



NATO's Enlargement and the Costs for Bulgaria to Join NATO

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INTRODUCTION

The present report is aimed at elaborating on issues related to the process of NATO enlargement and their relevance to Bulgaria's aspiration to join the Alliance. It also aims at providing an overview of the changes in the security concept and developments in the North Atlantic Treaty Organization after the end of the Cold War and their possible implications and importance for the region of South-Eastern Europe. The study seeks to provide an analysis of the costs and benefits of NATO membership that would be imposed to Bulgaria, also using the experience of previous enlargements. An essential purpose of the present study is to raise public awareness in Bulgaria on the philosophy and in particular on Bulgaria's prospects and readiness to be included in the process of NATO enlargement.

Therefore, Chapter I emphasizes on particular aspects of issues that influence and determine the enlargement process, such as the post Cold War security environment that determines the transformation of the North Atlantic Treaty Association, and the currently changing nature of the transatlantic relationship between the United States and the European Union. There is also certain emphasis given to the developments in the Balkan region since the beginning of the 1990s in order to better understand the decisive factor of unity among the international community, and partnership on both sides the Atlantic to promote lasting stability in the region. The latter sub-chapters are indivisible elements of the complexity featuring the process of enlargement of the North Atlantic Treaty Organization. However, it should be mentioned that a lot of new and challenging developments to both to the South East region and NATO have taken place since the beginning of our analysis in 1999, including the recent tensions in Macedonia. Since most of the topics are fundamental they will be inevitable outlined without going in deep details.

Chapter II examines Bulgaria's steps towards meeting NATO standards and outlines the various aspects of costs for Bulgaria to success-

fully become member of the Alliance. It aims at summarizing the numerous, and sometimes non-measurable, economic and social benefits and costs and gives the background for further public discussion. The intention is to give the study an analytical character, reflecting trends, experiences and lessons learned in order to present a concise view on the current events and trends featuring the eve of the NATO Summit in Prague 2002, where probably a decision for a further Eastern enlargement of the Alliance will be taken.

I. THE ENLARGEMENT OF NATO

1. The changing role of NATO

The security environment and the perception of security interests in which the North Atlantic Treaty Organization finds itself have changed considerably since 1989. NATO was originally formed as a collective defense organization to provide security for its members against an external threat and was always portrayed as more than a traditional military alliance. Since successfully accomplishing its main task during the last half a century, no one dared to question its relevance as long as both the Soviet Union and the Warsaw Pact existed. But with collective defense no longer being the overriding priority, it became more difficult to formulate national and Alliance-wide defense needs. The challenge contained in NATO's proposals to do more than originally intended lost much of its rationale in a no-threat environment. At first, the answer seemed to be an emphasis on the reconstitution, i.e. building up U.S. forces, but also mobilizing European forces, rapidly enough to deal with renewed aggressive Soviet intentions. After all, the Soviet Union remained the largest military power in Europe with a vast nuclear arsenal and its federal structure was in a persistent crisis. However, since the collapse of the Soviet Union, NATO has redefined its purpose in being first and foremost an association of constitutional democracies committed to the common defense of democracy itself. In the absence of a clear enemy NATO no longer talked in terms of threat but about risks and instabilities in the new security environment.

1.1. Past Cold-War Challenges

The international community has not yet fully adjusted to the new situation. The UN system was based on an uneasy compromise between respect of national sovereignty and responsibility for peace and security given to a Security Council dependent upon consensus among its permanent members. Clearly, the challenges and risks of the post-Cold War period of today are more diverse, far more ambiguous, and far less pre-

dictable. The change in the security concept besides its military aspect takes today new and more relevant dimension of political, economic and social nature. Today only 13% of the conflicts arise from inter-state dispute, while 87% originate by ethnic and religious reasons or economic and social instabilities. Unconventional threats such as organized international crime, terrorism and the massive influx of refugees could further undermine the stability. The proliferation of weapons of mass destruction, especially biological weapons, poses an ever-increasing risk. At the same time, the geographic focus of these challenges has changed. Most challenges that NATO will face come from beyond the Alliance's territory. Instability in Russia or parts of the former Soviet Union could affect security of NATO states in that region. This also holds true for risks in the Middle East, North Africa and the Balkans. Considering the experience with Bosnia and Kosovo, these challenges can still have an important impact on the security of Alliance members. As a result, NATO needs to be able to move and respond to a broad spectrum of risk and threats. It still needs the residual capabilities to carry out Article 5 missions¹, that is, missions for NATO's collective defense, but at the same time it needs the capability to carry out so called non-Article 5 missions.

A complicating factor is that different zones on security have emerged in Europe. Turkey, which is in the zone of "maximum danger", will undoubtedly have a different threat perception than the Netherlands, which is in the zone of "maximum peace". Turkey is likely to put more emphasis on NATO's traditional collective defense tasks, while the Netherlands will emphasize NATO's crisis response operations, including peacekeeping.² Consequently, limited risks will be a continuous test for unity within the Alliance, because the question exists of whether all NATO countries will make a contribution to regional collective defense or crisis response operations. During the Gulf crisis a number of parliamentarians in Bonn

¹ Art 5 of the North Atlantic Treaty, Washington, D.C. April 4, 1949:

„The Parties agree that an armed attack against one or more of them in Europe or North America shall be considered as an attack against them all; and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defense recognized by the Charter of the United Nations, will assist the Party or Parties so attacked by taking forthwith, individually and in concert with the other Parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.

Any such armed attack and all measures taken as a result thereof shall immediately be reported to the Security Council. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.“

² "NATO after Kosovo", Royal Netherlands Military Academy, Netherlands Atlantic Association, Netherlands Institute of International Relations "Clingendael", February 2000

initiated a debate on provoked and non-provoked aggression. Only in the latter case would Article 5 of the NATO Treaty apply. Political will is certain to this discussion. For countries in the zone of greatest stability, a limited aggression will not effect their interests, so that there is a real danger that they will behave like free riders. The NATO Treaty does not say that the contribution should be more than symbolic. Symbolic contributions could also undermine NATO's cohesion. Political will will be even more difficult to generate for crisis response operations outside NATO area. This was clearly demonstrated during the Kosovo war. For example, Greece did not contribute to the operation because a large part of the population supported Serb people. In sum, both for regional collective defense and crisis response operations outside NATO area, member states are likely to decide the nature and extend of their contribution on a case by case basis. After the Kosovo war many of NATO's fiercest opponents changed their attitudes. In some countries, such as the Netherlands, NATO's victory in the Kosovo war has led to a more activist foreign and defense policy. In the Netherlands' most recent Defense White Paper it is even suggested that sovereignty is of secondary importance to humanity.³

1.2. The Transformation of NATO

Although much of the original *raison d'être* has disappeared, NATO still exists. Organizational theory suggests that large bureaucracies will usually not disappear. Instead, they go through a process of functional transformation: new missions are developed and fusion with other organizations occurs. This has happened to NATO. More important, the Alliance has successfully adapted to the new security situation.⁴ NATO's most important task is now the execution of peace support or crisis response operations and humanitarian aid outside the NATO area⁵.

Because of this transformation the relevance of NATO has never been seriously questioned. NATO's credibility can now only be undermined in two ways: first, if free riders emerge; second, if crisis response opera-

³ Defensenota 2000, The Hague, 29 November 1999, pp.5 and 33-34.

⁴ See Rob de Wijk "What is NATO?" Royal Netherlands Military Academy, Netherlands Atlantic Association, Netherlands Institute of International Relations "Clingendael", February 2000;

⁵ „Out-of-area“ or „out-of-business“ was one of the many slogans heard in the early 1990's. If the Alliance did not redefine its strategic purpose, there would be no reason for it to continue. According to Josef Joffe, alliances die when they win or when they lose. Joffe drew the analogy between a dying alliance and a firm that faces a „severe downward shift of the demand curve for its classical wares“. In order to survive it had four basic choices, two of which entail „marketing a new product and conquering new markets“, precisely what he says NATO has done since the Cold War ended.

tions are not executed in the proper way. Clearly NATO will have to be prepared to take on important missions on the periphery such as humanitarian and peacekeeping operations. Beyond these it should be borne in mind that it has a very significant asset, and of that asset it holds a monopoly. Specifically, NATO has learned how to train, and operate a multinational military force with efficiency and unity of command. The fact of the matter is, however, that in order for NATO to take action, it is going to need a consensus among 19 countries. Those 19 countries are most likely going to agree to take action only in those crises where they feel their interests are truly at stake. Most such instances are going to be in and around Europe. The term “around Europe” is very ambiguous, and this is because there is no real consensus in NATO as to exactly how far Europe extends. However, there is also the consideration present that one of the most important but least discussed possible missions for NATO is to maintain a hedge against a resurgent Russia. Another important one is to preserve confidence, stability and peace among Europe’s other major powers in Western Europe. Preserving peace among NATO’s other members is a third possibility, Greece and Turkey most prominently, in this respect.⁶

Since the end of the Cold War, NATO has begun to stress new missions, whether they are undertaken by NATO itself or by a smaller coalition formed among NATO members. The then Dutch Prime Minister Ruud Lubbers had already made a plea during the NATO summit in Rome in 1991 for carrying out peacekeeping operations outside the NATO, but the time was not yet ripe. This changed when NATO became indirectly involved in the Gulf War, in which collective NATO assets were used, as well as NATO procedures and NATO-assigned assets. Subsequently, NATO became involved in the war in former Yugoslavia.

