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WESTERN EUROPE

AUTHOR: Angela E. Stent

CONTRACTOR: Harvard University

PRINCIPAL INVESTIGATOR: Angela E. Stent

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EXECUTIVE SUMMARY

Mikhail Gorbachev's recent rapturous welcome in the Federal Republic of Germany, where he enjoys an unprecedented approval rate of 90 per cent of the population, is one indication of his remarkable success in Western Europe. Indeed, he is more popular in Western Europe than in the Soviet Union, where the population has yet to experience the material benefits of *perestroika*. The West Europeans react sympathetically to his dynamic, conciliatory personality. But their enthusiasm is also a response to his concrete policies. Gorbachev's initiatives combine a revival of the more successful aspects of Brezhnev's policies with a significant change in the Kremlin's evaluation of the future of West European integration and its implications for the Soviet Union and its East European allies. His dealings with Western Europe have already exacerbated longstanding differences between the United States and its allies over policy toward Soviet Union. Gorbachev's *Westpolitik*, designed to persuade NATO that there is no more Soviet threat, presents a new challenge to the Western alliance as it enters the next millenium.

Underlying Gorbachev's initiatives in Western Europe is the theme of "Europe, our common home". This is a protean concept, still taking shape, a response to new opportunities in Western Europe and new challenges in Eastern Europe. It involves emphasizing the Soviet Union as a European power, greater political and cultural interaction between the two halves of the continent, a stress on the economic interrelationship, reduction in both sides' military arsenals, and an acceptance of the United States' presence in the home, albeit as a tenant rather than a permanent occupier of one of its apartments. Even when the construction is completed, according to the Soviets, the house will still be divided into two halves with a clear demarcation between East and West; but recently, Politburo member Aleksandr Yakovlev tantalizingly hinted that the Eastern part of the home might eventually acquire Finnish furnishings.

Why does Gorbachev stress the common home theme and why has he embarked on a more conciliatory policy toward Western Europe ? One major reason is the prospect in 1992 of a single European market of 320 million West Europeans. He recognizes that West European integration--contrary to what Soviet officials have claimed for three decades--is a dynamic, successful process that will continue in the twenty-first century. He fears that the Soviet Union and Eastern Europe will become increasingly isolated and economically disadvantaged if they fail to become involved in the process.

This realization has affected multilateral ties and influenced Moscow, after fifteen years of vacillation, to permit the conclusion of a mutual recognition agreement between CMEA and the Community. But consciousness of post-1992 Europe has also affected the Kremlin's bilateral ties with the key members of the Community. Under Gorbachev, ties with Britain ,France and the Federal Republic have been upgraded. As was demonstrated in the recent Soviet-West German summit, Gorbachev wants to ensure his country's access to the economic and political clout of the Common Market's most important member.

There is also an important East European dimension to the common home theme. Gorbachev's policy toward Western Europe has been more innovative than his policy toward Eastern Europe, whose significance for the Kremlin is much greater than that of Western Europe, but whose problems are far more intractable. The major significance of Western Europe for Eastern Europe is its economic involvement. Gorbachev is well aware that the Soviet Union and Eastern Europe confront increasingly severe economic problems that could lead to the destabilization of their political systems. West European assistance could be the single most important factor in stabilizing Eastern Europe economically and averting a crisis that might necessitate Soviet intervention.

In Eastern Europe, as in Western Europe, the Federal Republic is the key country. Bonn has the most coherent and active *Ostpolitik* of any NATO member, and is eager to become more involved economically with CMEA. The West Germans have demanded political

quid pro quos for their economic largesse in Eastern Europe , to which Gorbachev has so far not objected. Ultimately, the degree to which Eastern Europe can overcome its problems and strengthen its economic and political viability will affect future Soviet policies on arms reductions in Europe.

In dealing with Western Europe, the Kremlin has shown unprecedented flexibility in nuclear and conventional arms reductions and has also re-evaluated its dealings with political parties of the left and the right. In the economic area, however, despite Soviet foreign trade reforms and concerted attempts to attract West European investment, the prospects for significantly greater West European involvement are not good. The Soviet Union's serious economic problems and lack of hard currency act as a deterrent to large-scale new Western economic projects.

What are the implications of Gorbachev's policies for the United States ? Although Moscow has, for the moment, accepted a U.S. presence in the common home ,the Kremlin's view of the United States' European role remains ambivalent. On the one hand, Gorbachev , like his predecessors, wants to weaken the Atlantic Alliance. On the other hand, he acknowledges more than did the Brezhnev leadership that there are issues where greater U.S.-West European cooperation enhances Soviet interests, arms control being the prime example. The Kremlin is, therefore, more likely to seek to benefit from U.S.-West European cooperation than it was in the past.

Similarly, the Kremlin still favors a U.S. military presence in Europe, because it guarantees the stability of the divided continent. A Europe without U.S. forces might develop its own military-political alliance that could threaten the Warsaw Pact in unpredictable ways. Moscow also retains its dualistic attitude toward West European cooperation, seeking to minimize Franco-German military ties, but to benefit from the growing European desire to pursue a joint policy of cooperation with the Soviet Union.

Despite the recent NATO compromise on future European arms reduction negotiations, the United States and its allies remain at odds over how to respond to Gorbachev, largely because of Gorbachev's success in Western Europe. They disagree over whether it is indeed in the West's interest that *perestroika* succeed. The West Europeans believe that a stronger Soviet economy and more self-confident Soviet society will ultimately enhance Western security. The United States remains skeptical. These transatlantic disagreements may grow unless the West is able to develop more coordinated initiatives toward Gorbachev's Russia.

Gorbachev's Policy Toward Western Europe

Mikhail Gorbachev's dynamic, innovative foreign policy has evoked a major response in most parts of the world, but nowhere has it been as sympathetic -- and as active -- as in Western Europe. Indeed, the Soviet leader is probably more popular in Western Europe than he is at home. West German Foreign Minister Hans-Dietrich Genscher is not the only Western statesman who believes in "taking Gorbachev at his word" and assisting the USSR in its process of perestroika.¹ His premise is shared by the majority of West European politicians and populations, whereas this outlook is looked upon with some skepticism and even alarm in the United States. Indeed, the specter of a revived Soviet interest in Western Europe and a new vigor in Soviet activities is no mere Kremlin public relations exercise devoid of content. It represents a change in Soviet policy, grounded in concrete decisions that will have major implications for East-West and West-West relations. If Gorbachev's policies were to succeed, the political -- if not the geographical -- map of Europe would in the future look rather different than it does today and relations with the United States would change.

If the Soviet Union's activities in Western Europe do represent more than a more effective implementation of traditional pre-Gorbachev policies, several important questions must be addressed.

- o How new is Gorbachev's policy, or is it essentially a more adept implementation of the Brezhnev line?
- o Are Gorbachev's actions part of a well thought-out, coherent policy, or do they represent a series of improvised moves, a response to short-term opportunities, rather than part of a longer-term game plan?
- o If his policies are part of a longer-term strategy, what is that broader strategy?
- o And what are the implications of his policy for the United States?

¹Hans-Dietrich Genscher, "Taking Gorbachev at His Word," Speech at the World Economic Forum, Davos, February 1, 1987.

In attempting to answer these key questions, I shall cover six major areas: the Brezhnev legacy in Western Europe; "new thinking" as it applies to Western Europe and the conceptual underpinnings of Soviet policy; the new elements in Gorbachev's policies; the East European dimension of policy toward Western Europe; the extent to which these policies continue previous ones; and future prospects.

THE BREZHNEV LEGACY

One of the hallmarks of the "new thinking" in Soviet foreign and domestic policy is to attribute most of the ills of Soviet society and its negative image abroad to the mistakes of the "era of stagnation," the codeword for the Brezhnev era. Gorbachev and his foreign minister, Eduard Shevardnadze have explicitly blamed their predecessors for the Soviet Union's domestic and international political and economic problems. Scholars at the foreign policy institutes of the Academy of Sciences have in many instances gone further in their criticisms of Brezhnev's and Gromyko's policies. In one landmark article, for instance, Vyacheslav Dashichev, a Deputy Director in the Institute for the Economy of the World Socialist System, claimed that:

The crisis was caused chiefly by the miscalculations and incompetent approach of the Brezhnev leadership toward the resolution of foreign policy tasks. The general goals were quite correctly formulated: peace, security, disarmament, cooperation, noninterference in internal affairs, and peaceful coexistence. But there was a manifest lack of purposeful, competent, scientifically substantiated and tested actions -- There were no clear ideas of the Soviet Union's true national state interests.²

Dashichev and some of his colleagues have rightly pointed out that the discrepancy between the USSR's peace-loving rhetoric and its actual military buildup beyond all reasonable requirements of national security greatly damaged its image in the West in the 1970s. Despite the successes of detente, by the end of the Brezhnev era, Soviet policy toward Western Europe was faltering, because of the visible military buildup, the deployment of SS-20 missiles and the

²Vyacheslav Dashichev, "Vostok-Zapad : Poisk Novykh Otnoshenii O Prioritetakh Vneshnei Politiki Sovetskogo Gosudarstva," *Literaturnaia Gazeta*, May 18, 1988.

invasion of Afghanistan. Despite Europe's inclination to preserve European detente and make it indivisible, Soviet-West European relations had cooled. During the Andropov and Chernenko interregna, little was done to improve the situation. Nevertheless, even during the chilliest periods of East-West relations, when the superpower relationship was on ice, there was an abiding West European interest in maintaining the gains of detente in Europe.

The legacy that Gorbachev inherited, therefore, contrary to what some Soviet scholars claim, was not entirely negative. Indeed, during the Brezhnev period, the Soviet Union expanded its influence in Western Europe and increased economic and political cooperation in a variety of fields. In essence, Gorbachev resumed a dialogue with the West Europeans that was well in place by the end of the 1970s but had atrophied because of the Kremlin leadership weakness and the unprecedented military buildup out of all proportion to legitimate security needs. In the first half of this decade there was evidently no impetus among the aging and ailing leadership to pursue a more active relationship with Western Europe. Moreover, conscious that its allies were reluctant to forfeit the gains from detente despite Afghanistan, Poland and Soviet expansion in the third world, the United States tried to persuade its NATO partners to distance themselves from the USSR before and after President Ronald Reagan came into office. The requests did find a response in most West European countries. Nevertheless, it is important to remember that Brezhnev, whatever some Soviet authors say, laid the groundwork during the 1970s for the current dynamism in Soviet-West European relations.

Brezhnev's greatest achievement in Western Europe was the normalization of relations with the Federal Republic of Germany -- largely on Soviet terms.³ When Willy Brandt became Chancellor in 1969, he reversed two decades of West German policy by agreeing to accept the postwar geographical status quo in Europe and de facto recognize the German Democratic Republic with the formula of two states in one nation. The West German Social Democrats

³See Angela Stent, "The USSR and Germany", *Problems of Communism*, September-October 1981, pp. 1-33.

(SPD) and their Free Democrat (FDP) partners hoped that, by recognizing the geographical status quo in Europe, they could eventually change the political status quo and this, of course, remains an open question. The Soviets secured not only recognition of Eastern Europe and a Renunciation of Force Agreement with the FRG; they also gained economic benefits from the rapprochement. West Germany became the USSR's largest capitalist trading partner, entered into a series of gas-for pipe-and other large compensation deals with the Soviet Union in the 1970s, and increasingly disagreed with the United States over trade and credit restrictions.⁴ As the decade wore on, West German public opinion became increasingly favorable toward detente and wary of U.S. attempts under the administration of President Jimmy Carter to punish the Soviets for human rights violations. The Europeans had a greater stake in detente than did the United States. Even though West Germany was the one major country to join to U.S. boycott of the Moscow Olympics in 1980, in protest against the Soviet invasion of Afghanistan, the Federal Republic remained committed to detente.

