geographically and politically. Geographically the nations in Allied Forces Southern Europe are separate and connected only by water. Centuries old political and ethnic disputes between NATO allies on the southern flank dissipate allied energy and make suspect the commitment of several NATO nations to the defense of their political adversary. Several of the southern flank nations are not integrated into NATO's military structure. The organizational structure of Allied Forces Southern Europe is not particularly tidy. The U.S. commitment to NATO on the southern flank is the constant which bridges a number of these problems and preserves the deterrent posture upon which NATO depends.

There are a number of knowledgeable officials, both present and former, who believe that should there be a NATO-Warsaw Pact war, it will probably start in the Middle East. If you accept this as a possibility, it tends to influence the way you approach the continuous evolution of NATO strategy -- and U.S. strategy vis-a-vis NATO.

Stability in the Oil Bearing Regions of the Middle East: This vital interest does not require much discussion. The industrial world's memory of the Arab oil embargo in the wake of the Yom Kippur War has not yet faded. It might, but not yet. The role of "peacemaker" is important.

U.S. Formal Commitment to the Continued Existence of Israel as a Free and Independent State: This is a declaratory policy of the United States and, as such, is a derivative vital interest of the United States. It is also an essential element of U.S. pursuit of regional stability in the Mediterranean Basin.

The Arab-Israeli Power Balance This is a companion piece to not only the U.S. declaratory policy regarding Israel, but also to U.S. interest in regional stability.

Protection of the SLOCs to the Oil Bearing Nations of the Middle East and Southwest Asia: The industrial nations of the world are far too dependent upon oil to risk losing it either at the source or enroute the factory.

Protection of the SLOC to the Indian Ocean: If the United States is to play the role of "Peacemaker", not only in the Mediterranean but also in the Indian Ocean, the Suez Canal access to the Indian Ocean looms rather large in these days of constrained military budgets. The Suez Canal does not make Indian Ocean presence affordable per se, but it does lessen the financial burden of maintaining U.S. presence in the Indian Ocean. The Mediterranean-Suez Canal SLOC also provides important agility in the way the United States deploys and moves its maritime forces in response to crises - crises which, if not responded to, could escalate to more serious peace-threatening proportions.

U.S. Economic Ties with France and Italy: The industrial giants of France and Italy are of enormous importance to the United States. The economic ties to these industrial giants are clearly vital interests of the United States.

Turkish-Greek Power Balance: These two treasured friends and allies are both important to the United States -- far too important to succumb to pressures intended to force the United States to choose between them.

Containment of Soviet Naval Power: While Soviet naval capability vis-a-vis the U.S. Sixth Fleet in the Mediterranean has diminished since the Soviet Navy's halcyon years between 1967 and the early 1980's, it remains a latent threat which must be considered. The face to face confrontations between Sixth Fleet and Soviet Mediterranean Esquadra during the Jordanian Crisis and the Yom Kippur War will probably not recur. But there is enough power in the Soviet Black Sea Fleet to make it felt for a short period if deployed into the Mediterranean in advance of a NATO-Warsaw Pact War. And Soviet Naval Aviation flying out of Crimea could limit Allied options considerably, particularly if withheld and not exposed to attrition during the early days of the war.

TRADE: The relationships between the United States and its trading partners in any region of the world are incredibly difficult to analyze. But the simplest analysis in terms of import-export volume will reveal this as a powerful vital interest of the United States in the Mediterranean. And it is one which will in all likelihood grow larger over the years.

LIKELY PROSPECTS FOR U.S. STRATEGY TOWARDS THE MEDITERRANEAN REGION

It is quite likely that the United States will assess the family of vital interests discussed above as sufficiently important to warrant its continued adherence to both coalition strategy and maritime strategy. Forward based land and land based tactical air forces will likely remain at current levels in NATO's southern region. And the Spain to Southern Italy shift of land based tactical air will play out as the hand which was dealt by Spain several years ago. Meanwhile, the basic principles of the U.S. maritime strategy will continue to serve U.S. strategic needs in the Mediterranean. But since these principles are not generally understood it might be useful to discuss them here.