The Alliance’s Strategic Concept of 1991 introduced a broad approach to security. It was argued that security not only has military dimensions, but political, economic, social and environmental as well. The objective of dialogue and cooperation was “to reduce the risks of conflict arising out of misunderstanding or design; to build increased mutual understanding and confidence among all European states; to help crisis affecting the security of the Allies; and to expand the opportunities for a

⁶ Charles Glaser: „Guiding NATO’s Future: A return to Basics“, in – „The Future of American Military Presence in Europe“, Institute for Strategic Studies, May 2000

genuine partnership among all European countries with common security problems.”⁷ In such a developing context if the articulation of a new Alliance Strategic Concept to accommodate the increasing need to be able to deal with non-Article 5 crisis management operations can be seen as a prudent collective response to future exigencies, which might engage the vital interests of the Alliance states, or the requirement to respond to human security emergencies, while at the same time preserving a capacity to possible Article 5 requirements.

1.3. The question of legitimacy

The question of whether it can be legitimate for the outside world to intervene with military force in the internal affairs of a sovereign country was not very much debatable until very recently. Sovereign countries, by definition, were not to be intervened in. A lawful war, according to international law was a war in which a country sought to defend itself, or to defend a friend and ally, against an attacking enemy. To go to war in order to change the way another country was conducting its affairs was obviously illegal. Is it possible to say when wars of intervention are justified, in terms that almost everybody can agree with? Probably yes, if assuming that what is happening inside a “sovereign” country is no longer a matter that other countries should not be interested in. A transparent world is a world in which it is increasingly hard to claim untouchability. The events of 1999 suggests that quite often dictatorial rulers will find it difficult to go on doing whatever they want within their borders, because the information revolution made it possible those actions to be made public internationally⁸. Nevertheless, in practical politics it is not so much a question of which norms apply, as who will enforce them. It is the art of diplomacy to find sufficient common interests to organize a joint action. Having decided upon a common action, it is equally important to manage it well, applying proper procedures to allow the multitude of decisions to be taken in time. The second point concerns the danger of the intervention remaining ineffective. This assumption of uncertainty will always introduce opposition to undertaking the operation from the start. In the former Yugoslavia fear of being attacked by the Serbs imposed the West in self-imposed limi-

⁷ New Strategic Concept, approved by the Head of State and Government participating in the meeting of the North Atlantic Council in Rome, on 7 and 8 November 1991, sect. 24.

⁸ *The Economist*, January 2001

⁹ In: Van eekelen, Willem “Sebating European Security, 1948-1998”, Brussels 1998

tations.⁹ However, there must be clear rules about when it is permissible to intervene and when it is not. Otherwise chaos will set in. If wars of intervention are to be a serious part of tomorrow's agenda, they will have to be based on a simple, straightforward and more or less universally accepted set of rules. Sometimes the scale of the horror may demand action. Nevertheless, it is the underlying perception that European security is threatened that is really driving this military intervention, and the United States would rarely intervene militarily when there is no perception that its interests are at stake.¹⁰

1.4. The new concepts of what is NATO

The new role of NATO is now founded on crisis response operations and peacekeeping outside the NATO area, defense cooperation with Partners for Peace and other countries, and regional collective defense. The Alliance has launched new initiatives such as the North Atlantic Cooperation Council, the predecessor of today's Euro-Atlantic Partnership Council, the Permanent Joint NATO-Russia Council, the NATO-Ukraine dialogue and the Partnership for peace. And the Alliance has taken in new members. In numerous communiqués, NATO leaders have argued that cooperative security requires close cooperation with Partners as a prerequisite for a peaceful, stable and undivided Europe. NATO successfully transformed from a traditional collective defense organization into a multinational security organization, combining elements of the following concepts of NATO:

- ❑ **NATO as a collective defense organization** - Article 5 of the North Atlantic Treaty. The Alliance's 1991 Strategic Concept still pictured a traditional collective defense organization that would adapt to the new security situation. The document concluded that "even in a non-adversarial and cooperative relationship, Soviet military capability and build-up potential, including its nuclear dimension, still constitute the most significant factor of which the Alliance has to take account in maintaining the strategic balance in Europe". Because of the Soviet Union's demise, NATO had no other choice but to replace this security task ("to preserve the strategic balance within Europe") in the new version of the political strategy, among other things to be able to counter pressures to reduce

¹⁰ The example with the Chechen rebellion in Russia and the Kurdish minority in Turkey

substantially its armed forces. Too much emphasis on NATO as a collective defense organization will pose challenges - it will make further enlargement more difficult. The Russians have great difficulties in understanding the nature of the Alliance. In their view there is no need to enlarge a collective defense organization in the absence of a threat. As a consequence, they consider further enlargement a hostile act, threatening their own security. A new confrontation with Russia could undermine stability and may create new division lines.

- ❑ **NATO's internal pacifying function.** The “cold peace” between Turkey and Greece has always underscored the importance of the internal pacifying function. At present this function plays a key role in the enlargement debate. When politicians speak about “projecting stability to the East”, they refer to it, the idea being based on the premise that democratic states that are allies do not fight wars against each other.
- ❑ **NATO as a community of values.** One may argue that it is about rhetoric. However, only countries that consider themselves belonging to the “Western club” wholeheartedly applied for NATO membership, while most controversies over possible NATO membership arose in countries that for historical reasons only partially belong to this club, such as the Russian Federation and Ukraine.
- ❑ **NATO as an organization for security and military cooperation,** its relevance being to carry out crisis response operations and peacekeeping and to relieve humanitarian suffering. Two challenges could undermine this concept. First, the Alliance could not peter out if NATO is denied a mandate to carry out operations outside the NATO area. Fiercely opposing interference in the domestic affairs of sovereign states, the Russian Federation may prevent the Security Council from mandating NATO forces to intervene in ongoing intrastate conflicts. U.S. Secretary of Defense Cohen, however, already argued in 1998 that NATO does not necessarily need a mandate if the peace and security of NATO states are threatened. He was referring to Article 51 of the UN Charter (the right of self-defense). The mandate issue for the in-

tervention in Kosovo was carefully avoided in the Alliance's 1999 Strategic Concept, leaving open the possibility of intervention without explicit approval of the Security Council.

- **NATO as one of the mutually reinforcing institutions in a collective security structure.** This concept combines the elements of the four concepts mentioned above. First, it provides cement to keep NATO together and to prevent free riding. Second, it reaffirms NATO's collective defense function, while emphasizing the importance of values, new roles and missions, as well as the internal pacifying function. Third, it links its role to that of the OSCE, which lacks its own military structure and assets.

To sum up with this section and begin with the following, quoting Prof. Serfaty¹¹ - early in the 21st century, both NATO and the European Union face a full and complex agenda. While the tasks and priorities differ from one institution to the other, the general principle remains the same: widen in order to deepen, deepen in order to widen, and reform in order to do both. Neither institution, however, can expect to address its agenda independently of the other. Each institutional agenda is separable from the other, but neither can be separated from the broader transatlantic agenda to which it belongs.

2. Ambiguous Transatlantic Relationship

The current development of a unified Europe is in part the result of American engagement and investment in, as well as protection of Europe. After decades of concentrating on their economic and political integration, Europeans are now ready to undertake a final push towards a unified Europe - including a Common Foreign and Security Policy (CFSP) and European Security and Defense Policy (ESDP). American policy toward Europe contributed to this process, although it is by no means clear that American political leaders had necessarily intended this result.¹²

In the wake of the change of administration in the United States, the central theme is the transatlantic security relationship, the basis of the

¹¹ in Simon Serfaty, "Lasting Liaison", *NATO Review*, Spring 2001

¹² Michaela Hoenicke: "Die euro-atlantischen Beziehungen im Spannungsfeld von Regionalisierung und Globalisierung", Muenchen 2001

Atlantic Alliance. High on the transatlantic agenda are prospect of a National Missile Defense (NMD), and a European Security and Defense policy (ESDP) as well as NATO and its expansion itself.

2.1. The Issue of Leadership

NATO is neither a comprehensive collective defense of the Wilsonian model¹³, nor it is an instrument for exercise of U.S. unilateral interests. Yet it has aspects of both. On the one hand, NATO operates on the principle of one-for-all and all-for-one. On the other hand, very little happens within the NATO structure that is not either initiated by Washington or done with U.S. approval¹⁴. NATO's capability is derived from the readiness of the United States to assume responsibility for action. Leadership is crucial in more demanding crisis response operations involving sustained combat. At present only the United States is able to execute power over large distances. For instance, in Kosovo, 1 of the Air Forces belonged to the United States while barely 10% of the European aircraft are capable of precision bombing. In general, the European participation in the Balkan operation was not relevant.¹⁵ The reason lies in the raising technological gap, which makes the European forces not interoperable with those of the U.S. In fact the Europeans allocate less funds to the defense function and these are distributed on wider structures. In addition the European operative and training doctrines are still devoted to the territorial defense as during the Cold War, and are not focused on external power and force projection, which represent the need of today. The European soldiers are quite the double of those of the U.S. (2,5 millions with respect to 1,4 of the U.S.). Nevertheless the European budget for defense is equal to 2/3 of that of the U.S. (160 millions USD with respect to 250 billion in the U.S.). Nevertheless even if the European NATO countries are capable of executing sustained combat operations outside their territories, the question of leadership is still relevant. Leadership is a prerequisite both for effective defense and operational planning. The Kosovo crisis has demonstrated that warfare

¹³ "Wilson argued that binding arbitration, not force, should become the method for redolving international disputes", in "Diplomacy", Dr. Henry Kissinger.

