

**EUROPEAN SECURITY AND
DEFENCE POLICY REFORM: A
THEORETICAL CHALLENGE**

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Abstract

This thesis problematises the emergence of the European Union's Security and Defence Policy (ESDP) that emerged with the Maastricht Treaty and has subsequently passed through successive phases of reform. It seeks to explain both why this project has emerged and what the dynamics of European Union (EU) reform efforts in this policy area are. For this purpose, the thesis has sought to explore how a range of international relations and integration theories approach the analytical puzzles which ESDP construction has thrown up. The range of theories chosen is not comprehensive but includes what we consider to be the most prominent perspectives in the academic literature before the recent rise of constructivist trends. All the theories chosen – neorealist, neoliberal, and neofunctionalist theories – broadly fit with the Deductive-Nomological model of theory construction in the social sciences. This enables us to draw deductive-hypothetical explanations applicable to European Security and Defence Policy Reform (ESDPR) where leading proponents of the various theories have not already done so themselves. These hypotheses may then, in line with the D-N Model, be tested against the empirical evidence of the activities connected to ESDPR since the start of the 1990s. This testing then enables us not only to explore a solution for our analytical explanandum – explaining the dynamics of ESDPR – but it also enables us to throw some light on the more general explanatory adequacy of the various theories which we are applying to this case. We have pursued these research goals by dividing the evolution of the European Union's security and defence policy into four reform phases (1989-1992, 1992-1997, 1997-2000 and 2000-2007). This division is structured by the fact that in each phase major EU decisions were taken on ESDPR. We then test the congruence of each of our chosen theories' hypothetical explanations against the evidence in each of these four phases. We test the congruence of the theories with the evidence not only through a 'covering law' approach to explanation in which a fit is explored between independent and dependent variables, but also seek to use process

tracing to explore the actual process mechanisms leading towards major decisions on ESDPR. After carrying through this research on how the different theoretical schools seek to explain the four phases of ESDPR, we are then in a position to draw some significant conclusions both on our analytical puzzle – explaining the ESDP project – and on the empirical adequacy of the theories we test as explanatory perspectives on this aspect of EU construction. We hope that these conclusions will contribute both to future research on the evolution of ESDP and to future reflection and debate on the adequacy of the theories which we have tested in this particular case.

Dedication

To my wife, Aine, whose love and infinite patience never ceased to amaze. Also to my baby daughter, Millie, whose birth gave a whole new meaning to life.

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List of Abbreviations

CFSP	Common Foreign and Security Policy
CESDP	Common European Security and Defence Policy
CESDPR	Common European Security and Defence Policy Reform
CAP	Common Agricultural Policy
CFM	Council of Foreign Ministers
CEE	Central and Eastern Europe
CEEC	Central and East European Countries
CJTF	Combined Joint Task Force
CI	Complex Interdependence
CMO	Crisis Management Operations
COREPER	Committee of Permanent Representatives
CSCE	Council for Security and Co-operation in Europe
DCI	Defence Capabilities Initiative
D-SACEUR	European Deputy Supreme Allied Commander – Europe
EADS	European Aeronautic Defence and Space Company
EC	European Community
ECSC	European Coal and Steel Community
EDA	European Defence Agency
EDC	European Draft Constitution
EMU	Economic and Monetary Union
EMFA	European Minister for Foreign Affairs
EMM	European Monitoring Mission
EP	European Parliament
EPC	European Political Co-operation
EPU	European Political Union

ESDI	European Security and Defence Identity
EUSDP	European Union Security Defence Policy
ESDU	European Security and Defence Union
EU	European Union
EUMC	EU Military Committee
EUMS	EU Military Staff
EUSDPR	European Union Security Defence Policy Reform
FCO	Foreign and Commonwealth Office
FRG	Federal Republic of Germany
GAC	General Affairs Council
GATT	General Agreement on Tariffs and Trade
GDR	German Democratic Republic
GPS	Global Positioning Satellite
HR	High Representative
HRUFASP	High Representative for the Union in Foreign Affairs and Security Policy
IR	International Relations
IVPR	Integrative Value of Policy Reform
IAEA	International Atomic Energy Agency
IGC	Intergovernmental Conference
IPE	International Political Economy
KLA	Kosovo Liberation Army
LI	Liberal Intergovernmentalism
LVA	Liberal Value Approach
LVP	Liberal Value Perspective
MS	Member States
NSS	National Security Strategy

NAC	North Atlantic Council
NATO	North Atlantic Treaty Organisation
NYT	New York Times
OSCE	Organization for Security and Co-operation in Europe
PSC	Political and Security Committee
QMV	Qualified Majority Voting
RCI	Rational Choice Institutionalism
RRF	Rapid Reaction Force
SDI	Security and Defence Integration
SDP	Security and Defence Policy
SDPR	Security and Defence Policy Reform
SEA	Single European Act
SG	Secretary General
TEU	Treaty on European Union
UNMOVIC	UN Monitoring, Verification and Inspection Commission
UNSC	United Nations Security Council
US	United States
USA	United States of America
WEU	West European Union
WTO	World Trade Organisation
YNA	Yugoslav National Army

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Chapter One

Introduction

This thesis has a double-sided research aim. It wishes to explore a significant analytical-empirical puzzle – the efforts of the EU to construct a European Security and Defence Policy since the start of the 1990s – by a careful study of how various prominent mainstream theories of international relations (IR) and EU integration construct explanations of this historically new phenomenon. At the same time, we wish to explore the adequacy of the various theoretical schools of thought upon which we draw by testing them against the evidence of ESDP construction.

The emergent ESDP is surely both a very significant development and for many a rather puzzling one. Its significance extends beyond purely European developments into transatlantic relations and, in the view of some, into the entire evolution of world politics. There are, of course, many excellent analytical-empirical studies of this new ESDP phenomenon, including its transatlantic dimensions (Daadlar 1999, 2001, 2001a, 2001b, Howorth 2000, 2007). But there is not as yet a rigorous attempt to explore how this phenomenon may be theorised by the range of theories of both European integration and international politics (Pollack 2001; Diez and Wiener 2003 and Rosamond 2002). None of the dominant trends in European integration theory were oriented towards predicting and explaining this development and mainstream theories of international relations explain it in radically different ways. There have thus been calls for further investigation into the security and defence dimension of European integration (Menon 2000). The aim of this dissertation is to respond to such calls by bringing about a rigorous confrontation between the empirical reality of the ESDP project since Maastricht and a range of theories offering to explain either European integration or military-political change, or both.

Not everyone in the social sciences would endorse the idea of a confrontation between theories and empirical facts, with the double aim of theory construction to explain the facts and theory testing through the court of empirical evidence. Research of this kind

is open to the charges of positivism and empiricism. Interpretivists and other postpositivists might claim that the enterprise of trying to compare and test theories against factual evidence rests on shaky foundations. At the same time, historians may argue that what we need in order to explain the ESDP project is a thorough empirical account of the entire ESDP project – an ideographic study based upon primary sources, including extensive interviews with the people engaged in the project – before we attempt to classify and theories it.

We do not wish to challenge directly either of these charges. Postpositivist critiques of the methodology employed here may, or may not, have strong grounds in the philosophical debates about the gaining of secure knowledge. But the great bulk of the currently dominant schools of theory directly relevant to explanations of the ESDP project do in fact operate within the broadly positivist framework which we use in this thesis. The major exceptions are those scholars now operating within what we may call the constructivist problematic, which has increasingly gained an influential position in IR studies in the post-Cold War period. They are not a homogenous school in their approaches to social science methodology and, as Adler (2002) has pointed out, we may doubt that there is as yet what could be called a constructivist paradigm or research programme in IR. But they generally reject the Deductive-Nomological (D-N) epistemological model in one way or another. Wendt (1999), for example, adheres to a realist philosophy of science methodology. Other constructivists are phenomenologists in the tradition of Wittgenstein, and those constructivists with interpretive methodologies would certainly reject the kinds of covering law modes of explanation and even the process tracing which the theories we explore here would accept (see Checkel 2005:21). Precisely because of their various objections to the standard positivist model we have excluded them from this research.¹ Other schools of thought potentially relevant to the

¹ On the constructivist approach see also Adler (1997, 2002), James and Wendt (2002), Guzzini (2000), Hopf (1998) and Moravcsik (1999).

theorising of ESDPR have been excluded on the grounds that they play a minor role in current academic discourse in this field.²

The theories we explore here are framed in a deductive-nomological way and offer themselves for empirical testing. They subsume particular events/phenomena within a class of such phenomena and build theories of a law-like character which claim to tell us what other events/phenomena prompt the class of phenomena we are trying to explain. This covering law approach to explanation enables them to make predictions as to what we can expect in a field like ESDPR. For them, explanation and prediction are really two sides of the same coin. We can thus test their hypothetico-deductive predictions about ESDPR against the empirical course of events in the field of ESDPR. Thus, for those specialists in either European integration or international relations working within this deductive-nomological framework – and we would argue that they form the bulk of such specialists – this research should be of value. These considerations have influenced our choice of the theories we will explore: a variety of neorealist theorists, liberal institutionalist theorists and neo-functionalists.