One reason for this commitment to detente was that it brought concrete results. Inter-German relations had been normalized and developed quite actively during the 1970s. The USSR, in return for the de facto recognition given East Germany, and over the initial protests of the GDR, was willing to permit closer human economic and political ties between the two Germanies, in part because they were economically beneficial for CMEA as a whole.⁵ But the Kremlin also realized that the promise of closer inter-German ties was one of the major bargaining levers it could utilize in its relations with Bonn. After all, the key to inter-German relations and to German reunification lies in Moscow, not Washington. The general West German perception was that, despite all the difficulties of dealing with East German leader Erich Honecker, who, through the policy of *Abgrenzung*, tried to insulate society from the

⁴See Angela Stent, *Soviet Energy and Western Europe*. The Washington Papers, No. 90 (New York: Praeger, 1982) and Angela Stent, *Technology Transfer to the Soviet Union: A Challenge for the Cohesiveness of the Atlantic Alliance*. Arbeitspapiere zur Internationalen Politik No. 24 (Europa-Union Verlag, 1983).

⁵See Angela Stent, "Soviet Policy Toward the German Democratic Republic", in ed. Sarah Terry, *Soviet Policy in Eastern Europe* (New Haven: Yale University Press: A Council on Foreign Relations Book, 1984) pp. 33-60.

effects of closer state-to-state relations, there had been gains in the humanitarian and other areas.

During the Brezhnev era, ties with other West European countries fluctuated. Franco-Soviet relations had reached their high point under General Charles de Gaulle, when he removed France from NATO's integrated military command in 1966 and became the first Western head of state to make an official state visit to the Soviet Union, thereby ending the postwar Soviet international isolation and increasing its prestige. That summit also produced a series of agreements on mutual consultation, annual high-level working meetings, and technical cooperation that formed the nucleus of a set of institutions unique in Soviet ties with the West, and which has provided the long-term framework for Franco-Soviet relations. Although Franco-Soviet relations deteriorated after de Gaulle's fall -- in part because the Soviet Union was more interested in normalizing relations with the Federal Republic- they improved under President Giscard d'Estaing, who, by 1980, was one of the few Western statesmen vocally committed to maintaining detente. His Warsaw meeting with Brezhnev in May, 1980, at a time when other Western leaders were, under U.S. pressure, cooling their relations with Moscow following the invasion of Afghanistan, represented a welcome boost for Soviet prestige. Nevertheless, by the time Brezhnev died, the new French President, Socialist Francois Mitterrand, had adopted a much tougher policy toward the Soviet Union, abrogating the annual summits.⁶

Although bilateral ties with individual countries have always been the focus of Soviet policy in Western Europe, the USSR was increasingly forced to deal with the growth of the Common Market and the West European commitment to further European integration. From its inception, the European Community (EC) had been criticized by the Soviet Union as an ephemeral capitalist institution beset by internal and transatlantic contradictions and the

⁶See Robert Legvold, "France and Soviet Policy," in ed. Herbert J. Ellison, *Soviet Policy Toward Western Europe* (Seattle: University of Washington Press, 1983) pp. 61-90 and Angela Stent, "Franco-Soviet Relations from de Gaulle to Mitterrand", *French Politics and Society*, Vol 7, no. 1, Winter 1989, pp.14-27

Kremlin had refused to recognize it. Brezhnev had modified Soviet policy toward European integration in 1972, by claiming that "The Soviet Union by no means ignores the situation in Western Europe, including the existence of an economic grouping of capitalist countries such as the Common Market. We are carefully observing the activity of the Common Market and of its evolution."⁷ This was the closest that the Soviet Union came to recognition of the EC, although talks between the EC and CMEA began in 1975. However, the talks dragged on unsuccessfully throughout the 1970s, because neither side was that interested in an agreement. Thus, the Brezhnev legacy toward the European Community was ambivalent, with hints of possible recognition at some future date.

A major achievement of the Brezhnev era in the multilateral field was the successful convening of the Conference on Security and Cooperation in Europe (CSCE) and the conclusion of the Helsinki Final Act in 1975. The Soviets had been calling for such a conference since 1954; and, although they had to make concessions on the inclusion of the United States and Canada, they nevertheless secured what they had long sought -- a multilateral recognition of the European status quo. In the first few years, it appeared that the Soviet Union had made considerable gains from this process, because it secured, via Baskets One and Two, the political legitimacy of Eastern Europe's borders and a commitment to greater economic intercourse between East and West, while largely ignoring the human rights stipulations of Basket Three. However, by the end of Brezhnev's tenure, and certainly in the rest of the 1980s, the West seems to have made significant gains in the human rights area, especially in Eastern Europe. Nevertheless, the CSCE process remains one of Brezhnev's notable successes in Europe.⁸

In the latter part of the 1970s, the Soviet Union was able to profit from increasing public unrest over the presence of American nuclear weapons within Western Europe. What

⁷Brezhnev's speech to the Trade Union Congress, *Pravda*, March 21, 1972.

⁸Vojtech Mastny, *Helsinki, Human Rights and European Security* (Durham, N.C: Duke University Press, 1986)

began in the Carter administration as an ineptly-handled U.S.-German disagreement over the construction of the neutron bomb, then escalated into a much broader debate within the FRG, Britain and the Scandinavian countries over the dangers of war posed by the presence of U.S. nuclear weapons and the suspicion that the United States might sacrifice Western Europe in a confrontation with the Soviet Union that would leave U.S. territory and populations unharmed. Some of the anti-nuclear groups criticized the Soviet Union for its deployment of SS-20 missiles and called on both sides to reduce their nuclear arsenals in Europe. But the brunt of the criticism was directed toward the United States, especially after the NATO Two-Track decision of December 1979, which committed the United States to deploy Pershing and Cruise missiles in Europe if arms control talks with the Soviet Union on intermediate-range forces (INF) failed. Despite some claims in the West that the Soviet Union had founded and was financially supporting the anti-nuclear groups, the evidence suggests that these groups arose, for the most part, independently of Soviet actions and were a product of domestic political developments and tensions within the Atlantic Alliance. Nevertheless, the Soviet Union under Brezhnev was able to utilize these vocal anti-nuclear groups, especially in West Germany and Britain, to plead its cause against the deployment of U.S. missiles.⁹

Nevertheless, by the end of the post-Brezhnev interregnum, the Soviet attempts to prevent the deployment of INF weapons had failed. The installation of Pershing and Cruise missiles went ahead, despite all the public opposition in Europe. Moreover, Christian Democrat (CDU) Chancellor Helmut Kohl, a conservative, who had replaced Helmut Schmidt after his government fell, won an election in March 1983, after a campaign in which the Kremlin publicly supported his opponent, Social Democrat Hans-Jochen Vogel, who was dubbed "Moscow's candidate" in the conservative press. The Kremlin "punished" Kohl for his deployment of missiles in a variety of ways: it seized on his attendance at several Expellee organization meetings and conducted a campaign accusing him of harboring "revanchist"

⁹See William E. Griffith, "Bonn and Washington: From Deterioration to Crisis?" *Orbis*, Spring, 1982, pp. 117-133; N. Polyakov, "Vopreki Zdravomy Smisliu," *Kommunist*, No. 1, 1980, pp. 94-100.

designs on Eastern Europe; it criticized him for his ties to the United States and, in 1984, prevented GDR leader Honecker from paying what would have been the first state visit by an East German leader to West Germany.¹⁰

The Kremlin not only distanced itself from West Germany in the early 1980s, however. It also had to contend with the election of Conservative Margaret Thatcher in Britain, and Socialist Francois Mitterrand in France, both of whom adopted a more confrontational political -- though not economic -- stance toward Moscow. In the French case, particularly, the Soviets were snubbed, despite their attempts to improve ties. The domestic political landscape was changing in Western Europe, and conservatives were taking over.

The decline of detente with Western Europe ultimately had negative consequences for Soviet relations with Eastern Europe during the post-Brezhnev period. The East Europeans had a greater stake in detente than did the Soviets. The crisis in Poland, with the imposition of martial law, further soured East-West relations in Europe, and thinly-veiled polemics over the special role of smaller states in detente broke out between the Kremlin and some of its allies. The GDR and Hungary, in particular, were committed to continuing detente despite the superpower chill and were rebuffed by Moscow, Prague, and Warsaw. When Gorbachev came into office, therefore, many of Brezhnev's achievements in Western Europe had been undermined by an ineffective leadership, causing problems for Moscow in its ties not only with Western Europe, but also Eastern Europe.

"NEW THINKING" AND WESTERN EUROPE

Europe has played a central role in the development and articulation of Gorbachev's new thinking about foreign policy. Indeed, Western Europe figures prominently both in the application of new thinking to concrete foreign policy decisions and in Gorbachev's popularity in the West. As Western observers have pointed out, the ideas in novoe myshlenie did not

¹⁰Angela Stent, "The USSR and Germany," *German Politics and Society* no. 9, 1986.

emerge from a tabula rasa in 1985; they had been part of the scholarly debate prior to Gorbachev's accession.¹¹ But now they represent the officially-approved Soviet ideology since 1986. Whereas these ideas now are almost universally accepted in the Soviet Union (with the occasional disclaimer from a Ligachev or Chebrikov), some Western experts question whether new thinking is anything more than a shrewd public relations appeal, claiming that the Kremlin has yet to implement its theories in any tangible way. For skeptics, new thinking merely represents a new form of undermining Western unity in which basic Soviet goals have not changed.¹² But, as Robert Legvold reminds us, conceptual revolutions precede behavioral revolutions, and what is important is that a thoroughgoing conceptual revolution is underway, even if its consequences have yet to be fully realized.¹³ Moreover, according to Seweryn Bialer, "new thinking involves both tactical (short term) and programmatic (longer term) changes."¹⁴

The essence of new thinking, according to Gorbachev, "is very simple: nuclear war cannot be a means of achieving political, economic, ideological or any other goals -- Clausewitz's dictum that war is the continuation of policy only by different means, which was classical in his time, has grown hopelessly out of date."¹⁵ In admitting that the traditional, one-dimensional Marxist-Leninist view of the international political system as a struggle to the death between imperialism and socialism is no longer valid, Gorbachev and Foreign Minister Eduard Shevardnadze and their advisors have explicitly renounced the international class struggle. Since a military solution to international problems is no longer possible, definitions of security have been broadened to embrace more than the strictly military. Moreover, they say, security must be mutual and equal and international politics cannot be a zero-sum game. One state cannot enhance its security by increasing another's insecurity. Indeed, the world

¹¹See Robert Legvold, *Gorbachev's "New Thinking": How Should the West Respond?* (New York: Foreign Policy Association, Headline Series, no. 284, 1988)

¹²See for instance, Gerhard Wettig, "Peace, Class Struggle and New Thinking in Gorbachev's Policy Toward the West," *Aussenpolitik* (English Edition), Vol.39, no. 4, 1988, pp. 365-378.

¹³Robert Legvold, "The Revolution in Soviet Foreign Policy," *Foreign Affairs: America and the World* 1988/89, pp. 82-98.

¹⁴Seweryn Bialer, "New Thinking and Soviet Foreign Policy." *Survival*, July/August, 1988, pp. 291-309.

¹⁵Mikhail S. Gorbachev, *Perestroika* (New York: Harper and Row, 1987) pp. 140-141.

today is characterized by the interdependence of all states, and it is no longer possible for one nation to isolate itself from the rest of the world.¹⁶ On a more practical level, Shevardnadze has highlighted the problems within the Soviet foreign ministry, its past stifling of communication and innovation and has emphasized the need to introduce glasnost and perestroika into the Ministry itself.¹⁷

Soviet military doctrine has also changed, and this could have significant effects on policy in Western Europe. Soviet leaders and academic specialists now stress the need for a defensive, as opposed to an offensive doctrine. Reasonable sufficiency, not the "equal security" of the Brezhnev era, should be the basis for their future combat capabilities. War prevention is the main aim of their doctrine, and they question the legitimacy of the concept of deterrence. Of course, none of these ideas are new in Soviet discussions, but they are now the officially-accepted canon. Moreover, civilian experts at the various institutes of the Academy of Sciences -- most notably the Institute for World Economy and International Relations (IMEMO) and the Institute for the Study of the U.S.A. and Canada -- have become increasingly involved in these debates, whereas previously this used to be the preserve of the military.¹⁸ Three of these civilian analysts, part of the new Academy of Sciences Institute of Western Europe, for instance, have asserted that there is virtually no possibility of war in Europe any more, nuclear or conventional. The nature of the threat to the Soviet Union has changed. June 22, 1941 -- the date of the Nazi invasion -- is no longer relevant -- and the real threat from Western Europe is economic, not military. Thus, the Soviet Union can only reduce the Western threat by improving its own economic security.¹⁹

¹⁶Gorbachev, op. cit.ch. 3; V.Medvedev, "Velikii Oktiabr' i Sovremennyi Mir," *Kommunist*, no. 2, 1988, pp. 3-18.