The U.S. maritime strategy is not a competitor of coalition strategy. It is an essential element of coalition strategy.

The principles of U.S. maritime strategy are:

- o Deploy early
- o Defend forward
- o Take the war to the enemy
- o Place his forces at risk

This oversimplification will anguish some purists, but I will exercise a four star's prerogative and indulge in oversimplification for the sake of communicating with the unwashed masses. In treatments ranging from Tom Clancy's excellent novels to serious U.S. Secretary of the Navy speeches, these principles have been associated primarily to the U.S. and Allied approach to fighting the first maritime campaign of a World War III in the Atlantic -- the campaign for control of the Norwegian Sea. This, however, is the real oversimplification. The absolutely

consistent counterpart to the U.S. maritime strategy is the "Tri-MNC Concept of Maritime Operations". (MNC is the NATO term for the three NATO Major Commanders — Supreme Allied Commander Europe, Supreme Allied Commander Atlantic and Commander-in-Chief Channel. A Tri-MNC document is one prepared by and approved by all three NATO Major Commanders). The Tri-MNC of Maritime Operations treats forward deployed operations in a highly balanced way, not only in the Norwegian Sea, but also, in the Mediterranean, the Shallow Seas, and in the economic arc around Africa. The U.S. maritime strategy is similarly balanced, but has not been "marketed" as a balanced approach to the deployment and employment of U.S. naval forces.

While NATO, however, tends to think of about and discuss the Mediterranean as NATO southern flank, the United States, while steadfastly adhering to its NATO commitments, thinks of the Mediterranean and the Middle East and Southwest Asia as a continuum of U.S. vital interests. In other words, what the organizers of this symposium refer to as "out of area" interests are an essential element of U.S. strategic thinking. But the term "out of area" is a political "cop out" for a number of NATO allies whose political balance is sufficiently delicate where discussion of defense commitments to anything other than the letter of the North Atlantic Treaty is anathema. While this is a convenient political escape, it is not supported by the actual language of the treaty. The famous "Tropic of Cancer" boundary of in-area versus out-of-area operations is not a boundary at all. When the founding fathers of NATO drafted the treaty they were concerned that the pledge, "An attack on one is an attack on all", contained in Article 5, might be invoked in the event of an attack on an ally's colonies in Africa. They, therefore, included an Article 6 which provided that, in applying the "pledge", an attack on one would be construed as occurring only north

of the Tropic of Cancer. However, over the years, it has become by common usage, a boundary. But boundary or not, the Alliance, has interests "out-of-area".

What emerges from this? The U.S. strategy towards the Mediterranean has a NATO focus, but does not have a NATO envelope. Peacemaking and regional stability are the essential elements of the strategy. If war should occur in the Mediterranean Basin, no matter where it starts, it will involve NATO. Should war start there can be no sanctuaries. Soviet Naval Aviation forces based in North Africa would be a NATO problem. "Out-of-Area" would become an academic problem, and only for those who choose to fondle academic problems. The sea lines of communication through the Mediterranean will remain a dominant concern for U.S. and NATO political and military leaders. The Ionian Sea will remain the "briar patch" for U.S. forces in the Mediterranean. This basin, (and the Mediterranean is a basin oriented battlefield), is the place where geography and politics offer the prospects of the most stalwart defense during the early days of conflict. Surrounded on three sides by an interlocking structure of land based tactical and maritime patrol air bases and with the U.S. Sixth Fleet and NATO's Striking and Support Forces, Southern Europe interposed between North Africa and Southern Italy, no one is going to challenge the Alliance at sea there -- and survive. France, meanwhile, will take care of the Western Mediterranean Basin in an effective way. NATO organizational structure is solid in both of these basins. The Strait of Sicily and the Strait of Gibraltar will be strategically important choke points in the anti-submarine war. And I would not like to be the Soviet submarine commander faced with the challenge of transitting those choke points. Soviet Naval Aviation will make the problem of controlling the Mediterranean east of Crete interesting for a few days and the Eastern Mediterranean Basin will be hotly contested for a short, but fierce campaign --if the Soviets choose to