¹⁴ Edward B. Atkeson, "The Changing Face of NATO and the Need for Change in Responsibilities" in "NATO after Enlargement: New Challenges, New Missions, New Forces", ed., Stephen Blank, Strategic Studies Institute, 1998.

¹⁵ Fabrizio W. Lucioli, Secretary General of the Italian Atlantic Committee, Vice Chairman of the Atlantic Treaty Organization before the conference "Restructuring of Defense Industrial and Technological Base in New and Prospective NATO Members", organized by the Economic Policy Institute, Sofia, 2000.

requires a lead nation, which dominated both political and military decision-making during the operation. At present the major European powers are too divided to play the role of lead nation and too weak to play the role of pacifier. Probably the greatest obstacle to developing autonomous European capability is the absence of a clear leader.

After the end of the Cold War, despite of the demise of a major adversary, U.S. military forces have been deployed overseas at a frenetic space higher than any in history: 37 separate deployments between 1991 and 1999, or an average of one deployment every eleven weeks. Of these, only eleven (29,7%) used military force to deter war or to conduct “traditional” war-fighting missions. The big missions of the past decade have involved US forces into humanitarian intervention, peacekeeping, and peace enforcement. There are experts who argue that “the time has come for the United States to withdraw from Europe militarily and to let the Europeans take care of the Balkans and similar parochial matters while the United States directs its attention to maintaining its global geopolitical interests outside Europe.”(Christopher Layne). It is also argued that an indicator of increased international stability in the post-Cold War world is the substantial reduction in worldwide military expenditures since the late 1980s. The Stockholm International Peace Research Institute estimates that such expenditures have dropped by one-third from \$1.1 trillion in the late 1980s to \$740 million in 1997. Instability in most parts of the world is rarely a threat to the United States. In fact, in the future, the United States will probably widen its already commanding technological lead. According to the Stockholm International Peace Research Institute, the United States accounts for 64 percent of the world’s military research and development expenditures and spends more than seven times what second-place France spends.

2.3. European Security and Defense Policy

Americans are renewing their calls - this time with greater urgency - for a more significant European share of the “burden” and Europeans for the first time in their history appear ready to make a substantive response to this call: To engage in a concerted effort both on a Common Foreign and Security Policy (CFSP), and more specifically on a European Security and Defense Policy. Although the United States has welcomed the ESDP¹⁶, its domestic reception has, at times, been

mixed. The implications of ESDP for NATO became clear when the EU, at its November 2000 defense ministers meeting, formally announced plans to create a 60 000 Rapid Reaction Force, to be operational by 2003. The Rapid Reaction Force is to be available for use in ethnic conflicts, humanitarian interventions, and peacekeeping operations in which NATO – or more precisely, the United States – chooses not to participate.

The Nice report explains what ESDP is and what it is not. EU nations will carry out the Petersberg tasks, “humanitarian and rescue tasks, peace-keeping tasks and tasks of combat forces in crisis management, including peace-making”. In other words, the EU will not be involved in war fighting or collective defense. Those remain with NATO and NATO’s pre-eminent role remains unchanged. To make that clear, the report states: “NATO remains the basis of the collective defense of its members and will continue to play an important role in crisis management.” The report also makes it clear that there is no such thing as a European army. It states: “This does not involve the establishment of a European army. The commitment of national resources by member States to such operations will be based on their sovereign decisions”. The first annex to the Nice report includes the conclusions of the capabilities commitment conference of 20 to 21 November 2000. At that conference, which was a UK-French initiative, EU nations set out the contributions that they proposed to offer the EU’s headline goal. The headline of the European defense initiative is a step change in Europe’s military performance. The capabilities conference showed that EU nations had enough troops to meet that target (by 2003 to be able to deploy up to 60 000 troops in 60 days, and maintain a deployment of that size for at least one year). The total contributions offered were more than 100 000. The quantity target was met. However the conference agreed that further efforts were needed to improve the quality of the European performance in the availability, deployability, sustainability and the use of those forces; in the ability to transport troops rapidly to the field of operations; and the better missiles, precision weapons and logistic support.

¹⁶ The US Administration supports the emphasis on capabilities and the relationship with NATO. On 23 February at Camp David, President Bush said: “The United States welcomes the European Union’s European Security and Defense Policy, intended to make Europe a stronger and more capable partner in deterring and managing crises affecting the security of the transatlantic community.”

The ESPD will work only as a part of a transparent and effective relationship between the European union and NATO. The Nice presidency report includes a comprehensive set of proposals for EU-NATO relations, which are listed in annex VII of the report and its appendix. The EU makes three proposals. It proposes that cooperation should cover all questions of common interest relating to security and crisis management; that there should be joint ministerial, senior official and military committee meetings each EU presidency; that EU representatives attend NATO meetings, and vice versa; and that all those contacts should be intensified in a crisis.

The new U.S. administration has made clear that it supports the development of a ESDP that strengthens the Alliance, that contributes to overall capabilities and avoids duplicating existing Alliance planning structures. However, there are still unresolved issues, which have to be worked through in the ongoing talks between NATO and the EU. These unresolved issues include the mechanism by which force planning is carried out in the European Union and NATO. The relationship between the force planning processes of the two organizations is therefore under discussion, as are arrangements for operational planning and the issue of whether NATO can assure the European Union access to NATO planning in all circumstances. Further discussion is also necessary to identify processes by which NATO assets could be made available to the European Union. And finally, the issue of the participation of non-EU Allies in EU activities and operations still has to be resolved.¹⁷

The whole transatlantic debate on ESDP has shown signs of renewed ambivalence - on both sides. European fears of being assigned the role of foot soldiers in the Alliance find their mirror image in American fears of de-coupling consequences of ESDP. American politicians managed simultaneously to call for a greater European share in their own security and then to fear political decoupling and a weakening of NATO from the moment the European Security and Defense initiative (ESDI) first appeared on the horizon. Representative to the EU, Richard Morningstar, explained that the Bush administration supports ESDP "as long as it is developed in a way that strengthens NATO" (January 23, 2001). Similarly, Powell insisted during his testimony before the Senate's Foreign

¹⁷ James Dobbins, US assistant secretary for European Affairs for NATO Review, Spring 2001

relations Committee that NATO had absolute primacy in U.S. relations with Europe - an idea repeated more recently in Secretary of Defense Donald H. Rumsfeld's speech at the Munich Conference on Security Policy. From an American perspective it seems that the EU can hardly be on the right track when its largest member state spends only 1.3% of its GDP on defense. Similarly the fear that Europe keeps building new institutions when it should be building capabilities runs like a leitmotif through American statements on ESDP.

2.4. National Missile Defense

A counterpart to American reactions to ESDP can be seen in European reactions to American plan for a missile defense system, in its national version NMD. The overwhelming response so far has been one of rejection due to two concerns: First of all, a national missile defense shield in particular would lead to the creation of zones of different security within NATO, and secondly, Europeans worry about the political fallout of such plans for the West's relationship with Russia and China, the Bush administration's announcements regarding the obsolescence of the ABM Treaty and the risk of a new arms race. Many NMD supporters in the United States wonder why the European Allies attach such importance to a treaty, which they regard as an anachronism from a time when the Soviet Union existed and limitations on missiles defense seemed a key element for the transparency of nuclear deterrence between the super powers. Europeans readily concede that the world has changed, but feel that the rules of nuclear competition are no less important in the new security environment. Formally, the ABM treaty may be a bilateral agreement between Russia and the United States, but it shapes the calculations of existing and future nuclear powers and offers a measure of predictability in international nuclear competition. Europeans would, therefore, not object even to major revisions of the treaty, but would be deeply troubled by its demise.

Yet, differentiation and nuances on both sides of the Atlantic and the NMD issue have begun to emerge. Some experts like Joachim Crause and Oliver Thraenert have stressed that in order to understand the significance of NMD in U.S. policy, one must take into consideration the domestic context of the debate. The senate vote of 97 against three, for example, in favor of legislation requiring the President to introduce a national missile defense system as soon as it would become technologi-

cally feasible, reflect the overwhelming domestic political support that this project enjoys. Moreover, it is quite clear that Europeans and Americans do not share the same threat perception when it comes to the re-named “rough states”. Even as they acknowledge that a missile shield will not protect them against all forms of terrorist attacks, Americans simply refuse to be left at risk when there is a solution at hand, which is moreover a defensive system, effective - and from their perspective presumably affordable - that could protect them against some of these threats (Thraenert 2000).

