

Western Europe and the end of the Cold War, 1979–1989

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This chapter argues that Western Europe contributed significantly to the way the Cold War ended. With its large, well-educated population, with its industrial output and technology, and with strategic access to the North Atlantic, the region always remained the greatest potential prize in the global contest between the superpowers. The West European desire to continue détente in the wake of the Afghanistan crisis acted as a brake on US policy during the ‘new’ Cold War and encouraged the improvement in relations afterwards.¹ Perhaps more important, at the same time, West Europeans rescued their economies from the doldrums and continued to build the most successful customs union in the world in the European Community. They also strengthened democracy in Southern Europe, and remained determined, even amid the euphoria of ‘Gorbymania’, to maintain a strong North Atlantic Treaty Organization (NATO), complete with an effective nuclear defence. This combination of strength and a willingness to talk to the other side allowed West European governments to remain popular at home, to maintain security abroad, and to pursue a dynamic policy in the Cold War, one that did much to secure a resolution on Western terms.

If the breakdown of the Soviet system is seen as the result of a long-term failure of Communism in the face of liberal capitalism, then the success of West Europeans in creating a stable, thriving democratic system – mixing economic success with social justice – was an important component of the West’s victory in the Cold War. In a real sense, NATO’s agenda in the Helsinki process was fulfilled. The Soviets may have won recognition of the postwar territorial settlement in 1975, but only at the cost of allowing

¹ For a discussion of Afghanistan, see Amin Saikal’s chapter in this volume; for a discussion of the evolution of détente and its breakdown, see especially Jussi Hanhimäki’s chapter in volume II and Vladislav M. Zubok’s and Olav Njølstad’s chapters in this volume.

Western goods and ideas into an increasingly decrepit Marxist system. For the satellite states of Eastern Europe, the freedom and wealth of their Western neighbours acted as a magnet, drawing them away from Moscow and undermining the foundation of the system that disintegrated so spectacularly in late 1989, when it became obvious that Red Army bayonets would no longer prop it up. Thus, the end of the Cold War on Western terms can be seen as the result not only of American strength or of Mikhail Gorbachev's policies, but also of the creation of a thriving liberal democratic bastion on the very doorstep of the Warsaw Pact. This bastion was formed of countries whose social democratic political systems, voluntary association in the European Community, and willingness to differ with Washington on some issues made them an attractive model for East Europeans.

Reactions to Afghanistan

When the Soviet Union invaded Afghanistan in December 1979, triggering the 'new' Cold War, Western Europe was beset by uncertainty. For a decade the region had been troubled by high inflation, unemployment, monetary instability, strikes, and social unrest. In the late 1960s, the healthy economic growth that had characterised the Western world since the Korean War drew to an end. A postwar generation had grown up who questioned materialism and sought new moral and artistic values. Riots in France in May 1968 and the 'hot autumn' in Italy in 1969 were early signs of what could happen when rising expectations were threatened by poor job prospects and reduced purchasing power. Those threatened with more limited opportunities were ready to operate outside traditional political institutions, hence rising trades union membership, student agitation, the emergence of feminism, and environmentalism. At the extreme, urban terrorists – such as Italy's Red Brigades and West Germany's Baader–Meinhof gang – became active, while in the Basque country of Spain and in Northern Ireland more sustained campaigns of violence were fuelled by regional problems.

The uncertainty only worsened when rising oil prices after the 1973 Middle East war pushed up inflation, followed by government expenditure cuts and recession. Even in West Germany, the healthiest European economy, unemployment reached nearly 5 per cent in 1975. In Britain, inflation passed the 20 per cent mark in 1975; in Italy, it was not much lower. Economies had barely recovered from the first 'oil shock' when, thanks to the Iranian revolution of early 1979, there was a second energy crisis, pushing the West into depression. By 1981, unemployment was over 2 million in West

Germany, over 3 million in Britain. The years of ‘stagflation’ and discontent helped to create the impression that Soviet Communism, as an economic and social system, was as successful as Western capitalism. The Soviet economy may have been stagnant from the mid-1970s but so too, at that point, were the United States and Western Europe. It was against this unpromising background that Western Europe’s 1980s resurgence must be traced.

The early years of the new decade were a time of continuing concern, and Europeans did not relish a return to the Cold War during the last year of the presidency of Jimmy Carter.² In Western Europe, *détente* had always meant something different than it did for the superpowers. The Soviets had exploited the process to try to freeze their nuclear parity with Washington, secure technology transfers, and legitimise their hold over Eastern Europe. The United States had used *détente* to manage relations with Moscow during a difficult period in the 1970s, when containment was called into question by the impact of the war in Vietnam. But, since the 1950s, European leaders had seen the reduction of East–West tension as a life-or-death issue, perched as they were on the military divide between the two sides. *Détente* not only reduced the risks of nuclear obliteration on the continent; it also allowed trade and personal contacts to open with Eastern Europe, giving both sides a stake in a more stable relationship. Even West Germany, sceptical about *détente* in the 1950s, had, through the development of *Ostpolitik*, become keen to develop links to East Germany. Furthermore, given the depressed state of their own economies, West Europeans were eager to exploit markets in the East. None of this meant there was any sympathy at official levels for Soviet policy. Far from being an alternative to Cold War, *détente* was a more subtle way of pursuing the destruction of the Soviet bloc by breeding within it an awareness of the benefits of openness, market economics, and democracy.