commit their forces. The Soviets will not be able to win this campaign. The Alliance will work hard to overcome the chaotic military organizational structure in the Eastern Mediterranean, but will do so because we must. The Mediterranean campaign will be won; the Alliance will decide, not without acrimonious debate, what forces will be needed to hold the Eastern Mediterranean Basin, the Aegean and the Dardanelles and U.S. carrier battle groups and amphibious forces will be redeployed, probably to the Eastern Atlantic and Norwegian Seas — unless the Soviets launch a concerted attack on Greek and Turkish Thrace. And they might. If they do, the redeployments will wait until that campaign is decided. If I were a Soviet military leader I am not sure I would know exactly what political-military objective would be served by this "second front" campaign in Greek and Turkish Thrace other than to get their Black Sea Fleet out into the Mediterranean where it could be destroyed, but stranger things have happened in war.

Would tactical nuclear weapons be used to redress the imbalance at sea in the Southern region? I doubt it. Why should the Soviets set the stage for a retaliatory tactical nuclear attack on their Crimean bases from which the attack on the striking force was launched?

The essential element of U.S. and NATO strategy towards the Mediterranean is deterrence. For deterrence to be effective the U.S. and NATO must display both sufficient capability to demonstrate to the Soviets that they cannot win in the Mediterranean theater and sufficient national and allied will to employ that capability if challenged.

THE MOST LIKELY CONFLICT SCENARIOS IF DETERRENCE FAILS

I have discussed above a conflict scenario which, in my view is the most

likely should deterrence fail. There are others. During the late 1970's when I commanded the U.S. Sixth Fleet I believed that there were six areas in which Sixth Fleet forces might be called upon to fight in the Mediterranean:

- o A Soviet attack into Northern Italy's Po Valley
- o A Soviet attack into Greek and Turkish Thrace
- o A Soviet attack into Southeastern Turkey
- o A Soviet initiated war at sea in the Mediterranean without an associated land war (hard to imagine now, but it was not then)
- o A genuine threat to the continued existence of Israel as a free and independent state
- o A serious challenge to U.S. interests in the oil bearing regions of the Middle East.

Any other scenario would be a lesser included case of one of these. The U.S. strategy of deterring conflict and defending its vital interests in the Mediterranean Basin by the peacemaking posture of the U.S. Sixth Fleet might not be attractive grist for the mills of political debate in the councils of NATO, but it has been effective in the wake of British withdrawal from East of Suez and from the Mediterranean. While the Falkland Islands' conflict has come and gone as a consequence of the perceived lessening of British national will, the baton passing in the Mediterranean has thus far been successful.

In summary, the U.S. strategy towards the Mediterranean will, in all likelihood remain what Vice Admiral Ballantine described in 1950: "The U.S. Sixth Fleet as the hinge upon which the door of peace swings in the Mediterranean".

CHANGES IN THE CHARACTER OF THE EAST-WEST STRATEGIC
RELATIONSHIP:
IMPLICATIONS FOR NATO'S SOUTHERN REGION

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I. INTRODUCTION

It has long been axiomatic among Alliance strategists and observers that deterrence and defense in NATO's Southern Region is distinctive within the Alliance not only in terms of its role as viewed from Washington or Brussels, but also in terms of its character. Just as one has been able to speak of a *European* security environment, one has also been able to speak of a more specific security environment around the Mediterranean, and the differences and linkages between the two. The profound changes that have taken place -- and continue to take place on an almost daily basis -- in the character of the East-West strategic relationship as a whole, can have distinctive consequences for the Southern Region.