¹⁷Eduard Shevardnadze, "The 19th All-Union CPSU Conference: Foreign Policy and Diplomacy," *International Affairs* 10, 1988, pp. 1-34.

¹⁸For an excellent summary of the debates on military doctrine, see Edward L. Warner, "New Thinking and old realities in Soviet defense policy," *Survival*, January/February, 1989, pp. 15-33; Stephen M.Meyer, "The Sources and Prospects of Gorbachev's New Political Thinking on Security," *International Security*, Fall, 1988, Vol 13, no. 2,pp.124-163.

¹⁹V. Zhurkin, S. Karaganov, A. Kortunov, "Vyzovy bezopasnosti--starye i Novye," *Kommunist*, no. 1,1988, pp. 47-50.

Many questions about the implications of new thinking in Soviet military doctrine remain unanswered. To what extent does the military establishment share the view of the new Soviet leadership and the civilian analysts? To what extent do Soviet military actions and current Soviet force posture reflect defensive, as opposed to offensive, defense? To what extent is Gorbachev willing to focus on the non-military aspects of security? These subjects remain controversial in the East and the West because the process of implementing new thinking has only just begun. But Western Europe has, by and large, responded favorably to Soviet pronouncements on military doctrine, and is willing to give Gorbachev the benefit of the doubt, at least for the time being.

Soviet new thinking has also extended to Eastern Europe. Criticizing Brezhnev's policies in that region, Gorbachev has stressed that Eastern European states must strive for independence and must each deal with economic and political problems in their own way. He and his advisors have implied that the "Brezhnev doctrine" is no longer operational and that the Soviet Union would not use military force to impose conformity or stability on its partners. The irony is, of course, that, although Gorbachev emphasizes that each socialist country must find its own solutions to its own problems, the Soviet Union is in fact advocating that Eastern Europe adopt new thinking, perestroika and glasnost, to the dismay of some officials in the GDR and Czechoslovakia, for instance. They complain that Soviet pressure to adopt the Gorbachev model is just another example of the traditional Soviet practice of imposing its way of life on reluctant allies!²⁰

Whereas Soviet new thinking on political relations with Eastern Europe is still somewhat tentative -- no doubt because it is the most sensitive and potentially explosive issue for Soviet foreign policy -- Soviet new thinking on Western Europe has been extensively developed. The heart of the new line is a phrase that Gorbachev took from Brezhnev "Europe,

²⁰These observations stem from recent conversations with scholars from the GDR.

our common home," nash obshchii dom.²¹ The implication is that the Soviet Union is indeed a European power, and that it shares common historical and cultural roots with both halves of the continent. Moreover, if Europe is a common house, then there can be a variety of connections between the Eastern and Western halves of the house, giving hope to those who wish to overcome the division of Europe, or at least mitigate its worst aspects. Indeed, the common home metaphor (which Gorbachev has also applied to Asia) lends itself to a refreshing amount of linguistic ingenuity, which has enlivened Soviet writings on Europe. The possibilities of discussing are endless -- the house itself, the apartments, their interconnections, the hallways and views are endless. But a few basic questions underlie the discussion: What should the connections between the Eastern and Western parts of the house be? Who has the keys to the doors of these apartments or the rooms within them? And can the United States lease a room as a permanent lodger in one of the Western apartments or is it only a temporary tenant?

Needless to say, none of the answers to these questions are entirely clear. Russia was always ambivalent about whether it was part of Europe or not, and Gorbachev and his colleagues are now stressing that Russia is historically and ultimately a part of European civilization. However, they reject the concept of Mittleeuropa -- the idea that there is a common Central European culture -- which has become fashionable again in Hungary, Austria, Poland and both Germanies. Clearly, it is not in the Soviet interest to recognize the common links within Central Europe because Russia was never a part of this area either geographically or culturally.

On the structure of the common home, the description by Vladimir Lomeiko, former Foreign Ministry spokesman, is typical of the vagueness of the concept: "I see it -- as an architectural complex, consisting of original buildings which retain their national distinctions

²¹For the origins of this term (it was used by Brezhnev during his 1981 visit to Bonn) and a discussion of its significance, see Hannes Adomeit, "Gorbatschows Westpolitik," *Osteuropa*, no. 6, 1988, pp. 418-446.

but at the same time are interconnected by a thoroughly considered infrastructure which ensures optimum living conditions for the continent's population. It is built in picturesque natural surroundings -- "22 Lomeiko's ultimate stated desire is to increase cooperation between the various parts of the house.

Other discussions are more down to earth. Europe will make the transition to "mature detente", which is more stable than immature detente.²³ But whatever the links between the two parts of the house, most authors make it clear that the basis for this home is the continued division of Europe. One scholar, writing at the beginning of the Gorbachev period, reminds his readers that territorial integrity and the inviolability of borders are the basis of international stability.²⁴ And seasoned political commentator Yuri Zhukov writes, "It was willed by history that Europe should stay divided for centuries although the peoples inhabiting it have always had much in common. Realists are aware that frontiers resulting from war, particularly a world war, can only be altered by a new war (which in the nuclear age would be suicidal for humanity)"²⁵ Two foreign ministry officials predict that "the system of security in Europe will evidently still long be based on the existence of two military blocs. Greater security will be achieved by adjusting their relations rather than by disbanding them."²⁶ And one institute specialist has gone further, saying that the real importance of the Common European home will be that Western Europe will stabilize Eastern Europe economically.²⁷

There is less clarity on the future role of the United States in Europe, reflecting what must be an ongoing debate among the Soviet foreign policy establishment. At the beginning of

²²Vladimir Lomeiko, "Reflections on a Common European Home," *International Affairs*, no. 12, 1987, p. 106

²³A. Vtorov, Yu. Karchov, "The Dynamic European Policy of the USSR," *International Affairs*, no. 6, 1986, p. 100.

²⁴A. Roshchin, "Uroki Yalty i Sovremennost'," *Mirovaia Ekonomika i Mezhdunarodnye Otnosheniie*) henceforth known as *MEMO*), no. 4, 1985, p. 51.

²⁵Yuri Zhukov, "What Kind of Dialogue for Europeans?" *International Affairs*, no. 7, 1987, p. 93

²⁶Mikhail Amirdzhanov, Mikhail Cherkasov, "Our Common European Home," *International Affairs*, no. 1, 1989, p. 28

²⁷Vladimir Baranovskii, "Stroitel'stvo" obshchego evropeiskogo doma:" politicheskie i ekonomicheskie aspekty." (unpublished ms.) Moscow, 1987.

the Gorbachev era, there was more emphasis on reducing U.S. influence. Now, most officials and scholars accept that the United States will remain a European power. Gorbachev himself has written that he is not interested in increasing tensions between the United States and Western Europe : "Our idea of a "common European home" certainly does not involve shutting the doors to anyone."²⁸ However, some authors suggest that the Soviet Union is more interested in closer intra-European links than is the United States.

"US monopoly on engaging in dialogue with the USSR", writes one groups of officials, "consolidates American leadership in the West, leaving Europe a secondary role in world politics. In our view, we largely facilitated this ourselves. Bewitched by the industrial and military might of the United States, we failed to notice -- that Pax Americana -- had begun to crumble, while other imperialist centres, including Western Europe, were becoming more active in world affairs."²⁹ Two other officials claim that "the Americans are not looking for a space in the new home" because Washington fears greater East-West cooperation.³⁰ For now, therefore, the implication is that the United States is welcome to stay in the home, but in fact has no desire to be a guest because it does not support closer intra-European ties. Indeed, one scholar has argued that "the United States is an organic part of the European political landscape."³¹

The idea of the common home is sufficiently fuzzy to appeal to a broad sector of Europeans, even though it arouses suspicion in the United States. FRG Foreign Minister Genscher has endorsed the idea of a common European home, and it appears to be one of Gorbachev's more successful concepts to date because it offers the promise of a more relaxed atmosphere on the divided continent not tied to any specific Soviet demands.

²⁸Gorbachev, *Perestroika*, p. 208.

²⁹Sergei Vyboronov et al, "Nothing is Simple in Europe," *International Affairs*, no. 3, 1988, p. 35.

³⁰Amridzhanov, op. cit. p.28

³¹Baranovskii, op. cit.

So far, new thinking has dealt much more with changes in the Soviet interpretation of its own foreign policy than with changes in Soviet perceptions of the West. The United States and Western Europe are still criticized for their aggressive military posture and their lack of sincerity in arms control. Even though Soviet officials will concede that capitalism has more staying power than they had previously recognized, they have been much more willing to admit past mistakes in their own policy rather than errors in understanding Western intentions and policies. Their interpretations of Western policy, therefore, often look more like old than new thinking.

Why have Gorbachev and his supporters changed the conceptual basis of their foreign policy? Why have they essentially argued that military prowess can no longer be the main basis for conducting a foreign policy? Gorbachev is an extremely skilled and pragmatic politician, who experienced a rapid rise to power despite his responsibility in the Secretariat for the unsuccessful agricultural sector. Now, as a pragmatist, he acknowledges a basic fact of international life: by the end of the Brezhnev era, the Soviet Union owed its superpower status to only one factor -- its military might. Yet, this military power has become increasingly threatened by the Soviet Union's growing technological backwardness and failure to progress to the third industrial revolution, compared to the West and the Pacific Rim. The economic success of Japan, a small island nation with virtually no natural resources, has been a particularly humbling example to the Soviets. Gorbachev and others have acknowledged that, if the Soviet Union cannot become a technologically advanced country by the twenty-first century, it will no longer be a superpower. Since the Soviet leader is not in the Kremlin to preside over the demise of his empire, the most pressing need is not only to reform but to transform the economy technologically. This requires perestroika domestically, but also a transfer of resources from the military to the civilian sector and greater economic interaction with the West. A less confrontational and less militarily-oriented foreign policy is a prerequisite for these goals. Thus, the conceptual revolution itself has pragmatic origins. As

Gorbachev himself has said, in developing a world view, one, must start from the objective realities of the contemporary world.³²

In pursuing a more cooperative policy toward the West, and Western Europe in particular, Gorbachev hopes to create an environment more conducive to East-West economic and technological exchanges. However, he also hopes to persuade the Europeans to use their influence in Washington in favor of a more accommodating American policy. If the Kremlin cannot achieve all these goals with each European country, then at least it can with some of them. Hence the stress on flexibility, the promise of closer inter-European ties, the emphasis on arms control and disarmament "from the Atlantic to the Urals" and the conciliatory rhetoric. Indeed, new thinking has already altered Soviet policy toward Europe because the entire environment has changed.

SOVIET POLICY TOWARD WESTERN EUROPE: THE NEW ELEMENTS

The INF Agreement

The most striking evidence of a behavioral change in Soviet policy toward Western Europe (even though it technically involved an agreement with the United States) was the INF treaty signed in December, 1987. This represented a major turnaround in Soviet behavior and involved significant Soviet concessions. After all, in December 1983, the Soviets had walked out of the INF talks to protest the deployment of American missiles in Germany and Britain. Indeed, in his first months in office, Gorbachev reiterated the Andropov line on INF. In May, 1985, during a Kremlin reception for Italian Prime Minister Craxi, for instance, he offered to reduce the number of Soviet medium-range missiles in Europe to the level of the combined total of analogous French and British weapons if NATO agreed to remove its Euromissiles and the United States halted its research on the strategic defense initiative (SDI).³³ At the

³²See Gorbachev's Report to the 27th Party Congress, *Pravda*, February 26, 1989.