The differences between the United States and its trans-Atlantic allies over East–West relations were based, then, on questions of tactics rather than fundamental values. Yet, sometimes the differences could seem serious. West European governments joined in the chorus of condemnation of the invasion of Afghanistan at the UN. But, given that NATO had learned to live with the invasions of Hungary and Czechoslovakia, it was difficult for most Europeans to see why this new intrusion should spark a return to Cold War. After all, Afghanistan had been a Marxist state since early 1978, and the Soviets had perhaps acted defensively to prop it up. Meeting in Paris within weeks of the invasion, the German chancellor, Helmut Schmidt, and the French

² See Nancy Mitchell’s chapter in this volume.



19. Soviet leader Leonid Brezhnev and West German chancellor Helmut Schmidt meet in Bonn. Even as the US–USSR détente faltered, European statesmen kept up relations with Kremlin leaders.

president, Valéry Giscard d’Estaing, were concerned to balance condemnation of Moscow’s invasion with the preservation of contacts, issuing the lukewarm threat that ‘détente would probably not be able to withstand another shock of the same type’.³ Afghanistan seemed a long way off and Europeans, having recently retreated from their colonial empires, did not share the superpowers’ obsession with a ‘zero-sum’ contest in the Third World.

To the United States, the situation appeared more serious. Doubts had been growing about the value of détente for years, and now there were exaggerated fears that the Kremlin was driving towards the oil-rich Persian Gulf. Carter began to expand defence spending and took sanctions against Moscow without consulting his West European allies. Some of them made their discontent clear, fuelling US suspicions that, thanks to détente, Western Europe was becoming too dependent on the Soviet bloc. In particular, there was no European support for a trade embargo against the USSR. During the spring of 1980, Giscard and Schmidt both held summits with Leonid Brezhnev, the Soviet leader. The president and the chancellor were friends, and both had elections looming. They believed it essential to maintain a dialogue with Moscow and were critical of Carter for past inconsistencies. Neither of them

3 Quoted in Raymond Garthoff, *Détente and Confrontation*, rev. ed. (Washington, DC: Brookings Institution Press, 1994), 1089.

felt that the panicky measures he took in 1980 would persuade the Kremlin to leave Afghanistan. Then, again, neither of them had any sympathy with Communist aims. When, in April, the US Olympic Committee voted to boycott the Moscow games, West Germany was one of only three NATO members, alongside Norway and Turkey, to follow suit. Other governments, including the British, were sympathetic to a boycott but would not force their Olympic Committees to participate. The United States and its European allies, however, were able to preserve a common position at the Madrid Conference on Security and Co-operation in Europe (CSCE) that opened in 1980 as a follow up to Helsinki. At Madrid, West European countries, Canada, and the United States firmly resisted the Eastern bloc's attempts to play down the importance of human rights.

Reagan's first term

After Ronald Reagan defeated Carter in the 1980 presidential election, trans-Atlantic difficulties continued. British prime minister Margaret Thatcher, who shared Reagan's faith in free-market economics, soon became a trusted ally and even Schmidt praised Reagan for his uncomplicated personality and consistency. But the chancellor also complained that Reagan 'was no more considerate of the interests of his allies ... than Carter before him'.⁴ The new president's determined anti-Communism included a warning in a speech of 2 September 1981 that the United States was ready to pursue a nuclear-arms race and a statement on 2 November that nuclear war in Europe need not lead to a strategic exchange. Nothing could be better calculated to rekindle European fears that their own security took second place in the eyes of the superpowers. Differences also emerged over Poland at the end of the year when the new Communist leader, General Wojciech Jaruzelski, introduced martial law and banned the independent trades union, Solidarity.⁵ This setback for hopes of liberalisation led Reagan to introduce sanctions against the USSR and Poland. But, as with Carter's reaction to the invasion of Afghanistan, West European governments disliked being faced with a US *fait accompli*. Although the European Community (EC) and NATO both warned Moscow that events in Poland had put détente at risk, West European governments saw no point in encouraging Poles to believe that anything could be done to free them from Communist rule. After all, nothing had been done to help Hungary in 1956 or

4 Helmut Schmidt, *Men and Powers* (London: Jonathan Cape, 1990), 251.

5 See Jacques Lévesque's chapter in this volume.

Czechoslovakia in 1968 when they were invaded. Since Soviet forces had not invaded Poland, the EC would not move beyond a limited set of trade restrictions against the USSR.

Reagan was not to be deterred.⁶ He exerted considerable pressure on West European countries to suspend their plans for an oil–gas pipeline from Siberia, and banned American companies and their European subsidiaries from helping to build it. US officials argued that they wanted to reduce West European dependency on the Eastern bloc, deny the Soviets billions of dollars, and give them an incentive to ‘behave’ in the future. Even Alexander Haig, who resigned as Reagan’s first secretary of state in June 1982, noted the irony that, ‘when the hammer of American economic power finally smashed down, it did not strike the Russians ... but instead battered our friends and allies’.⁷

Europeans were not convinced that such steps would alter Soviet policy and, in any case, the Reagan administration seemed hypocritical, since it was currently selling vast amounts of grain to the Soviet Union at very low prices. The pipeline was not only a major investment project, but was also designed to help Western Europe meet its energy needs following the recent ‘oil shocks’. US pressure was resisted by all EC members, even Thatcher. Schmidt and the recently elected François Mitterrand in France were deeply opposed to Reagan’s behaviour, especially since he did not seem to comprehend their interests. Speaking in Washington in July, Schmidt tried to make Americans understand Germany’s dilemma: ‘Our country lies within the range of Soviet intermediate-range missiles. It is no bigger than the state of Oregon, but six thousand nuclear weapons are deployed there which are not under our control.’⁸ His days as chancellor were already numbered, however: soon afterwards, a parliamentary vote brought the Christian Democrats into office under Helmut Kohl, a leader more sceptical about trying to reach an agreement with the Soviet Union.