The purpose of this paper is to briefly explore the implications of changes in the character of the East-West strategic relationship for the Southern Region -- its relative importance, role, linkage to Central Region concerns, and place within the Alliance as a whole: Will prospective developments contribute to a further separation of Atlantic, European and Mediterranean security interests, or will they contribute to cohesion -- and in what manner? Will political and arms control initiatives, and the related evolution of the Atlantic and European dimensions of the Alliance serve to focus attention on the Southern Region, or will they have precisely the opposite effect? In sum, is the Mediterranean dimension of the Atlantic Alliance likely to become: 1) more or less distinctive; and 2) more or less important in the future?

Clearly, there are limits to the extent that broad generalizations can be made about five individual member-nations, all with distinctive foreign and security policy traditions. The issues discussed in this paper will not be of equal importance to all, and there will be marked variation in the ability of individual countries to play an active role in key debates within the Alliance. Yet there is considerable justification for a Southern Region perspective, however sweeping, for reasons that have as much to do with history and perception as with

Alliance relations. Indeed, alliances are ultimately about the aggregation of national and regional interests.

II. THE CHARACTER OF SECURITY IN THE SOUTHERN REGION

The security environment in the Southern Region is distinctive in a number of important respects, all of which are central to the questions addressed here. First, the Southern Region has long been characterized by a relatively diffuse perception of the Soviet threat. While specific areas of threat certainly exist in the region, most notably in northeast Italy and in Greek and Turkish Thrace, there is no focus of vulnerability comparable to that which has existed in NATO's Central Region. The fact that the Southern Region itself comprises three separate land sub-theaters, and an additional maritime sub-theater in the Mediterranean, means that deterrence and defense in the south bring inherent problems of cohesion and coordination. The perceived remoteness of the Soviet threat, together with the existence of diverse strategic traditions and concerns, has also supported the persistence of distinctive national approaches to security matters, and national assertiveness within the Alliance.¹ One consequence of this generally low perception of a direct Soviet threat has been that the symbolic aspects of NATO membership are of at least equal importance to the practical benefits associated with coalition deterrence and defense. For Portugal, Spain, Greece and Turkey -- all of which have had recent experience with authoritarian government -- the symbolic value of NATO membership is reinforced to the extent that it is also a hallmark of membership in the Western democratic "club". While this legitimizing function is less important in the Italian case, NATO membership continues to have potent symbolism in the context of the domestic political debate, and is an important vehicle for activism in international affairs beyond questions of security, narrowly-defined.

¹See Diego A. Ruiz Palmer and A. Grant Whitley, "The Balance of Forces in Southern Europe: Between Uncertainty and Opportunity", *The International Spectator*, Vol.xxiii, No. 1. January-March 1988, pp. 28-29. Distinctive national approaches are treated extensively in John Chipman, ed., *NATO's Southern Allies: Internal and External Challenges* (London: Routledge, 1988).

To be sure, NATO as a whole is as much a political (and symbolic) as a strategic institution, but this aspect of the Alliance is particularly significant in the Southern Region.

Second, and in strong contrast to the Central Region, strategy in the Southern Region is essentially non-nuclear. While it is difficult if not impossible to discuss deterrence and defense in the NATO "core" without reference to the role of nuclear weapons, this is the norm in relation to the Southern Region. Mediterranean strategy has been characterized by an emphasis on conventional forces, traditional missions (e.g., sea control) and longer-war assumptions to a greater extent than has been typical elsewhere in NATO. This has less to do with comparative levels of nuclear capable forces in central Europe and the Mediterranean than with the reality, noted earlier, that there is no comparable focus of vulnerability in defense of which the use of nuclear weapons can be credibly threatened.²

Third, the scale and diversity of the Southern Region, its proximity to historical centers of crisis and instability in North Africa and the Middle East, and the importance of the Mediterranean to communications with regions of economic and strategic importance, including the Persian Gulf and the Indian Ocean, confers a significance that transcends the East-West competition in Europe. The security of the Southern Region will be at least as strongly affected by developments outside Europe as within; and given the difficulty of treating "out-of-area" problems in the NATO context, the most important responses are likely to be national or regional, rather than Alliance-wide. Indeed, the persistence of specific regional concerns around the Mediterranean, from Spain's relationship with Morocco, to Italy's concerns about Libyan capabilities and interest in the stability of Yugoslavia, to hostility between Greece and Turkey in the Aegean, are at least as important as the Warsaw Pact threat in shaping the strategic landscape in the Southern Region.