Equally we do not challenge the claim that historians might make, that a really thorough historical study embracing as full a range of primary materials as possible would be of immense value for understanding the evolving ESDP project. There is indeed a great need for such work and this thesis does not aim to meet this need. While it does, of course, draw upon primary documentary sources on the ESDP, these are largely confined to the official documents of the EU. Beyond that, it draws overwhelmingly upon secondary sources for its empirical material. But what we hope this thesis can contribute to future historical research on ESDP is a rather rigorous and detailed comparative study of different explanatory logics for illuminating the dynamics of change in the ESDP project,

² The most notable of these is Marxism. We have also excluded Federalist theories because we regard them as more properly belonging to normative political theory, advocating a specific structure of governance rather than the kinds of explanatory-predictive theories which we will study here.

which we call the dynamics of European Security and Defence Policy Reform. Thus far, little work of this kind has been attempted.³

Even with our confinement to readily available documents and secondary sources, the weight of empirical material in principle confronting a researcher on any major aspect of the EU is enormous because of the sheer number of member states involved in the decision-making processes of the EU. To cope with this problem, we have taken a restrictive decision which may be questioned but which we, along with others, consider legitimate, particularly in the field of foreign and defence policy: we have confined our discussion of member state actors within the EU largely to Britain, France and Germany. Thus, unless otherwise stated, 'Member States' refers to Britain, France and Germany. This is not to suggest that other states are not important or that neorealist and intergovernmental assumptions are accepted a priori: the adoption of a manageable research strategy forces a hard choice. Thus, these three Member States are chosen because they are the decisive trio whose agreement has in general been a condition for any progress in ESDP.

The EU Member States have agreed a large number of reforms since 1989 that constitute a process towards defining its character as an international security actor. The complexities of the international security system, however, have meant that the Union's pursuit of a common foreign and security policy (CFSP) and a common European security and defence policy (CESDP)⁴ has been fraught with difficulties as the West European powers have struggled to provide a common strategic blueprint. Nevertheless, this process gives us a field for the empirical testing of hypotheses. The Union has developed a number of nascent structures, processes and instruments in this field. The origin of these can be found in treaty revision conferences (Intergovernmental conference) and the ratification of their results. These moments form the focal points for the periodisation of the research in

³ Smith and Braden (2004) do offer some exploration of contrasting theoretical understandings of ESDPR comparing neofunctionalism, liberal intergovernmentalism (LI), institutionalism, and constructivism.

⁴ From now, collectively referred to as security and defence policy (SDP).

this thesis. Most students of IR would agree that the EU is not yet a security and defence actor in the sense that it does not have state-like actor capabilities. The real question is then one of processes: is the EU moving towards or away from security and defence integration (SDI) proper?⁵ We examine four periods in the history of the ESDP project since 1989, each one of which contains a significant effort at institutional and policy development in the ESDP field via treaty-revision decisions. Within each of these four periods we explore the ways in which each of the theories we are drawing upon does or can give a compelling account of both the process and the outcome.

In applying various theories to the empirical realities of ESDP we will first of all be concerned with the internal consistency of our various theories at various levels. Popper (1980:92) said, in *The Logic of Scientific Discovery*, that:

... the importance of the requirement of consistency will be appreciated if one realizes that a self-contradictory system is uninformative...A consistent system, on the other hand, divides the set of all possible statements into two: those which it contradicts and those with which it is compatible...This is why consistency is the most general requirement for a system, whether empirical or non-empirical, if it is to be of any use at all.

In the D-N Model of explanation, theories can be treated as a pyramid of statements at the apex of which are the core axioms of the given paradigm, its most abstract general claims covering, at least in principle, all times and places. There is then a deductive logical link down the pyramid to law-like claims closer and closer to the empirical realities of specific times-places events. When grappling with new event-phenomenon, theorists in a given school must first subsume the event-phenomenon within a given class of the same kinds of event-phenomena and they can then apply the law-like statements of their theory relevant to that class of phenomena to the new event-phenomenon. But in doing so, they are actually constructing a deduced hypothesis to the new empirical phenomenon. The researcher must empirically explore the fit between the deductive-hypothesis and the phenomenon to be explained. But at the same time a fit must

⁵ SDI proper, on a simple interpretation, would mean handing control of policy formation and implementation over to the supranational institutions of the EU, but for this to happen the Member States must first wrestle control of SDP from NATO, thus Washington's control.

remain between the deduced hypothesis and the rest of the entire pyramid of concepts within the theory up to its summit. The theory that offers us a consistency from the axiomatic apex to the empirical base in its account of the reforms will be judged superior to other theories that attempt the same enterprise with less success.

Thus, in applying and testing our theories in relation to ESDPR we will first have to outline the core 'axioms' or basic assumptions of each theory. We will then have to take deductive steps from these axioms downwards towards hypotheses which can actually be applied to our empirical explanandum. In some cases, authors in the various schools of theory have already done this in relation to ESDP; in others they have not and we will therefore make what we consider to be deductive hypotheses relevant to ESDP which are at the same time logically consistent with the theory's axiomatic core.

Popper's approach to testing theories is still predominant among proponents of the D-N Model, though with some modifications. For Popper, theory was centrally concerned with explanation-*prediction*. For him, a properly scientific prediction must be empirically falsifiable. This for Popper did not mean that empirical facts could prove a theory to be correct. He rejected this idea, one which rests on inductive logic of which Popper was suspicious. Popper was aware that facts themselves are 'theory-laden'. It should also be said that Popper largely recognised that the laws used in covering-law explanations in the social sciences – the nomological aspect of the model – are not in relation laws of the same precision as may exist in some natural sciences such as physics: they are more like trends and are 'law-like'. But what Popper did insist upon was that theories must generate hypotheses that can be empirically refuted or falsified. We will adopt this approach in our handling of the interaction of our theories and the empirical experience of ESDP.

We will adopt this Popperian approach with a qualification derived from many critics of Popper in this area. Popper sometimes gives the impression that, once falsified, a theory or the part of it which has been falsified should be dropped by social scientists and consigned to the dustbin of science. As critics have pointed out, this notion both fails to correspond to what actually happens in scientific research and could be damaging for

theoretical advance if it was adopted. In reality, supporters of a paradigm facing the falsification of some part of their theory do not drop the theory or even indeed the part that has been seemingly falsified. Instead, they seek to treat the falsification as a puzzle for their theory and one which may be solved within the theory and may indeed result in the ultimate enrichment of the theory. This is the approach which we will adopt here: we are not expecting that our confrontation between theories and the empirical realities of ESDP will lead to the decisive defeat of any one of the theories we will examine. But we do hope to suggest that the empirical experience of ESDP will demonstrate that various explanations-predictions in some of our theories may be provisionally refuted or that claims from within the theory that its predictions have not been decisively refuted may seem weak. Furthermore, we will be much less hostile to inductive claims than Popper. Where a theory's hypotheses seem to grasp rather well the empirical material, we will judge that to be strong support for the theory in question.

In examining each theory we will interrogate it for the following key elements:

- Its claims as to the independent variables which it judges to be most decisive in determining the catalysis for change towards the dependent variable – ESDPR.
- Its claims about who the key actors are, what their key preferences will tend to be.

These two elements will apply across our entire research. But within each of the four periods of ESDPR that we will study, we will interrogate each theory for its answers to three further questions, which we will call three 'dimensions' of empirical reality:

- Dimension One: The theory's way of framing the decisive features of the environment in which the key actors find themselves in in each of the four phases of ESDPR that we study.

- Dimension Two: Its way of explaining the process through which the key actors respond to that environment by engaging in a negotiated response to it via ESDPR.
- Dimension Three: How each theory assesses the significance of the outcome of the negotiated agreement on ESDPR.

The question arising under dimension one is: what occurrence or incident transpired in the international system to motivate the key actors to reform SDP and how does it relate to theoretical hypotheses? What new challenges did the transition present for these actors? The question arising under dimension two is: what reaction does each theorist anticipate from the actors it considers central as a response to the new situation? The question arising under dimension three is: what, for each theorist, is the significance of the bargain struck on ESDPR in each of the four periods?

This approach has distinct advantages. First, by deriving hypotheses that relate directly to each phase of reform, it is possible to assess the motives and actions of the actors involved in the evolution of security and defence policy reform (SDPR). Also, because the theorists under investigation have different predictions concerning the behaviour and actions of states in the international system, this approach allows for robust testing of hypotheses. Moreover, this approach meets the requirements of a ‘structured, focused comparison’ in that it allows the cases to be compared systematically and thereby yields confidence in the conclusion — which theory offers a more consistent account of reforms over time and space (George 1979:61).⁶

Focusing on one or two of the reforms provides too narrow a basis for testing hypotheses. By extending the analysis in time (1989-2007), to include all of the SDP reforms, this study is better able to generalise about the relationship between events and the motives of Member States for reform. As each theorist has different predictions

⁶ This method requires i) defining the research objective (formulating hypotheses, etc.), ii) specifying control, key causal, and dependent variables, iii) selecting cases and iv) establishing how to measure variance in the dependent and independent variables (ibid.).

concerning the operational factors of dimensions one, two and three, the extrapolation of testable hypotheses is possible. This goal will be executed for each period to allow the study to generate hypotheses that are close to the evidence about ESDP. Specifically, this study embraces two research models for their success in illuminating the causal relationship between the independent and dependent variables.

Conceptual Framework for Testing the Theories

Congruence Testing

The first method, 'congruence testing', allows the study to probe the extent to which specific ESDPR in each period is explicable in terms of the independent variables given in each theory (George and Bennett 1997). It allows the research, in other words, to find evidence that the dependent variable or the outcome matches theoretical expectations. George and Bennett (1997:7) put it thus: "The investigator can use a deductive theory to generate a prediction/explanation for the outcome of the dependent variable. If the outcome is consistent with the prediction, then there is at least a presumption or possibility of a causal relationship". George and Bennett (1997a) do warn, however, that:

... single theory congruence tests are not strong enough to merit "confirmation" or "falsification" of theories. More than one theory may appear to be equally congruent with the outcome, or the outcome may be caused by other factors not identified by any of the theories considered. Researchers thus have to be sensitive to the issues of spuriousness, causal priority, and causal depth in qualifying the strength of inferences made on the basis of congruence tests. Spuriousness occurs when the observed congruence of the cause C and effect E is artificial because both C and E are caused by some third factor Z (whether Z has or has not been identified as a competing theory).