³³*Pravda*, May 30, 1985.

Geneva summit in October 1985, he began to back down from the insistence on banning SDI, and, by February 1987, he had accepted the American "zero option", first proposed by Washington in 1981 and previously rejected by Moscow, involving the dismantling of all Soviet SS-20 missiles and the withdrawal of American Pershing and Cruise missiles. By December 1987, the Soviets had agreed to exclude French and British deterrents from their calculations and had accepted on-site verification procedures for the first time in any East-West agreement.

It is undeniable that the Soviets made major concessions in these negotiations, in particular their delinking of the SDI issue, the exclusion of French and British missiles and verification arrangements. The Soviets had been preoccupied about SDI for some time, because, one assumes, they doubted their ability in the long run to compete successfully with the United States in this high technology area without significant costs to other sectors of their economy. They also became increasingly concerned about West European participation in the SDI program, both because it would enhance Europe's military strength and because it might involve further restrictions on West European technology transfer to the Soviet Union as a price extracted by the United States for its contracts with Germany, France and Britain.³⁴ Moreover, they feared that the European Eureka high-technology program would involve military applications and increase the technological divide between the two halves of Europe.³⁵ Similarly, they had long insisted on counting French and British missiles and presented Western verification demands as an intrusion. By publicly retreating on all these issues, Gorbachev was signalling that the Soviet Union had compromised on issues previously deemed non-negotiable.

Nevertheless, Western experts continue to debate whether the INF treaty represented a implementation of Soviet new thinking and a re-evaluation of the use of the military

³⁴See for example, V. Petrovskii, "Bezopasnost' Cherez Razorusheniie," *MEMO*, no. 11, 1987, pp. 3-13; G. Vorontsov, "Zapadnaia Evropa i SOI," *Ibid.*, no. 3, 1987, pp. 41-48

³⁵"Strany Zapadnoi Evropy v Programmakh SOI i "Evrika", *MEMO*, no. 2, 1988, pp. 129-135; A. Kudriavtsev, "Istoki, Real'nosti, Perspektivy, "tekhnologicheskoi Evropy," *MEMO*, no. 10, 1986, pp. 26-40.

instrument in Soviet foreign policy or whether it was in fact part of "old thinking", that is, the undermining of NATO's flexible response strategy and designed to loosen the military and political ties between the United States and Western Europe.³⁶ Debates over this issue also took place within the Soviet Union. One visible example was the disagreement between the highly-placed political commentator Aleksandr Bovin and Major General Yurii Lebedev, a top member of the General Staff of the Soviet Armed Forces, in the pages of *Moscow News* the avant-garde mouthpiece of glasnost, over whether the deployment of the SS-20s was ever necessary and what this implied for future Soviet arms control strategy.³⁷

In the long run, the Soviet Union may well reap benefits from these INF concessions. From an economic point of view, the INF treaty will not involve the transfer of significant resources from the military to the civilian economy. However, politically, the INF treaty was a brilliant example of Gorbachev's public diplomacy, which enhanced his popularity in Western Europe, cemented his image as a sincere proponent of peace and disarmament and reinforced his campaign for the denuclearization of Europe. Even though some European governments -- notably and British and French -- were rather skeptical of the agreement initially, their publics were by and large enthusiastic about it. In short, Gorbachev has largely undone the damage of the Brezhnev era and reversed the image of the Soviet Union inexorably bent of an endless military buildup.

Moreover, the INF agreement has also exacerbated a disagreement within the NATO alliance over future short-range nuclear weapons modernization that had begun prior to the treaty but has become much greater since the treaty. In essence, Britain and France support the United States' proposal to modernize the 88 Lance missiles in West Germany and other short-range systems, while Chancellor Kohl, backed by all parties from the right to the left, has refused to discuss modernization until after 1990. The INF agreement has opened a Pandora's

³⁶For a comprehensive discussion of these issues, see Hannes Adomeit, "Gorbatschow's Westpolitik: Die Beziehungen im gemeinsames Haus," *Osteuropa*, no. 7, 1988, pp. 823-829

³⁷See *Moscow News*, no. 10,11,1987.

box of debate over the future of nuclear weapons in Europe, and what the U.S. role in Europe should be.³⁸ Those who believe that the Kremlin works on the basis of a clearly thought-out Machiavellian masterplan might argue that Gorbachev was willing to conclude the INF treaty precisely because he knew that it would provoke major problems within NATO from which the Soviet Union could only benefit. A more likely explanation is that Gorbachev signed the treaty because the SS-20 issue was a major stumbling block to improved East-West ties, and that he may have hoped that it would further his longer-term goals of denuclearizing Europe. Yet he could not be certain in 1987 about the shape of a West-West debate in the 1990s.

Nevertheless, it is undeniable that, as a result of the treaty, and of Gorbachev's general diplomacy, the perception of the Soviet threat in Western Europe has changed. Gorbachev's December 1988 United Nations speech announcing the unilateral military cutbacks of 500,000 men and 10,000 tanks, some of which were to be withdrawn from Eastern Europe, has also diminished the European belief in the existence of a Soviet threat, a view encouraged by the Soviets themselves. Soviet scholars who are actively involved in the foreign policy debate claim that, by "neutralizing" NATO's nuclear threat, the Soviet Union has reduced the danger of any war breaking out in Europe.³⁹ Moreover, they argue that the West is in many aspects stronger than the Soviet Union in conventional forces in Europe.⁴⁰ The debate over conventional force reductions is now underway in Vienna and will doubtless involve many difficult issues. But these discussions have also created major soul-searching within the West over the future of the NATO alliance and of the U.S. presence in Europe.⁴¹ In short, Gorbachev's nuclear and conventional arms reductions initiatives have highlighted conflicts within NATO that preceded his accession. His ability to profit from these developments will depend more on Western than

³⁸For a further discussion, see Lynn E. Davis, "Lessons of the INF Treaty," *Foreign Affairs*, Spring 1988, pp. 720-734; and Jeffrey Record and David Rivkin, "Defending Post-INF Europe," *Ibid*, pp. 735-754.

³⁹See Sergei Karaganov, "The Common European Home" The Military Angle," *International Affairs*, no. 8, 1988, pp. 71-78

⁴⁰Alexei Arbatov, "Parity and Reasonable Sufficiency," *International Affairs*, no. 10, 1988, pp. 75-87.

⁴¹Robert Blackwill, "Conceptual Problems of Conventional Arms Control," *International Security*, Vol. 12, no. 4, 1988, pp. 28-47

on Soviet moves. In the short run at least, Soviet actions have created a political climate in Europe that is more favorable to East-West cooperation on a variety of levels, including the economic, which is so vital for Gorbachev's program.

The Federal Republic of Germany

Another area in which Soviet policy has changed is the revival of detente with the Federal Republic of Germany. Under Andropov and Chernenko, the Kremlin had downgraded its ties with Bonn, and by 1985 its relations were at their lowest ebb since 1970. Moreover, Gorbachev did not rush to improve ties with Kohl's government. There were signs early on that Gorbachev was reassessing policy toward Germany. In 1986, a visit by Foreign Minister Genscher yielded an agreement on science and technology that had been stalled for thirteen years because of disagreements over the inclusion of West Berlin, and Gorbachev was now willing to compromise on this point. But the movement toward closer ties was interrupted by a fracas over statements that Kohl made in an interview with *Newsweek*. Observing that Gorbachev was adept at public relations, he said that Joseph Goebbels, too, had had this aptitude. The Soviets, claiming that the German Chancellor had likened the Soviet leader to the Nazi Propaganda Minister, cancelled a number of high-level meetings in November 1986. However, Gorbachev continued to court the SPD, presumably hoping that they might win the next election, and he met not only with Willy Brandt, now the Chairman of the SPD, but also with Johannes Rau, the Candidate for Chancellor.⁴² During these meetings, the two sides discussed a "second phase of detente" were the SPD to be elected in 1987, and the SPD put forward its own plan for developing a "security partnership" with the USSR.⁴³

Prior to Kohl's re-election in January 1987, there were signs that the Kremlin had decided that its "quarantining" of the CDU/CSU had ceased to be productive, and Moscow

⁴²I.S. Kremer, *FRG :Etapy "Vostochnoi Politiki*, (Moscow:Mezhdunarodnye Otnosheniia, 1986) p. 203

⁴³*Deutsche Allgemeine Sonntagsblatt*, July 6, 1986

began to signal a change in its policy. After all, the Kremlin had nothing to gain by isolating the Federal Republic. The missiles were in place, the CDU/FDP coalition would be in power for another four years, and if Gorbachev was truly interested in pursuing a more dynamic policy toward Western Europe, West Germany remained the key country politically and economically, especially given France's restraint toward Moscow. Moreover, with the change in American policy toward Russia and the prospects for an INF agreement in sight, it seemed appropriate to improve ties with Bonn. Genscher, who emerged from the 1987 election with increased power, made it clear in a speech shortly after the election that he favored new detente initiatives toward Moscow. Later on that year, he gave Czech leader Husak an "I like Gorby" button, an amusing act of projection, given the veteran Czech hardliner's obvious aversion to perestroika and glasnost. The fact that Bonn was now more actively seeking to improve ties with the Soviet Union and Eastern Europe must have bolstered the arguments of those in the Kremlin seeking to reverse the policy of the past four years.

Gorbachev apparently was reassessing the German question. According to the German government, he had asked his key German experts -- Valentin Falin (a former ambassador to Bonn, head of Novosti and subsequently head of the Central Committee's International Department) Georgii Arbatov (Head of the Institute of the U.S.A. and Canada), Daniil Melnikov (a veteran German expert at IMEMO) and Nikolai Portugalov (journalist and advisor to the Central Committee) to prepare a major new study on policy toward Germany, including a new relationship between the two German states.⁴⁴ The results of this study have never been made public, but the news that such a re-evaluation was underway, received prominent play in the German media.

Indeed, part of Gorbachev's strategy, once he had decided to improve ties with the Federal Republic (and which had been tried in the past), was to drop tantalizing hints about the future of Germany. When West German President Richard von Weizsaecker, on a visit to

⁴⁴Fred Oldenberg, "'Neues Denken" in der Sowjetischen Deutschlandpolitik?" *Deutschland Archiv*, no. 11, 1987, pp. 1154-1161

Moscow in 1987, inquired about the future division of Germany, Gorbachev pointed out that "Churchill and the Americans", and not the Soviet Union, were responsible for the division of Germany. There were two German states with two different systems, "And history will decide what will be in 100 years."⁴⁵ In a somewhat more poetic vein, Portugalov elaborated on the "Common house" theme:

One can well imagine that the owners of two sovereign and independent German flats, each living his own life style, would maintain close relations, all the more so as when both speak the same language, it is easier to reach agreement. And then there would come a time when the obnoxious alien military presence would be removed from the flats in the central part of the house.⁴⁶

Despite these intimations of a new policy, the major focus of Soviet actions remained the FRG's stand on arms control and its initial reluctance to support the INF treaty. After all, the Kohl government had fought hard to deploy American missiles, against considerable domestic opposition, and was initially wary of agreeing to their elimination without talks on short-range systems and conventional weapons. Moscow was initially highly critical of Bonn's stance, even after the German acceptance of the zero option, because of the Kohl government's initial reluctance to dismantle the Pershing-1 missiles. Eventually, U.S. persuasion worked, and the Kohl government went along with the treaty, eliciting a more conciliatory policy from Moscow.

Gorbachev's diplomacy toward the FRG scored a notable success when Franz-Josef Strauss, leader of the conservative Bavarian Christian Social Union party (CSU), inveterate anticommunist and for decades the bete noire of the Soviet media, flew to Moscow in December 1987 his own aeroplane, met with Gorbachev, and returned claiming that it was no longer necessary to fear an "offensive, aggressive intention on the part of the Soviet Union." With the CSU officially renouncing the Soviet threat, no major political party in Germany was criticizing the Soviet Union.