Aside from their differences over Poland, Europeans and Americans had an uneven record of co-operation during Reagan’s first term. The October 1983 US invasion of Grenada upset even Reagan’s principal European ally, Margaret Thatcher. The Caribbean island was a former British colony and London would have expected to be consulted over such military action. The ‘special relationship’ was restored soon enough and in mid-April 1986, when US aircraft bombed Libya, the British were the only European power to

6 See Beth A. Fischer’s chapter in this volume.

7 Alexander Haig, *Caveat* (London: Weidenfeld & Nicolson, 1984), 241.

8 Quoted in Jonathan Carr, *Helmut Schmidt: Helmsman of Germany* (London: Weidenfeld & Nicolson, 1985), 178.

provide active support. Others refused even to grant the United States over-flight rights for the operation. Meanwhile, American officials in the mid-1980s felt increasingly threatened by European Community protectionism, while Europeans were critical of US policy towards Nicaragua and of the Strategic Defense Initiative (SDI), popularly known as ‘Star Wars’, announced by Reagan in March 1983. His European allies questioned the feasibility of such an anti-ballistic missile programme. They worried that merely pursuing such a chimera would induce the Soviets to take counter-measures and upset the nuclear balance. But the impact of such differences should not be exaggerated. Even taken together, such troubles in the Western alliance hardly matched those provoked by the collapse of the European Defence Community in 1954 or French withdrawal from NATO in 1966. And there were important examples of allied unity. For example, in 1982, France, Italy, and Britain joined the United States in sending a force to Lebanon. On 23 October 1983, 58 French troops as well as 241 Americans were killed in bomb attacks in Beirut, a tragedy that led to the international force being withdrawn. Only weeks before the Beirut bombings, on 1 September 1983, in one of the most serious crises of the decade, the Soviets shot down a Korean airliner. Moscow’s unrepentant response to the incident encouraged West Europeans to join the United States in denying landing rights to the Soviet state airline, Aeroflot.

NATO’s cruise–Pershing deployment

The most significant signs of the continuing health of the US–European alliance, the basic unity of their aims, and their common determination to maintain a strong defence against the USSR were reflected in NATO deliberations between 1979 and 1983. In December 1979, NATO ministers decided to deploy 572 cruise and Pershing II missiles in Europe while hoping that progress on arms-control agreements with Moscow could make such action unnecessary. At the time such a deal did not seem unlikely. In the late 1970s, European leaders, especially Schmidt, had been deeply concerned that the deployment of Soviet intermediate-range SS-20s in Eastern Europe could undermine the ‘chain of deterrence’ that was essential to NATO strategy.⁹ Although Brezhnev hinted at a deal – the Soviet Union would reduce its medium-range weapons in Europe if NATO avoided the deployment of new systems – the invasion of Afghanistan made it most unlikely that one could be achieved. In February 1980, as part of the gulf opening between the two sides,

⁹ Schmidt, *Men and Powers*, 71.

Soviet foreign minister Andrei Gromyko announced that the USSR would continue with arms-control talks only if NATO abandoned its decision to modernise its nuclear arsenal.

The war of nerves between East and West continued under Reagan, each side trying to score propaganda points off the other. Gromyko told the UN in September that the USSR hoped both superpowers would promise not to initiate the use of nuclear weapons in a war in Europe. Since the Warsaw Pact had a clear superiority in conventional arms, the 'no-first-use' proposal was seen as a non-starter by NATO. Reagan recognised the wisdom of launching a dramatic, positive-sounding proposal of his own, hence his statement on 18 November 1981 that both sides should destroy all their intermediate-range nuclear forces (INF) weapons. But, since the USSR was already deploying SS-20s, while NATO had yet to receive the cruise and Pershing missiles, this 'zero option' was seen by the Soviets as one-sided. INF talks began in Geneva on 30 November, but they did not make much progress. Britain and France refused to consider the Soviet demand that their nuclear arsenals should be included in the talks.

It was probably not likely that an INF deal could be struck before NATO put cruise–Pershing missiles into Western Europe. Until that was done, Moscow could hope that popular opposition to the missiles would stop the plans for deployment. But the atmosphere was made even more disturbing by Reagan's rhetorical attack on the USSR as an 'evil empire' on 9 March, and by the threat from the Soviet leader, Iurii Andropov, that a successful cruise–Pershing deployment would spell the end of the INF talks. In late October, there were anti-nuclear protests in all the countries due to receive missiles. In Britain, media attention focused on the 'women's peace camp' outside the Greenham Common airbase, where the first cruise missiles were scheduled to arrive. In Germany, there was a week of demonstrations. In Italy, half a million people marched in Rome on 22 October, while 300,000 gathered in Brussels on the 23rd. But the United States' allies proved determined to go ahead with the 1979 decision. On 15 November, 'Tomahawk' cruise missiles arrived on schedule at Greenham Common. A week later, the West German Bundestag voted, by 286 to 226, to deploy Pershing IIs. The following day, the Soviets walked out of the Geneva INF talks, beginning a depressing year on the arms-control front.

The extent of the suspicion between the two sides in Europe was highlighted by a NATO military exercise, codenamed Able Archer, carried out on 2–11 November. The Soviets feared this might be a 'cover' for a surprise attack. With disarmament talks ended, Reagan preoccupied with re-election, and



20. A protester is arrested by police during a demonstration against the installation of American Pershing missiles in Ramstein, West Germany. NATO leaders overcame protests and successfully deployed the missiles.

another conservative geriatric, Konstantin Chernenko, taking power in Moscow in February, East–West relations in Europe seemed as frozen as they had been under Harry S. Truman and Iosif Stalin. Only in January 1985, after the Kremlin realised that the popular upsurge against the missile deployments in Western Europe had ebbed and after Reagan was re-elected as president, did the Kremlin agree to re-open INF and strategic arms talks.