3. The Transatlantic Partnership and the Balkans

The Balkans remain a test case for the ability of the EU and the U.S., united into a transatlantic partnership, to create and reproduce a new security system for the Euro-Atlantic space. In the political field, in the XX century, the South-East European area has been identified as the main supplier of risks to European security. No matter the chosen period of time, the global analyses attributed to this geopolitical area a series of peculiarities like: ethnic, religious and cultural mosaic, conflict hotbed, territorial instability following the lack of certain boundaries drawn with the acceptance of different actors. The absence of adequate international reaction to the process of disintegration of FRY in the first half of the 1990s has brought the tragedy of four wars and hundreds of thousands people killed, tortured and displaced from their homes and communities. The Dayton agreement has proved the first successful attempt to stop the violence and contain the Bosnian crisis at the expense of large international military presence and rising public expenditure on behalf of the West to heal and rebuild Bosnia.²⁰

UN Security Council Resolution 1031 gave NATO the mandate to implement the military aspects of the Dayton Accord. IFOR was created to maintain the cessation of hostilities, separate the armed forces of the Federation and the Republika Srpska, transfer territory between the two entities, and move military forces and heavy weapons into approved sites.¹⁸ After the peaceful conduct of the September 1996 elections, IFOR’s mission was complete. However, Bosnia was not fully stable. In December 1996, NATO Foreign and Defense Ministers concluded that Bosnia needed a continued external military presence

¹⁸ History of the NATO-led Stabilization Force (SFOR) in Bosnia and Herzegovina

to consolidate the peace. In December 1996, NATO activated the Stabilization Force (SFOR) to implement the military aspects of the Dayton Accord as the legal successor of IFOR. Like IFOR, SFOR operated under Chapter VIII of the UN Charter (peace enforcement). According to NATO, its specific tasks are to: (1) deter or prevent a resumption of hostilities or new threats to peace; (2) promote a climate in which the peace process can continue to move forward; and (3) provide selective support to civilian organizations within its capabilities. Today SFOR retains slightly over 20.000 troops in Bosnia, including 3.900 Americans.¹⁹

The third phase of the Balkan conflict came in Kosovo. The military intervention of NATO consisted primarily of aerial bombing and lasted from late March 1999 to mid-June 1999. After Milosevic buckled under pressure withdrew his forces from Kosovo, UN Security Council Resolution 1244 of June 10, 1999 authorized the deployment of a NATO-led international force primarily to provide a secure environment (KFOR). KFOR operates in conjugation with a civilian interim UN administration which oversees economic and social reconstruction, conducts election, monitors human rights, ensures the protection and right to return refugees, and will eventually facilitate the process of deciding on Kosovo's future. As of December 2000, there were 29 maneuver battalions in KFOR of which 3 are Russian. The nearly 44.000 troops include over 5.300 Americans (about 15% of the total). Italy provides over 6.300 troops, Germany and France provide over 5.000. Additionally, 20 non-NATO nations contribute over 7.700.

In consequence of the conflict, Macedonia and Albania had to host a huge number of Kosovar refugees, equal to 15-30% of their own population. Bulgaria and Romania had to provide access to their airspace for the NATO operation. All those activities of the local government had to be performed in an environment of public opinion scare and hostility towards the mass scale bombing attacks. People were not against restoring the rights of the Kosovars and against punishing Milocevic, but the majority of them were scared of the potential devastating consequences of this major military effort in the region. The democratic governments

¹⁹ As of October 2000, SFOR included contingents from Albania, Argentina, Austria, Belgium, Bulgaria, Canada, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Morocco, Netherlands, Norway, Poland, Portugal, Romania, Russia, Slovakia, Slovenia, Spain, Sweden, Turkey, the United Kingdom and the United States.

of the Balkan countries have served their duty at the expense of their own popularity and public reliability.²⁰

2001 is likely to be a watershed year. With the change of presidents, the reshuffling of Congress, U.S. strategy in the Balkans may undergo significant change. In August 2000, Vice President-elect Dick Cheney said that it was time to consider recalling American ground troops from Kosovo and Bosnia.²¹ Secretary of State Colin Powell indicated that, it remains to be seen whether or how soon this will happen, but one thing is clear: the time is ripe for a rigorous assessment of the role of the U.S. Army in the Balkans, and of the effect the Balkans have had on the U.S. Army.²² Peacekeeping operations on the territory of Europe could be considered a priority of ESDP within the transatlantic debate. However, such a transformation of transatlantic security structures will take time and it is a subject of a longer process, rather than of a short series of acts like the potential U.S. troops withdraw. If not prepared to act in united way, the EU security arrangement may cause bitter disputes rather than effective action. In such circumstances the EU peacekeeping efforts will be reduced to a military presence with low efficiency, feeding a growing security vacuum that may reopen the local conflict. Notwithstanding all its dilemmas of legitimacy and long term accomplishment, NATO action has been the first integrated effort of a cooperative international community to resolve a Balkan crisis on the basis of principle and humanity. The greatest challenge is whether the unity of international community will stand until a new reality of democracy and cooperation is established throughout the region. One of the most reasonable instruments to deal with the growing diversity of interests between the both sides of the Atlantic would be to speed up the process of NATO enlargement. NATO accession for Bulgaria and Romania in 2002 will support the regional stability and security more than other intense and costly efforts of the international community on the Balkans.

²⁰ Dr. Ognyan Minchev, "The Balkans After Milosevic: Happy and Postponed?", Institute for Regional and International Studies, Quarterly Policy Report, summer-autumn 2000

²¹ Michael cooper, "Cheney Urges Rethinking Use of U.S. ground Forces in Bosnia and Kosovo", New York Times, September 1, 2000

²² For instance, George Robertson, the NATO Secretary General, said that Bush's campaign team assured him that the United States would not unilaterally withdraw from the Balkans but would work out a disengagement plan with NATO - Michael R. Gordon "NATO Chief Says Bush Aide Reassured Him on Balkan Stance", New York Times, November 1, 2000 - in Steven Metz, "The American Army in the Balkans: strategic Alternatives and Implications, January 2001

4. The process of NATO Enlargement

While lacking the historic symbolism of NATO's acceptance of its first former Warsaw Pact members in the mid-1990's, the Alliance's next expansion will change the European security environment. It will certainly set the tone for future relations with Russia. And decision-making process will likely test transatlantic ties at a time when the United States and the European Union show ambiguously towards Washington's commitment to build a National Missile Defense shield and Brussels commitment to develop and implement a European Security and Defense Policy. Also, the NATO enlargement debate is back, largely because it cannot be avoided. Yet a convincing reason for it is a moral one. Bulgarian Foreign Minister Nadezhda Michaylova summed up the argument of the nine candidate countries at the Munich conference on Security Policy. Not deliver on the Alliance's promises to grow further, she said, "would be choosing to restore a grim and unstable system of unequal security between nations. What an unspeakable tragedy this would be. What an abject failure of moral and strategic vision"²³.

4.1. Towards Enlargement

On December 1994 the North Atlantic Council Ministers met in Brussels. They recognized that NATO enlargement was not a question of whether, but of with whom and when.²⁴ The Ministers asked for a study conducted by the ambassadors with advice from the military authorities about the way in which NATO should expand, the basic principles of enlargement, and how PFP could contribute to the enlargement process. The study was very useful in postponing a decision on new members, the crucial factor being that parliamentary and presidential elections were going to be held in the Russian Federation in 1995 and 1996 respectively, so that a quick decision to expand could play into the hands of anti-western communist and nationalistic forces, with detrimental consequences for the relationship between NATO and the Russian Federation. After lengthy debates the study was accepted on 20 September 1995. It stated that NATO was open to new members and explained what was expected from new members and which accession process should be followed. The 1995 Study on NATO enlargement concluded

²³ quoted in The Wall Street Journal Europe, February 21, 2001 in "Like It or Not, NATO's Expansion Debate is Back", by Frederick Kempe.

²⁴ North Atlantic Council (Ministerial Meeting), Final Communiqué, Brussels, 1 December 1994, Sect. 5

that the enlargement of the Alliance will contribute to enhanced stability and security for all the countries in the Euro-Atlantic area in numerous ways. It will encourage and support democratic reforms, including the establishment of civil and democratic control over military forces. It will foster the pattern and habits of cooperation, consultation and consensus-building which characterize relations among the current Allies and will promote good neighborly relations in the whole Euro-Atlantic area. It will increase transparency in defense planning and military budgets, thereby reinforcing confidence among states, and will reinforce the tendency toward integration and cooperation in Europe. Furthermore, it will strengthen the Alliance's ability to contribute to European and international security and support peacekeeping under the United Nations and OSCE; and will strengthen and broaden the transatlantic partnership.

During a meeting of Ministers of Foreign Affairs on 5 December 1995, the next phase of the enlargement process began, the most important element being that interested Partners could be considered for an "intensified, individual dialogue". This dialogue worked in two directions: first, interested partners would get to know more about membership details; second, NATO would get to know more about the Partners. By February 1996 the first countries had already applied - Hungary, Poland, Slovakia, Slovenia, Romania, Latvia and Lithuania.

