CHAPTER ONE

Old Europe and New Europe

Europe began the twentieth century as the world’s leading region. By the middle of the century it was devastated and occupied. By the end it was once more prosperous and free. Given Europe’s roller-coaster ride through the past century, no one can predict with much assurance what its fate will be in the new. There are too many unpredictable elements. Europe has volatile neighbors to the east and south, including giant, foundering Russia. Old Balkan quarrels have revived in savage warfare. Security still depends heavily on the United States, whose own agenda is uncertain and disoriented. And prosperity hinges on a world economy shaken by seismic changes not necessarily favorable to Europe. True, Europe’s old nation states have left the twentieth century tied into a union that promises a better future. But that union is now embarked upon bold but hazardous experiments with monetary integration and territorial expansion. Its complex institutions are overstretched and need fundamental reforms. Meanwhile, ancient national rivalries smolder among the partners. With so many contingent uncertainties, even the most knowledgeable predictions must rely heavily on historical imagination and intuition, and ultimately on faith.

Nonetheless, decisions are made and policies go forward. We are in one of those watersheds in history where present choices may determine the course of events for a long time to come. Analysts must therefore try to make sense out of what is going on. Even if they cannot reliably predict the future, they can at least hope to move more consciously through the swirling events that are shaping it. This means not only analyzing current events but trying to determine an appropriate historical and theoretical framework for considering them. Finding such a framework after the Cold War means reprogramming our imaginations—transforming our visions and goals to suit a different reality. This rejuvenating of the public imagination is a vital collective task, where scholars, journalists, and artists, along with politi-
cians, bureaucrats, and political activists in general, have their roles. This book is one attempt to contribute. Its title—*Rethinking Europe’s Future*—suggests its approach.

**BIPOLAR OBFUSCATION**

Some thirty-five years ago, I made a similar attempt, in a book called *Europe’s Future: The Grand Alternatives*. That book was somewhat unusual for the time in arguing that the European status quo of the Cold War, while already remarkably comfortable for the West, was more vulnerable to changes already occurring than many others thought—a view that I restated strongly in a subsequent book, *Beyond American Hegemony*, published in 1987.¹ Even at that late date, most analysts and practitioners continued to believe that radical changes lay well into the future.

The sudden retreat and unexpected collapse of the Soviet Union exploded the prevailing complacency but also encouraged some dangerous misconceptions. Cold Warriors—Marxists and anti-Marxists alike—had defined postwar history in a rather parochial and intellectual fashion—as a dramatic struggle between two opposing ideals: communism and capitalism. With the Soviet collapse and China apparently transforming itself rapidly into a market economy, the struggle seemed over. Liberal democratic capitalism had apparently won and was expected soon to predominate everywhere. As one famous article announced, it was therefore “the end of history.”² The author, Francis Fukuyama, was doubtless too shrewd to take his celebrated aphorism too seriously. What had undoubtedly become obsolescent, however, was the postwar mind set that visualized history through a bipolar paradigm set by the Cold War. Indeed, that view had been out of date for a long time.

Throughout the Cold War many things were going on in the world that did not fit comfortably within the bipolar paradigm. As Europe lost its empires, Asia’s giant countries—India and China—began transforming themselves into modern states: superpowers of the future. The Muslim world, more-or-less liberated from Western occupation, embarked on its own painful course toward modernization. Meanwhile, West European states achieved remarkable domestic transformations that greatly increased their economic weight and political stability. Japan followed a similar course in Asia and grew into an economic giant. Smaller countries in Asia began to follow. By 1989, all these changes together had constituted a major redistribution of economic strength within the capitalist world. Technology, meanwhile, was relentlessly bringing all parts of that world into more and more intimate contact—resulting in a heady mixture of confrontation and collaboration, loss and enrichment. These changes, which were going on throughout the Cold War, have of course continued after it. The fading of the bipolar perspective has made their significance more apparent.

**History Resumed: Backward to the Future**

In trying to master the new era that is unfolding, intellectuals and policymakers search for new paradigms—to frame, order, and justify their ideas and projects, some new and some old. Seeking fresh guidance for the future inevitably prompts a new look at the past. In some respects, the new Europe after the Cold War is not unlike the old Europe before World War I. The old Europe had been plural and interdependent, with several interacting centers of power and an uneasy and shifting balance among them. Thus, the collapse of the rigid and insulated bipolar blocs seems not so much the end of traditional European history as its resumption, with the Cold War merely a frozen parenthesis.