European democracy resurgent

Moscow had failed to intimidate West European governments on the military-security front, and its inability to exploit popular discontent in the region exposed the diminished appeal of its system. Compared to earlier phases of the Cold War, there was now little support for Communist Parties in Western Europe. Nor was there much social dissatisfaction for Moscow to exploit. A decade before, the situation had appeared very different. In Greece, when the military regime collapsed in 1974, Constantine Karamanlis, the new prime minister, had legalised the Communist Party and had taken his country out of NATO. In Portugal, when decades of dictatorship had ended in April 1974, the

new government included Communist ministers. In neighbouring Spain, the death of General Francisco Franco in 1975 had been followed by steps towards democracy that included the legalisation of the Communist Party. And in the 1976 elections in Italy the Communists had won more than a third of the vote.

But the Communist advance in Western Europe was not sustained: liberal democracy proved a resilient force and, if anything, NATO emerged stronger than ever. The social discontent of the late 1960s and 1970s rarely converted into sympathy for Marxist-Leninism partly because, after Czechoslovakia, Soviet Communism was seen as being an oppressive system, no better than capitalism. The 'new Left' was influenced by Trotskyite and anarchist views, and quickly became fractured. Those who opposed the INF deployment in 1983 were mainly middle-class liberals, genuinely concerned about the dangers of nuclear war, rather than apologists for Communism. In the rural, conservative societies of Southern Europe, the weakness of the Communists was quickly exposed. In Greece, Karamanlis was actually a conservative, who distanced himself from the United States mainly because he was offended by its failure to prevent the partition of Cyprus. The Portuguese Communists were humiliated in the April 1975 elections, winning only 12.5 per cent of votes, while the Spanish Communists won less than a tenth of votes in June 1977. Greece rejoined NATO in 1980, while Spain entered in 1982.

Only in Italy and France was support for Communism deep-seated. But that support, too, slowly dissipated.¹⁰ Collectivist values faded in the face of individualism, as did the strength of trades unions in the wake of the reduced importance of traditional heavy industries, such as coal, steel, and ship-building. Meanwhile, centrist governments delivered social reforms, and social mobility increased. In the June 1979 general election in Italy, the Communist share of the vote dropped to 30 per cent, removing the danger that the Communist Party of Italy could take control of the government. Although Socialist candidate François Mitterrand included four Communists in his Cabinet when he won the French presidency in 1981, the Communists were disappointed with Mitterrand's waning radicalism and quit in 1984. After that, the Communists in France rapidly became marginalised, taking only 10 per cent of the vote in 1986.

There was evidence, too, of greater political stability in the key states of Western Europe. In Britain, Thatcher's Conservative Party, having come into office in May 1979 in the wake of the so-called winter of discontent, won the elections of 1983 and 1987. In France, Mitterrand, the first Socialist president

¹⁰ See Silvio Pons's chapter in this volume.

under the Fifth Republic, was forced to share power with a Gaullist prime minister (Jacques Chirac) after the 1986 elections, but he was nevertheless re-elected in 1988. In West Germany, Kohl led the Christian Democrats to victory in the general elections of 1983 and 1987. Indeed, between October 1982 and November 1990, the three principal West European democracies – Britain, France, and West Germany – had an unprecedented period of eight years in which the heads of government remained the same. The existence of such strong and popular leaders in the West contrasted starkly with the party stalwarts in the Kremlin: Brezhnev, Andropov, and Chernenko were all ageing, sick, and incapable of dynamic action.¹¹

The improved stability of the West European governments and the decline of the Left were linked to the region's reviving economic fortunes. Whereas in the first half of the decade Western European growth rates averaged 1.7%, in the second half the average was 3.2%. Recovery from the 'stagflation' of the 1970s was the result of a number of factors, some having little to do with Europeans themselves. The growth of the US economy, stimulated by Reagan's tax cuts and defence expenditures, fuelled European exports to the United States. The decline of oil prices also eased one of the most significant inflationary pressures in Western Europe, a region heavily dependent on imported oil. High interest rates also drove inflation down, placing the economies of Western Europe in a good position to exploit the communications revolution that now gathered pace (see Table 2).¹²

There was also a general recognition by the early 1980s that the Keynesian approach to economics, popular in the postwar period, had failed to deliver consistent, inflation-free growth. Keynesianism was supposed to maintain full employment through increased state spending, financed by higher taxation, when demand in the economy sagged. But changes in demand were difficult to predict and governments were reluctant to cut back on spending even when full employment was achieved, especially when strong trades unions backed higher social expenditures. The result in the 1970s had been an 'overheating' of West European economies, too much demand leading to inflation, which oil price increases compounded. In Britain, Thatcher's Conservatives cut taxes, placed limits on trades union rights, restricted strikes, returned nationalised industries to private ownership, promoted entrepreneurship, and reduced inflation. Thatcher's policies took time to be widely accepted, but

11 John Gaddis, *The United States and the End of the Cold War* (Oxford: Oxford University Press, 1992), 124.

12 See also the chapters by David Reynolds and Giovanni Arrighi in this volume.

Table 2. *Economic growth rates of leading West European states, 1980–1989*

	France	Germany	Italy	Spain	UK	USA
1980	1.5	0.9	3.6	1.4	−2.3	−2.0
1981	0.4	−0.9	0.0	−1.2	−1.3	1.6
1982	2.7	−1.1	0.4	0.7	1.5	−2.9
1983	0.8	2.3	0.9	1.2	3.7	3.9
1984	0.8	2.4	2.9	1.3	2.4	6.9
1985	1.6	1.6	3.0	2.0	3.3	3.0
1986	2.4	2.6	2.5	3.0	3.9	2.3
1987	1.9	1.2	3.0	5.3	4.5	2.3
1988	4.1	3.3	3.9	4.9	5.6	3.0
1989	3.4	3.2	2.9	4.6	2.1	3.2

Measured by percentage growth of gross domestic product with comparative figures for the United States.