⁴⁵*Pravda*, July 8, 1987

⁴⁶Nikolai Portugalov, "Bonn Goalkeepers," *New Times*, no. 22, 1987, p. 12

In 1988, the Soviet Union continued its more assertive and cooperative policy toward Bonn, capitalizing on Gorbachev's popularity among the German population, which was considerably higher than that of President Reagan. The Kremlin's policies indicated that it was also not averse to playing Bonn and Washington off against each other. For instance, in October, it finally replied to Reagan's 1987 Berlin initiative aimed at expanding air links to the divided city and promoting more international events there. In a diplomatic note sent to the three Western occupying powers, Moscow accused the West of trying to alter Berlin's status and said there was "no practical need whatsoever" to increase air links. However, just prior to Kohl's Moscow visit, the Kremlin made a concession to the FRG on the treatment of West Berliners in the various agreements to be signed during the summit. Basically, the Soviets accepted the West German proposition that West Berliners or West Berlin-based organizations be identified in German-Soviet cultural and scientific exchanges on the same list as West Germans, instead of on separate lists.⁴⁷ This was a major concession over years of previous Soviet intransigence, although the Kremlin can still be uncooperative in its practical implementation. Thus, Gorbachev was willing to deal with West Germany over the Berlin issue, which plays such an important role in domestic German politics, in a more conciliatory way than it was with Washington. Indeed, there were various hints in the Soviet media that the Berlin wall might indeed one day come down.⁴⁸

Kohl's 1988 visit to Moscow signalled that the Soviet quarantining of the FRG was indeed over, and the summit produced a number of agreements on scientific, technical and cultural cooperation. The Soviets had already made a gesture to respond to West German criticism that the number of ethnic German allowed to leave the Soviet Union had been falling for years. In 1986, less than 1,000 emigrated; in 1987 the number was 14,000; and in 1988 it rose to 45,000. Clearly, the Kremlin hoped that this new political goodwill would bear concrete economic results. The FRG had already extended a DM 3 billion loan to the USSR, and Kohl

⁴⁷*Washington Post*, October 5, 1988

⁴⁸For a discussion of these articles, see Eduard Neumaier, "Neues Kapitel mit altem Text" *Rheinische Merkur*, October 28, 1988

took 50 businessmen with him to Moscow, to discuss a variety of joint ventures. Moreover, in assessing the meeting, *Pravda* highlighted Genscher's statement the export controls imposed by the Paris-based Coordinating Committee (COCOM) must be reassessed.⁴⁹

The bilateral German-Soviet relationship is, of course, intimately connected to the trilateral relationship between Moscow, East Berlin and Bonn. The Kremlin has always been able to use the carrot of closer inter-German ties to remind Bonn that, if its wants its Deutschlandpolitik to bear fruit, it must pursue cooperative ties with Moscow. In a major gesture to the FRG in 1987, Gorbachev reversed the 1984 Soviet veto over an inter-German summit, and permitted Honecker to visit Bonn. Soviet Westpolitik had sufficiently changed to allow an inter-German summit without being threatened by it. With Gorbachev in power, the East German desire to maintain detente no longer challenged Soviet power in Eastern Europe. The irony is that, while the GDR supports Gorbachev's foreign policy moves, in particular, his revival of European detente, its leadership has so far resisted implementing its own version of either perestroika or glasnost. It has censored Gorbachev's speeches and in 1988 even banned the sale in the GDR of an issue of the Soviet magazine *Sputnik*, discussing the Nazi-Soviet Pact.

From the Soviet point of view, despite some misgivings, the Honecker visit was a success, precisely because, as one Soviet commentator put it, "the visit has confirmed the existence of two German states."⁵⁰ It was quite clear that these were two states with contrasting interpretations of political reality, even if they share a common "Germanness". Gorbachev may not have been entirely pleased with Honecker's remark that "the day will come when the border will not separate but unite us, like the border between the German Democratic Republic and Poland."⁵¹ But, the Soviets officially interpreted this remark as illustrating the GDR's rightful demands for full diplomatic recognition from West Germany.

⁴⁹*Pravda*, 30 October, 1988

⁵⁰Alexander Tolpegin, "Realities and Illusions," *New Times*, No. 38, 1987, p. 4.

⁵¹*Neues Deutschland*, September 11, 1987

Of course, the visit yielded concrete economic benefits, in the form of new scientific and technical agreements, from which the Soviets, at least indirectly, can benefit.

The appearance -- and the reality -- of a revived West German-Soviet dialogue has caused some concern both in Washington and in Paris, not to mention Warsaw or East Berlin. Certainly, from the U.S. point of view, the West German population's fascination with Gorbachev and considerable public sentiment in favor of the denuclearization of Europe is a potential problem for future NATO coordination. But, so far at least, Gorbachev has merely improved Soviet-German ties to a level that has yet to match the height of German-Soviet detente under either Brandt and Brezhnev or Schmidt and Brezhnev. This is not a qualitatively new relationship. It is one that remains beset by disagreements and tensions, in which there are definite limits to further rapprochement unless Moscow were to alter significantly its policy on Berlin or German reunification. Tantalizing press hints notwithstanding, there is no sign that Gorbachev has modified Soviet policy on these issues. His German policy appears more innovative than it is in reality, because German-Soviet relations were unusually tense for three years prior to his accession. So far, new thinking is not moving in the direction of a second Rapallo.

The European Community

Gorbachev's willingness to recognize the EC more explicitly than Brezhnev, along with the USSR's negotiation of a mutual recognition agreement with the Community, represents a major change in Soviet policy. Indeed, Soviet scholars have now begun to re-evaluate the three-decade-old view of the Community as weak, doomed to fail, riddled with contradictions and under the thumb of the United States.⁵² It is interesting to speculate about whether the pragmatic change in policy preceded the ideological re-evaluation of the Community. Perhaps

⁵²See particularly the article by Yu. Borko, "O Nekotorykh Aspektakh Izucheniia Protsessov Zapadnoevropeiskoi integratsii," MEMO, no. 2, 1988, pp. 35-50 compared to Yu. Shishkov, "Evropeiskoe Soobshestvo na Perelomom Rubezhe," MEMO, no. 6, 1986, pp. 40-53. It shows considerable evolution and appreciation of realities in the space of less than two years.

the most plausible explanation is that some Soviet scholars had been reassessing attitudes toward the EC for some time, and Gorbachev's decision to revive the stalled EC-CMEA talks gave new impetus to the academic debate. One expert, for instance, has openly discussed the debates that preceded formal recognition, stressing that the move toward a united European market is "a progressive process in its nature."⁵³

In September, 1985, the talks resumed, but they -- like so many previous Soviet-West European negotiations -- were held up by the Berlin issue. The EC demanded that the Soviets recognize West Berlin's links to the FRG as an integral part of the EC. The Soviets refused to include West Berlin but finally compromised. Although the June 1988 declaration of "mutual recognition" falls short of full de jure recognition, it does amount to a formal acknowledgement of each other. This is in itself only a framework agreement. However, it has opened the way for direct EC treaties with Hungary and other CMEA nations. The Soviet Union has also begun negotiations on concluding a separate bilateral agreement with the EC, but so far the talks have been exploratory, because the Soviets have asked for a very broad range of cooperative ventures, some of which involve technology whose transfer would have to be approved in COCOM.⁵⁴

Why did Gorbachev reverse the 30-year of policy of ignoring and criticizing European integration? Part of the answer is provided by two Foreign Ministry officials :

With progress towards the formation of an integral domestic market by 1992 the attractiveness of the European Communities for the East European countries will continue to grow. Also deserving attention are the proposals that appeared this spring in the press of the EEC countries regarding a higher level of EEC-CMEA ties, which is manifest in the plans for major capital investments in East European countries which are to be financed by the Communities, i.e. the so-called new Marshall Plan for Eastern Europe.⁵⁵

⁵³Margarita Maximova, The Single European Act, Paper Presented at the XIV World Congress of the International Political Science Association, Washington, 1988, p. 31.

⁵⁴*Wall Street Journal*, November 4, 1988.

⁵⁵Amirdzhanov, *op. cit.* p. 34

The economic potential of 1992 is one reason. But the other side of 1992 is the USSR's fear that, if it does not deal with the EC in some fashion, CMEA may be at a great disadvantage after the introduction of the single European market. Moscow does not want to suffer adverse consequences from this process. Yet, despite the upgrading of the EC, the Soviet Foreign Ministry still lacks a department that deals with the European Community, and there is still enough ambivalence in Soviet day-to-day dealings with both the economic and political sides of integration to indicate that the Kremlin retains its reservations about the entire process. Nevertheless, the Soviet willingness to sign an agreement with the EC has rendered the concept of the "common home" more credible to Europeans.

Other Bilateral Ties

The improvement of Soviet-West German ties is the most visible of Gorbachev's initiatives in Western Europe, because it contrasts most clearly with previous Soviet policy. However, Gorbachev has also actively pursued ties with France and the United Kingdom. Of course, the stakes involved in both these countries are of a different order of magnitude than those involved in West Germany. The West German-Soviet relationship evolves around what the late Arnold Wolfers termed "possession goals", concerning essential bilateral issues of territory, population and the legitimacy of Eastern Europe. Franco-Soviet and British-Soviet ties, by contrast, are primarily about "milieu goals", that is, the attempt to alter the broader European or transatlantic environment; but they do not involve basic issues of national survival and security.⁵⁶

French President Mitterrand had already begun to modify his highly critical stance toward Moscow before Gorbachev came to power, but the new Soviet leader pursued the relationship more actively. He chose France for his first Western summit in October 1985, using the occasion to criticize SDI, about which Mitterrand had also expressed misgivings, and

⁵⁶Pierre Hassner, "Western European Perceptions of the USSR," *Daedalus*, 108, no. 1. (Winter 1979) pp. 113-151

to press for conventional and nuclear disarmament. During the period of "cohabitation" in France, when the conservative Prime Minister Chirac adopted a harder line toward Moscow than did Mitterrand, the socialists became more responsive to Soviet arms control proposals. More bilateral summits followed, and in December 1987, Mitterrand gave an interview in which he echoed sentiments that General de Gaulle had voiced some sixty years earlier "I have never", said Mitterrand, "regarded the Soviet Union as an enemy, or even as an adversary. It is simply a large country with its own interests. We have ours too."⁵⁷

Gorbachev has welcomed the more cooperative French stance, and yet there are a number of French positions that are heavily criticized in Moscow, particularly relating to France's military policies: the French commitment to further modernization of the force de frappe and the continuing emphasis on France's nuclear deterrent; and changing French military doctrine and conventional force posture. All of these reflect France's growing de facto cooperation with NATO.⁵⁸

Mitterrand's military policy, both in its conventional and nuclear aspects, has created new challenges to Soviet interests in Europe. The Defense Ministry, in explaining France's nuclear modernization program, for the first time singled out the Soviet Union as the primary threat to French security. France's creation of a tactical nuclear force aimed at attacking military targets in Eastern Europe, part of changing French military doctrine that extends its vital interests beyond the strict confines of its borders, directly contradict Soviet interests in a militarily weak Western Europe. Of course, the Soviet Union enjoys overwhelming military preponderance over France. But the direction of Mitterrand's policies go against Gorbachev's drive for a less nuclear, if not totally denuclearized Europe.

The Kremlin has also been concerned about growing Franco-German military cooperation. AS a recent article by three foreign ministry officials put it:

⁵⁷Interview in *Izvestiia*, December 3, 1987

⁵⁸See A. Cheriakov, "Novaia Voennaia Programma Frantsii na 1987-1992," *MEMO*, no. 3, 1988 pp. 116-120

Nobody can reasonably object to stronger good-neighbor relations between the two countries, particularly in view of their poor record in mutual relations. But what is one to make of the fact that France and the FRG are increasingly "militarizing" their cooperation? What or whom are these efforts directed against? -- Since many doors between the two halves of Europe have turned out to be locked, on the most part for no obvious reasons, the task is to unlock them and not add new locks -- ⁵⁹

The specter of a more coherent West European defense is not to the Kremlin's liking, particularly because it might hasten the withdrawal of American troops which, as far as one can gauge, the Soviets still prefer to see in Europe, since they add a measure of stability in a changing environment.