In general, however, the clearer and more precise the general theory, the more compelling it is and thus worries about being spurious can be reduced. The weakness of congruence testing is that it merely establishes consistency between theory and ESDP outcomes. In other words, it does not probe particular causal mechanisms that connect the independent variable to the dependent variable (ESDP outcomes). One other word of caution, which is particularly relevant to this study, is that the appearance of congruence is

not necessarily evidence of or an inference of causality, nor does the lack of congruence deny a possible causal role (George and Bennett 1997:9).

Process Tracing

The second method ventures to correct these issues by attempting, for each phase, to find evidence not only that the dependent variable matches theoretical expectations but also the specific ways in which causal linkage results. Put another way, this approach searches for some qualitative evidence that linkage was in fact the result of a causal process and does not simply reflect spurious association. George and Bennett (1997) argue that this is only possible through colligation, commonly known as ‘process tracing’. Specifically, they (1997:8) states that: ‘The investigator can employ process-tracing to identify a causal path (the causal chain) that depicts how the independent variables leads to the outcome of the dependent variable’. Furthermore, this approach attempts also to determine that the causal linkage evidenced was of a significant impact to produce the outcome predicted by theory.

Bennett and George (2005:11) contend that:

If a theory is sufficiently developed so that it generates predictions about causal processes that lead to outcomes, then – and only then – can process tracing assess the predictions of the theory. The use of process tracing involves testing to see whether the observed processes among variables in a case match those predicted by the theory.

The ease with which this can be achieved is checked by the types and variants of process tracing and the types of causal processes available to the study to accomplish its main task. ‘The challenge in using process tracing is to choose a variant that fits the nature of the causal process embedded in the phenomenon being investigated’ (Bennett and George 2005:8).

In order to meet the requirements of these models, the study examines the evolution of European regional SDPR across four phases, from 1989 to 2007. The key advantage of this approach is that it allows the study to offer us a dependable account of SDPR and to suggest which approach from integration and IR theory provides us with a

consistent theoretical account of the process and result of those reforms. This challenge, thus, requires the abstracting of testable hypotheses from the given theories in each phase that are close to the evidence about, and surrounding, ESDP in place and time to be empirically tested. We now turn to the main theories which we will explore for an explanation of the dynamic.

International Relations Theory

Neorealism

Realist and neorealist theorists of IR offer what is considered the most suitable conceptual framework for explaining developments in the field of international security politics and thus gives us explanatory theories for developments within the emergence of ESDP. We will therefore explore this school's approaches to ESDPR. The increasingly divergent trends within the school will lead us to test a range of neorealist approaches to ESDP. For the purpose of this study, only the variants that allow for lucid extraction of testable hypotheses to explain SDP co-operation between Member States will be analysed.⁷ To this end, this section concentrates on the neorealist works of Waltz, Walt, Mearsheimer and Wohlforth.⁸ To begin with, however, a brief introduction to realist theory would prove valuable at this stage.

While the history of realist theory can be traced back to Thucydides, Machiavelli and Hobbes, for this study it is instructive to start with Hans J. Morgenthau. His book *Politics Among Nations* (1948) is considered one of the archetypal works on realism which begets the basic assumptions of analytical work in this genre (including neorealism). For Morgenthau, power is the fundamental goal of states. 'The main signpost that helps political realism to find its way through the landscape of international politics is the

⁷ The link between co-operation and integration is evident; states are locking themselves together in order to achieve goals that individual states could not hope to gain.

⁸ To this Schweller (1995) could be added, but his contribution to the debate is about bringing the revisionist state back into theoretical debate. From his account the Member States are states of the first rank - lions in his terminology, which opt for maintaining the status quo, thus they balance or buckpass, buckpassing being the preferred option when possible. In short, his account offers us nothing new, having already been theorised by our other neorealist approaches.

concept of interest defined in terms of power' (Morgenthau 1993:5). The accumulation of power is the means and ends that states seek within the system.⁹ Within that meaning, power is at the core of realist theory as both a goal and a means. From this assumption flows the core of realist beliefs on the operation of the international system of states. The second core assumption is that states are the primary actors in the system (Grieco 1988 and 1988a, Waltz 1979). Relationships between states are the driving force within the system. As states interact in a competition for power, constraints develop within the system that affects the actions of the units. A third assumption, the theoretical thread that holds realism together, is the concept of anarchy. This assumption implies the absence of any authoritative institution above the sovereign state. The state is the final arbiter of its own actions and the decision to use force. Thus, a state will act until the system, in the form of another actor or alliance of states, puts constraints in place. In such a condition, the state is forced to pursue a policy of self-help to ensure its survival.

Although preserving various core features of classical realism (state as the principal actor and power as the main analytical tool), realism was updated and refined. This new and innovative study emerged from the writings of Kenneth Waltz in 1979. Waltz's neorealism is a structural theory, based on Cold War politics. Waltz, unlike traditional realists, argued that states do not pursue power as an actual goal in itself. Power is a means and not an end. Security is the actual goal that states pursue in the system. 'They cannot let power, a possibly useful means, become the end they pursue. The goal the system encourages them to seek is security. Increased power may or may not serve that end' (Waltz 1979:126).¹⁰ Establishing security as a tool allowed him to abandon the normative principles that were inherent in the assumption that state acquisition of power is a means and an end. By shifting the focus onto security, Waltz moved to create a more

⁹ Traditional realists like Morgenthau see a state's struggle for power as a human condition. Neorealists argue it has its basis in the anarchic structure of the international system.

¹⁰ For a critique of power and the realist formulation of its usage see Raymond (1966, pp. 591-600).

systematic application to the understanding of the system that states operate in.¹¹ Waltz describes the international system as an anarchic competition for power among like-minded states. Traditionally, realists argue that, 'the final arbiter of things political is power' (Gilpin 1986:304). The objective of the state is thus to maintain its security through power. Waltz states that, 'in anarchy, security is the highest goal' (Waltz 1979:106). For him, it follows that, to maintain security, states are required to engage in self-help tactics in order to survive. To understand how this relates to contemporary ESDPR, we need to look at Waltz's general theory of international politics. Apart from the obvious necessity of providing adequate military capabilities, Waltz elaborates the logic of balance-of-power as the most important strategy for ensuring the security and defence of the state. Balance of power is an obvious development of the self-help system and a major aspect of Waltz's structural explanation of the international system.

Balance-of-power theory is a theory about the results produced by the uncoordinated actions of states. The theory makes assumptions about the interests and motives of states, rather than explaining them. What it does explain are the constraints that confine all states. The clear perception of constraints provides many clues to the expected reactions of states. How will a particular state react? ...Balance-of-power theory can give a general and useful answer to that question (Waltz 1979:122).¹²

Waltz claims that balance of power politics is present in the system and operational when, 'two or more states coexist in a self-help system, one with no superior agent to come to the aid of states that may be weakening or to deny to any of them use of whatever instruments they think will serve their purposes' (Waltz 1979:118). States are thus exposed to the logic of balance of power politics in order to provide security and survive. The functional character of states implies that, as long as the system remains

¹¹ Neorealism and realism are largely alike in five central assumptions (Grieco: 1988). *International Organisation* 42:3.

¹² An Alternative to Waltz 'hard balancing', suggests: 'Soft balancing involves tacit balancing short of formal alliances. It occurs when states generally develop ententes or limited security understandings with one another to balance a potentially threatening state or a rising power. Soft balancing is often based on a limited arms buildup, ad hoc cooperative exercises, or collaboration in regional or international institutions; these policies may be converted to open, hard-balancing strategies if and when security competition becomes intense and the powerful state becomes threatening'. Quoted in Brooks Stephen G. and Wohlforth William C. (2005) *Hard Times for Soft Balancing*.

anarchic, states will continue to balance. In a bipolar system, the two major powers will tend to balance each other which, on the upside, leads to stability in the system; on the down side, bipolarity is linked to the zero-sum concept of state interaction. It is considered by Waltz the nearest thing we have to a theory of international relations. 'If there is any distinctively political theory of international politics, balance-of-power theory is it' (Waltz 1979:117). The theoretical implications are wide, yet its meaning is far from clear, as Waltz acknowledged. Nevertheless, according to Hedley Bull, balance of power realised three positive functions in the modern state system:

1. Balance of power throughout the international system as a whole has served to prevent the system from being transformed by conquest into a universal empire.
2. Local balances of power have served to protect the independence of states in particular areas from absorption or domination by a locally preponderant power.
3. Balance of power has provided the condition in which other institutions on which international order depends (diplomacy, war, international law, great power management) have been able to operate (Bull 1977:102).¹³

Waltz admits that, while states may seek to balance, this does not guarantee their survival, but he insists that it is consistently applied in order to save the state from potential destruction. 'Safety for all states, one may conclude, depends on the maintenance of a balance among them' (Waltz 1979:132). He would, therefore, explain European SDP prior to 1989 as the need to balance the Warsaw Pact. Balancing behaviour is tied up with Waltz's tripartite constraining model¹⁴ and, more specifically, the third point, distribution of capabilities. Accordingly, each state must not only continually assess and reassess its own capabilities, but also those of other states. Any shift in the relative power of the major actors is likely to prompt positional shifts or re-balancing within the system. Even within the benign sphere of regime-based co-operation for economic gain, the same principles

¹³ Bull is associated with the English school of international relations. The idea of 'international society' distinguishes it from other theories. Its principal thesis holds that state conduct cannot legitimately be interpreted without consideration of the rules, norms, values and institutions that form the international system.