²See the author's comments on this question in *NATO's Southern Region: Strategy and Resources for Coalition Defense* (Washington: Center for Strategic and International Studies, 1988), p. 5.

The factors that have given the Southern Region its distinctive political and strategic character have also given the U.S. presence in the region a unique importance. U.S. forces, and particularly the Sixth Fleet, lend cohesion to the defense of the various sub-theaters, contribute to the linkage of central and southern region security, and bridge (although not without friction) NATO and out-of-area needs for power projection³

Both symbolically and materially, the U.S. presence serves to bind together a vast theater that is, for the most part, not directly threatened by Soviet power, less nuclear, and equally absorbed with a variety of out-of-area or regional security concerns.⁴

³See Jed C. Snyder, *Defending the Fringe: NATO, The Mediterranean and the Persian Gulf* (Boulder: Westview, 1987), pp. 16-18.

⁴One should stress "for the most part" -- the Turkish perspective on the Soviet threat will naturally be very different, but in other respects the point remains valid.

III. CHANGES IN THE EAST-WEST STRATEGIC RELATIONSHIP AND THEIR IMPLICATIONS

The evolution of the political relationship between East and West, and parallel developments in nuclear and conventional arms control, pose the possibility of a fundamental transformation of the security environment in Europe. The nature of this environment will be driven by the course of events in the Soviet Union and Eastern Europe, and the nature of the Western response. At a minimum, the emerging strategic canvas is likely to be characterized by a reduction in the level and character of the Soviet military threat to Western Europe. These changes also imply certain risks, however, not least the prospect of growing instability in Eastern Europe including the Balkans, and most significantly, in the Soviet Union itself. To the state of flux in the East-West strategic relationship one must also add the movement towards European integration -- "1992" -- the future of which may be strongly influenced by developments in Eastern Europe, with special significance for the newer members of the European Community in southern Europe (and Turkey as an aspiring member).

POLITICAL DETENTE

To the extent that the military component of East-West relations is reduced, and political detente promoted, this can be expected to strengthen the position of smaller and "peripheral" states within the Alliance, including those of the Southern Region. An atmosphere of political detente can also be expected to offer greater scope for bilateral East-West initiatives on trade and development. Italy, in particular, is well placed to act as a favored interlocutor in the dialogue with Eastern Europe and the Soviet Union, and a similar if less active role could perhaps be foreseen for Spain. Overall, the improvement of East-West relations in the political sphere will have the effect of shifting Atlantic and European relations to areas in which the militarily weaker Southern Region countries are relatively better equipped to play an active role.

While political relaxation may encourage a greater role for individual Southern Region countries, this does not necessarily imply that the region as a whole will receive more attention within the Alliance on this basis. Indeed, the developments in the Soviet Union and Eastern Europe that have made possible the new perception of opportunity (and potential risk) in East-West relations are of the most direct relevance to security in central rather than southern Europe.

As a general observation, the rise of political detente may pose significant challenges for both the Atlantic dimension of Alliance relations and the movement towards European integration. For a variety of reasons these challenges may be especially pronounced in relation to the Southern Region. First, the issue of the level and character of the U.S. presence in Europe has particular significance for the Southern Region where, as noted earlier, U.S. military power plays the essential role in ensuring a coherent defense. Second, this presence is dependent upon the maintenance of increasingly strained basing accords around the Mediterranean. The limits placed on the use of these facilities for other than NATO-related purposes, coupled with a relaxation in the East-West military confrontation in Europe (and associated force reductions) may encourage more active Congressional opposition to costly base and security assistance agreements. In these circumstances, and even in the absence of any precipitous withdrawal of American forces from Europe, the Atlantic dimension of Alliance relations in the Southern Region is likely to become more difficult to manage.