A Europe returning to its normal history is not an altogether reassuring prospect. That history is long and bloody, and there is scarcely a single tranquil century in it. The first half of the twentieth century saw the disintegration of the Habsburg empire; the Soviet, Fascist,
and Nazi revolutions; the breakdown of the world economy; and two world wars of astonishing ferocity—an exceptionally violent period, even by Europe’s normal standards. If the century’s second half was comparatively stable, it is arguably because the Cold War between the superpowers deprived European states of a large measure of their independence.

**Postwar Europe: Durable Progress?**

In the West, at least, postwar Europe had ample consolation for its geopolitical demotion. Thanks to the Atlantic Alliance, West Europeans enjoyed reliable protection, against not only the Soviets but also each other. And taking good advantage of a global *Pax Americana*, Western Europe grew collectively into the world’s largest producer and consumer of goods and services.\(^3\) Prosperity led to exceptional domestic stability and contentment. West European governments pioneered in developing the democratic welfare state and, with the Common Market, created a unique and highly successful regional structure for resolving national differences and concerting national policies. Thus, if the first half of the twentieth century was an exaggerated version of Europe’s normal bellicose and self-destructive history, the second half was a prolonged departure from that history. The question is whether that departure can be prolonged, now that the Cold War occupation is over.

Europe's states have enjoyed long periods of stable progress and prosperity before. A relatively tranquil balance of power system lasted from Napoleon’s defeat in 1815 until the mid-nineteenth century, when an explosion of nationalist revolutions inaugurated a new chain of major European wars, culminating in the Franco-Prussian War of 1870. Thereafter, despite the Great Depression of 1870–1896, the Boer War, the Russo-Japanese War, and various Balkan conflicts,

---

\(^3\) Although the statistics change depending on factors such as exchange rates, most measurements showed Western Europe to be the biggest producer and consumer of goods and services by the end of the 1980s. The European members of the Organization for Economic Cooperation & Development (OECD) had a combined GDP (at 1990 price levels and exchange rates) of $7,240 billion, while the GDP of the United States stood at $5,554 billion.
Europe as a whole enjoyed a peaceful and prosperous interlude, until the great bloodbath that began in 1914 and recommenced in 1939. Should the long peace of the Cold War be seen as merely another transitory interlude? Or has there been a genuine mutation that allows us to imagine that Europe can now escape its normal historical alternation between peace and war?

One possible answer is that Europe’s Cold War occupation is not over. Instead, a benevolent American protectorate has become a permanent feature of the European environment. The American protectorate, moreover, is now being gradually extended over many parts of the old Soviet Europe. So long as the protectorate remains intact, so, arguably, will the stability and prosperity that have grown up under it. But this is a vision of Europe’s future that seems unrealistic for a variety of reasons. Although Western Europe and the United States may well remain military allies in the foreseeable future, Americans have grown relatively more concerned with their own economic, social, and political problems and less capable of managing other people’s affairs. At the same time, the security problems of the new Pan-Europe are now more domestic and complex in character, more difficult and inappropriate for an outside power to manage. Moreover, the rapid rise of giant Asian powers suggests that the United States may need to grow more selective in its military commitments and will therefore demand more “burden-sharing” from the Europeans. Americans and Europeans, after all, are not only allies but also major economic competitors. And several European states are themselves major military powers. In the absence of any clear common threat, both Europeans and Americans themselves may grow progressively uneasy about continuing America’s traditional postwar military hegemony over Europe. A new transatlantic relationship will have to be found, one in which Europe will depend more on its own indigenous forces, institutions, and balances.

Europe today, of course, seems very different from the Europe of 1914 or 1939. All the major Western states are democracies. War has supposedly become unthinkable among closely related democratic societies. But conflict has many forms and many ways to start. Interstate systems break down in different ways at different times. Democracies can be more fragile than they seem. Habits of violence spread. Confrontations can get out of control, and incidents can degenerate or be
manipulated into wars, particularly after a long period of deteriorating relations. Today’s difficult economic conditions, along with the disquieting surge of racist and ethnic violence in many European countries, suggest that the continent’s peace and stability are not artless products of nature and should never be taken for granted.