¹⁴ Waltz defines the structure of the system according to his tripartite thesis, which include the 'ordering principle', the 'functionality of the state' and the 'distribution of capabilities' (Waltz 1979:100-101).

apply. Relative gains are what matter, not absolute gains. In part, this is because economic advantage can be transposed to increase relative military capabilities. At its core is the central argument that international politics reflects the distribution of national capabilities. The fundamental conclusion to be drawn from balance of power theory is that states balance instead of bandwagoning. 'If states wish to maximize power, they would join the stronger side, and we would see not balances forming but world hegemony forged. This does not happen because balancing, not bandwagoning, is the behavior induced by the system' (Waltz 1979:126). The theory reveals that anarchy causes the development of balances of power because of the competitive self-help practice it generates. As states contest the resources needed for security, a balance of power forms.

Although Waltz maintains neorealism is not a theory of foreign policy, balance of power logic may be linked to European SDPR as a policy consequence of the collapse of the bipolar balance and of the consequently unipolar moment in international politics. Taking balance of power logic as expressed by Waltz, the current unipolarity found in the post Cold War system will not last. America, the unchallenged hyperpower according to the logic, will be unable to perpetuate its current position as global number one. This assessment of the future of America's position represents the principal neorealist model of power and balancing in the international system. Waltz applies his logic as follows: 'In international politics, overwhelming power repels and leads others to try to balance against it. With benign intent, the United States (US) has behaved and, until its power is brought into balance, will continue to behave in ways that sometimes frighten others' (Waltz 2000:27). The distribution of capabilities is for him the main variable operating within the system. But he, also, expresses his concern over the nature of American foreign policy.¹⁵ By keeping troops in Western Europe, where no military threat is in sight, and by extending NATO Eastward, the US he argues is manoeuvring to keep a new balance of

¹⁵ A recurring theme throughout this study is the influence that America has on the process and outcome of SDPR. Therefore, the question that arises is: what is American foreign Policy? For possible answers to this question see Ginsberg (2002), Gowan, Peter (2002), Judis, John (2004) and Kagan, Robert (2002).

power from forming in Europe (Waltz 2000:36). American foreign policy, far from creating security, undermines it.

The effort to maintain dominance stimulates some countries to work to overcome it. As theory shows and history confirms, that is how balances of power are made. ...American leaders seem to believe that America's pre-eminent position will last indefinitely. The US would then remain the dominant power without rivals rising to challenge it—a position without precedent in modern history (Waltz 2000:37).

Brenner (1998:22) has noted that, 'Fifty years on the world stage has given the US a strong streak of realism'. Current American foreign policy, 'you are either with us or against' one can conclude is a policy 'that only an overwhelmingly powerful country could afford, and only a foolish one be tempted, to follow. The US cannot prevent a new balance of power from forming. It can hasten its coming as it has been earnestly doing' (Waltz 2000:38).¹⁶ Notwithstanding Waltz's claim that neorealism is not a theory of foreign policy, his theoretical approach to international politics, as we shall see, allows for the drawing of policy-relevant conclusions to European SDPR. Indeed, Waltz as a neorealist is unique in that he acknowledges the possibility of the Member States making a collective decision to integrate politically. He suggests pressure to compete with America and Japan as two reasons. Also, as anxiety over the political and economic clout of Germany intensifies due to the possibility of it becoming a nuclear power (while to date there is no evidence of Berlin pursuing a nuclear option, for most neorealists this is what states must assume Germany will do), the final push to unification may be instigated (Waltz 1995:68). It hints that Waltzian neorealist logic is open to the suggestion that states can and will co-operate over SDP; and, if the need arises, they may even opt to integrate to achieve security (Waltz 1993).

Neorealism is, however, as noted earlier, a broad church and any analysis must take account of the diversity within the approach. For one thing, it would be disingenuous to argue that one can derive a single testable hypothesis from the various strands of neorealist theory, as it would prove difficult to collapse the theory to attempt such an

¹⁶ Although here, Waltz is talking about American policy concerning Russia and China, there is no reason why the same logic does not apply to post-9/11 foreign policy.

undertaking.¹⁷ Waltz, although the intellectual founder of the neorealist paradigm, has not been without his antagonists from within the camp.

Mearsheimer, taking his lead from Waltz's neorealist approach, also argues that the key to understanding international politics lies in the structural nature of the system rather than in the character of the individual units operating within the system. Moreover, because this structure is anarchic, by nature states are forced to compete for primacy with like-minded units in a self-help world.

Thus the keys to war and peace lie more in the structure of the international system than in the nature of individual states. ...Conflict is common among states because the international system creates powerful incentives for aggression. ...There is little room for trust among states because a state may be unable to recover if its trust is betrayed. [And] each state must guarantee its own survival since no other actor will provide its security. ...Relative power, not absolute levels of power, matters most to states. Thus, states seek opportunities to weaken potential adversaries and improve their relative power position. They sometimes see aggression as the best way to accumulate more power at the expense of rivals (Mearsheimer 1995a: 85).

On the last two points, Mearsheimer differs from Waltz. Where Waltz relies on balance of power theory where the status quo is the main goal of states, Mearsheimer rebuffs this for what he describes as 'offensive realism'. 'The international system is portrayed as a brutal arena where states look for opportunities to take advantage of each other, and therefore have little reason to trust each other' (Mearsheimer 1995a: 336). States are offensive, they search for power (albeit for security reasons) as opposed to defensive states that search for security.¹⁸ Mearsheimer argues that the odds of major conflict in Europe are likely to increase now that the Cold War is over. For him, this pessimistic conclusion rests on the general principle that the distribution and nature of military power in the system accounts for war and peace. The peace after 1945 had three influences: the bipolar distribution of military power; the rough military equality between the polar powers, the US and Soviet Union; and the fact that each had a large nuclear

¹⁷ Brooks (1997) states that neorealism advances very few hypotheses about state behavior; the three principal hypotheses are: (1) balancing behavior constantly recurs, (2) states will be constrained from engaging in cooperation, and (3) states copy the advances made by rival powers.

¹⁸ Although it has been said that Waltz has a foot in both camps (Snyder 1991:12). For an analysis of the offensive defensive debate, see Brooks (1997).

deterrent (Mearsheimer 1990:2).¹⁹ Like Waltz, Mearsheimer (2001) argues that bandwagoning is usually a bad idea because it is tantamount to capitulation to the stronger state by the third party. Mearsheimer (2001:157-162), however, offers us another possibility, that third parties prefer to 'buck-pass' and allow other states to check the power of strong states.

A buck-passer attempts to get another state to bear the burden of deterring or possibly fighting an aggressor, while it remains on the sidelines. The buck-passer fully recognizes the need to prevent the aggressor from increasing its share of world power but looks for some other state that is threatened by the aggressor to perform that onerous task. (Mearsheimer 2001:157-158)

The usual strategy of balancing or bandwagoning is, thus, annexed by balancing or buck-passing and threatened states prefer 'buck-passing to balancing whenever possible' (ibid. 140). He also differs from Waltz as to the scope of international politics. Waltz understands international politics as being structured at a global level; Mearsheimer argues that it is structured at a regional level. The first objective of great powers is to seek regional hegemony and, although a state could guarantee its security if it were a world hegemony, that possibility is not feasible (Mearsheimer 2001:140).²⁰

Thus, the ultimate goal of great powers is to achieve regional hegemony and block the rise of peer competitors in distant areas of the globe. In, essence, states that gain regional hegemony act as offshore balancers in other regions. Nevertheless, those distant hegemonies usually prefer to let the local great power check an aspiring hegemony, while they watch from the sidelines (ibid. 236-237).

In other words, because world hegemony is impossible, politics takes place in a regional context. For him, the end of the Cold War will hasten local balancing behaviour as Germany, France and Britain assume major power status. Thus, as Europe becomes multipolar, with America acting as offshore balancer, the major European powers will balance to prevent one of them from rising to dominance. However, he does predict that balancing might prove difficult: 'The problem of containing German power would emerge once again, but the configuration of power in Europe would make it difficult to form an

¹⁹ For a realist analysis of liberal interpretation of peace see Gelpi and Grieco (2003).

²⁰ Waltz would also obviously argue that world hegemony is impossible due to balance of power theory.

effective counterbalancing coalition...' (Mearsheimer 1995:104). Waltz, on the other hand, would argue that: 'Hegemony leads to balance, which is easy to see historically and to understand theoretically. That is now happening, but haltingly so because the US still has benefits to offer and many other countries have become accustomed to their easy lives with the US bearing many of their burdens' (Waltz 1995:75). Waltz would, therefore, predict that the overwhelming power of the US in the new international system would eventually hasten the European powers to balance against it.²¹ When extrapolating a testable hypothesis to understand SDPR, this divide is telling. If Waltz's assertion is correct, the result will be a Europe-versus-America aspect; if, however, Mearsheimer's argument is correct, the result will be a power struggle between the European powers, *inter alia*, to prevent the rise of Germany to regional dominance. At the systemic level, Waltz and Mearsheimer equate *power* with *threat*, because of unbalanced power being of itself a threat.

Stephen Walt, however, in contrast to both argues that alliances are not formed against powerful states *per se*, but against threats, perceived or otherwise. Walt modified Waltz's balance of power theory 'to include perceptions of intentions as part of the independent variable' (Brooks and Wohlforth 2004:7). In Walt's model, a resurgent power or a state with vast relative power capabilities will not on its own be enough to compel balancing behaviour. For him, balancing will only occur if other states feel threatened by actions of other states, regardless of power relations.