The tension between European and Mediterranean security interests, and between the European and Atlantic dimensions of foreign and defense policy -- common to all of the Southern Region states in varying degrees -- will be complicated by a movement towards detente and demilitarization. The fact that it is difficult, if not impossible, to envision a NATO-Warsaw Pact confrontation in the Mediterranean except as part of a wider European conflict, has supported the perception that security in the Central and Southern Regions is, ultimately, closely linked. As the already low perception of a direct Soviet threat recedes, this linkage is progressively weakened.

In an atmosphere of political detente, the Southern Region countries will also be able to devote greater energy and attention to European concerns, increasingly important in the context of "1992". Yet, over the longer-term, the changes in the European security environment which will make the European Community an even more attractive material and symbolic focus for external policy around the Mediterranean may, if carried far enough, complicate the integration of Portugal, Spain, Greece (and potentially Turkey) within the Community. The expansion of the Community eastwards to include Austria and *in extremis* East Germany, Poland or Hungary, against the background of an East-West strategic relationship which would permit this, could dilute the symbolic significance and potential benefits of European integration for its Southern Region members.

Finally, to the extent that the NATO-Warsaw Pact military competition is defused, existing regional Mediterranean and out-of-area security concerns are likely to be given greater prominence in the plans and policies of Southern Region countries. In a region characterized by formidable constraints on the resources that can be devoted to defense, a perceived decline in the Soviet threat, together with ongoing arms control initiatives, will be seen as an opportunity to trim defense spending and to devote more of the remaining effort to national rather than Alliance security concerns. There is, of course, no shortage of such concerns around the Mediterranean basin, including political instability, ballistic missile and chemical weapon proliferation in North Africa and the Middle East, increasing challenges for air defense, terrorism, and traditional and untraditional threats to sea lines of communication.

For Italy, in particular, bolstering the capacity to deter or counter a range of threats originating to the south has been an increasing concern. The waning of the perceived threat from the Warsaw Pact can be expected to support this trend and encourage the further development of "rapid action forces", on the pattern of the *Force d'Action Rapide* and the *Forza d'Intervento Rapido*, elsewhere in the Southern Region. The "Mediterraneanization" of security policy,

however, also brings with it the risk of a further marginalization of the role of Southern Region countries over the longer term -- precisely the condition that politicians and strategists in the region have decried.¹

One way of reconciling this dilemma would be for the Alliance as a whole to devote more attention to Mediterranean security -- in short, for the strategic center of the Alliance to move southward.² This is most unlikely, not least because of the difficulty of orchestrating a NATO strategy towards out-of-area threats, and the dramatic developments in Central and Eastern Europe that will continue to be the focus of political if not military attention. Expanded cooperation among the Southern Region allies, along the lines already being pursued by Italy, France and Spain in the area of maritime surveillance, can represent a useful hedge against a reduction in the U.S. presence in the Mediterranean or a movement towards a narrowly-based (e.g., Franco-German) form of European defense cooperation.³ Again, the attractiveness of such ventures is likely to be limited by a preference for broader European initiatives that do not foster a separate approach to security in NATO's south.

The ongoing friction and risk of open conflict between Greece and Turkey clearly has its own dynamics. Active NATO-Warsaw Pact competition, and the need to hedge against Soviet aggression, has provided an incentive for Greek and Turkish cooperation with the U.S. and within the Alliance, and has undoubtedly served to temper relations in the Aegean. The improvement in East-West relations and a perceived decline in the Soviet threat could introduce a new element of uncertainty in this quarter.

¹See, for example, Clyde Haberman, "Italy Says NATO Neglects the Mediterranean", *New York Times*, February 16, 1989; and Maurizio Cremasco and Giacomo Luciani, "The Mediterranean Dimension of Italy's Foreign and Security Policy", *The International Spectator*, Vol. xx, No.1 (January-March 1985).

²The issue of a shift in the strategic center of Europe is raised in Sergio A. Rossi "NATO's Southern Flank and Mediterranean Security" in *NATO's Maritime Flanks: Problems and Prospects* (Washington: Pergamon-Brassey's, 1987), p.4 8.

