

These scenarios suggest that political change is likely to be neither linear nor uniform; that the potential for continuing political upheaval and protest in some countries is considerable; and that things are likely to get worse in some countries – Poland for example – before they get better. The worst-case scenarios are Balkanization and Africanization. While a return to the pre-1914 situation in Europe is unlikely, a sudden and rapid breakup of the Soviet empire would be enormously destabilizing for all concerned.

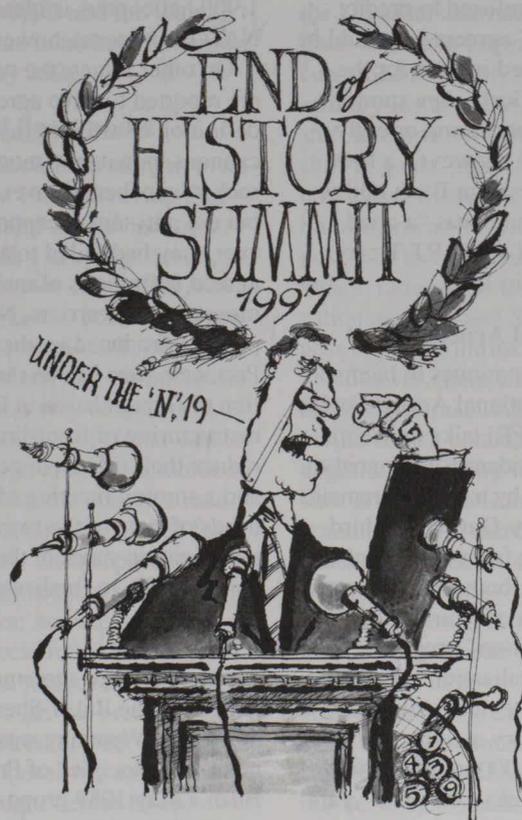
■ Implications for the Warsaw Pact. The Iron Curtain is rusty. As Warsaw Pact countries liberalize their economies and seek stronger ties with the West, pressures within the Pact for reductions in military spending and weaker security ties with Moscow will grow. There is some danger that major conventional arms cuts will weaken the Pact system. The use of force to keep the socialist bloc together is probably out as an option for now, but the Soviet Union (with or without Gorbachev) is unlikely to relinquish control completely or permit changes which undermine security linkages with Eastern Europe.

■ The future of the two Germanies. The West's support for German reunification (a no-cost policy during the Cold War since the chance of its actually happening was nil) will be tested by political developments in the East. The spectre of German reunification, raised by refugees from, and recent protest movements in, the GDR, is already making people nervous on both sides of the East-West divide. Pressures for democratic reform and liberalization in the GDR will grow, and if successful they will accelerate political pressures for further reconciliation perhaps leading to an eventual German reunification.

The West must begin to develop a policy in anticipation of these events, no matter how difficult this may be politically. Otherwise we will be led willy nilly by centripetal forces already at work in the two Germanies. Soviet interests, and those of other Eastern European countries, will also have to be taken into account in addressing the German question. The allergy to a reunified Germany, given the legacy of Barbarossa and the Second World War, is perhaps greater in the East than in the West.

■ The future of NATO and Western security interests. Predictable, orderly change that can be accommodated within (and by reform of) existing political and institutional structures is clearly in Western interests. Whatever happens, stability is necessary to assure the West's own economic and political future. There is a real danger that change in the Eastern bloc will occur much faster and more unpredictably than

anticipated. This makes it all the more important that the West seriously ponder the future and assess the long-term implications of recent developments for Western security. NATO and other Western economic and political institutions like the European Community, the General Agreement on Tariffs and Trade, and the International Monetary Fund have a major role to play in promoting orderly change through the provision and re-scheduling of loans and a general reduction in barriers to trade, commerce and the flow of capital. So do the arms control and confidence-building measures currently under negotiation in various European fora.



The possibility of a totally integrated Europe with a united Germany at its centre is remote. What is more likely is a continuation of the current system of alliances – NATO and the Warsaw Pact – but there will be a variety of different systems of government, and perhaps growing rivalries within Eastern Europe as a result.

■ Major uncertainties. The impact of resurgent ethnicity and nationalism will affect potential stability throughout the Eastern bloc, and in the Soviet Union where this problem is linked to Gorbachev's own political fortunes. If the Baltic states achieved independence this would seal Gorbachev's fate since the Ukraine could well follow next. He would then be presiding over the breakup of the Soviet empire and there are lots of Russians who don't want to see this happen.

Market reforms in Eastern Europe will have asymmetrical costs and benefits and will result in clear "winners" and "losers." Unemployment will increase before economies get better, which will in turn fuel political discontent and jeopardize the reform process. The *ancien régime* will resist change because its members will lose their privileges in the conversion to a market economy.

■ Arms control and defence. There is a clear need to locate Western arms control and defence policies and interests within the broader purview of these political and economic developments, including the 1992 creation of a free-trade zone within the European Community.

East-West relations are too important to be left to the arms controllers and strategists. Arms control and defence policies must be linked to a political and economic strategy which promotes political reform and an orderly transition in Eastern Europe. Western governments also need to have a better understanding of the forces behind the changes now taking place.

IT IS IMPORTANT NOT TO OVERSTATE THE role the West can play in Eastern Europe and the Soviet Union; our margin of influence is limited. There are obvious dangers if the West is seen to be too active in promoting political change or undermining Soviet influence. Nevertheless, there is an even greater danger that failure to take effective action and provide assistance, will impede the reformers who have acquired power in countries like Poland and Hungary.

The West obviously can and should do more to help: food aid, debt re-scheduling, and the provision of technical and development assistance are all possibilities. Assistance with technical matters such as financial management and control, and the legal complexities of private ownership, is especially important if these countries are to transform their economies. This sort of help is also cheap. The decisions of Canada and other Western governments to provide additional loans and credits to Poland and Hungary are a good start and there are further encouraging signs from Washington that it sees a new "window of opportunity" to forge a new relationship with the Soviet Union. Nevertheless, a larger and more coordinated response is called for.

We are not at the end of history. We stand on the threshold of a new world marked by the ending of the Cold War – a world in which the opportunities and benefits to be gained from change are just as great as the risks, uncertainties, and potential costs of failure. There is a great deal left to do. □