During the Madrid Summit it was decided to invite Hungary, Poland and the Czech Republic to become NATO members in 1999. This decision had required unsolved questions to be solved, such as Russian disapproval of NATO enlargement. One way of dealing with this problem was an enhanced relationship between the Russian Federation and NATO: in early 1997 the Russian Minister of Foreign Affairs Yevgeni Primakov had agreed upon negotiations that would result in a new consultation mechanism of the "16 + Russia" in the so-called Permanent Joint Council (PJC), based on a Founding Act for Mutual Relations, Cooperation and Security. The act was signed on 27 May 1997 in Paris. A distinct NATO-Ukraine partnership was also established during the Summit.

On 23, 24 and 25 April 1999 NATO celebrated its fiftieth anniversary. There was however little to celebrate because the Kosovo crisis dominated the agenda. Nevertheless, NATO's transformation

made a quantum leap. Firstly, the Alliance's leaders approved a new Alliance Strategic Concept and a Defense Capabilities Initiative to ensure the effectiveness of future multinational operations across "the full spectrum of Alliance missions in the present and foreseeable security environment with a special focus on improving operability among Alliance forces, and where applicable also between Alliance and Partner forces"²⁵. Furthermore the Washington Summit took initiative to underscore NATO's open-door policy. A Membership Action Plan (MAP) was designed to reinforce commitment to further enlargement by putting in place a program of activities to assist aspiring countries in their preparations for possible future membership. Finally, NATO's partnership activities were enhanced. The NATO leaders endorsed an "Enhanced and More Operational PfP", whose aim was to enhance practical military cooperation with Partners. Central to this are the "Operational Capabilities Concept for NATO-led PfP Operations" and an "Expanded and Adapted PARP", part of which are commonly agreed ministerial guidelines with so-called "Partnership Goals" aimed at improving the military effectiveness of multinational forces. Partners should thus be better able to contribute to NATO-led response operations and peacekeeping.

4.2. Past Experience and Present Challenges

NATO always portrayed itself as an alliance of democracy, but the reality was that it frequently took in members with less than sterling democratic credentials - if their strategic value was deemed sufficient. Portugal, for example, was a dictatorship when it joined NATO as a founding member in 1949 and remained so until mid-1970s. Greece and Turkey met basic democratic standards in 1951, to a degree perhaps like most of Eastern countries today. They continued to do so for some years after. Nevertheless, in later decades, they both lapsed seriously from democracy. This shows that the meeting of a democratic standard, even if prolonged for more than a decade, is no guarantee of perpetual democracy. Thereby it could be assumed that the point is not to wait until it becomes possible to imagine that democracy in current candidate countries is "irreversible", but to be prepared to manage the likely contingency that reversals will occur. Also, the conflict over Cyprus and other islands would almost certainly have been much worse if Greece and

²⁵ Defense Capabilities Initiative, basic document, 23 April 1999, par.1.

Turkey wouldn't have been both members of NATO. When the two countries were admitted in 1951, this was not the main concern: it was defense against Russia.

It could be argued that there is a secondary argument about costs. There was no a priori debate about costs in the original formation of NATO, nor in any previous expansion. In 1998, the decisive argument for enlargement with the three Central European countries was that the predictable cost of not enforcing the commitment to enlarge would far outweigh the unpredictable costs of going ahead. According to British Prime Minister, Tony Blair "...This is a big expansion of NATO. This is a big military guarantee that we are giving to these countries that come into NATO. Particularly, if you have got fighting forces as professional and of such quality as ours you have to be very careful in giving these military guarantees. (...) We welcome the strides that have been made by other countries like Romania and Slovenia, the great advances that they have made, we welcome that, but we have got to make sure that NATO remains a strong defense security for us. It has to remain strong and that is important not just for us but for any country that may join in the future²⁶ "

Poland, Hungary, and the Czech Republic have all stated that they favor further enlargement to integrate their neighbors into a common European defense and to create a larger "zone of stability" beyond their own borders. It is unrealistic to expect the Central European countries to achieve the level of sophistication as the U.S. military, but experts believe that they can match or exceed the contributions of certain NATO allies. In particular, these analysts note that Poland's population of nearly 40 million is comparable with Spain's. Hungary and the Czech Republic, with roughly 10 million citizens each, have approximately the population of Portugal. Accordingly, the argument goes, if the Central European allies can make contributions similar to the ones made by those comparable members of NATO, they would be bearing their fair share.

The notion that the recipient of security guarantees should be importer of security to the Alliance is true, but needs further clarifying. Each newly accepted country at first gains more than it has given. The end of the Cold War showed, as the situation in former Yugoslavia has

²⁶ Cf. Doorstep Interview by Prime Minister of the United Kingdom, Tony Blair, Madrid, 8 July 1997

demonstrated, security is the precondition of a successful transition. Following this logic, joining NATO takes precedence over joining the EU. After World War II, the European Economic Community was a by-product of, and a prerequisite for, the transatlantic security community. The idea of Europe and the Atlantic idea were not only compatible, but they were also complementary. Improving EU-U.S. and EU-NATO relations have been hidden features of both NATO and EU enlargement.¹¹ Since the Washington and Rome Treaties were signed in 1949 and 1957 respectively, there has been an implicit assumption that both institutions would be enlarged in a way that brought NATO members into the then European Community and EC members into NATO. The initial six EC countries were all founding members of NATO, and four of the six countries that joined the European Community between 1973 and 1986 were already members of NATO (Denmark, Greece, Portugal and the United Kingdom), while a fifth late entrant (Spain) joined the Alliance in matter of weeks. Closing the current membership gap between the two Western institutions by admitting new members into NATO by spring 2001 would facilitate the institutional complementarity sought by both Europe and the United States.

True, except from Bulgaria and Romania, the current candidate countries are small, with populations of about five million. Non has a vocal immigrant lobby in the U.S. and non would bring much military heft or size to the party. They are also controversial. Germany, France and the U.K. believe that that the price of the Baltic states' membership would be too high in terms of the likely setback in relations with Russia. Some Europeans are privately raising a possible trade -off:²⁷ Admit Romania and Bulgaria, which won't soon be ready for EU membership to NATO to stabilize the Balkans, and offer the Baltics quick EU membership with an implicit security guarantee. This suggests the EU feel confident as a worthy alternative to NATO as regards the ESDP. However, one cannot avoid the question, how would the EU provide security for the Baltic states when it is clearly not enough to provide security for the rest of Europe. Even if the EU's initiatives proved to be successful in managing those tasks, as referred to in the previous chapters of the present report, this will for sure take a long period of time.

²⁷ Matthew Kaminski, "Enlargement of NATO Is Set to Take Center Stage" in *The Wall Street Journal Europe*, February 21, 2001.

Although some objections were voiced to NATO expansion on strategic grounds, few doubted that NATO membership of the Central European Countries would enhance democratic stability in Central Europe. The only democracy-related objection concerned Russia. The New York Times feared that expansion would be “a mistake of historic proportions²⁸”: America (or the West) should not seek to isolate Russia or treat it as a threat but should help make it democratic, just as it did with Germany and Japan after World War II.

The main obstacle for a full rapprochement between Russia and the West, Russia and the EU, are differing perceptions about Russia’s potential role in the world politics. The U.S. disappointment with the lack of democratization in Russia, is openly calling for a policy of “forget-Russia” (Russia is not a problem, not a threat”). The EU is more concerned about a potential chaos scenario from Russia and understands more pragmatically, that it needs to find a formula how to bind Russia to the EU without integrating it fully. The EU prefers to sticks to the slogan “partnership for patience” in dealing with Russia, avoiding alienating Russia. For instance, an extraordinary protocol on Relations with Russia was signed by the French presidency of the EU with minimal significant consultations with other EU members: and Germany’s Defense Minister Rudolf Scharping spoke out at the Munich conference on security Policy in favor of a security dialogue between the European Union and Russia. These episodes illustrate both a desire to forge a relationship with Russia outside the traditional NATO framework, and neglect of normal transatlantic consultations in this sensitive area.

There are differences between the NATO allies and Russia in their perceptions of the evolution of Europe’s security architecture and of the nature of the NATO-Russia partnership. Moscow would like to see the development of a pan-European security architecture within each country could feel equally secure and has consistently sought to boost the role of the OSCE. The new Russian Foreign Policy Concept, signed by President Putin on 28 June 2000, emphasizes the need to improve and deepen cooperation with the Alliance and recognizes the important role NATO plays in European security. But it is also unusually explicit about the problems Moscow has with NATO: “The current political and military postures of NATO do not coincide with the security interests of the

²⁸ “NATO and the Lessons of History”, The New York Times, 29 April 1998

Russian Federation, and sometimes even run contrary to them". This basically refers to the provisions of NATO's 1999 Strategic Concept, which do not exclude "out-of-area" operations with no explicit mandate from the UN Security Council, and to the possibility of a second wave of NATO enlargement, particularly if parts of the former Soviet Union are included.