Rather than allying in response to power alone, it is more accurate to say that states will ally with or against the most *threatening* power. For example, states may *balance* by allying with other strong states, if a weaker power is more dangerous for other reasons. ... Because balancing and bandwagoning are more accurately viewed as a response to threats, it is important to consider all the factors that will affect the level of threat that states may pose. (Walt 1995:213-214)

According to him, therefore, balance of power theory does not offer us a powerful enough tool to explain the observable behaviour of state alliance formation. Walt

²¹This is not to suggest that Waltz would dismiss the possibility of regional balancing. As noted he even suggests that the member states may unite out of fear of a resurgent Germany.

identified four criteria nations use to evaluate the threat posed by other states: 1) aggregate power—e.g. population, industrial and military capability, technological prowess, the more superior these resources relative to other actors ‘the greater the potential threat it can pose to others’; 2) proximity—states in close proximity to other powers are more likely to balance; 3) offensive capability—‘states with large offensive capabilities are more likely to provoke an alliance than those who are either militarily weak or capable only of defending’; and 4) offensive intentions—likewise, states that appear aggressive, also provoke other states to balance (Walt 1995:213-217). In short, for him, the greater the aggregate power and offensive capabilities, the closer its proximity to the threatened state; and the more apparent its offensive capabilities, the more inclined it will be considered, as threatening and states will balance against it. Walt is thus also a defensive neorealist but, unlike Waltz, argues that the directional flow and level of threat is the key driver in balancing behaviour, not the distribution of power. Power for him is important, but it is not the only variable determining state behaviour. Walt then offers us three parameters through which to assess when states will balance or bandwagon:

1. Weak states are more likely to bandwagon, ‘because they can do little to affect the outcome, they are more likely to opt for the winning side’. Weak states may, however, ‘balance against other weak states, but may be relatively more likely to bandwagon when confronted by great power’ (Walt 1995:222).
2. Weak states when threatened by great power will opt to bandwagon if no potential allies can be found, if they can find allies they will opt to balance (ibid.).
3. Historically, states will balance in peace time to prevent war and bandwagon with the winning side when it ends (ibid. 222-223).

Clearly, he differs from Waltz as to the sources of threat. Waltz’s study focuses on power, more specifically aggregate power, while Walt adds three new factors into the analysis. Both, however, agree on what goals strong states will pursue, balancing or

bandwagoning, and both predict balancing to be the favoured response to threats. For Walt, states when faced with a choice tend to balance against the foreign power that poses the greatest threat (as in WWI and II); states, in other words, especially powerful states, favour balance formation over bandwagoning. The result of this can lead to two forms of balancing: the threatened state can act to increase its own power in relation to the threatening state (the classic security dilemma), or the threatened state can balance by political means (Waltz 1987:26). That is, co-operation in the form of military or political alliance formation may occur. Walt would expect instances of balancing to be especially heightened throughout times when the threatening power's actions are expressly detrimental to the position of the threatened state. He (1990:17) argues that balancing is simply allying with others against the prevailing threat. The effect also highlights to us that the balancing partners are rejecting the capacity of the superior power to influence, pressure or threaten them in the future and an attempt is thus made to check threatening power. Bandwagoning, nevertheless, he acknowledges, can happen under certain conditions. Very weak states under pressure from a powerful state may be left with no option but to bandwagon. If the powers they possess are unlikely to affect the outcome of a potential conflict, then they will choose to bandwagon with the winning side. There might also be an absence of allies to balance or they may bandwagon out of ideological solidarity.²² Powerful states, however, balance. 'This is primarily because an alignment that preserves most of a state's freedom of action is preferable to accepting subordination under a potential hegemon. Because intentions can change and perceptions are unreliable, it is safer to balance against potential threats than to hope that strong states will remain benevolent' (Walt 1995:220). He also argues that, from historical reckoning, states are inclined to balance in peacetime or at the onset of war in the hope of checking the

²² Schroder (1995:430) by his historical reckoning concluded that bandwagoning was more common than balancing. He further argued that Walt's focus on threats was impracticable when utilised to distinguish between balancing and bandwagoning or to discover the motives of states, 'since any bandwagoning state is likely to claim that it is actually balancing against a threatening enemy'.

threatening state; conversely, when the war is drawing to a close and a winner is identifiable, states tend to bandwagon with it. In short, his theoretical model can be broken down thus:

1. States form alliances as a response to threats.
2. The four sources of threat are aggregate power, geographic proximity, offensive capabilities and hostile intentions.
3. How states react to threats depends on three parameters, namely state power, availability of allies and war (end of) and peace (possibility of war).

The important thing to remember from Walt's perspective, on the interaction of states in the international system, is that even if weak states do opt to bandwagon, their actions will have scant impact on the international balance of power. 'For the states that matter, balancing is the rule: they will join forces against the threats posed by the power, proximity, offensive capabilities, and intentions of others' (ibid. 223).

Walt (2005:126-132) also offers us another perspective through which to analyse core neorealist assumptions—'soft balancing', which ties in with his 'balance of threat' thesis.²³ States may also seek ways to limit hegemonic power short of direct balancing. The more states worry about the hegemonic power, the more likely that they are to take steps—however modest and covert—designed to undermine or obstruct its efforts (Walt 2002:141). Moreover, if no threat is perceived, states may essentially attempt to increase their influence to enable them to bias outcomes in international organisation to their benefit.

Thus, from a Waltian perspective of ESDP, SDP institutions are not a restraint on independent action, but a means for the state to pursue its national interest. The state's

²³ 'Soft balancing involves tacit balancing short of formal alliances. It occurs when states generally develop ententes or limited security understandings with one another to balance a potentially threatening state or a rising power. Soft balancing is often based on a limited arms buildup, ad hoc cooperative exercises, or collaboration in regional or international institutions; these policies may be converted to open, hard-balancing strategies if and when security competition becomes intense and the powerful state becomes threatening' (Paul 2004:3).

ambition is to secure and extend influence over other states within international institutions, while those institutions in turn come to influence states outside of it—hence the CFSP/ESDP and one reason for NATO’s continued existence. The notion that states seek influence in place of independent action can thus be identified in the realist theory of hegemonic stability. The basic thrust of which stresses that international institutions can be effective if a principal power considers it useful to achieving national interests on a cost-benefit calculation. Accordingly, a hegemonic state in Europe, and not necessarily a European state, might seek to monopolise influence (power) through European and Atlantic institutions rather than recourse to expensive conflict. Where a state finds its security, as in the EU and NATO, less of an issue in policy making, it will gravitate towards increasing its influence within institutions. The power the state holds will then be translated into influence. Influence and security are thus *two parts* of the same coin. Consequently, a state will go to extraordinary lengths in pursuit of influence, principally in policy areas that involve its economic and military power position, ergo its security. Therefore, the greater a state’s influence within international institutions, the more actively it can pursue its security interests. Thus, by seeking influence, a state can pursue power politics within institutions and thereby stay faithful to core neorealist assumptions. However, for it to be an effective proposition, neorealists must be able to reveal when a state will prefer autonomy to influence. Nevertheless, it goes some way in developing an influencing thesis around which neorealists could interpret SDPR.

[Soft]Balancing can involve the utilization of tools to make a superior state’s military forces harder to use without directly confronting that state’s power with one’s own forces. Although soft balancing relies on nonmilitary tools, it aims to have a real, if indirect, effect on the military prospects of a superior state. Mechanisms of soft balancing include territorial denial, entangling diplomacy, economic strengthening, and signaling of resolve to participate in a balancing coalition. All of these steps can weaken the military power that the superior state can bring to bear in battle (Pape 2005:36).

Wohlforth, while not entirely agreeing with the soft balancing thesis, noted that: ‘It was a mistake to expect “hard balancing” to check the power of the international system’s strongest state, a growing number of analysts maintain, because, under

unipolarity, countervailing power dynamics first emerge more subtly in the form of “soft balancing,” as it is typically called’ (Brooks and Wohlforth 2005:72). At the same time, Wohlforth (1995:14) found that ‘the continued tendency of all the great powers to bandwagon with the US after the Soviet collapse does contradict the theory’s [neorealist] prediction of balancing’. Indeed for Wohlforth (1995:4), Waltz’s structural realism, when applied to explain change in international politics, is found wanting. He goes on to say that, ‘Realist theories are terribly weak. They are too easy to confirm and too hard to falsify. They do not come close to the ideal of scientific theory. Their strength is only evident when they are compared to the alternatives, which suffer from similar or worse indeterminacy but do not possess comparable explanatory power’ (1995:5). From these early observations, Wohlforth (1999:10) came to the conclusion that the post-Cold War international system is inherently more stable than Cold War polarity, because states have bandwagoned, not balanced, as conventional neorealist theory would predict. Mearsheimer (2001:162) dismisses the bandwagoning strategy as unsound, as the strategy calls for conceding power to an aggressor, which violates balance of power logic and increases the danger to the states that employ it. For Wohlforth (1999:7), this is simply wrong and he argues that: ‘Unipolarity is a structure in which one state’s capabilities are too great to be counterbalanced.’ Since the structure of the system is recognised as unipolar and power has become so concentrated, it behoves states to bandwagon lest other states put their own survival at stake. Conversely, Mearsheimer argues that the system is not unipolar. The United States, while certainly by far the biggest and strongest actor in the system, is not without competitors. Russia and China have the resources to inhibit Washington from making direct threats, as such threats could not be realistically followed through due to the high cost involved. Regardless, nothing suggests that Wohlforth expressly represents the US as a global hegemonic power, but only that no peer competitor can effectively balance against it. By the same token he also recognises that America is a European hegemonic

power, in so much as it has the wherewithal to impose its will by coercion or persuasion upon states—allies or otherwise.²⁴ Therefore, like Mearsheimer, he believes that global hegemony is not possible and only regional hegemony can exist.²⁵ More specifically, to bring an end to unipolarity, he argues that it would not be enough for the Member States to form traditional alliances. They would have to integrate to a degree that would see the region's military assets come under the control of a single decision-making authority, a de facto state, for the EU to play in the same league as the US. Alternatively, for the European pole to balance the US, it would have to come under the control of a single power (Germany)—unipolar regional dominance (Wohlforth 1999:30). Wohlforth would not expect this to happen due to the balancing dynamics within the region; given the regional dynamics, a German grab for hegemony would be met with such hostility that regional counterbalances would immediately be set in motion.²⁶

To create a balance of power globally, Europe would have to suspend the balance of power locally. Which balance matters more to Europeans is not a question that will be resolved quickly. A world with a European pole would be one in which the French and the British had merged their conventional and nuclear capabilities and do not mind if the Germans control them. The EU may move in this direction, but in the absence of a major shock, the movement will be very slow and ambiguous. Global leadership requires coherent and quick decision making in response to crises. ...Creating the institutional and political requisites for a single European foreign and security policy and defense industry goes to the heart of state sovereignty and thus is a much more challenging task for the much longer term. (Ibid. 31)

In other words, because the Member States prefer sovereign-independence and security to regional unipolarity, they will opt to maintain the present unipolar system. This, for Wohlforth, does not mean that the structure of the system cannot change. Indeed, he speculates that eventually some great power or alliance of powers will possess the

²⁴ Although not expressly stated by Wohlforth, this is probably so due to greater strategic interdependency.