Fortunately, West European states have used their long Cold War vacation to build a European Union that presumably compensates for diminishing American hegemony. That European Union has owed its postwar success to two critical factors: American support and a special relationship between France and Germany. Strong American support was particularly significant in the early days of Europe’s fledgling community. A major school of American diplomacy regarded America’s heavy postwar hegemonic role as transitory and looked forward to a more integrated Europe and a more equal transatlantic alliance. Such a Europe seemed a more reliable partner for sustaining the liberal global economy that Americans were hoping to build. Thus, American policy favored European integration in theory and never turned resolutely against it in practice.

The idea of constructing a pan-European confederacy around Franco-German partnership had its roots in the interwar period and revived strongly after World War II. The nascent partnership was the major political force behind the early institutions that began Europe’s postwar process of integration, notably the European Coal and Steel Community of 1952 and the European Economic Community of 1958. In 1963, a treaty signed by Konrad Adenauer and Charles de Gaulle gave the partnership a formal institutional framework of its own. Thereafter it developed to include diplomatic and military cooperation and gradually became a sort of steering committee for the European Union as a whole. By the late 1980s, Franco-German partnership was well established, and Europe’s unifying process seemed ready to accelerate on several fronts—commercial and monetary union, diplomatic coordination, even pooled military forces.

Europe Challenged

The sudden collapse of Soviet power, starting in 1989, proved a major shock to West European integration. Without the Soviet empire and
the Cold War, not only was America’s future role uncertain, but Europe suddenly regained many of its traditional divisive problems. Re-united Germany was, once again, substantially bigger than its neighbors and more problematic internally. Europe’s old German problem was threatening to revive. With Russia chaotic and the states of its old Central and East European empire in turmoil, Germans felt themselves pulled inexorably back to Mitteleuropa. Many analysts began to fear that the European Union would, after all, prove merely an epiphenomenon of the Cold War. Fortunately, Europe’s postwar enthusiasm for union had deeper roots. While postwar integration was greatly facilitated by the exigencies of the Cold War, its real inspiration came from Europe’s self-destructive experiences in the half-century before the Cold War began. Engaging France and Germany in a great cooperative project had seemed the best way to contain German power. But so long as the Cold War lasted, these long-term political goals of integration were more visionary than urgent. Containing Germany was hardly a pressing need while the country was partitioned and occupied. Preventing Europe’s being dominated by outside powers was another of integration’s long-term aims. But while Soviet forces remained in the middle of Germany, few West Europeans had any compelling desire to send the Americans away. Not until the Cold War system began to crumble did the European Union’s long-term political and military goals grow immediate. With Germany reunited, the Soviets gone, and even the Americans withdrawing two-thirds of their troops, a renewed German problem began to seem possible. The European Union finally faced the challenge for which it was designed.

Europe’s nation states reacted with apparent vigor—principally by more and more ambitious plans for their union. With the Maastricht Treaty of December 1991, West European governments committed themselves to press forward with commercial, monetary, diplomatic, and military integration. Thus “deepened,” the restyled European Union planned to reach out to incorporate the newly liberated states of Central and Eastern Europe. The Union of Western Europe was to become the Union of Pan Europe.

Rapidly unfolding events soon called the Maastricht goals into question. An unusually severe recession seemed to underscore Europe’s vulnerability in an increasingly competitive world economy. Unemployment reached levels not seen since the 1930s and showed
no sign of rapid improvement. The German government’s heavy borrowing to cover the costs of national reunification worsened the slump. Meanwhile, the Yugoslav crisis, which exploded in 1991, mocked European pretensions to diplomatic and military coordination. Popular opposition to Maastricht grew serious in several countries, including France. For the first time, the ideal of European union risked losing its popular mandate. But despite discouraging experiences in the earlier 1990s, Europe’s states pressed ahead with more and more ambitious plans for their Union. Hopes began to be fulfilled. Most notably, monetary union occurred on schedule in 1999. By the decade’s end, even the perennial schemes for diplomatic and military cooperation seemed ready to take on real substance.

