

An hourglass-shaped graphic with a globe inside. The top bulb is dark blue, and the bottom bulb is light blue. The globe is centered in the narrow neck of the hourglass. The text is centered within the hourglass shape.

# WikiLeaks Document Release

<http://wikileaks.org/wiki/CRS-97-249>

February 2, 2009

Congressional Research Service

Report 97-249

*NATO Enlargement and the Former European Neutrals*

Stanley R. Sloan, Foreign Affairs and National Defense Division

Updated April 8, 1998

**Abstract.** With the NATO enlargement process now underway, Europe's former neutral states—Austria, Finland, Sweden, Switzerland, and Ireland—are reevaluating the role they should play in the changing European security setting. Congress might wish to consider how the enlargement process might affect decisions by the former neutrals about their relationship to, and potential membership in, the Alliance.

WikiLeaks

# CRS Report for Congress

Received through the CRS Web

## NATO Enlargement and the Former European Neutrals

Stanley R. Sloan

Senior Specialist in International Security Policy  
Foreign Affairs and National Defense Division<sup>1</sup>

### Summary

With the NATO enlargement process now underway, Europe's former neutral states — Austria, Finland, Sweden, Switzerland and Ireland — are re-evaluating the role they should play in the changing European security setting. In Austria, there is a major political debate dividing partners in the governing coalition over whether or not to seek NATO membership. The key role of NATO in European security has created both opportunities and dilemmas for the former neutrals. On the one hand, their governments recognize that the new global environment has removed the Cold War rationale for a posture as a “neutral” in the international system. On the other hand, many people in these countries still value to a degree their country's nonalignment. Political elites are divided concerning how to advance their country's interests in the new setting. All of the former neutrals except Switzerland are members of the European Union (EU), bringing them part-way into the transatlantic security community, even though they are not NATO members. All except Ireland have joined NATO's Partnership for Peace (PfP) program, involving them directly in many NATO activities. The position of the former neutrals outside the Alliance could appear increasingly anomalous as Central and East European states begin joining NATO over the next few years. Members of Congress might wish to consider how the enlargement process might affect decisions by the former neutrals about their relationship to, and potential membership in, the Alliance.

### The Meaning of “Neutrality” Beyond the Cold War

During the Cold War, several European democracies, though committed to Western political values and economic systems, nonetheless positioned themselves as “neutrals” in the Cold War struggle. For two of these states — Switzerland and Sweden — neutrality had deep historical roots originating well before the onset of the Cold War.

---

<sup>1</sup> Louis Golino, Sarah Cambridge and Celina Ramjoué participated in the preparation and/or updating of this report.

Both decided that a position of foreign policy and defense neutrality would continue to serve their interests in the Cold War as it had before. Two others viewed neutrality as the way to protect or regain their sovereignty after the war. Finland's neutrality was a product of its geographic proximity to the Soviet Union and its vulnerability to Soviet military power and political influence. Austria accepted neutrality as a consequence of its long struggle to regain sovereignty, granted only in 1955 by the Austrian State Treaty following years of Soviet resistance. Ireland's neutrality has more to do with its desire to avoid a perceived military subordination to Great Britain than with the Cold War.

This said, the rules of the game in Europe have changed so substantially that old concepts of neutrality have ceased to be as relevant a framework for the interests and policies of these five countries. This reality now is acknowledged in their policies and political rhetoric. Most experts and observers now refer to their country's posture as "non-aligned" rather than neutral.

Those former neutrals that are members of the European Union (Austria, Sweden, Finland and Ireland) already are in many respects participants in the transatlantic security system.<sup>2</sup> This obviously has advantages, but these nations face the double danger of being accused of free-riding on the defense efforts of others while having to accept decisions that affect their interests without the opportunity to vote on those decisions. None of the five former neutrals has become a full Western European Union (WEU) member, but flexible participation arrangements give each the opportunity to participate in WEU debates on security policies.<sup>3</sup> NATO's Partnership for Peace (PfP), which all but Ireland have joined, gives them an opportunity to design a program of military cooperation with the allies and to contribute to NATO's new missions, such as that in Bosnia. NATO's new Euro-Atlantic Partnership Council (EAPC), in which all but Ireland participate as observers, gives them an entree to a NATO debating forum but not alliance decisionmaking.