²⁵ See also Wilkinson (1999). For him, hegemony can exist on a bilateral basis, but on a global basis it is less likely - there are simply too many instances of powerful states spurning American leadership for anyone to suppose that hegemony has global meaning.

²⁶ While theoretically we are writing about balance of power, in practice, as understood normally, it is simply alliance formation, thus in the context of this work it can be read either way.

wherewithal to challenge the US and this challenge will allow the West European powers to remain sovereign as opposed to the cost of regional unipolarity.

Table 1 The Complexity of the Neorealist Paradigm²⁷

Questions	Waltz	Walt	Mearsheimer	Wohlforth
Do states balance against threats?	No	Yes	No	No
Do states balance power?	Yes	No	No	No
Do states balance for security?	Yes	Yes	No	No
Do states bandwagon?	No	No	No	Yes
Do states bandwagon for profit?	No	No	No	No
Do states bandwagon for security?	No	No	No	Yes
Do states bandwagon with non-threatening states versus threatening states?	No	Yes	No	Yes
Is bandwagoning risky?	Yes	Yes	Yes	No
Do states buck-pass?	No	No	Yes	No
Are states defensive powers?	Yes	Yes	No	Yes
Are states offensive powers?	No	No	Yes	No
Are secondary states inclined to join the weaker coalition?	Yes	Yes	Yes	No

Neoliberal Institutionalism

Given these complexities, it is not surprising that revision of neorealist theory has faced considerable critical scrutiny, principally from a resurgent liberal and institutionalist camp.²⁸ Though no one would deny that neorealists have actively defended the theory against these challenges, the efficacy of neorealism has progressively come under attack due to contemporary world and regional developments. After all the theory offers, as Waltz said, only a partial insight into international politics, albeit an important one. Furthermore, the explanatory power of intergovernmentalist and institutionalist research programmes has put the utility of neorealism under the spotlight as other theories claim to have produced superior empirical schemes of explanation. With the rise of the institutionalist school of thought, the debate about how states interact in the international

²⁷ States, in this model, mean powerful states - the Member States and the US.

²⁸ In this section, I deal with LI as a theory of European integration and neoliberalism as a general theory of international relations. Then, however, for the sake of clarity, and due to the easy integration of the two (notwithstanding their disagreement on the utility of institutions per se, they both agree that under conditions of complex interdependence states can and do seek absolute gains through co-operation to tackle welfare problems that they face) I collapse Moravcsik's LI and Keohane's neoliberal approach to allow for the easy derivation of a testable liberal hypothesis. For the rationale behind this synthesis see pages 66-67.

system was given a new dynamism. By stressing the importance of institutions, institutionalists offered a spirited challenge to the neorealist state-centric paradigm.²⁹

Robert Keohane, the chief exponent of the liberal institutionalist (neoliberalism) approach, is traceable from his concept of 'complex interdependence' (CI) (Keohane and Nye 1977).³⁰ Institutionalists focus on neither neorealist structure nor domestic politics like liberal intergovernmentalists. The complex interdependence concept can be seen as an attempt to synthesise elements of neorealist and neoliberal thought. Keohane, however, in his challenge to neorealism, accepted a number of neorealist structural assumptions – that states are the central unitary rational actors, anarchy as the underlying ordering principle and that the distribution of power determines state behaviour. While professing to accept the basic assumptions of neorealist theory, the neoliberal approach was in fact at variance with its basic tenets. Keohane (1984) accepted the contention that states are the most important actors in the system, but added a caveat that international institutions could in some instances affect the outcomes of state interaction.³¹ This, of course, was a challenge to neorealist theorists who argued that only states have an impact on interstate co-operation. By adding new variables, besides states, into the mix, the neoliberal camp was

²⁹ Not counting Keohane's liberal institutionalist approach, Hall and Taylor (1996) have identified three new types of institutionalism in EU integration literature, namely historical institutionalism, sociological institutionalism and rational choice institutionalism. Rational choice institutionalists (RCI), like Keohane's neoliberal and Moravcsik's LI approach, use cost/benefit explanations of why states establish institutions. Thus, for ease of research, this study utilises and integrates RCI with Keohane's neoliberalism and Moravcsik's LI to generate a 'liberal value approach' (LVA — alternatively labelled, for ease of prose, liberal value perspective LVP) to IR.

³⁰ Complex interdependence has three main characteristics: '(1) state policy goals are not arranged in stable hierarchies, but subject to tradeoffs; (2) the existence of multiple channels of contact among societies expands the range of policy instruments, thus limiting governments' control over foreign relations; and (3) military force is largely irrelevant' (Keohane and Nye 2001:276) The most basic assumption is that states are tied together in a complicated pattern of interdependence with each other. While Ginsberg (1999:435-436) noted that 'The development of complex interdependence placed the EU and other like-minded states into patterns of co-operation not accounted for by power politics'.

³¹ Realists would argue that states observe their treaty obligations only to the extent that it is in their best interests to do so. Chayes and Chayes (1993:76), in dealing with the issue of state compliance with international agreements of high political importance, argue that when states enter agreements they adjust their behaviour according to the term of the agreements and 'comply with the undertaking they have made'. See also Downs, Rock and Barsom (1996:379-406). They argue that high rates of compliance in international regulatory regimes are the result of empty treaties that require states to do little more than they would do in the absence of a treaty. For an alternative 'liberal value approach' to regimes see: Hasenclever, Mayer and Rittberger (1997).

proposing that, while these new interactions were not as important as states, they were nevertheless present and needed to be accounted for (Krasner: 1983). By taking on board many of neorealism's concepts, neoliberals accomplished the thorny task of developing a new approach that challenged the neorealist paradigm. From a distance, neorealists and neoliberals seem to agree on the principal issues and the analytical tools employed to analyse the international system. Yet, their different emphasis on certain issues makes the debate compelling and informative.

Three issues monopolise the debate, anarchy, co-operation and relative and absolute gains. For neoliberals, the concept of anarchy is only accepted in part. Although both agree that states function in an anarchic international system, there is disagreement on the interpretation and implication of anarchy. For neoliberals, neorealists overstate the importance of anarchy at the expense of international institutions.³² Neoliberals, like neorealists, interpret anarchy as the absence of interstate government, but argue that this allows systems to develop to accommodate state interaction. Others argue that neoliberals 'misconstrue the realist analysis of international anarchy and therefore misunderstand the realist analysis of the impact of anarchy on the preferences and actions of states' (Grieco 1993a: 116). In essence, they suggest that neoliberals underestimate the importance states place on survival as their core interest. Keohane counters that:

Realists in the tradition of Hans J. Morgenthau have portrayed a world in which states, acting from self-interest, struggle for 'power and peace'. Security issues are dominant; war threatens. In such a world, one may assume that international institutions will have a minor role, limited by the rare congruence of such interests. International organizations are then clearly peripheral to world politics. But in a world of multiple issues imperfectly linked, in which coalitions are formed transnationally and transgovernmentally, the potential role of international institutions in political bargaining is greatly increased. In particular, they set the international agenda, and act as catalysts for coalition-formation and as arenas for political initiatives and linkage by weak states (Keohane and Nye 1977, 3d ed. 2001:30).

³² International institutions have been defined as explicit/public arrangements, i.e. agreements, negotiated among international actors that prescribe, proscribe, and/or authorise behaviour. Their evolution or change is located in the changing international system (Koremenos, Lipson and Snidal 200: 761-800).

Neorealists argue that anarchy constrains the foreign policy choices of states and that international institutions have little impact on overriding concerns, whereas neoliberals accept anarchy (partially), but see institutions as the way out of its constraining effects (Krasner 1983). Furthermore, while neoliberals accept that states take the final decision as to what action to take, they do not believe that automatically it follows that states are unrestrained in their decision to use force as a foreign policy tool (Grieco 1988a). From a neoliberal perspective, the relative cost of war, following the lessons of World War II as a foreign policy instrument, makes the use of force in most cases obsolete (Keohane and Nye 1977). From this perspective it follows that since force, for the most part, can be considered as a defensive tool, economic relations between states become the chief form of interaction. Anarchy, thus, for the neoliberal need only mean states are the final decision-makers as to what course of action to take – be it in the field of economics or security and defence – the decision to enter into armed conflict being the most important. Put differently, international institutions are as relevant to structure as anarchy is, as they form and drive the quality of interaction and relations between states. By adding a new variable into the equation, neoliberals muddy the neorealist argument, that only states affect outcomes. Neorealists, however, argue that:

The new liberals assert that they can accept key realist views about states and anarchy and still sustain classic liberal arguments about institutions and international co-operation. Yet in fact, realist and neo-liberal perspectives on states and anarchy differ profoundly and the former provides a more complete understanding of the problem of co-operation than the latter (Grieco 1993:124).