Source: Alan Heston, Robert Summers, and Bettina Aten, *Penn World Table 6.2* (Center for International Comparisons of Production, Incomes and Prices, University of Pennsylvania, September 2006).

their success contrasted with Mitterrand's initial actions in France. Upon taking office in 1981, the Socialist president pursued a Keynesian programme to boost growth and curb unemployment. Salaries were increased, social security payments became more generous, and state ownership was expanded to more than a third of industry. Within two years, these initiatives had led to much higher taxes, a large trade deficit, and a fall in the value of the currency. Economic growth was sluggish and unemployment numbers rose, forcing the Socialists to shift direction. In 1983–84, Mitterrand introduced a set of austerity measures. He cut state expenditure and reversed his nationalisation programme. His failed experiment sounded the death knell of old-style state intervention as a cure-all for the woes of free-market economies and confirmed that the future lay with rolling back state expenditures, limiting taxation, and encouraging private enterprise, as in Reagan's United States and Thatcher's Britain, even if the short-term cost was higher unemployment.

By the mid-1980s, there was a desire even by left-wing governments to adopt the new free-enterprise consensus. In Italy, Socialist premier Bettino Craxi (1983–87), heading a coalition government, stood up to the trades unions and ended the indexation of wages against inflation. In Spain, where the

Socialist Party won power in 1982, Premier Felipe González cut state expenditures and warned voters that there was no alternative to high unemployment if Spain were to become competitive in world markets. It should be remembered that in Italy and Spain policies of state intervention were identified with the Right rather than the Left: the Mussolini and Franco dictatorships had embraced nationalisation in the 1930s and 1940s. It should also be recognised, however, that despite tax cuts and privatisation, West European levels of state spending were still historically high. Social security payments, free education, and public health systems remained intact. Governments did not forget the importance of providing adequate welfare systems as a 'safety net' for those endangered by poverty, even while trades unions were brought under control and unemployment climbed. The free-market approach, combined with welfare policies and democratic politics, stood in stark contrast to what was happening in the Eastern bloc. Communist governments persisted with a cumbersome and inefficient process of central planning, producing poor-quality goods, and making little provision for those in poverty.

The European Community

For West Europeans, these years were important for the revived fortunes of the European Community (EC), which itself contributed to the economic resurgence. In the 1970s, the hopes raised by the first enlargement of the EC, bringing in Britain, Ireland, and Denmark, had been followed by a series of disappointments. Against a background of rising oil prices, stagnant growth, and labour unrest, the Community had failed in its efforts to create an economic and monetary union, as proposed in the 1970 Werner Report, or a fuller political union, to which leaders had committed themselves at the Paris summit of 1972. The situation began to look more hopeful in 1979 when the first direct elections to the European Parliament in Strasbourg were held and most members joined in an Exchange Rate Mechanism (ERM). The ERM 'pegged' members' currencies within a certain percentage of each other and helped foster a stable trading environment. Also, in a two-stage 'Southern enlargement', Greece entered the Community in January 1981, with Spain and Portugal following in 1986. In all three cases, membership helped to stabilise the new democracies that had emerged in the mid-1970s. A similar process would occur after 1989, when East European countries sought Community membership after decades of Communist rule; EC enlargement again became the means to anchor countries in a voluntary organisation based on liberal democracy and free enterprise.

Much of the EC's energy in the early 1980s was absorbed by the so-called British budgetary dispute in which Margaret Thatcher tried to secure a rebate on payments to the EC. Only in 1984 did she gain satisfaction on this point and only then, against an improving economic background, did the process of EC integration properly revive. It was driven along by a revival of enthusiasm for the European integration project, particularly from Mitterrand and Kohl. The falling value of the franc in the early 1980s, as a result of Socialist economic policies, had called France's role in the ERM into question, but now Mitterrand reinvigorated the commitment to deeper European integration as the best way for France to achieve growth. After 1984, the ERM proved much more successful at guaranteeing currency stability to its members, helping increase the volume of trade still further. European fears of US and Japanese technological competition also encouraged ideas of a joint Community approach. A committee was set up under an Irish politician, James Dooge, to recommend EC reform.

The result of the Dooge committee and a subsequent inter-governmental conference was the 1987 Single European Act. Members of the EC agreed to create a 'single market', hoping that the free movement of capital, goods, and people would deliver future economic expansion. To offset some of the anticipated negative fallout from a more open and competitive marketplace, most members also signed a 'Social Charter' that guaranteed a minimum level of welfare. Here, again, was evidence that governments recognised the importance of combining free enterprise with social welfare if greater competitiveness were not to lead to popular discontent. Among other provisions, the 1989 Social Charter included maximum working hours, a minimum working age, the right to join trades unions, gender equality, and protection for people with disabilities. The significant point in a Cold War context was that West Europeans not only pressed forward with creating a large, thriving economic unit that the Soviet bloc could not hope to emulate. They also developed a policy on social justice that gave fair treatment to individuals and social groups by guaranteeing basic rights such as those enshrined in the Social Charter.