All five countries are members of the Organization for Security and Cooperation in Europe (OSCE) and view it as a critical part of the evolving European security system. But they recognize that NATO is emerging as the core element of that system and that participation in the OSCE is a necessary but not sufficient condition for advancing their security interests. The former neutrals therefore have been weighing the advantages of participation in WEU and NATO activities against the perceived costs of abandoning a "non-aligned" status that still is reassuring for substantial majorities in their public opinion. During the June 1997 EU summit in Amsterdam, the four non-aligned EU members states joined Great Britain and Denmark in opposing a Franco-German plan to

---

<sup>2</sup> This term is meant to include NATO-centered activities (such as the Partnership for Peace and the Euro- Atlantic Partnership Council) and West European-centered security activities in the Western European Union and the European Union. For a survey of participation in Euro-Atlantic security activities see: Marie F. Boyer, *Euro-Atlantic Security Institutions: NATO, the WEU, the EU and the OSCE*, CRS Report 98-231 F, March 9, 1998.

<sup>3</sup> The Western European Union is the main vehicle for development of a European Security and Defense Identity (ESDI) in NATO. WEU countries will have the opportunity, under a reformed NATO structure, to assume greater responsibility for peacekeeping and humanitarian relief missions. Full WEU membership, however, is only offered to countries that are members of NATO. Former neutrals therefore cannot seek full WEU status without also joining NATO.

merge the EU and the WEU. The merger would have put more pressure on them to make decisions about their future security affiliations. Because the neutrality of each country has unique roots and rationales, each has chosen its own path toward the future.

## **Austria**

Following the liberation of Austria from German occupation at the end of the Second World War, the country was divided into four occupation zones governed by the United States, the Soviet Union, Britain and France. Democratic elections produced the first post-war Austrian government in November 1945, but full sovereignty was not restored until the Austrian State Treaty came into effect in July 1955. Neutrality was not required by the State Treaty, but the Constitutional Law on Austrian Neutrality committed Austria to “permanent neutrality” and declared that “Austria will never in the future accede to any military alliances nor permit the establishment of military bases by foreign states on her territory.”

By the time Austria joined the European Union on January 1, 1995, the rationale for Austrian neutrality had already begun to erode. Becoming an EU member, and at the same time a WEU observer state, brought a commitment to participate in the shaping of a Common Foreign and Security Policy (CFSP) with its EU partners and indirect participation in the Western security system. Austria joined the NATO PfP program shortly after entering the EU, taking one more step toward active involvement in the Western security system.

Now, the debate in Austria is whether or not to seek NATO membership. The current coalition government between the Social Democratic Party (SPÖ) and the People’s Party (ÖVP) includes conflicting perspectives on this issue. Chancellor Viktor Klima’s socialists are reluctant to apply, while People’s Party officials (foreign minister Wolfgang Schüssel and defense minister Werner Fasslabend) support an early application. The government had agreed to formulate a policy by the end of March 1998 but negotiations failed to resolve differences between the coalition partners. The outcome suggests that the issue will not be resolved until after the next parliamentary election which must be held no later than the autumn of 1999. The main opposition party, the right-wing Freedom Party (FPÖ), supports NATO membership. Small leftists opposition parties are opposed. Public opinion polls in Austria reflect continued support for neutrality, albeit in diminishing numbers. A poll in mid-1966 revealed that some 60 % of Austrians would vote against NATO membership in a referendum but 58 % believed Austria would eventually join in any case.

If NATO enlargement proceeds as desired by the Clinton Administration, Austria in a few years will be surrounded by NATO countries. This will likely keep the issue of eventual Austrian NATO membership high on the political agenda. Current trends appear to be moving toward more favorable elite and public attitudes toward membership, and it may be only a matter of time before Austria applies to join NATO.

## **Finland**

Finland, like Austria, emerged from the Second World War as a democracy. Unlike Austria, its sovereignty remained legally intact. But Finland’s sovereignty was, in some

respects, qualified by its long border with the Soviet Union and the close proximity of overwhelming Soviet military power. These factors greatly influenced the 1948 Finnish-Soviet Treaty of Friendship, Cooperation and Mutual Assistance. From a Finnish perspective, the accord helped preserve Finnish independence, but some detractors would say it led to “Finlandization” or excessive Finnish responsiveness to Soviet interests.