Another line of thought suggests that the emphasis placed on anarchy within the debate may be misguided. Duncan Snidal's (1993:170-208) research implies that lack of co-operation does not follow from the neorealist premise of anarchy. Secondly, with varying degrees of emphasis, all acknowledge that international co-operation is possible. Yet, they vary as to the prospect of it occurring and continuing. For Waltz, the international-political structure limits the co-operation of states in two ways: a) states are concerned about the division of possible gains, and b) 'states are also concerned not to become dependent on others through cooperative endeavours and exchange of goods and

services' (Waltz 1979:106). The logic behind this position is simply that 'states do not willingly place themselves in situations of increased dependence. In a self-help system, considerations of security subordinate economic gain to political interests' (Waltz 1979:107). Neoliberals tackle the puzzle of co-operation by drawing on the institutionalist tradition, 'arguing that cooperation can under some conditions develop on the basis of complementary interests, and that institutions, broadly defined, affect the patterns of cooperation that emerge' (Keohane 1984:9). Neoliberals concede that by the standard of national governments international institutions are weak. Nevertheless, as they do affect state decision making, they must be included in theoretical debate. They also argue that neorealists are mistaken in downplaying the significance of international institutions and the possibility for co-operation that they provide (Krasner 1993).

Thirdly, although both agree on the importance of relative and absolute gains, they differ as to emphasis. Neoliberals stress the importance of absolute gains, while neorealists emphasise relative gains. Waltz asserts:

When faced with the possibility of cooperating for mutual gain, states that feel insecure must ask how the gain will be divided. They are compelled to ask not 'Will both of us gain?' but 'Who will gain more' If an expected gain is to be divided, say, in the ratio of two to one, one state may use its disproportionate gain to implement a policy intended to damage or destroy the other. Even the prospect of large absolute gains for both parties does not elicit their cooperation so long as each fears how the other will use its increased capabilities. ...the condition of insecurity at the least, the uncertainty of each about the other's future intentions and actions works against their cooperation (Waltz 1979:105).

Like Waltz (1979), Keohane resorts to microeconomic theory to prove his point. States like firms are expected to behave as rational egoists. 'Rationality means that they have consistent, ordered preferences, and that they calculate costs and benefits of alternative courses of action in order to maximize their utility in view of those preferences. Egoism means that their utility functions are independent of one another: they do not gain or lose utility simply because of the gains or losses of others' (Keohane 1984:27). In this model, and some neorealists also accept this possibility, states create and maintain institutions in order to fulfil their self-interest. States, 'are uncertain about one another's future *intentions*; thus they pay close attention to how cooperation might affect relative

capabilities in the future. ...Thus realism expects a state's utility function to incorporate *two distinct terms*' (individual payoff and the partner's payoff) (Grieco 1988a:129). If states are concerned solely about relative gains, the circumstances where co-operation will arise become less – where the hegemon insists, or where the co-operating parties gain equally and no threat to the status quo will originate. Keohane asserted that the 'rational egoists' assumption affirms that states attempt to maximise absolute gains, e.g. 'preferences of actors in world politics are based on their assessments of their own welfare, not that of others' (Keohane 1984:66). If states are generally concerned about absolute gains, then cheating becomes the main worry. Nevertheless, because institutions relieve this concern, the system allows for significant co-operation under anarchy. Snidal (1984:170) challenges the neorealist argument that worries regarding relative gains constrain co-operation except 'in the very special case of the two-state interaction, with high concerns for relative gains and near disregard for absolute gains, is the realist case compelling'. Robert Powell (1993 and 1994) argues that concerns about relative gains will prevent co-operation when the utility of military force is at issue, but not when the utility of force is not at issue. The absolute and relative gains debate can be seen as a dispute about what to accept as the state's actual utility function. Consequently, the identification of the strategic environment states find themselves in becomes paramount.

In sum, neoliberals accept neorealist assumptions that unitary-rational states are the main actors in an anarchical international system. However, neoliberals, unlike neorealists, do not ignore the possibilities that institutions afford for international co-operation. Neoliberals believe, unlike neorealists, that institutions do count and therefore neorealism is fallacious in disregarding international institutions' capacities to facilitate and sustain co-operation. This belief in institutions allows neoliberals to argue that, even allowing for the acceptance of anarchy, institutions can aid states out of the prisoner's dilemma by promoting co-operation and by increasing transparency, thus reducing the possibility of cheating. For neorealists, this is too simplistic a prescription for the rehabilitation of the anarchical international system. 'Neoliberals begin with assertions of

acceptance of several key realist propositions; however, they end with a rejection of realism and with claims of affirmation of the central tenets of liberal institutionalist tradition' (Grieco 1993:12). What Grieco affirms is Waltz's assumption that, in a system without an overreaching authority, the main goal of states is their existence (security). With the ever-present threat of conflict the relative gains of others is an overwhelming factor when considering co-operation and policy outcomes. Without an overreaching centre of power the fear of cheating will hasten states to gain greater advantage in order to survive.³³ Likewise Robert Gilpin (1981:93), emphasises: 'It is the differential or uneven growth of power among states in a system that encourages efforts by certain states to change the system in order to enhance their own interests or to make more secure those interests threatened by their oligopolistic rivals'. For neoliberals the prospect of absolute gains can be achieved by decreasing the fear of cheating and by turning to institutions as a substitute for a central authority. The problem for neorealists is that institutions challenge their core belief in the state-centric anarchical model that their theory rests on. The suggestion that the state has a rival for power is not an option for neorealist theory. Ashley (1986:268-270), in condemning the 'static' nature of realist theory, argues that for 'the purposes of theory, the state must be treated as an unproblematic unity: an entity whose existence, boundaries, identifying structures, constituencies, legitimations, interests, and capacities to make self-regarding decisions can be treated as given. ...In short, the state-as-actor assumption is a metaphysical commitment prior to science and exempted from scientific criticism'.

In reality, the truth perhaps lies somewhere between the models. The problem exists because the two insist on treating relative and absolute gains as fixed interests instead of variable ones. A simple interpretation of this would suggest that relative gains

³³ Waltz would, however, argue against accumulating power for power's sake, as too much power will inevitably lead to balancing; just enough power (whatever that is!) is his thesis.

and concerns about cheating matter more when issues are linked to states' direct security.³⁴ Here the prospect of co-operation is lessened, as the result of possible cheating may put the independence of the state at stake; where it is not, absolute gains may matter more. Neoliberals, therefore, assume that absolute gains matter most where non-security issues are identified. In this instance, co-operation is more likely to take place. Cheating, however, would remain a problem. Neoliberals argue that, in complex interdependence, repeated interaction between states creates the need for states to be considered trustworthy, honest and dependable. Their reputation matters if future gains are to be achieved, thus defection is to be avoided and reciprocity becomes a part of interstate interaction. The effect of spillover or linkage causes states to recalculate the cost-benefit result of defection; the price will increase as co-operation becomes linked from one issue area to another. In addition, where side-payments are offered, the inducement to co-operate increases as the cost-benefit calculation assumes the payoff to co-operate is preferable to defection.³⁵ No doubt, iteration and linkage can occur without the need for institutions, but two types of costs, transaction costs³⁶ and information costs³⁷, intercede in the absence of international institutions to make co-operation cost-prohibitive. Institutions, neoliberals argue, moderate the costs by designing a system with accepted negotiation processes, thereby reducing the transaction cost of multiple negotiations over time. Information costs are also moderated by the flow and easy access to information within the structure, thereby increasing transparency and decreasing uncertainty by supervising and enforcing agreements and setting out the criteria by which states are expected to conduct themselves during and after negotiations.

³⁴ Linked to this assumption is that existing or immediate threats will take priority over possible subsequent co-operation — the inference being that states will act in their short-term interests. In this, respect relationships also matter. Relative gains to a trusted ally will have less impact than relative gains to antagonist states.

³⁵ Grieco (1993:116) links functionalist, neofunctionalist and neoliberal as successive theoretical presentations. To this I would also add Moravcsik's LI.

³⁶ The cost of organising, negotiating and policing an agreement.

³⁷ The costs of surveying the actions and possible intentions of states before and after agreement are reached.

Keohane also argues that neorealism 'is particularly weak in accounting for change, especially where the sources of that change lie in the world political economy or in the domestic structures of states' (Keohane 1986:159). For neorealists, politics within nations is unimportant compared to politics among nations. For Waltz, the neglect of domestic political structure 'does not imply their unimportance. They are omitted because we want to figure out the expected effects of structure on process and of process on structure' (Waltz 1979:134). For Keohane, institutions are part of that structure by promoting co-operation and helping to determine the form of state behaviour on a cost-benefit analysis of incentives and disincentives. Risse (1999), in looking at different approaches to the study of European politics, thinks it not surprising that most scholars involved in integration studies share a common approach, which he labels 'soft rational choice' 'based on the assumption of utility-maximising actors whose interests are generally taken for granted'.