There was room for debate about how 'social justice' was best defined and protected. The Left was more inclined to take state action to provide a minimum wage, keep prices in check, and ensure a fair share of the tax burden; the Right was eager to reduce government intervention, provide only a basic social welfare system, and emphasise the need for law and order. Thatcher refused to sign the Social Charter, describing it as a 'socialist charter'. But, despite such differences of emphasis, the contrast to the Soviet bloc by the

mid-1980s was stark. Instead of an integrated economic community at the cutting edge of new technologies, East European countries were heavily in debt, inefficient in their use of resources, unable to compete in world markets, and a burden on the Soviet economy, which supplied them with oil and raw materials. For them, there was no recovery from the stagnation of the 1970s. In the field of social justice, although they could claim to have full employment and some basic welfare provisions, the East Europeans had no free trades unions and little respect for rights such as freedom of religion, of movement, or of the press. Hospitals and schools were of poor quality, environmental protection was almost non-existent, and law and order were enforced only as part of a police state. One stark result of the failure of Communism to deliver better conditions to its people was the lower life expectancy in Eastern Europe: between 1970 and 1991, for example, male life expectancy increased only 1.1 years for East Germans compared to 5.2 years for West Germans. And East Germany performed better than most Soviet bloc states.¹³ Between 1980 and 1985, life expectancy in the bloc was about four years below that of West Europe's NATO members.¹⁴

Uncertain détente, 1985–1988

The election of Mikhail Gorbachev as general secretary of the Communist Party of the Soviet Union in March 1985 did not of itself prove a dramatic turning point for international relations. For one thing, the greatest point of tension in the 'new' Cold War had passed in 1983, with the fears of a surprise attack surrounding NATO military exercise Able Archer, the invasion of Grenada, the downing of a Korean civil airliner, and the deployment of cruise and Pershing II missiles. In 1983, Secretary of State George Shultz had told Congress that, despite the 'sharply divergent goals and philosophies' of the superpowers, it was vital that they 'work towards a relationship ... that [could] lead to a safer world for all mankind'. It was an approach endorsed on the other side of the Atlantic by, among others, British foreign secretary Geoffrey

¹³ William Cockerham, 'The Social Determinants of the Decline of Life Expectancy in Russia and Eastern Europe', *Journal of Health and Social Behaviour*, 38 (June 1997), 126.

¹⁴ Leaving the two Germanies aside, life expectancy in Soviet bloc states for both sexes combined in 1980–85 ranged from 69 in Hungary, through 70 for Romania, to 71 for Bulgaria, Czechoslovakia, and Poland, whereas even in Portugal, the worst-performing NATO state in Western Europe, life expectancy was 72. The figure was 73 for Luxembourg, 74 for Belgium and the UK, 75 for France, Italy, and Greece, 76 for the Netherlands, Norway, and Spain, and 77 for Iceland. See United Nations, *World Population Prospects: 2006 Revision*, esa.un.org.

Howe. He hoped to use personal contacts to expose the Soviets to Western thinking and encourage moves towards political and economic pluralism in the Eastern bloc. Significantly, Thatcher's first visit behind the Iron Curtain was to Hungary in February 1984. Even on the other side of the curtain there were voices calling for moderation: thus Erich Honecker, the East German leader, spoke of 'limiting the damage' caused by the breakdown of the INF talks.¹⁵

It is easy to forget that the Kremlin agreed to resume negotiations on both INF and strategic missiles before Chernenko died in early 1984. Talks resumed in Geneva on 12 March 1985, just one day after Gorbachev was elected general secretary. This is not to say that his triumph did not signify some change. Thatcher had called him 'a man with whom I can do business', when he had visited London the previous December.¹⁶ At home, he soon developed a greater 'openness' (glasnost) about Soviet problems, with a readiness to seek a 'restructuring' (perestroika) of society, which suggested major changes to the centrally planned economy. On foreign affairs, he inaugurated 'new thinking', characterised by an acceptance of the multi-polar global system, a readiness to co-operate with the West, and a retreat from Third World involvement. Nonetheless, although Gorbachev was ultimately associated with the breakup of the Soviet system, this does not mean that he initially intended massive changes at home along liberal lines.¹⁷

In Europe, the first events of the Gorbachev era suggested that the Cold War would persist, albeit at a lower level of tension than in the early 1980s. A US soldier was killed while visiting East Germany in March; the Warsaw Pact was renewed for twenty years in April; and the INF talks stagnated. Espionage controversies, those vivid reminders of East-West suspicion, continued to flare in Western Europe. In September 1985, the British expelled more than thirty Soviet agents, only to have Moscow respond, in the time-honoured way, by throwing out an equal number of Britons. Thereafter, the British sent eleven more Soviet diplomats home in May 1989. France was involved in similar 'tit-for-tat' expulsions in 1983 (when forty-seven diplomats were ordered to leave), 1986 (involving four Soviets), and 1987 (another three).

East-West differences continued. In 1987, at the 750th anniversary of the founding of the city of Berlin, Mitterrand, Reagan, and Queen Elizabeth II visited West Berlin. At the same time, the Warsaw Pact held a summit in East

15 Quoted in *New York Times*, 21 December 1983; cited in Robert English, 'Eastern Europe's Doves', *Foreign Policy*, 56 (Fall 1984), 51.

16 Margaret Thatcher, *The Downing Street Years* (London: HarperCollins, 1993), 459–63.

17 See Archie Brown's chapter in this volume.

Berlin, but neither Erich Honecker nor Eberhard Diepgen, the mayor of West Berlin, attended ceremonies on the other's side of the Wall. Nor were relations between Moscow and Bonn especially cordial. Helmut Kohl likened Gorbachev's mastery of the media in his early months to that of Joseph Goebbels, the Nazi propaganda chief who had committed suicide at the end of the war; and, before the 1987 elections in West Germany, Gorbachev openly sympathised with the Social Democrats, twice meeting Johannes Rau, their candidate for chancellor. The first summit between Gorbachev and Kohl, in fact, did not take place until October 1988, after it became clear that Kohl would be in power for another term. By that time, Reagan and Gorbachev had met four times.