Russian nationalistic politicians and military argue that both the United States and its NATO allies misuse the hegemonic power they achieved after the end of the Cold War and are striving for "world dominance". They find "evidence" in the West's four interventions without a UN mandate: Somalia, Afghanistan (early 1998); operation Desert Force against Iraq (late 1998); and Kosovo (early 1999). They also find evidence in America's unwillingness in 1999 to ratify the Comprehensive Test Ban Treaty and their wish unilaterally to adapt the Anti-Ballistic Missile Treaty. Finally, they consider NATO's enlargement as an attempt to enlarge the West's sphere of influence. With regard to enlargement, Russia officials repeatedly confirm Moscow's opposition. Military considerations are probably of less concern than the fact that a future NATO with an almost Europe-wide membership and links that stretch into the Caucasus and Central Asia through the Partnership for Peace would undermine the chances for developing an increased pan European security role for any other institution. With regard to the Balkans, Russia has never hidden its alternative to the U.S. and NATO geopolitical interests in Europe. Therefore a possible security vacuum on the Balkans following a possible restructuring of Balkan peacekeeping responsibilities among the NATO allies appears dangerous to the region. The most reasonable instrument to support regional security and long lasting stability is speeding up of the process of NATO enlargement while admitting new members that have clearly shown and justified their willingness and moreover - ability to generate stability in the Balkan region – undoubtedly, this is the case of Bulgaria.

II. THE COSTS FOR BULGARIA TO JOIN NATO

It is worth remembering that NATO is a voluntary international organization, with a purpose to provide collective defense to its members. Studying the history of the Alliance and the official statements and documents proves that it is based on political backgrounds and highly depends on the concept of democratic control. Launching the “Open Doors” policy is another proof that the Alliance enlargement is mainly a political issue, and not an economic one. Of course, the economic grounds should be taken into account when reasoning future enlargement. Having the experience with the three new NATO members (Czech Republic, Poland and Hungary) it is now much easier to assess the costs for the Alliance and for the prospective new members of a future enlargement. There were many economic reports prepared before (and shortly after) the new members’ integration: by RAND Corporation, the US Congressional Budget Office, US Administration, NATO, plus a number of NATO member countries.

1. The NATO perspective

The reports on NATO enlargement look at the Rationale, Benefits, Costs and Implications of the enlargement. In assessing the costs for enlargement of the Alliance, the member states take into account different presumptions, which normally affects the final amount cited. The assessment depends on what scenario of the global development and relationships is followed. It is natural that if we assume that there will be big threats for the world security (ex. a more militant Russia), the costs will automatically jump up. On the other hand, assumption that the world will not face big turmoil and security threats will lead to more modest defense spending, and thus the costs for enlargement will not be that high.

2. The Candidates Perspective

The Alliance’s economic rationale is that it offers more protection and/or lower defense spending at an affordable cost of membership com-

pared to non-membership. When taking the decision whether to be a member or not, a country should consider the efficiency as compared to national independence or membership in alternative structures providing collective defense. The history of the Alliance shows that it has proven to be an effective form of collective defense. Since the signing of the North Atlantic Treaty (April 4, 1949) and the establishment of the mutual defense system, it has lived through several enlargements:

- ◆ 1952 – Greece and Turkey joined the Alliance
- ◆ 1955 – West Germany
- ◆ 1982 – Spain
- ◆ 1999 – Hungary, Poland and the Czech Republic

The only fact that there are still many aspiring countries, and that none of the member states have quit, proves its efficiency.

The benefits of membership take the form of collective defense²⁹, including the protection provided by the American strategic nuclear umbrella.

The costs of membership include a financial contribution to the funding of NATO's common infrastructure (e.g. airfields, communications, pipelines, etc.), acceptance to NATO defense strategy, the provision of bases for forces from other member states and a commitment of national forces to the Alliance.

◆ **Costs of maintaining military forces**

In the military contexts of assessing the costs of NATO membership, it should be noted that the vast majority of military forces and assets belonging to NATO member countries remain under national command and control, and they can be assigned to NATO for the purposes of undertaking specific military tasks. That is, they are assigned to the Alliance in order to fulfil its mandate in relation to a specific military task, but are trained, equipped, maintained and financed by the individual defense budget of the member countries.

◆ **Costs of civil and military representation in NATO headquarters**

Each member country should maintain a diplomatic and military presence at the NATO headquarters, as well as civil and/or military repre-

²⁹ Art.5, North Atlantic Treaty (1949): "The parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all..."

sentation at the headquarters of the various NATO agencies and military commands. This enables the communication between the members and facilitates consultation and joint decision-making. The costs of maintaining the national delegations and military missions are also a national responsibility.

♦ **Contribution to NATO budgets**

According to the North Atlantic Treaty, the member states, following the principles of common funding and cost sharing, allocate the resources needed for the functioning of the Alliance, providing the facilities for consultation, decision making and implementation of the policies and activities. NATO maintains three major budgets: civil budget, military budget and NATO security investment program

The costs for NATO membership are seen primarily as extra costs associated with contributing to the three major NATO budgets. The direct cost of NATO membership, that is the contribution to NATO budgets, depends on each country's ability to pay. The indicators for assessing the percentage of the NATO budget contributed by each member state, are GDP and Purchasing Power Parity (assessing the GDP with account of the different currencies). In terms of country's budget, generally less than 0.5% of it goes to NATO.

Assessing the results of the first wave of enlargement, and the performance of the three new member states (Poland, Czech Republic and Hungary) made it clear, that the next new members shall be subject to much more close review of the level of preparation before joining the Alliance. Though, the Bulgaria's strong position and clearly stated political will in support of NATO during the Kosovo crisis, and the recent crisis in Macedonia, has built it a very good reputation of strong stability factor in the region and won US support for the country's NATO membership.

3. Bulgaria's Perspective

With the collapse of the Warsaw Pact in 1989 Bulgaria undertook a process of fundamental political change. Since the early 90s the Bulgarian policy makers have started the debate on Bulgaria's possible membership in Euro-Atlantic structures. Bulgaria's membership in NATO has been one of the issues discussed at large:

- ♦ in August, 1990 the debate on Bulgaria's accession in NATO was initiated in the Grand National Assembly;
- ♦ in December, 1993 the Bulgarian Parliament passed on a Declaration of the nation's will to accede to NATO;
- ♦ in 1995 the Law on Defence and the Armed Forces of the Republic of Bulgaria was adopted, setting the basic legal framework that would be amended through the next years;
- ♦ in early 1997 the Republic of Bulgaria declared its political will to join the transatlantic community and the values of democracy, market economy, rule of law and respect of basic individual rights and freedom shared by its members;
- ♦ on February 17, 1997 the Bulgarian Government stated the aspiration of the country for "a full membership in the North Atlantic Treaty Organization";
- ♦ on March 17, 1997 the Council of Ministers adopted the National Programme for Preparation and Accession of the Republic of Bulgaria in NATO;
- ♦ on May 8, 1997 the National Assembly voted a Declaration of National Consent expressing the consensual parliamentary support of "Bulgaria's membership in NATO" (point 7 of the Declaration);

Much of the system of the Ministry of Defense has been subject to thorough changes. However, substantial reform of the Armed Forces started to take effect from early 1997, when the first stage of the reform started with the creation of a reaction force (brigade size). The second stage of the reform was completed in 2000, resulting in reduction of the Armed Forces, changes to the Military Doctrine, and putting a greater emphasis on interoperability objectives. Significant advances have been made, compared to the years 1990 – 1995; the defense area is now considerably more transparent. The third phase of the military reform should end up in much more modern and better-equipped forces including a greater element of professional soldiers (by the year 2010). Actually, and especially during the initial stage of restructuring, the MoD system

has been repeatedly changed, sometimes lacking coherence and focus on the key outputs, and longer term structural and organization plan. There is still much to be done in order to ensure the effective working of the budget and planning system, and the development of a resource programming and budgeting system.

In 1998 the reforms incurred large-scale military separations (redundancies) which were seen as a key factor for the overall success of the reform. BGN 25 Bn were included in the budget for the reform. The program was provided for by adequate finances, which is vital to its continuing credibility, especially in the light of the difficult economic situation prevailing in the country.

This part of the paper examines the progress Bulgaria has made toward integrating into NATO, and how it plans to fund its continuing preparation for integration.

- ◆ the progress in restructuring the military;
- ◆ training the personnel;
- ◆ adopting NATO doctrine;
- ◆ modernizing outdated equipment, and generally;
- ◆ developing the capability to fight alongside and communicate with existing NATO forces.

In assessing the level of defense spending in Bulgaria, several factors should be taken into account:

- ◆ the stable macro-economic developments in Bulgaria for the past 4 years;
- ◆ the firm political will supported by the major political parties to join the Alliance, that has shaped since the outlook of the military reform and defense spending;
- ◆ the unstable politico-military situation in the region for the past decade.