Viewed in longer perspective, considering the terrible decades of war, tyranny, and depression that followed after 1900, Europe’s old nation states left the twentieth century in surprisingly good health. Their political economies, however troubled, nevertheless continued to blend prosperity, liberty, and security with success. They entered the new century having built a complex European Union that represented great progress toward resolving the old contradiction between sovereignty and interdependence. As neighboring nation states, they were preserving national consensus and self-determination while using their confederacy to harmonize their relationships, and thereby greatly increasing their own effectiveness. Their Union seemed a sort of Holy Roman Empire reborn—like its predecessor scarcely holy, hardly Roman, and not much of an empire. Rather, it was communitarian in spirit, Gothic in structure, and elected no emperor. But for all its messy diversity, it kept moving forward.

Europe entering the twenty-first century, however, has few reasons for complacency about its future. Current trends point toward a radi-

---

1 The Danes narrowly rejected the Maastricht Treaty in the referendum of June 2, 1992 (50.3 percent against, 49.7 percent for), while the French accepted it by a narrow margin (51.04 percent for, 48.95 percent against). By December 1993, Eurobarometer polls showed support across the European Union for European integration down to 54 percent of those polled, from a post–Cold War high of 69 percent in 1991. “Eurobarometer: Opinion Poll Shows Drop in Support for EU Membership,” Europe Information Service European Report, December 17, 1993, and Europe Information Service European Report, July 22, 1992.
cally different world system, where neither Europe’s own comfortable position nor the continued predominance of Western power and values is assured. Demography alone compels apprehension.\(^5\) The travails of Europe’s eastern region and southern neighbors will threaten contagious disorder for the foreseeable future. And with the Soviet empire gone, Europe’s Union confronts a pan-European reality, in itself a threat to the EU’s own comfortable Western identity. The Western partners have to decide which Eurasian countries are in their union and which are not. Internally, they will have to extend their confederal institutions, already highly complex and delicately balanced, to a larger and more heterogenous membership. Satisfactory accommodations will have to be found for neighbors who remain outside. And new arrangements will be needed for security problems that are themselves greatly altered. This means recasting relationships with both Russia and America.

The Soviet demise is challenging to Europe in other respects. What, for example, does it imply for the future cohabitation of capitalism and nation states? Was the failure of Soviet collectivism also a decisive defeat for the communitarian varieties of capitalism widely practiced in postwar Europe? Was the collapse of the Soviet Union, in itself, a vindication of capitalism? Arguably, exposing the squalid bankruptcy of the Soviet model did little to discredit Marx’s analysis of capitalism’s own weaknesses. Instead, the decade following the Soviet collapse saw the return of a strong deflationary current in the world, despite America’s own record prosperity. With one financial crisis following another, Europe’s high unemployment, together with the severe disarray of Japanese and several other Asian capitalist

economies, seemed to demonstrate the dangerous instability of capitalism, as well as the diminishing ability of national sovereignties to control it.

All rich countries, of course, face challenges arising from capitalism’s rapid technological change and highly competitive global economy, but European states seem especially vulnerable. Europe’s labor is the most expensive in the world, and its welfare systems are the most generous. Its investment in research and new technology lags behind that of the United States and Japan. The outrageous levels of unemployment that grew chronic in the 1990s have become a threat to fiscal, social, and political stability throughout the continent.6

Europe: The New World Order?

Whether Europe’s states do succeed with their union is scarcely less important to others than to the Europeans themselves. A quarreling Europe has been a great burden to the rest of the world. Over the several decades of the Cold War, both the superpowers squandered untold resources on arms, not least because they believed, with ample evidence, that Europe was too dangerous to be left to its own devices. The Cold War was no doubt a monstrous solution to Europe’s traditional problems, but it was better than another European war. Today, the new global challenges are such that the world really cannot afford the old Europe. In this century, Europe should take a leading part in global solutions rather than itself remain the principal global problem.