Indeed, in 1986–87, it seemed that West Europeans were less willing than Reagan to rush into agreements with the Kremlin. The European approach was more consistently one of seeking détente while keeping NATO defences intact, so that the region did not become vulnerable to Soviet intimidation. Both sides of this equation – the pursuit of détente from a position of strength – were important. Signs that Reagan and Gorbachev might be able to work together came with their first summit, at Geneva in November 1985, followed two months later by Gorbachev's acceptance of the 'zero option'.¹⁸ Differences over SDI helped to wreck their second summit, at Reykjavik in October 1986. Afterwards, however, West European governments realised that Gorbachev's and Reagan's common desire to ban nuclear weapons might harm NATO's defence strategy. When Mitterrand and Thatcher met, they declared that nuclear deterrence was still essential to West European defence because Warsaw Pact nations still held a clear superiority in conventional forces. The British and French governments were concerned not so much at the failure of the Reykjavik summit to achieve a breakthrough, but at the danger that Reagan's readiness to disarm could undermine mutual deterrence. According to the British foreign secretary, 'The real anxiety sprang from the fact that a US President had come so close, without any effective transatlantic consultation, to striking a deal of such far-reaching importance.'¹⁹

The fear that the superpowers might strike a deal over European heads of state was an old one, yet Europeans were also ready to end the INF imbroglio and move toward a resolution of political tensions in Europe. In May 1987, both NATO and the Warsaw Pact agreed that there should be a deal based on the 'zero option', and this led to the INF treaty, signed by Reagan and

¹⁸ See Beth A. Fischer's chapter in this volume.

¹⁹ Geoffrey Howe, *Conflict of Loyalty* (London: Macmillan, 1994), 523–24.

Gorbachev in Washington in December. Even if the agreement on intermediate nuclear forces affected only about 6 per cent of the world's nuclear arsenals, it was a remarkable treaty that went beyond the mere arms *control* of the SALT era and eliminated an entire category of nuclear missiles with a range of 500 to 5,500 kilometres. Western concessions helped bring this about, especially Kohl's readiness to dismantle Germany's ageing medium-range missiles. Moreover, the process seemed likely to spread to other areas. 'The [INF] Treaty held political significance far beyond disarmament policy', said the German foreign minister, Hans-Dietrich Genscher.²⁰ But when the Reagan administration ended, the INF Treaty remained the only major East–West agreement; the shape of the new Europe was still uncertain.

The unexpected revolution, 1989

There were few signs in the first half of 1989 that the European continent was on the brink of revolutionary change. On both sides of the Iron Curtain, governments still wrestled with the problem of how to match the reduction of tension with the preservation of security. In NATO, London and Bonn wrangled bitterly over the configuration of the alliance's nuclear arsenal. Thatcher was now beginning to look out of touch with some of the changes she had helped bring about. There was logic to her position: 'History teaches that dangers are never greater than when empires break up and so I favoured caution in our defence and security policy.'²¹ Initially, the United States was sympathetic to her argument that NATO should retain land-based tactical nuclear weapons rather than negotiate them away in talks with the Soviets. The INF Treaty had already threatened to undermine NATO's policy of 'graduated response' to a Soviet attack and, with the Warsaw Pact still holding conventional superiority in Central Europe, it seemed sensible to update the Lance missiles based in West Germany.

But such an approach led to differences with Kohl and Genscher. Having been sceptical about Gorbachev's intentions in 1985–87, the chancellor was now more inclined to try to break down the suspicions between East and West, a process that might reduce the prospects of a nuclear war taking place on German soil. He and his foreign minister were willing to negotiate away

20 Hans-Dietrich Genscher, *Rebuilding a House Divided* (New York: Broadway Books, 1998), 231.

21 Thatcher, *Downing Street Years*, 769.

the short-range nuclear weapons on both sides. Most Europeans, including Mitterrand, sided with the West German leaders. To Thatcher's annoyance, at the NATO summit in Brussels in May 1989, President George H. W. Bush shifted to a middle position. This fitted the new president's decision to treat Germany as the key American ally in Europe. Although NATO leaders proved more united on conventional weapons, German–British tensions simmered. Thatcher's doubts about deeper integration in the European Community, not least her dislike for the monetary union, positioned her against Mitterrand and Kohl.

While these differences divided the West European powers, Gorbachev struggled to design a comprehensive vision of Europe's future. In a speech in Prague on 10 April 1989, Gorbachev – who was about to visit a number of West European capitals – talked of a 'common home' in Europe, a 'cultural and historic entity rich in spiritual significance ... even if its states belong to different social systems'. This was reminiscent of the views of General Charles de Gaulle, president of France, in the 1960s, and it seemed that it would become part of Gorbachev's 'new thinking'. But the 'common home' idea was not pursued systematically when the questions surrounding it were not addressed in a careful manner.²² Gorbachev also talked of strengthening the CSCE's role in a pan-European security structure, but in visits to London, Bonn, and Paris in mid-1989 he failed to develop his ideas into anything concrete. Only when addressing the Council of Europe in Strasbourg in July 1989 did he speak of the need to recognise the continent's different social systems, respect national sovereignty, and end any resort to military force as ways of creating a 'common European home' in which the balance of power would give way to joint interests.