3. 1. Defense Spending

The process of adapting the national defense system to NATO standards has been launched and pursued straightforwardly and will continue irrespective of when Bulgaria will join the Alliance. It means that progress in achieving interoperability and compatibility with NATO armed forces is indispensable. The state has a crucial role in establish-

ing stable long-term defense spending that would enable progressive modernization of the armed forces, readjustment of the defense infrastructure and completion of training tasks. The analysis of the dynamics and total amount of the defense spending projected for the period ending in 2015 shows that the MoD takes it into account. Since 1997 Bulgaria has made good progress in achieving interoperability with NATO:

- a) The **Military Doctrine** was adopted, giving Bulgaria the tools to guarantee its security and defense through building, maintaining and applying adequate military capabilities, strengthening international and especially regional cooperation.
- b) The basic document outlining the restructuring of the Army and the Ministry of Defense is the **Plan 2004**, giving detailed plan and parameters of the reform. The Plan provided for radical changes and cutting the activities that are not appropriate for the MoD while focusing on building and maintaining efficient armed forces. It also pays attention to the development of international military cooperation with the aim of fostering Bulgarian military reform and national contribution to the world peace and stability.
- c) Reaching interoperability with NATO standards is the major focus of the **Membership Action Plan**. Bulgaria has agreed on 82 partnership goals, defining the priorities for modernization and restructuring of the Bulgarian Army by 2006.

The two major goals: restructuring and achieving interoperability, are intertwined in the way that restructuring would lead to more efficiency and will free resources that would go to interoperability goals. That is, the long-term restructuring program will enable reduction in operating costs of the armed forces. And if presently 8-9 % of the defense budget goes to interoperability objectives, the stable pace of restructuring would allow the MoD to allocate 30-40 % of it by 2004. The final outcome would be a smaller, high-qualified and better-equipped army that would be capable to take part in multinational missions and operations.

Bulgaria has undertaken a large-scale program for achieving interoperability with the NATO armed forces. Significant achievements have been recorded in the areas on language training, communications, staff procedures etc. Though, there is still much to be done in the field of

adopting the notions, categories and procedures used in the Euro-atlantic zone and adopting systematic cultural and language knowledge by the officers and low-level command staff.

3.1.1. Size, structure and funding the defense budget

Prior to 1989 the defense budget was a State secret. For the period 1990-1996 the defense budget averaged slightly over 3 % of the GDP. During the sharp economic crisis in 1997-1998, the defense budget share also strove reduction to just over 2 %. In 1999, it was much better off, getting 6.69 % of the state budget. Looking at its components, one sees that the personnel and sustainment costs predominate, taking almost 90% of the total. Analysis of the funding shows, that the defense budget is provided mainly from State funds, and a small share (approximately 7 %) is raised from wide range of other sources (like canteens, military hotels, investments and farms), or from the sale of surplus equipment and real estate.

3.1.2. Finance planning and budgeting

Financial constraints limit the ability of the MoD to make detailed longer-term plans for the armed forces activities. As previously mentioned, the current size of the armed forces requires that almost 90 % of the defence budget goes salaries and sustainment funds. And the meager remainder has to cover all other activities, including modernization of equipment and systems. Given that, it is obvious that MoD strives to determine what tasks could be delayed, or dropped, to accommodate the clear mismatch between the planned and the affordable. In this course, the establishment of standards (normatives) defining all the activities of the armed forces would give the defense planning a more realistic sense.

3.1.3. Manpower and equipment resources

The National Assembly, based on the Council of Ministers recommendations, approves the size of the Armed Forces and the MoD. The current manpower planning has yet to reconcile the demands of the new national security concept with the force reductions resulting from the reform.

Using mathematics modeling and human resources management methods, the Plan 2004 seeks to optimize the number and structure of the armed forces. The final planned force size set by the Plan, is 45 000.

This size would allow the army to service the peacetime tasks, and keep the potential to mobilize in case of crisis. The reduced size would also contribute to the results aimed by the reform, namely improvement of the quality and effectiveness of the armed forces.

3.1.4. Direct contributions to NATO budgets, maintaining mission in NATO headquarters

Making the calculations for Bulgaria, and the direct costs of NATO membership (i.e., contributions to NATO budgets), we shall get a very small share due to its small GDP. In fact, Bulgaria (like all new members) will be a net recipient from the NATO Security Investment Program budget. The civil budget will impose very little costs, and the military – a bit higher, but also not that much.

At this stage, Bulgaria already ranks high in comparison to NATO members, using the index of defence spending as a percentage of GDP (Attachment 1). In 2000 the defence spending share of GDP 2.79 %, and in 2001 – 2.72 %. For the same years, the overall average for NATO is, respectively 2.6 % and 2.5 % (source: Congressional Budget Office, USA)

3. 2. NATO membership Implications

The NATO enlargement will have different consequences for the different stakeholders, and depending on the point of view, could be evaluated differently. An analysis of the official statement and academic research papers presents that there could be many important consequences that should be taken into account when assessing the costs and benefits of NATO membership. It should be kept in mind that by becoming a NATO member, Bulgaria will enter a zone with higher security level, which will change in a positive way its political and economic attractiveness. The adoption of political, economic and military – strategic behavior and values will make the country a recognized part of the democratic world, with its strict rules and perspectives. It will also create the environment favorable for the implementation and execution of international and regional economic and infrastructure project of strategic importance.

It is argued that membership in the collective security alliance would restrain its members' sovereignty. It should be mentioned though, that with the present global political situation it is doubtedly less expensive to keep qualified and decently equipped army and provide for national security on its own, rather than sharing the burden with others. Besides,

the notion of sovereignty has changed its meaning since the end of the Cold War. NATO mechanisms of political decision-making guarantee each member state the right to stand its position, and take part in forming and implementing the joint policies to the extent it believes it should.

3.2.1. Impact upon foreign direct investments

Bulgaria faced a lot of challenges in its transition to a market economy during the last ten year. Its path of economic development has been uneven with stops and goes and a major economic crisis in the middle of the nineties. Vigorous restructuring, liberalization, institution building, stabilization, sound economic policies and an impeccable record of market orientation has attracted increasing foreign direct investments (FDI) flows.

The analysis of the FDI for the last several years proves that there has been stable increase of the international business community in the country performance, and the safety of the investments³⁰:

YEAR	1992	1993	1994	1995	1996	1997	1998	1999	2000
FDI (Mln USD)	34.4	102.4	210.9	162.6	256.4	636.2	620.0	806.1	1100.0
FDI (% of GDP)	0.4	0.9	2.2	1.2	2.6	6.3	5.1	6.5	9.1
FDI per capita (cumulative (USD)	11.0	23.4	49.0	68.8	99.9	177.2	252.6	350.5	484.2

The membership in NATO would give a reliable signal to the foreign business community that the country is irreversibly on the way to building market economy, and moreover, that this process has advanced. Thus, the impact upon FDI would be positive.

3.2.2. Impact upon labor market

The restructuring of the armed forces is associated with a number of consequences that has to be taken into account:

- ◆ the reform will end up, among other results, in reduced armed forces. This would be a painful process for many lower and higher level officers. There are many programs launched aiming at providing support for the laid-offs;

³⁰ The role of Foreign Direct Investment in the Process of Accession to the European Union, Ruslan Stefanov (Project Director, Economic Policy Institute), sources: NSI, BNB, IMF, World Bank, BFIA, EBRD. Paper presented at the international conference "Monitoring Preparations of Transition Countries for EU-accession (Budapest, May 17-20, 2001); to be published

- ♦ the professionalization of the army would require strong motifs for the young people that could encourage them to start a career in the military;
- ♦ the military education programs presently focus on providing civil education besides the military specifics. The military schools have courses in management, engineering, public relations, etc. This means that if the cadets choose the military career, they will have a broader knowledge and higher qualification. And if they choose to quit, they will still be able to move to another field.

The armed forces should get ready for going on the demand side at the labor market and competing with all the other players.

3.2.3. Macroeconomic results

The beginning of the transition in Bulgaria has been marked by lack of clearly stated political will to pursue the reform. Two periods in the economic development of the country in the last 10 years could be defined. The first one, starting in 1990, and ending with the severe financial and economic crisis of 1996-1997, was marked by lack of will for reforms, slow privatization, heavy presence of the state in the economy, lack of prudent financial and fiscal policies, low FDI inflows and slow or negative growth. During this period the political debate over Bulgaria's membership into Euro-Atlantic structures was also quite modest, meeting the reluctance of the policy makers to undertake the practical action, reforms and commitments needed.

The second period, starting in the second half of 1997, is characterized by the introduction of a currency board in the country, the signing of tight three-year reform program with the International Monetary Fund and the revitalization of faster reforms, privatization and restructuring.

Bulgaria: Overall performance in transition – selected indicators³¹ :

YEAR	1992	1993	1994	1995	1996	1997	1998	1999	2000
GDP Current Prices (Mln USD)	8 605	10 811	9 688	13 106	9 946	10 173	12 257	12 378	11 985
CPI Inflation (end of period)	79.5	63.9	121.9	32.9	310.8	578.6	1.0	6.2	11.4
General Government Balance (% of GDP)	-5.2	-10.9	-5.8	-6.4	-13.4	-2.5	1.0	-1.0	-1.0
Unemployment (%)	15.3	16.4	12.8	11.1	12.5	13.7	12.2	16.0	18.1
Public Debt (% of GDP)	146	146	181	113	304	107	86	91	81

3.2.4. Bulgarian defense industry

There are many controversies present in the Bulgarian defense industry, due to the disproportion of its sub-industries with the market demand. Major problems of the defense industry are the lagging restructuring and modernization, the inappropriate management, increasing technological backwardness, over-dependence on the traditional markets (i.e. Africa, Middle East, which are narrowing and some of them are almost vanishing), and the influence transition associated problems on the overall economic development. The swift change of the political and economic environment and the long-delayed restructuring and privatization practically resulted in ten-fold decrease of the defense production. The question would be what is the potential of the sector to survive, whether it is worthy, and what would be the appropriate scope of the defence industry so that it could be sustainable and profit making. The public opinion supports the survival of the defence industry, and we also believe that it worthy. Assuming this, the government should define the necessary defence industry policy it should apply to revive the sector.