6 In 1995, national R & D expenditures as a percentage of GDP were as follows: United States 2.52 percent; Japan 2.78 percent; Germany 2.28 percent; France 2.34 percent; the United Kingdom 2.05 percent, and Italy 1.14 percent. Hourly compensation costs for production workers in manufacturing in 1996, with the United States as 100, stood at Germany 180; France 109; the United Kingdom 80; and Italy 102. U.S. Bureau of the Census, Statistical Abstract of the United States: 1998, 118th edition (Washington, DC: U.S. Government Printing Office, 1998), pp. 612, 844. The average level of EU unemployment remained stubbornly fixed around the 10 percent mark throughout the 1990s, while France and Germany saw 12 percent unemployment by the middle of the decade. OECD Economic Outlook June 1999 (Paris: Organization for Economic Cooperation and Development, 1999), p. 248. See below, chapter 12, for discussion.
It is therefore tempting to see a unifying Europe as the harbinger not only of a more plural world but also of one with better hopes for peaceful stability. In this vision, a strong, cohesive Europe joins in a rejuvenated alliance with America. Together, they embrace Russia in a larger pan-European system—not to make a common front against an alien non-Western world but to keep their own balance and their own relations in order across Europe and the Atlantic. Such a Europe becomes a model for reasonable behavior among states in other regions of the world—a noyau dur of enlightened rationality. This view presumes, however, that Europe will succeed with its confederal experiment, an outcome that Europe’s history hardly allows us to take for granted.

And, of course, a European Union that does flourish in the twenty-first century will be a problem as well as a solution. It can scarcely avoid becoming a major new force in the world. Its very existence, coupled with the rise of Asian superpowers, should indicate a world system that is growing more plural. For those who have grown fond of the idea of a seamless global world, with only one superpower, this is a disquieting prospect. For Americans and Europeans alike, it raises issues that will need to be faced consciously and generously. Suppressed, they can easily poison transatlantic relations and, someday, shatter the West once more.

**The Book’s Strategy**

Our inquiry into Europe’s future looks to the basic questions about Europe’s future: Will Europe, liberated from bipolar hegemony, continue the Cold War’s positive experiment with integration, or will it return to the fissural tendencies that proved so self-destructive in the prewar past? And what will be the global consequences if Europe’s integration does succeed? Answering these questions requires addressing some major historical issues. To begin with, what is the nature of Europe’s long-standing self-destructive tendencies, and what lessons can we learn from studying their history? Second, what was the basic character of postwar Europe that permitted West European integration to go forward? More important, what dynamic ele-
ments remain from the postwar era to shape Europe’s union in what now seems a very different regional and global setting? Addressing these questions gives the book its structure. The chapters that follow fall into three distinct but interdependent parts—each with a short introduction:

Part I, “Europe’s Living History,” looks at critical parts of modern Europe’s long-standing historical legacy—in particular the rival interpretations and lessons of World War I, and, more generally, Europe’s enduring system of nation states, with their symbiotic but uneasy relationship with capitalism.

Part II, “Legacies of the Cold War,” focuses on what endures of postwar Europe, depicted as three overlapping, antagonistic, but interdependent “systems”—the bipolar strategic system, the European Union, and the global economy. The opening chapter considers the origins of each and its interdependence with the others. Subsequent chapters analyze each system’s character, dynamics, and continuing influence.

Part III, “The New Europe,” enters the postwar era. Succeeding chapters consider Maastricht and the European monetary union, “globalism” and European integration, the European Union’s projects for enlargement and constitutional reform and for its own more autonomous collective security. A penultimate chapter considers models for a pan-European security system, with varying arrangements for Russia and America. The final chapter, “Europe in the New World Order,” speculates on the probable role and character of the European Union, should it be a major power in the new century.

So broad a range of topics and disciplines is a challenge for the writer and the reader both. Europe, with all its rich diversity and vitality through the centuries, is in no way a simple subject. Its history is hardly a tidy collection of uncontested interpretations with clear lessons for the future. Certainly, no one should claim infallible powers for divining Europe’s future. In 1900, who could have imagined what would follow over the next twenty years, let alone over the rest of the twentieth century? We can be certain, however, that what happens with Europe’s confederal project will be one of the great issues for our present century. Modesty should not keep us from trying to imagine the future, or from studying history for inspiration to improve on
it. At the very least, we should seek to understand what is happening to us and why. I have tried to write in this spirit. Failure may be inevitable, but I hope useful to others.

**Selected Sources**

*History Resumed: Backward to the Future?*


*Europe Challenged*

Many saw the reunification of Germany as a major potential threat to peace in post–Cold War Europe. For my own contemporary analysis, see David P. Calleo, “German ‘Reunification’: An American View,” *Die Zeit*, November 3, 1989, p. 7. Other works that deal with this