Although the key decision-makers were unsure of the way forward, events in Eastern Europe now moved rapidly, bringing about a situation leaders had not foreseen, but which they had done much to encourage. In the Vienna review conference of the CSCE, which ended in January 1989, Gorbachev accepted the Western agenda rather than push a distinct line of his own. He ended the jamming of Western media broadcasts to the Eastern bloc and released hundreds of political prisoners. He also allowed the monitoring of human rights in the USSR, tolerated a more independent line from Eastern bloc regimes, and agreed to open talks on the reduction of

²² Gorbachev had actually used the term two years earlier but did not make much of it until the Prague speech: Mikhail Gorbachev, *Perestroika* (London: Collins, 1987), 208.

conventional forces in Europe. These policies fostered the possibility of change in the Eastern bloc.²³

The changes were welcomed by West European leaders. They encouraged Soviet 'new thinking' about openness, non-interference in Eastern Europe, and the non-use of force. They highlighted the benefits of co-operation through loans, trade, and cultural exchanges. After Kohl and Gorbachev held a successful summit in June 1989, the European Community established PHARE, an aid programme to Poland and Hungary, the two Warsaw Pact countries moving most smoothly towards a liberalised political system. Although Kohl, Mitterrand, and Thatcher – like officials in Washington – did not foresee the unravelling of the remaining Communist regimes in Eastern Europe in November and December 1989, they carefully avoided triumphalist language lest they trigger a backlash. Communist governments collapsed and the Warsaw Pact quickly disintegrated without a major conflagration, at least partly because of shared views that had evolved after 1985 between the two blocs on the need to reduce the risk of nuclear war, to develop economic co-operation across the Iron Curtain, and to respect human rights.

The attractions of Western Europe

In the early 1980s, differences over Afghanistan and Poland had suggested a rift between the United States and Western Europe which the Kremlin might exploit, not least by playing on popular fears of nuclear war. But this was not a simple case of a trans-Atlantic divide. For one thing, European countries had their own differences. The West Europeans should not be viewed as a single group with a common outlook in these years. France had gone furthest to assert its independence from Washington since the 1960s, and West Germany, under Schmidt, was most eager to maintain *détente* with the East; meanwhile, Britain had tried to maximise its influence by staying close to the United States and at the same time opposing the political integration of the European Community that Paris and Bonn both favoured. Generally, arguments within the Western alliance were not about core ideological values, but about the appropriate ways to deal with the Communist challenge, such as enforcing sanctions over issues concerning Afghanistan and Poland. But the significance of these debates should not be exaggerated. At times, West European leaders were willing to adopt sanctions while US officials were ready to sell grain to

23 See Jacques Lévesque's and Helga Haftendorn's chapters in this volume.

the USSR; likewise, in the INF talks, Reagan was willing to run risks that raised European fears that their own security might be compromised. Overall, European governments were perhaps more consistent than US policy-makers across the decade, neither exaggerating the dangers posed by the invasion of Afghanistan in 1979–80 nor rushing towards a nuclear deal in 1986–87.

What stands out above all in the mid- to late 1980s, however, is the health of the liberal democratic, capitalist system in the United States and Western Europe compared to the increasingly decrepit Soviet-dominated East. However difficult it was for Washington officials to dictate policy to its Western allies, the latter were not the economic drain that the (more politically quiescent) East European countries were on the USSR. Instead, by the early 1980s, East European governments were heavily in debt to banks in Western Europe. As Warsaw Pact nations, with their totalitarian governments and central planning, continued to stagnate, their Western neighbours elected stable governments under strong leaders, re-asserted free market values, and reinvigorated the EC. Moscow was unable to exploit popular discontent over the missile deployments in 1983. Instead, the demonstrations at that time proved the last gasp of the ‘anti-establishment’ protests that had burst on the West in 1968. Local Communist Parties had little impact outside France and Italy, and even in those countries they were in retreat.

In looking at the collapse of Soviet power, it should be recognised that, among other factors, Gorbachev was faced with a resurgent Western Europe. Liberal capitalism was being reinvigorated there, and it served as a magnetic attraction to East Europeans. The West European success was still heavily reliant on the United States: European economies would not have revived as strongly as they did after 1982 without ‘Reaganomics’,²⁴ and the security provided by the US nuclear umbrella was still essential to Western Europe’s psychological well-being. But Western Europe remained the only region in the world, other than North America, where in the mid-1980s liberal democracy seemed to be resilient. Aside from Japan, India, and a few other isolated examples, stable democratic politics was still a rarity. Throughout much of Africa, Asia, and South America, dictatorships were the rule; changes of government were usually brought about by coups rather than free elections. But in Western Europe since the Second World War, democratic politics, social democracy, and free enterprise had thrived.

It was significant, too, that this resilient system was right on the Soviet doorstep. From here, West Europeans were able to extend credits to the

²⁴ See Giovanni Arrighi’s chapter in this volume.

Eastern bloc, press for human rights to be respected, and exploit Gorbachev's policy of glasnost, as when Thatcher stepped from her limousine to shake hands with ordinary Russians in March 1987. The full appeal of Western wealth and freedom may have become clear only in late 1989 with the demise of Communism in Eastern Europe, but the peoples and governments of Western Europe had nurtured their institutions carefully over many years. Their decisive contribution to ending the Cold War on liberal terms was by demonstrating that the benefits of a market economy could be coupled with political democracy, welfare provision, and social justice. The success of the West European experience was evident after 1989, when East Europeans struggled to create their own social democratic political systems, embraced free enterprise, and requested membership in both NATO and the European Union. In other words, the new governments in Eastern Europe sought not an American model nor some reformed version of Communism; they looked instead to the societies forged in Western Europe during the Cold War.