³¹ The role of Foreign Direct Investment in the Process of Accession to the European Union, Ruslan Stefanov (Project Director, Economic Policy Institute), sources: NSI, BNB, IMF, World Bank, BFIA, EBRD. Paper presented at the international conference "Monitoring Preparations of Transition Countries for EU-accession (Budapest, May 17-20, 2001); to be published

The defense industry faces big problems on the way to adopting market principles and sustaining the competition pressure from outside. Another source of difficulties is the still very early stage of defense and economic integration. As far as the defense and economic integration are closely related to each other, the misbalance and the lag of one of the processes would have negative impact upon the other. The coordination of the two processes presents additional challenge to policy makers and implementing institutions.

The major conclusions and proposed measures would include:

- a) budget support to R&D in the defense sector. Transition to program financing and integration of research and procurement in a general framework of the acquisition defense activities. Surpassing the critical level needed for meeting the future challenges;
- b) the lagging behind of the national defense technologies can be overcome only through coordination of research with that of the other European countries. Coordination can be achieved only in priority areas of research and in the event of adjusting the ration between R7D costs and defense investments;
- c) development of the national legislation towards fair international competition and strict government supervision of the transfer of armaments;
- d) improvement of the national publications on the manufacturing, acquisition and transfer of weapons;
- e) introduction of long-term strategic planning of acquisition at the nationwide level;
- f) introduction of program budgeting at the nationwide level and parliamentary consent for the major defense programs.

3.2.5. Military education and training

Assessing the experience of the new NATO member states, and the current status of the Bulgarian army proves that it would be more efficient and fruitful to concentrate reform efforts on achieving interoperability of the human resources, rather than equipment.

It has been taken into account by the MoD, and many efforts have been put in the reform of the military training system.

Interoperability in the human resources is viewed as a key priority, the following basics would facilitate communication and enable joint operations with NATO armed forces³² :

- a) attending courses in NATO member countries would expose Bulgarian military officers to direct contacts and communication with their NATO colleagues. The standing question is whether it would be better to invest in lower level, young officers (who would shape the future of the Bulgarian armed forces), or high level, elder officers (who are now in the position to influence the reform);
- b) the “train the trainers” concept has been agreed upon as an important investment, and a necessary part of the reform;
- c) the language training (and especially the English language training³³) is high on the agenda, and well recognized by the MoD and military schools representatives. There have been launched numerous programs and courses attended by Bulgarian cadets and officers, who also cover standardized language proficiency tests (STANAG 6001), guaranteeing the working level of English;
- d) the development of the concept of achieving “interoperability of the mind” of the Bulgarian officers. This process could be facilitated through courses, seminars and conferences (attended by Bulgarian officers abroad, or inviting NATO officers to attend such held in Bulgaria), and other forms of communication with NATO officers; the concept has a cultural notion also

³² Major conclusions of the international conference held by the Economic Policy Institute in cooperation with the Rakovski Military Academy (Sofia), and kindly supported by the US Embassy in Bulgaria “**Interoperability of Bulgarian Military Education and Training System with NATO Standards**” (May 21, 2001 Rakovski Military Academy, Sofia). Conference proceeding to be published.

³³ In NATO the adoption of a single language, English, has provided the common understanding necessary for coalition operations. The original NATO agreement that all orders, directives, etc., would be published in both French and English. Although time and effort at Supreme Headquarters, Allied Powers, Europe (SHAPE) is still spent in preparing translations of documents, all work in the field at the international headquarters level is in English, and proficiency in English is expected as a criterion for assignment to a NATO headquarters. Three factors have contributed to this condition. First, the United States and Great Britain, long the principal contributors to NATO, distributed manuals, maintenance directives, and training literature for their equipment that was printed only in English, and the armed forces of other nations, equipped with this materiel, had to accommodate to the available documentation. Second, the German armed forces, from the date of their incorporation into NATO, have required their officer corps to develop a working knowledge of English. Over the years, this has resulted in a German officers school system in which NATO officers can address, lecture and answer questions in English as readily. The German’s willingness to adopt English has made common understanding commonplace. The third factor was the withdraw of French forces from the military alliance. Following their departure, there was little practical reason for continuing the dual-language effort. As a consequence, the ability at the various echelons of NATO command to conduct activities in two languages atrophied over time to an almost complete ignoring of the original demand. (Frederick W. Kroesen, “The Military Aspects of NATO expansion”, in “NATO After Enlargement: New Challenges, New Missions, New Forces”, ed., St. Blanck, Strategic Studies Institute, 1998.)

3.2.6. Social trends

There is relatively low interest in matters of defense and the armed forces among both media and the general public. Even that many NGOs, and the MoD itself, has urged the public dialogue and launched raising public awareness campaigns, the impression is that the society overall is not interested in defense matters, and therefore does not put pressure for the issues and facts related to the defense to be given publicity and be easily available.

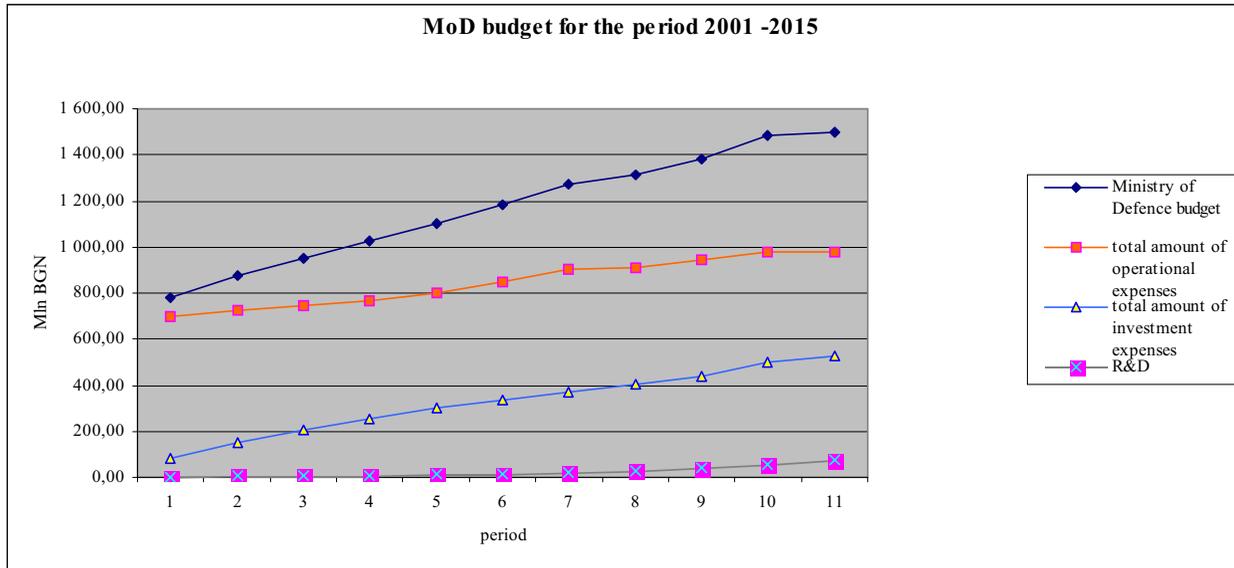
However, the public debates for NATO membership have had some results: most of the Bulgarian citizens believe that membership in NATO and WEU is the foreign policy that best guarantees the national security³⁴.

It is interesting to bear in mind that according to the public opinion, Bulgaria's neighboring countries are rarely viewed as aggressors that could undermine the country's security. Moreover, the people rather believe that the national security is threatened by internal factors, like the organized crime, the high level of unemployment and poverty and associated social conflicts.

³⁴ With 46.8% in December 2000, compared to 7.5 %, choosing defence alliance with Russia, 13.8 % - neutrality, 14.3 % - bilateral defence alliances with neighboring countries, and 17.6 believing that there is no such policy. (Public opinion in Bulgarian on defence policy and army (major tendencies for the period 1998-2000), Dr. Yantsislav Yanakiev, Advanced Defence Research Institute, Rakovski Defence College, January 2001, source: Internet)

Attachment I

Analysis of the GDP dynamics and the defence budget (*source: White Book on Bulgarian Defence, Ministry of Defence, 2001*)



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APPENDIX

Interviews

1. Rome, Italy (June 25, 2000 - July 2, 2000)

Fabrizio W. Lucioli, Secretary General Atlantic Treaty Association, Rome;

Gen. D.A. Vincenzo Camporini, Italian Ministry of Defense;

Dr. Alessandro Politi, Strategic&OSINIT analyst, Italian MoD special advisor;

NATO Office officials at the Italian Ministry of Foreign Affairs

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Jean-Pierre Paelink, Dr. econ., guest professor H.E.C. Liege