³Initiatives in this area include the joint Helios observation satellite project, and proposed cooperation on AWACS.

Political detente, and political and economic liberalization in Eastern Europe, may also pose new challenges for stability in Yugoslavia, with obvious implications for security in the Balkans and the Adriatic. More specifically, long-standing problems of ethnic unrest and regional separatism may well accelerate as the Yugoslav system begins to appear less liberal and less attractive in relation to rapidly reforming regimes elsewhere (e.g., in Poland or Hungary). While there is apparently little prospect of the current spate of liberalization transforming Bulgaria or Romania anytime soon, this cannot be ruled out in the longer-term. Again, such a development could have significant security implications for Greece and Turkey, and might seriously restrict the Soviet Union's freedom of action in The Warsaw Pact's own southern region.⁴

NUCLEAR AND CONVENTIONAL ARMS CONTROL

For the Southern Region, as elsewhere within the Alliance, nuclear and conventional arms control initiatives are welcomed as the concrete expression of a general movement towards political and military detente in Europe and, possibly, as a means of reducing the burden of defense spending. If the perception of a direct Soviet threat is less keenly felt around the Mediterranean than in Central Europe, the problems posed by changes in strategy and forces as a result of arms control or unilateral initiatives are of no less concern, and are in some ways even more complex in the Southern Region context. Despite the long-standing importance of conventional forces in the region, the possibility of a progressive "de-nuclearization" of NATO strategy will be greeted with reservation in some quarters because the nuclear dimension of flexible response is seen to have a unifying effect within the Alliance, binding together the security fate of Central Europe and the flanks. From the Southern Region perspective, it is essential not only to assure the strategic coupling of the U.S. and Europe -- a traditional NATO concern -- but also to maintain the coupling between

⁴See Jonathan Eyal, ed., *The Warsaw Pact and the Balkans* (New York: St. Martin's Press, 1989).

deterrence in the Central and Southern Regions. This is not to say that further reductions in nuclear forces, in particular short-range weapons including (perhaps) air-launched and sea-based systems will meet strong opposition in the Southern region -- political reality dictates otherwise -- but it does suggest that the problem of coupling in the Southern Region will become more pronounced.⁵

In a similar manner, reduced reliance on nuclear forces, together with improvements in the conventional balance in Europe as a result of CFE, unilateral withdrawals or restructuring, and modernization, could lead to a situation in which a NATO-Warsaw Pact conflict -- however unlikely -- might be longer rather than shorter, and involve more than one theater. A war of longer duration would, in turn, raise the importance of secure sea lines of communication for reinforcement, resupply and access to vital resources. All of these factors would naturally increase the importance of NATO's flanks, and the Mediterranean in particular.⁶

Conventional force reductions, as currently envisioned, by imposing significant cuts in stationed ground and air units, but not (as yet) embracing naval and naval air forces, could lead to an environment in which the Southern Region with its concentration of maritime forces becomes a center of substantial residual military power.⁷ The extension of the CFE process to naval forces, while unlikely in the near term, would obviously present profound problems of adjustment for NATO

⁵It is noteworthy that in the midst of the current political crisis in Greece, former Prime Minister Papandreou has called for the removal of all U.S. nuclear weapons as part of a new base accord. See *The Manchester Guardian*, November 1, 1989, p. 13.

⁶See Bruce R. Kuniholm, "CDI in NATO: The Southern Flank and Alliance Defense" in *The Future of Conventional Defense Improvements in NATO: Proceedings of the Tenth NATO Symposium* (Washington: National Defense University, 1987), p.263.]

⁷An agreement based on zones would reinforce this effect, as would the transfer of modern aircraft or other equipment to Southern Region members to maximize NATO's residual capability under a CFE agreement (a difficult prospect for a variety of political and economic reasons). "Stationed forces" requirements proposed under CFE could also lead to a situation in which Hungary, Bulgaria or Romania make relatively small cuts in ground and air forces.

strategy in the Mediterranean, and could have even more far reaching implications for Southern Region cohesion.