Gorbachev has not had the same success with French public opinion as he has with the population of other West European countries. France remains the least pro-Gorbachev country in Western Europe.⁶⁰ This may be because the French intelligentsia discovered the horrors of Stalinism rather belatedly. It is, therefore, more skeptical about change in the Soviet Union than the informed public in other countries, which did not experience the same degree of intensity of disillusionment.⁶¹

Nevertheless, France remains an important and potentially beneficial partner for the Soviet Union, and Mitterrand has recently become more favorably inclined toward Gorbachev's experiment. He also wants to pre-empt any West German monopoly on closer ties with the Soviets. Thus, Gorbachev will continue the dialogue with the socialist government and hope for a change in French attitudes toward their military force.

The rapprochement between the Soviet Union and Great Britain, under the conservative Mrs. Thatcher, also demonstrates Gorbachev's pragmatic appreciation of the need to utilize developments within Western Europe to his advantage. He visited Britain in

⁵⁹Nikolai Afanasyevsky et al, "Between Yesterday and Today," *International Affairs*, no. 6, 1988, p. 30

⁶⁰For a realistic appreciation of French public opinion, see I. Egorov, "Frantsiia i Perestroika," *MEMO*, no. 5, 1988, pp. 87-95.

⁶¹Pierre Hassner, "France and the Soviet Union," in ed. Michael E. Mandelbaum, *Western Approaches to the Soviet Union* (New York: Council on Foreign Relations, 1988) pp.25-52

December 1984, before he succeeded Chernenko; and that was his first major diplomatic and public relations success in the West. He has obviously appreciated and tried to benefit from Mrs. Thatcher's close relationship with President Reagan and her influence on his policies. Despite her innate conservatism, she too is a pragmatist, and her favorable comments on Gorbachev ("This is a man with whom we can do business") following his visit evidently reinforced Reagan's inclination to modify his previously antagonistic stance toward the Kremlin once Gorbachev emerged as leader.

Although Soviet writers praise the anti-nuclear platform of the British Labour Party, contrasting it favorably to the positions of the conservatives, Gorbachev correctly gauged that Mrs. Thatcher would be re-elected in 1987, and in effect helped her election chances by inviting her to Moscow for a summit that enhanced her standing domestically. She sparred verbally for many hours with the Soviet leader, debating the respective merits of capitalism and communism, and he showed her obvious respect. Perhaps Gorbachev also feared that, if the Labour party were to come to power and implement its stated policy of unilateral nuclear disarmament, the reaction of the U.K.'s allies might mitigate any potential Soviet gains from this policy. In other words, Gorbachev prefers the conservatives he knows, who inject an element of stability and certainty into Western Europe, over the socialists, who may destabilize the situation, even if their policies per se are more palatable to Moscow.

Nevertheless, Thatcher's policies on nuclear modernization and arms control remain a subject of Soviet criticism. Yet the Kremlin will continue to maintain an improved dialogue with her government as long as she remains in power.

The European Left

Just as Gorbachev has improved ties with conservative leaders in Europe, he has also reassessed Soviet policy toward socialists and social democrats and has downgraded communist parties. The Kremlin has always pursued a dual policy toward Western Europe -- it

has dealt with whatever government were in power, but it has also established links with the population -- particularly left-leaning groups -- and encouraged opposition to government policies deemed inimical to Soviet interests. However, during the post-Brezhnev interregnum, this policy had atrophied, particularly after the anti-nuclear movement had failed to prevent the deployment of INF, and the Green Party in West Germany became concerned about the small but active communist party in the FRG trying to dominate the peace movement. Initially, the Soviet Union had been cautious in its appraisal of the anti-nuclear movement and especially critical of its view that both superpowers, and not just the United States, were responsible for the arms race.

In upgrading the role of social democratic parties, Gorbachev's new thinking has continued a process that began during the Brezhnev era but had been sidetracked by other developments. In 1969, at an international conference marking the fiftieth anniversary of the founding of the Comintern, Politburo ideologists Mikhail Suslov and Boris Ponomarev had for the first time explicitly repudiated the Comintern's "class against class" policy, in operation from 1928 to 1935, that had viewed social democracy as the main danger to communism and had ultimately facilitated the rise of fascism in Europe by encouraging communists to ally with right-wing parties against socialism. The Kremlin leaders in 1969 described the "popular front" policy adopted in 1935 as the Comintern's supreme achievement.⁶² This came at a time when the Soviet Union was moving toward a rapprochement with the FRG and, given the troubled history of relations between communists and social democrats in Europe, was making a conciliatory gesture toward the SPD, which, it hoped, might win the next German elections. Indeed, East German leader Ulbricht rejected the new Kremlin line on social democracy, because he resisted till the end the Soviet-West German rapprochement.⁶³ In July, 1985, marking the fiftieth anniversary of the Seventh Comintern Congress, *Pravda* hailed the adoption of the popular front policy that encouraged cooperation between socialists and

⁶²*Pravda*, March 26, 1969

⁶³*Neues Deutschland*, March 26, 1969

communists, signalling a new emphasis in Gorbachev's policies, claiming that "A major role in the defense of peace belongs to the joint actions of Communists and Social Democrats. This was stressed at the Comintern's Seventh Congress."⁶⁴

Under Gorbachev, political advisors and institute scholars have reassessed their view of bourgeois democracy and its functioning within a capitalist system. As part of the re-evaluation of capitalism's capacity for reform and longevity, Soviet experts are discussing in a much more favorable light the domestic programs of social democratic parties and governments in Europe.⁶⁵ Moreover, they are also favorably inclined toward the foreign policy pronouncements of the major parties, particularly the West German SPD whose foreign policy, it is often noted, is very much in line with Gorbachev's new political thinking. In particular, the SPD's security program, and its emphasis on the FRG adopting a policy of "structural inability to attack " (*Strukturelle Nichtsangriffsfähigkeit*) echoes much of what Gorbachev has been advocating for Europe.⁶⁶ But the theoretical dialogue goes beyond discussing specific socialist policies; it also calls more openly for closer cooperation between socialists and communists within Europe, given the de-emphasis on the international class struggle and the stress on common problems of humanity and speaks more positively about the role of the Socialist International.⁶⁷ And these are by no means esoteric theoretical debates. The re-evaluation of social democracy and of relations between communist and socialist parties represents a major change in official Soviet attitudes that have for decades been ambivalent about West European social democracy.

⁶⁴*Pravda*, July 25, 1985

⁶⁵See for instance a series of articles in *Komsomolskaia Pravda*, in August 1988, reporting on the visit of a Soviet delegation under Leonid Abalkin and Abel Aganbegyan to Sweden, cited in Heinz Timmermann, *KPdsU und internationale Sozialdemokratie*, (Cologne: Berichte des Bundesinstituts fuer Ostwissenschaftliche und internationale Studien, no. 52, 1988).

⁶⁶See Andrei Zagorsky, "The Quest for Alternatives," *International Affairs*, no. 3, 1988, pp. 64-71

⁶⁷See Yu. Krasin, "Novoe Myshleniie vo Vzaimootnosheniakh Kommunistov i Sotsial Demokratov," *MEMO*, no. 4, 1988, pp. 23-32; A. Glakin, "Novoe Politickeskoe Myshleniie i Problemy Rabochego Dvizheniia," *MEMO*, no. 5, 1988, pp. 31-42

The most concrete example to date of the new Soviet attitude has been the ongoing dialogue between the West German SPD and the ruling East German SED which, one assumes, would not have taken place without Soviet approval. The talks have produced agreements on nuclear-free and chemical-free zones in Europe and also a major joint paper on ideology in August 1987 that, while outlining areas of disagreement, marked the first time that a communist and social democratic party had discussed fundamental issues of society and foreign policy.⁶⁸ The SED-SPD dialogue has now been institutionalized and has been held up as a model for similar talks between other communist and socialist parties in Europe.⁶⁹

One reason for this new emphasis in Soviet policy is the realization that the West European communist parties are on the decline. In the mid-1970s, the Italian, French and Spanish communist parties were gaining in popular support, and there was concern in the West that they might come to power in a coalition government. When this happened in France, from 1981 to 1984, the communists lost a great deal of their credibility as they engaged in a variety of dialectical gymnastics in order to support Mitterrand's foreign policies. Now, the PCF is conflict-ridden and has become increasingly marginal in political life. Moreover many of its rank-and-file members are considerably less enamored of glasnost than are people within the Soviet Union and Eastern Europe. The Spanish communist party is also divided and declining, and even the Italian party has lost support. Under these circumstances, and given the conservative electoral swing in Western Europe, Soviet commentators and officials stress the need for closer cooperation on the left, especially since, in foreign policy terms, most socialist parties support Gorbachev's policies as much as do communist parties.⁷⁰

Moreover, there has also been a re-evaluation under Gorbachev of the role of "new social movements" in Europe, particularly the anti-nuclear and Green parties. The process had begun under Andropov, when he called for a re-evaluation of the nature of the peace

⁶⁸For the text, see "Das Gemeinsame Papier von SED und SPD und die Reaktion der SED," *Deutschland Archiv*, no. 1, 1988, pp. 86-108.

⁶⁹A. Galkin, Yu. Krasin, "K Novomu Kachestvu Dialoga," *MEMO*, no. 1, 1989, pp. 87-91

⁷⁰*Ibid.*

movement and of the world communist movement, in light of the increased threat of nuclear war.⁷¹ Although many members of the anti-nuclear movement came from groups not previously identified as "progressive" -- in particular, the Protestant and Catholic Churches in Germany -- and although their eclectic political platforms were certainly not in line with many orthodox Soviet positions, their role in agitating against the deployment of American weapons in Europe had made them objectively useful to the Kremlin. However, their critique of nuclear power -- at that time strongly defended by the Soviet authorities -- and of the Soviet nuclear weapons program, plus their support of anti-nuclear, unofficial activists in Eastern Europe, especially the GDR, were problematic. Under Gorbachev, the anti-nuclear movement has been upgraded as part of new political thinking, its ethical role in eliminating nuclear weapons praised, and its ecological emphasis also positively evaluated as part of the new Soviet emphasis on interdependence and non-military issues. Moscow also takes the activities of Green parties more seriously, particularly as their Berlin branch, the Alternative list, prepares to share power in West Berlin. These re-evaluations have both a domestic and foreign policy component. Discussion of ecological and environmental issues, especially after Chernobyl, has blossomed within the Soviet Union as part of glasnost, and thus the Kremlin no longer has to pursue the somewhat untenable policy of encouraging protests against Western ecological and nuclear power policies while saying that there was nothing to criticize within the Soviet Union. Moreover, the "new social movements", like the social democrats, are favorably inclined toward Gorbachev and his announced January 1986 plan to rid the world of nuclear weapons, and will support Soviet foreign policy initiatives, viewing the USSR more favorably than the United States.⁷²

The ideological and pragmatic reassessment of the European left does not contradict Gorbachev's rapprochement with conservative governments in Europe. Indeed, there is some

⁷¹*Pravda*, June 16, 1983

⁷²See Olga Alexandrovna, " *Die neuen sozialen Bewegungen im Westen aus der Sicht der sowjetischen Ideologie und Gesellschaftswissenschaft* (Cologne: Berichte des Bundesinstituts fuer ostwissenschaftliche und internationale Studien, no. 57, 1988)

reassessment of conservatism and neoconservatism in Europe too. Gorbachev is willing to pursue a rapprochement with conservative governments while at the same time hoping that, if the left comes to power, it will be even more favorably inclined toward the Soviet Union on arms control matters. Given the historical Soviet unease about dealing with socialist governments-particularly in France -- one might view this reassessment as part of a long-term strategy to create new momentum for an international left-of-center movement that will transcend the traditional struggle between the Second and Third International.