The end of the Cold War and collapse of the Soviet Union liberated Finland from previous constraints on its foreign policy. Finland became a member of the European Union on January 1, 1995 and, like Austria, assumed observer status in the WEU. Finland was the first of the former neutrals to request observer status in the North Atlantic Cooperation Council (NACC — NATO’s forum for consultations with non-members, subsequently replaced by the EAPC) and was an early participant in the Partnership for Peace. Participation was largely justified in terms of NATO’s emerging peacekeeping role.

During 1996, Finnish politicians and experts debated the question of NATO membership. The result of the debate was a general consensus that Finland’s interests are currently well served by its position of military non-alignment combined with deepening military cooperation with its Nordic neighbors and with NATO. The debate left open, however, the question of eventual membership in the Alliance. As in the case of Austria, Finland has moved a long way from traditional neutrality with its membership in the European Union and its participation in WEU, PfP and EAPC. But Finnish President Martti Ahtisaari observed in July 1996 that he would not support accession to NATO because it would not enhance Finnish or European security. In March 1997, the foreign ministers of Finland and Sweden issued a joint statement on NATO enlargement arguing that enlargement should not have an adverse effect on their security or that of the Baltic states. One important factor in Finnish thinking is the fact that the now-independent former Soviet republics of Estonia, Latvia and Lithuania are not likely to be offered NATO membership in the next few years. Some Finnish officials believe that a move by Helsinki to join NATO would leave the Baltic states feeling even more isolated and abandoned.

The continuing Finnish debate on Finland’s role in European security suggests that the question of eventual NATO membership is far from closed. Public opinion still supports neutrality but younger Finns are not nearly so committed to the policy as are older generations. Moreover, a poll in the fall of 1996 indicated 43 % of Finns believe that Finland would eventually join NATO. Discussions with Finnish officials and experts suggests that Finnish policy is also strongly influenced by NATO’s relationship with Russia and with the Baltic states. Russia’s special relationship with NATO increases pressure on Finland to ensure that it can have a voice in NATO decisions that might affect its interests. A major factor still inhibiting a Finnish application to join is the fact that NATO is not yet ready to issue invitations to the Baltic states. If and when NATO is prepared to invite the Baltics, it seems likely that Finland will want to come along as well.

## **Sweden**

Sweden has not participated in any war or joined any military alliance since 1814. During the Cold War, Sweden took a serious approach to armed neutrality and maintained relatively high levels of defense spending and capabilities. It was largely anticipated that Sweden, although not part of the Western alliance, would play a constructive role in any Soviet attack on Western Europe, at least by defending its territory and complicating a

Soviet assault on Norway. Sweden joined NATO's PfP in May 1994, acceded to the European Union on January 1, 1995, and shortly thereafter became a WEU observer.

There has been an active debate in Sweden on the question of neutrality in the post-Cold War world. In February 1996, then-prime minister Social Democrat Ingvar Carlsson suggested that NATO membership was a question for the future and that current discussion of the issue was premature. Carlsson's successor, Goran Persson, has supported expanded involvement with NATO through active participation in the Partnership for Peace, Swedish contributions to the Implementation Force (IFOR) and now the Stabilization Force (SFOR) in Bosnia, and defense cooperation with its Nordic neighbors and the three Baltic states. The Center Party, on which the Social Democratic government relies for support, has remained staunchly in favor of neutrality. This view is shared by Green and Left parties in Sweden.

Among main opposition parties, the Moderate Party, led by Carl Bildt, leans toward NATO membership, and Bildt has personally endorsed joining the Alliance. Opinion polls in September 1997 strongly favored Bildt over current Prime Minister Persson (51% vs. 25%) in anticipation of elections scheduled for 1998. The small Liberal Party supports Sweden's active involvement in the transatlantic defense system. In October 1996, the Liberals became the first Swedish party formally to endorse NATO membership.