While political detente and conventional force reductions can substantially improve the security outlook with regard to the East-West relationship, they will have little effect on the range of "out-of-area" and regional security threats around the Mediterranean (the prospects for East-West crisis management out-of-area might perhaps be improved), as arsenals in North Africa and the Middle East remain unconstrained. This raises the question of the longer-term effect of negotiated conventional force reductions (especially naval and air), and any unilateral reductions, on capabilities for non-NATO contingencies in the Southern Region. In sum, the linkage between asymmetrical force reductions and improved security may not be as automatic in the Southern Region as in the center or the north.

Finally, the improvement in East-West relations and progress on conventional arms control can be expected to throw into sharper relief the problem of U.S. access to Allied facilities around the Mediterranean. Over the past decade, Southern Region countries have become more explicit about restricting the use of bases (and overflight rights) to NATO-related purposes, at a time when the Warsaw Pact threat is widely perceived as receding and out-of-area threats expanding. Given this, and in a period of budgetary pressures on both sides of the Atlantic, the politics of maintaining this infrastructure will become more difficult (witness the current difficulty surrounding the move of the 401st Tactical Fighter Wing to Crotone).

As this brief analysis suggests, conventional force reductions in Europe will have a number of unique strategic and political implications for the Southern Region. On balance, however, these are unlikely to result in any overall increase in the attention devoted to the Southern Region within the Alliance, at least in the near-term, since the impetus for and substance of current initiatives derives overwhelmingly from the historic imbalance of forces in the Central Region and the imperative of redressing this. Having done so, it is possible that out-of-area and regional threats around the Mediterranean can be given more attention by

the U.S. and the countries of the Southern Region, although perhaps not in a formal NATO context.

IV. OVERALL OBSERVATIONS

In sum, one may suggest that the changes currently underway in the East-West strategic relationship -- in particular the related phenomena of political detente and arms control -- are unlikely to cause the Alliance *as a whole* to devote more attention to Southern Region issues, however justified. Nonetheless, current and prospective developments will have some unique implications for NATO and the Mediterranean:

- The traditional *distinctiveness* of the security environment in the Southern Region will persist, not least for reasons of geography and political culture, but is likely to become less significant over time. As the Alliance as a whole continues to view the Soviet threat in more remote terms, places less emphasis on the nuclear dimensions of deterrence and defense, and is characterized by increasing independence and assertiveness on regional questions, it will present less of a contrast to the environment in the Southern Region where these characteristics have long been the norm. This suggests an increasing convergence of strategic perceptions, at least with regard to the East-West dimensions of security.
- The problem of *strategic coupling*, always more complex in the Southern Region where there is a need to maintain the linkage between security in the center and the south, as well as extended deterrence across the Atlantic, is likely to become more difficult as nuclear and conventional forces are reduced, and the unifying perception of a Soviet threat recedes. As elsewhere -- but with particular importance in the Southern Region -- the tension between the European and Atlantic dimensions of security policy will persist, and perhaps deepen, as *Europe* is seen as an increasingly important vehicle for political-military, as well as economic assertiveness.

- At the same time, a waning of the Soviet threat will release intellectual and material resources for, and encourage a more active approach to, the consideration of regional and out-of-area threats around the Mediterranean. Because substantial forces in the Middle East and North Africa will be unaffected by CFE reductions, the linkage between asymmetrical force reductions and improved security will be less automatic in the Southern Region than elsewhere in Europe.
- Finally, the U.S. presence in the Mediterranean, which has traditionally lent cohesion to deterrence and defense in the Southern Region, may prove more difficult to sustain in an environment of political detente and arms control. Leaving aside the possibility of naval force reductions, existing restrictions on the use of bases around the Mediterranean purposes are likely to persist and solidify just as out-of-area threats begin to assume a more prominent place on the security agenda. This points to a pressing need for the Alliance as a whole to address the question of cooperation on *Mediterranean* security beyond its East-West dimensions, even if the most significant modes of action out-of-area remain national ones.