Economic Ties

The Soviet Union has always been interested in economic ties with Western Europe, and, with the exception of a few years under Stalin, has pursued these quite actively. The economic relationship has always been complementary, involving the exchange of Soviet raw materials for West European finished goods. Under Brezhnev, East-West trade in Europe increased significantly, reaching in high point in the early 1980s. Even during the most tense political times, both the USSR and Western Europe continued to pursue the economic relationship, irrespective of the superpower chill, and no West European country was willing to impose sanctions on the Soviet Union after Afghanistan. Gorbachev has continued past Soviet policy; but, unlike his predecessors, he has significantly reformed the foreign trade sector in order to facilitate greater East-West economic intercourse.

Gorbachev's focus, of course, is domestic economic reform; but the international economic environment has made it particularly difficult for his reforms to succeed. The Soviet Union is, in international terms, a one-crop economy, with energy exports to Western Europe providing eighty percent of Soviet hard currency earnings, and oil alone 60 percent. Nine months after Gorbachev took over, oil prices began to fall, going from \$28 a barrel to below \$10 in 1986, and then rising again, but then continuing to be quite volatile. Moreover, shortly before that price collapse, the dollar had begun to fall against West European currencies. The

Soviets sell their oil and gas in dollar-denominated currencies and purchase machinery primarily from the FRG, France and Japan, whose currencies have risen against the dollar. They were, therefore, doubly affected by the falling dollar. By some estimates, Moscow has lost up to \$60 billion in hydrocarbon revenues since 1985 because of falling oil prices.⁷³ It also takes more oil to pay for machinery imports than it previously did.

Gorbachev tackled the foreign aspects of perestroika by introducing legislation that was designed to make Soviet goods more competitive internationally. For the first time since 1917, foreign trade has been given legal status as an important component of Soviet economic activity. The September 1986 Foreign Trade Law provided broader rights for Soviet enterprises to engage in cooperation with other CMEA countries and for joint ventures with the West. The Ministry of Foreign Trade, therefore, lost its longstanding monopoly over the conduct of foreign trade. There was significant decentralization of export-import decision-making for more than twenty ministries and seventy production associations. These institutions now have as right to operate directly with the West and to maintain their own accounts in convertible currencies. The decentralization of decision-making covers 26 percent of Soviet foreign trade and 14 percent of Soviet exports, including 65 percent of Soviet machinery exports. The industries covered include automobile and truck factories. The chemical, petrochemical and oil refining sectors are also heavily represented.⁷⁴ However, the new foreign trade law in no way alters the state monopoly on foreign trade and foreign currency.

These foreign trade reforms are designed to improve the performance of the system by changing the top organization in foreign trade and by decentralizing decision-making in certain key foreign trade areas. At the top, a new institution, the Foreign Economic Relations

⁷³Thane Gustafson, *Gorbachev's Dilemmas* (Cambridge, Ma: Cambridge Energy Research Associates Private Report, 1989)

⁷⁴Joan F. McIntyre, "Soviet Attempts to Revamp the Foreign Trade Sector," in Congress of the United States, Joint Economic Committee, *Gorbachev's Economic Plans*, Vol 2 (Washington, D.C: 1987) p.

Commission, has been established for the purpose of formulating and coordinating Soviet foreign economic relations. This Commission includes 11 members, representing key Soviet organizations -- such as the foreign trade bank -- and ministries, such as the Ministry of Finance.⁷⁵ Its function is to provide strategic guidance in the foreign trade sector and increase the role of foreign trade in the scientific-technological revolution. However, a number of crucial questions about foreign trade remain unanswered: what is the relationship of internal to export prices and will the ruble remain inconvertible? Without some change in the pricing system -- currently Soviet export prices are determined by the world market, whereas domestic prices often bear little relationship to supply and demand or to world market prices -- it is difficult to see how the Soviets can either make the ruble convertible or significantly increase their international economic participation, although they are pressing to join GATT and possibly the IMF.

The other major Gorbachev innovation in foreign trade has been the legalization of joint ventures with Western firms, in order to produce both consumer goods and technology. Joint ventures were outlawed with the end of NEP, because they involve Western ownership of assets in the USSR. The Soviet Union is interested in joint ventures primarily in the areas of machine-building, agricultural equipment, energy technology, the pulp and paper industry, consumer goods and foodstuffs.⁷⁶ Initially, it was decreed that the Soviet share of any joint venture must be at least 51 percent, the directors of the enterprise must be Soviet citizens, but the Western partner would be represented on the management board. The Western capital input can be provided in machinery, technology, licenses or cash. World market prices will be used in all deals, and the joint ventures will not be integrated into the Soviet planning system. They will remain hard-currency enclaves, removed from plan fulfillment targets and guaranteed markets.

⁷⁵Ibid., p. 499

⁷⁶Ibid, p. 466

The major target of the joint venture law is Western Europe, which Moscow views as its primary economic partner in the West. Yet as number of problems have arisen in the negotiations. The USSR would prefer to use these deals to produce goods for export to the West to earn hard currency, but the European firms are more interested in producing for the Soviet market. Moreover, since no Soviet foreign trade organization has been able to negotiate independently for nearly sixty years, there is some confusion about exactly what their powers are. Key issues of labor and management remain unanswered, except on a deal-by-deal basis.

In December, 1988, a new Soviet decree on foreign trade attempted to address some of the problems of the previous legislation in a more radical way. It dealt with more freedom for economic agents, and more incentives for joint ventures, allowing up to 80 percent ownership by Western firms and the creation of customs-free foreign economic zones. Nevertheless, joint venture negotiations are still bedeviled by confusion and problems with implementation. Several hundred deals are under discussion, a few dozen have been signed and implemented and many more have been agreed upon in principle, but have yet to be embarked upon. As a leading French specialist has argued, "What is astonishing is that -- so many Western firms have agreed to play the game with so little clarification."⁷⁷

The major West European economic partner of the Soviet Union in joint ventures is Finland, followed closely by West Germany. It is clear that Gorbachev's liberalization of the foreign trade system is primarily aimed at the FRG, which has an abiding interest in expanding economic links with the USSR. Chancellor Kohl's 1988 visit resulted in further joint venture and other trade discussions. Although German businessmen are cautious about the prospects for perestroika and aware of some of the pitfalls of the new joint venture possibilities, they remain overwhelmingly in favor of actively pursuing economic links with Moscow on all levels and support Foreign Minister Genscher's appeal for helping the Soviet Union in its reform

⁷⁷Marie Lavigne, *Prospects for Soviet Trade Reform*. Paper presented at the Institute for Defense Analyses, Alexandria, Va. February 23, 1989

efforts.⁷⁸ Moreover, the FRG has now agreed to train future Soviet managers in Western business techniques. As Leonid Abalkin, one of Gorbachev's economic advisors said, when asked what was most important for perestroika to succeed, "The most important thing -- came during Chancellor Kohl's visit to Moscow, when he promised to train annually a thousand young Soviet industrial cadres in Germany in the techniques of Western management. -- Germany will benefit from this; But we, (sic) much more still."⁷⁹

Gorbachev and his advisors have also made it clear that they favor Bonn's more active Ostpolitik in the whole of Eastern Europe, especially its new economic initiatives there.⁸⁰ The FRG is the only Western power with a coherent policy toward Eastern Europe. For instance, in 1987, a West German loan enabled Hungary to avoid rescheduling its debt, in return for Hungarian assurances that the German minority in Hungary would enjoy better living conditions. Moreover, West Germany, like its European partners, is increasingly pressing the United States in COCOM to reassess some of the technology transfer regulations. Many German businessmen and officials openly question the continued utility and defensibility of COCOM's controls on dual-use civilian technology.

Despite the renewed West European interest in economic ties with Gorbachev's Russia, the prospects for major Soviet technological growth are not encouraging. East-West trade has stagnated in the last few years, largely because of falling oil prices, and the outlook for the next few years is unfavorable.⁸¹ Moreover, there are limits to how effectively the Soviet economy can absorb and diffuse Western technology unless Gorbachev were to introduce far more radical reforms domestically than he has up till now. The systemic barriers within the Soviet Union to the domestic development of high technology also impede the USSR's

⁷⁸See for example the transcript from business-government discussions of the 84th Bergedorfer Gesprächskreis, March 25, 1988 in Berlin; and Axel Lebahn, "Political and Economic Effects of Perestroika on the Soviet Union and its Relations to Eastern Europe and the West," *Aussenpolitik*, (English Edition) Vol. 39, no. 2, 1988, pp. 107-124

⁷⁹Lavigne, op. cit. p. 30

⁸⁰*Washington Post*, March 18, 1989

⁸¹Heinrich Machowski, "Ost-West Handel Stagniert Weiter," Deutsches Institut fuer Wirtschaftsforschung, Berlin, *Wochenbericht*, no. 44, 1988.

utilization of Western technology. Nevertheless, Gorbachev will continue to pursue the economic links with Western Europe as the major hope for quick technological change. Failing that, as one Soviet specialist suggested to me, there will be two economic axes by the year 2000 -- the U.S.-Japan high-tech axis, and the CMEA-EC low-tech, traditional industries axis. This might be a prospect that some Soviet experts would welcome, but it could only be viewed with apprehension in Western Europe.

THE EAST EUROPEAN FACTOR

Gorbachev's policies toward Western Europe have been influenced by and have influenced policy toward Eastern Europe, and there are clear tensions between the old and the new thinking in this area. Yet his policies toward Eastern Europe are far less innovative than those toward Western Europe. Eastern Europe remains the single most important issue for Soviet foreign policy, yet it is the area in which the economic and political problems remain the most intractable. So far, Gorbachev and his advisors have criticized Brezhnev's handling of Eastern Europe and have stressed that Eastern Europe must find its own solutions to its political and economic problems. They have also implied that the "Brezhnev doctrine" is no longer operative, and that the use of military force is not an appropriate way to deal with perceived challenges to the Soviet model of development.

Gorbachev's major task in Eastern Europe is to stabilize his allies's political and economic systems, and prevent the outbreak of any major crisis. Indeed, scholars at the Institute of the Economies of the World Socialist System have suggested that it is in the best interests of the West to help stabilize the situation there.⁸² It is quite possible that the chief motivation of the Common House policy is to stabilize Eastern Europe.

⁸²See "The Soviet Perspective," in "East-West Relations and Eastern Europe," *Problems of Communism*, May-August, 1988, pp. 60-67

The major importance of Western Europe for Eastern Europe, from the Soviet perspective, is its economic involvement in the area, in the form of trade, credits and joint ventures, aimed at raising the technological level of CMEA economies and ultimately making their products more competitive on world markets so that they can increase their hard currency earnings. So far, West European economic involvement may have helped Eastern Europe avoid further economic deterioration, but it has not enabled the CMEA economies to overcome their basic structural problems or to make their exports more competitive.⁸³ Nevertheless, it remains a major source of hope in most CMEA countries.

West Germany is the key country in this regard, and its economic relationship with East Germany is critical. The Soviet Union is pressing the GDR for more bilateral technological cooperation agreements, which its German ally is resisting, and it hopes to benefit indirectly from closer inter-German technology transfer. But the Kremlin also realizes that, even if it cannot secure all the technological cooperation agreements with the GDR that it desires, it is important for the GDR to increase trade with the West and maintain its high technology performance, since it is increasingly being challenged by the Pacific Rim countries.

Brezhnev also encouraged closer West-East European economic links, of course, with rather disastrous results for Poland and its indiscriminate borrowing policy. But Gorbachev seems to be less disturbed than were his predecessors by the closer political and cultural ties between the two halves of Europe that are the inevitable product of closer economic links. Some of his allies -- notably the GDR and Czech leadership -- are themselves highly wary of glasnost, economic perestroika and the non-economic implications of "Nash Obshchii Dom"; but others, Hungary most notably, have maximized their links with Western Europe in a variety of areas.