Public opinion remains broadly attached to Sweden's military non-alignment, but elite opinion appears to accept that Sweden will eventually find its interests best served by membership. A poll early in 1997 revealed that public resistance to Swedish NATO membership had decreased substantially. For the time being, the top Swedish priority will be to help provide support for the Baltic nations by advocating Baltic membership in the European Union and a developing a wide range of defense cooperation projects. A proposal by Carl Bildt for a Nordic Partnership for Peace, paralleling NATO's PfP, met a cool reaction in Sweden and elsewhere in Scandinavia. Critics argued that a separate Nordic PfP could make the Baltic states too dependent on the Nordics, who want to share that responsibility with other European countries and the United States. The idea was not embraced by the Baltic states because they do not want it to be seen as an alternative to NATO membership. The debate on NATO membership appears likely to continue in Sweden. Even if pro-NATO membership Carl Bildt comes to power in 1998, Sweden may still move in rough parallel with Finland on the NATO membership issue. This suggests that both countries may wait to request membership until the NATO countries are prepared to open the door to the Baltic states as well.

## Switzerland

Switzerland's tradition of neutrality is centuries old, but the modern period dates back to the establishment of the Alpine confederation in 1847, when neutrality was clearly established as the Swiss foreign policy orientation even though it was not mandated by the Swiss Constitution. Switzerland's historical experience, particularly the fact that Switzerland escaped untouched by two wars in this century, has had a powerful effect on Swiss public perceptions of neutrality. As one writer has noted, "...the Swiss people have become so accustomed to thinking of neutrality as a prerequisite of Swiss identity and

Swiss prosperity, that it has become something of a myth or dogma....”<sup>4</sup> Swiss reluctance to give up their treasured status was reflected in their December 1992 rejection of the referendum on membership in the European Economic Area, seen as a precursor to Swiss membership in the European Union. After the vote, the Swiss government put on hold its application to join the European Union.

In spite of domestic resistance, the Swiss government has decided that the confederation’s interests require more active participation in the process of European security cooperation. As a consequence, Swiss Foreign Secretary Flavio Cotti signed a PfP framework agreement with NATO on December 11, 1996. Explaining that Switzerland’s partnership arrangement would focus on areas not directly related to territorial defense, Cotti said that “Switzerland will remain faithful to its armed neutrality...” and that it does not plan to join NATO. Because Switzerland has not yet joined the European Union, it probably remains some years away from facing squarely the decision of whether or not to join NATO. But the process of involving Switzerland in NATO cooperation has begun with both commercial links to the Alliance, through a 1996 agreement with NATO’s Maintenance and Supply Agency, and participation in the PfP. Whether or not it eventually joins NATO, Switzerland seems bound to become more involved in NATO activities.

## **Ireland**

Irish neutrality, based largely on the desire not to be caught up in “Britain’s wars,” has been called into question by the recent changes in Europe, and particularly by NATO’s evolving role and developments concerning a European Security and Defense Identity. In March 1996, the Labour Party’s Dick Spring, at that time the Irish foreign minister, hinted that Ireland might consider joining NATO’s Partnership for Peace. Public opinion polls in October 1996 showed 69 % of the public wanted to maintain Ireland’s “policy of neutrality,” but 77% nonetheless favored joining the PfP and 68% supported Irish participation in the NATO-led Stabilization Force in Bosnia. In May 1997, Ireland sent a 49-strong military police contingent to Bosnia to serve in the NATO SFOR mission. In addition, the government decided to post a senior army officer to NATO’s supreme allied command in Belgium to perform liaison functions related to its participation in SFOR. In the June 1997 legislative elections, Fianna Fáil, which had strongly opposed Irish participation in the PfP, came to power in a minority coalition government with the Progressive Democrats, a small party that supports closer Irish ties to NATO. Fianna Fáil’s leadership has argued that PfP participation could lead to Irish forces being placed under NATO (and perhaps even British) command. The dominant position of Fianna Fáil in the current government appears to have at least temporarily closed the door to further evolution of Ireland’s involvement in European security structures.

Among the former European neutrals, Ireland probably has the least defensible argument for remaining outside the emerging cooperative defense framework in Europe. Having largely enjoyed a free ride on security throughout the Cold War, other Europeans as well as U.S. officials question the justification for Ireland’s position. Given the strong

---

<sup>4</sup> Manfred Roesch, “Switzerland’s security policy in transition,” NATO Review, December 1993, p. 20.

feelings on the issue, however, even a decision to participate in the PfP would be a difficult one for the Irish government. Furthermore, this issue has been overshadowed by the peace process in Northern Ireland. Under these circumstances, NATO membership likely will remain out of the question for the foreseeable future.