⁸³Angela Stent, "Technology Transfer to Eastern Europe: Paradoxes, Policies, Prospects," in ed. William, E. Griffith, *Central and Eastern Europe and the West* (Boulder, Co: Westview Press, 1989)

The other side of this issue is, however, that Western Europe demands closer links with Eastern Europe as a quid pro quo for greater economic involvement in Eastern Europe; and in this sense, Gorbachev's desire for closer contacts with Western Europe also influences his policy toward Eastern Europe, both bilaterally and multilaterally, in the CSCE forum. In particular, the recent Soviet rapprochement with West Germany has caused suspicion in East Germany -- not the first time this has happened -- that, in its pursuit of economic links with West Germany, the Kremlin may be willing to make political concessions to Bonn that compromise East German interests. In this instance, Gorbachev's policy toward West Germany has further complicated his relations with the GDR, whose aging political elite is highly resistant to new thinking in its domestic, if not its foreign policy, incarnation.

So far, Gorbachev's policy toward Western Europe has reinforced his goal of promoting greater stability in Eastern Europe -- or at least, of avoiding a crisis there. Although most West European governments say that they are in favor of greater political liberty in Eastern Europe and of using their economic ties to promote liberalization, they have been extremely wary of using their economic links in any overt political way. This has prompted some controversy transatlantically, because some U.S. policymakers oppose greater economic involvement in Eastern Europe if it helps to stabilize regimes that are perceived to be inherently repressive. The American view is that economic aid should be tied to political concessions. The West-West debate over this issue will continue for some time, and Gorbachev's major task will be to ensure that Western Europe retains its position on the issue of encouraging stability versus change.

Developments within Eastern Europe will also affect Soviet policy toward conventional arms reductions in Europe. The Soviets are now withdrawing troops from Eastern Europe, and their allies are also reducing their forces. Inasmuch as Soviet troops and tanks in Eastern Europe serve policing functions within the Warsaw Pact as well as being directed toward resisting an attack from Western Europe, the extent to which they can be reduced will partly

depend on the degree to which the Kremlin believes that the situation in Eastern Europe is under control. East-West conventional arms control talks will, therefore, be influenced by political developments within the Eastern alliance.

CONCLUSIONS AND IMPLICATIONS FOR THE WEST

There is much that is new, both in word and deed, in Soviet policy toward Western Europe. The concept of how to deal with Western Europe as a whole, the acceptance of European integration, as well as the development of bilateral relations with different countries, has been modified, as has the willingness to encourage East-West European links. Bilateral ties remain the most important feature of Soviet policy, but there is more interest in multilateral links. The prospect in 1992 of a single European market of 320 million people has had a major impact on Gorbachev's thinking. There is, however, another dimension to Soviet policy toward Western Europe, namely the transatlantic one. The Kremlin's relations with Western Europe are intimately connected to its policy toward the United States. How much "new thinking" has there been in this area?

Western specialists like to speculate about whether Soviet leaders in general, and Gorbachev in particular, pursue an "America first" or a "Western Europe first" policy. Indeed, some argued that Gorbachev was initially more interested in Japan and Western Europe than in the United States. This is a false dichotomy. Gorbachev, like his predecessors, is interested in both the United States and Western Europe for different reasons. If one partner appears more reticent than the other, then emphases and priorities may shift. But both sides of the Atlantic complement, rather than contradict, each other. The United States remains the Soviet Union's major preoccupation inasmuch as it has been its chief military antagonist and chief rival for global influence, and is economically far superior to the Soviet Union. Gorbachev, like his predecessors, has sought recognition as an equal by Washington -- only one

superpower can bestow this on another -- and came closer to achieving this goal under President Reagan than did his predecessors.

More specifically, the United States is the key country in terms of the Kremlin's desire to arrive at arms control agreements that, in conjunction with domestic perestroika, will enable the Soviet leadership to redirect resources domestically to the civilian and consumer branches of the economy. Moreover, Gorbachev has been concerned to limit the American SDI program, partly for economic reasons too. Thus, the United States holds the key to reducing many of the external strains on the Soviet economy.

Gorbachev also favors closer U.S.-Soviet economic ties, and has done his best to encourage business contacts between the two countries. He has also relaxed emigration restrictions and been more responsive to American human rights concerns, largely to counter opposition to expanded trade in Congress and from lobbying groups. There is some enthusiasm within the United States business community for joint ventures and other economic ties, but there are also administrative barriers to increasing trade, and Western Europe has been a more predictable and forthcoming economic partner so far.

A traditional Soviet goal has been to encourage fissures within the Atlantic alliance, to weaken Western unity. Gorbachev, Shevardnadze and their advisors deny that they want to promote intra-NATO tensions or split the Western alliance. They claim that, in the new interdependent world, it makes no sense to encourage problems within the Western alliance. So far, when one examines Gorbachev's words and deeds, it appears that he is more or less following the policy of his predecessors. The Kremlin will encourage splits within the Western alliance inasmuch as these splits are in the Soviet interest. But it will promote West-West dialogue and cooperation if that best enhances Soviet security. For instance, Gorbachev was well served by the United States using its influence on its allies to accept the INF agreement, over their initial reservations. Similarly, he has also benefited from the West European perception that one should respond positively to Gorbachev and take more initiatives in East-

West cooperation and from the Europeans' attempts to convince Washington to adopt this attitude.

On the other hand, in the East-West trade and technology transfer area, for instance, where the United States and Western Europe have been at loggerheads for some time, and where there is little prospect of compromise, the Kremlin upholds the European position that restrictions should be lifted and encourages the Europeans to speak out against American dominance of COCOM. In much of the writing on new thinking, as has been noted already, there is criticism of American domination of Western Europe and stress on the "Common house" with no permanent American presence. The old Leninist policy of "Raskol', raskol' i eshche raskol'" (Split, split and split again) is still operative in some instances.

This raises the question of Gorbachev's views on a possible U.S. withdrawal from Europe. Like his predecessors, he seems to favor a U.S. presence in Europe, because it stabilizes the situation and because a U.S. withdrawal would create a vacuum that might be filled by a much stronger and unpredictable European military alliance. Furthermore, as Soviet ambassador to Bonn Yuli Kvitsinsky recently told German journalists, Moscow prefers to see the FRG anchored firmly in the Western alliance because its withdrawal could inspire Eastern bloc countries to leave the Warsaw Pact and this might threaten four decades of peace in Europe.⁸⁴ It is the United States that, in the final analysis, guarantees for the Soviet Union a stable order in a divided Europe.

Similarly, the new Soviet administration has a dualistic attitude toward West European cooperation. Despite the CMEA-EC agreement, the Kremlin remains suspicious of European integration and the prospect of a coherent West European economic and political alliance. An integrated Western Europe could present an attractive model for Eastern Europe. It could also prove more resistant to Soviet attempts to play one bilateral relationship off against another. The Kremlin under Gorbachev remains particularly concerned about Franco-

⁸⁴*Washington Post*, March 18, 1989.

German military cooperation and the prospect of an independent European defense force and will continue to court France and Germany separately, seeking to minimize such cooperation. On the other hand, some aspects of European integration -- particularly the current attempt to pursue a common policy of rapprochement with Moscow -- serve Gorbachev's interests quite well.

New thinking, therefore, has not rendered traditional Soviet fears about a united Western East-West policy obsolete. It has, however, provided a theoretical basis for viewing West European cooperation with less suspicion. Gorbachev's actions to date indicate that the Kremlin is pursuing a two-track policy. It continues the more traditional Soviet policy of stressing bilateral relations and seeking to maximize the benefits of rapprochement with individual countries. But it has also embarked on a more innovative policy of dealing with Western Europe as a whole and encouraging closer ties between the two halves of Europe. Gorbachev stresses the vaguely defined notion of Europe as a common home without seriously calling into question the geographical status quo in Europe. However, the political status quo in Eastern Europe has already begun to change -- at least in Poland and Hungary -- and this may eventually have more far-reaching implications for ties between the two halves of Europe.

So far, the elements of dynamism and change in Gorbachev's policy toward Western Europe do not amount to a totally coherent strategy; and some elements of Soviet policy are still evolving, partly as a response to developments within the West over which the Kremlin has no control. Of course, any aspect of Soviet foreign policy is determined both by a priori policy decisions and as a response to the outside environment. But one has the sense that Gorbachev is still formulating his policy toward Western Europe as he gropes toward giving new thinking its concrete form.

Even though Gorbachev's policy is still evolving, it has already had a major impact in Western Europe and is prompting a vigorous transatlantic debate on how the West should respond to Gorbachev. Of course, this is not the first time that the United States and its allies

have disagreed on policy toward the Soviet Union. In the early 1960s, it was German Chancellor Konrad Adenauer who chided President Kennedy for his pursuit of a rapprochement with Khrushchev. "I can't stand any more of this wretched talk of detente", he complained, on his retirement.⁸⁵ In the early 1970s, there was greater transatlantic agreement on the desirability of detente, although the French feared a U.S.-Soviet condominium that would be inimical to their interests. By the early 1980s, when the United States had declared detente dead, the Europeans insisted that detente in Europe must continue, irrespective of what the Soviets did in the third world. When Gorbachev came to power, the transatlantic divide over how one should deal with Moscow was substantial.

Mikhail Gorbachev has to some extent exacerbated this divide by aggressively pursuing arms control negotiations and introducing a series of initiatives aimed at improving Soviet-West European relations. He has also courted the United States, and ultimately found a favorable response under President Reagan, who sharply altered his rhetoric on the Soviet Union and publicly praised Gorbachev's experiment. On the face of it, therefore, the United States and Western Europe are in greater harmony over East-West relations than they have been for a decade.

The transatlantic differences now center not on whether Gorbachev's leadership is a positive development, but rather on how far to meet his proposals; how deeply involved economically the West should be and what the political-military future of NATO should be. There is also disagreement over how the West should prepare itself for his possible failure. The major West European governments favor a concerted, coherent, active policy of rapprochement. They subscribe to what is known somewhat pejoratively in this country as "Genscherism", that is, the explicit favoring of closer economic and political ties to the USSR and Eastern Europe and a commitment to aiding their reforms in the direction of more market-oriented economies with greater political freedom. They would like to have American

⁸⁵Angela Stent, *From Embargo to Ostpolitik. The Political Economy of West German-Soviet Relations, 1955-1980* (New York: Cambridge University Press, 1981) p. 123

support of this policy. They are also pressing for a reduction in economic restrictions on East-West trade, specifically within COCOM and in terms of credits -- this applies particularly to the Germans. If the United States is not willing to endorse this policy, then the Europeans will pursue their rapprochement on their own. But this will inevitably lead to transatlantic quarrelling and possibly to a major standoff on the economic issues and over further arms control negotiations. Of course, there are differences among European countries over arms control, but Western Europe is united in its more generally forthcoming approach toward Moscow.

Gorbachev has, therefore, created new challenges for the United States through his success in convincing most sections of West European public opinion that the Soviet Union has indeed embarked on a more conciliatory and less threatening foreign policy. Indeed, there are parts of European public opinion that would deny the existence of a Soviet threat. If Gorbachev were to be removed from power or the Soviet Union to change its course radically, then European opinion might switch again. But it is quite conceivable that Soviet foreign policy will continue along its present lines regardless of who is in power, for pressing economic reasons. This is a fact of life with which the American administration will have to deal.

This review of Gorbachev's policies has shown that the pragmatic aspects of the Kremlin's policies toward Western Europe do represent a continuity with the more successful aspects of Brezhnev's policies. However, their conceptual basis involves new thinking and a radically different approach toward the question of whether there should be close ties between the two halves of Europe. Gorbachev's policies have their roots in a far-reaching re-evaluation of intra-European ties, but they also are a response to short-term opportunities in Western Europe and challenges in Eastern Europe. It is unclear what the longer-term game plan is, if indeed one exists. The broader goal must be to strengthen Eastern Europe and ensure its economic and political viability in such a way that promotes gradual change in Eastern Europe and maintains the division of the continent. Since the West Europeans have largely responded

favorably to these policies, the United States will have to work out its own response to Gorbachev in Europe, develop a more active policy toward Eastern Europe (unless it wants to leave that aspect entirely to the West Germans) and decide what role to play in the Common House.

Forty years ago, the first Secretary-General of NATO, Lord Ismay, explained that NATO was founded " to keep the Russians out, the Americans in and the Germans down." If Soviet policy continues along the lines laid down by Gorbachev, the alliance may have to re-examine all three aspects of this troika by the start of the next millenium.