Rational choice institutionalists (RCI)³⁸ take a similar view, arguing that Member States transfer control of certain policy issues to institutions when it is considered in their best interest to do so. Their focus, in particular, has been on how EU policy reform has given agenda setting power to supranational institutions (Tsebelis 1994:21-28). Hall and Taylor have emphasised four notable features of RCI. First, RCI enlist a special set of behavioural assumptions. RCI advance the argument that states have a fixed set of preferences and 'behave entirely instrumentally so as to maximize the attainment of these preferences, and do so in a highly strategic manner that presumes extensive calculation' (Hall and Taylor 1996:12). Second, like other theories, RCI also has a definite idea about the process of politics, in understanding 'politics as a series of collective action dilemmas' (Moravcsik 1998). The problem for states in this particular model is that the outcome is likely to be 'collectively sub-optimal'. This dilemma is compounded by the lack of international institutions that 'would guarantee complementary behavior by others' (Hall

³⁸ Or 'rational choice institutionalism', depending on usage.

and Taylor 1996:12). Third, RCI contributes positively to our appreciation of politics, by highlighting the function of 'strategic interaction' in understanding political outcomes. 'Institutions structure such interactions, by affecting the range and sequence of alternatives on the choice-agenda or by providing information and enforcement mechanisms that reduce uncertainty about the corresponding behavior of others and allow 'gains from exchange,' thereby leading actors toward particular calculations and potentially better social outcomes' (ibid.). In other words, RCI works by identifying the interests and motives of states within an institutional setting. Finally, RCI accounts for the existence of institutions by reference to the values they have for the actors affected by the institutions.

This formulation assumes that the actors create the institution in order to realize this value, which is most often conceptualized, as noted above, in terms of gains from cooperation. Thus, the process of institutional creation usually revolves around voluntary agreement by the relevant actors; and, if the institution is subject to a process of competitive selection, it survives primarily because it provides more benefits to the relevant actors than alternate institutional forms (ibid. 13).

RCI, by focusing on deliberate state interest-motivated activity, seeks to apply generalisations to the international system in order to predict what states as rational actors will do within a given set of institutions, seen as structures of incentives. Schmidt (1999) has, however, argued that RCI is static, 'focused on equilibrium conditions, and therefore has difficulty accounting for change over time. ...rational choice institutionalism's emphasis on the self-interested nature of human motivation, especially where it is assumed to be economic self-interest, is value-laden, and can appear economically deterministic'.

In sum, the neoliberal rational choice institutionalist model offers us a picture whereby states create institutions by rational calculation to attain goals they otherwise could not hope to achieve as individual units acting alone. The main drawback of utilising such theories is that their theoretical pedigree is firmly set in economic discourse which, unlike neorealist theory, does not directly threaten the survival of the states in the short term; nevertheless, adaptation of theory will allow for the extracting of testable hypotheses.

Integration Theory

Liberal Intergovernmentalism

One of the most relentless attacks on the institutionalist and neorealist approach to IR comes from Moravcsik's liberal intergovernmentalism (LI). To begin with, intergovernmentalism was shaped as a challenge to neofunctionalism, in part as a response to the relative stagnation of the 1970s, but for the most part, surprisingly, as a defender of traditional realist assumptions. As suggested by the term itself, intergovernmentalism implies the exercising of member states' control on EU processes through governments. Thus, intergovernmentalists (as opposed to Neoliberals and Functionalists) brought governments back to the forefront of decision-making; governments were again theorised as the central actors in the process of international co-operation (Hoffmann 1966). States, intergovernmentalists argued, not institutions, are the ultimate decision-makers in the EU. They define the process of integration and set its limits, and consequently their study of the EU focuses on the defining moments of integration, the signing of treaties (Moravcsik, 1993, 1995 and 1998). Intergovernmentalists criticised neofunctionalism for maintaining that regional integration could be immune from the influences of outside forces – the global political economy. They maintained that any study of regional integration theory should take into account general theories of IR.³⁹ Whereas neofunctionalism stressed the importance of elites and institutions, intergovernmentalists championed the authority governments bring to the negotiating table in the pursuit of national interests (Moravcsik: 1998). Furthermore, governments, while recognising the advantages of integration per se, would only allow a shift of policy competences to supranational institutions if it were in the national interest; initially, the national interest as envisaged by intergovernmentalists did not include surrendering large chunks of sovereignty either economic or military.⁴⁰

³⁹ Hoffmann countered Haas's logic of spillover with the logic of diversity, thereby claiming that neofunctionalist neglect of external factors is a major failing in Haas's theory (Hoffmann 1966).

⁴⁰ Later, however, with the signing of the ESA in 1986 this approach was modified to explain the loss of some economic sovereignty as the pooling of functional sovereignty as a response to external pressures Keohane and Hoffmann (1991).

This was later relaxed to allow for the creation of institutions and the pooling of sovereignty in economic matters; they would not, however, allow integration to spill over into high-politics as Haas initially envisaged. Hoffmann argued the case that ‘the bigger the functional scope of integration, the more interests member states tend to see as vital... the less smooth the process may become’ (Hoffmann 1966:89). To put it another way, Hoffmann recognised that in low-politics it was possible for interest groups to bring influence on governments to affect policy outcomes but, on matters of defence and national security (high-politics), governments’ act in a traditional realist manner.⁴¹ Webb (1977:18) reached the same conclusion stating that intergovernmentalism ‘denies that the national political and economic systems of Europe are so interdependent and so penetrated by the Communities that governments cease to be sole arbiters of their country’s external fortune’. Webb and Hoffmann believed that the EU was not fundamentally different from any other international organisation and as such did not require its own unique explanatory framework. Intergovernmentalists understood integration as lowest-common-denominator bargaining among states seeking gains from co-operation while protecting against serious loss of sovereignty. States, according to intergovernmentalist analysis, are the gatekeepers of integration, calculating domestic interests into state preferences for or against integration (Moravcsik 1995). Essentially, integration is the outcome of policy convergence among states, more specifically between the major states. Regardless of the source of EU politics, which some intergovernmentalists see as ‘continuation of domestic policies by other means’ (Moravcsik⁴², 1993, 1995, 1998),⁴³ the main linchpin remained the nation-state, as in neorealist work.⁴⁴ The sovereignty of the state could be safeguarded from supranational encroachment by veto, unanimous consent and the use of

⁴¹ However, this was a departure from the classical realist theory where states were treated as unified rational actors who gave no attention to notions of pluralist influence in their model. Moreover, pluralist influences were to become a theme of neorealist writing in the future.

⁴² Moravcsik is one of the main advocates of the intergovernmental approach. Although his LI is generally viewed as a blend of several theoretical approaches, he still uses state bargaining as the essential logic of this theory.

⁴³ See also Kapstein (1995:751-74) *Is realism dead? The domestic sources of international politics*.

⁴⁴ In Moravcsik’s analysis, economic interests, asymmetrical interdependence and credible commitments are the motivating factors that force states to negotiate, co-operate and integrate.

intergovernmental institutions instead of supranational bodies.⁴⁵ For Moravcsik, cooperative agreements reflect the relative power of the EU states to the extent that they must meet with the approval of the most powerful states of Germany, France, and Britain. In Moravcsik's analysis, less powerful states will be bought off with side-payments or coerced with threats of exclusion (Moravcsik 1993:501-506). In offering his LI interpretation of European integration, Moravcsik (1998:4) also questions the assumptions of both the neoliberal institutionalist and neofunctionalist research paradigm:

This explanation of integration breaks with the bulk of existing scholarship on the European Community (EC). It rejects the view that integration had been driven primarily... by technocratic processes reflecting imperatives of modern economic planning, the unintended consequences of previous decisions, and the entrepreneurship of disinterested supranational experts. The integration process did not supersede or circumvent the political will of national leaders; it *reflected* their will.

Moravcsik's attempt to develop a theory that resolves the theoretical puzzle, that is European integration, was a formidable task. Some theorists had tackled the problem by reformulating neofunctionalist theory (Jeppe Tranholm-Mikkelsen, 1991) (Paul Taylor, 1989) (Burley, A and Mattli, 1993). Meanwhile, other experts⁴⁶ have added to Hoffmann's (1966) intergovernmentalist critique, though not all with the same degree of ascendancy. Moravcsik, while questioning the validity of neoliberalism to explain events, was nevertheless influenced by Keohane's neoliberal approach. Moravcsik's attempt to provide us with a theoretical understanding of events starts by providing us with a LI analysis of European integration, loosely based on Robert Putnam's⁴⁷ concept of two-level games and Moravcsik's earlier proposition that rebuffed neofunctionalist and neorealist assumptions and alternatively asserted the explanatory value of 'intergovernmental institutionalism' (Moravcsik, 1991).

⁴⁵ While this is true, to some extent QMV raises questions as to the limitations of state power, and the failure of theory to explain EU integration.

⁴⁶ William Wallace, (1994, 1994a and 1994b). Alberta Sbragia, *The European Community: A Balancing Act* (1993). D Cameron, *The 1992 Initiative: Causes and Consequences* (1992).

⁴⁷ The basic thrust of Putnam's approach is that governments en masse play games at the national level with domestic groups and at the international level to satisfy national interests. Institutions are thus created to solve externalities that affect domestic interests (Putnam 1988). On a structural level, where domestic preference formation is low, e.g. SDP, liberals would argue that institutions are created to solve externalities that affect states' security.

By supplanting Hoffmann's intergovernmentalism with liberal ideas, Moravcsik offers an analysis to the study of IR, and European integration in particular, by developing a theory of national preference formation with an intergovernmentalist narrative of strategic bargaining among states based on rational choice calculation. His LI analysis, however, failed to shake off the noose of neorealist pronouncements on state interaction. Like neoliberalism, its basic ancestry could be traced to neorealist foundations 'of what Keohane calls the modified structural realist explanation of regime formation and maintenance' (Moravcsik, 1991:48). Essentially, Moravcsik saw integration as the outcome of policy convergence among major states, thus for him the main linchpin remained, as in neorealist work, the nation-state. Where it differs definitely from neorealism is in its assertion that states are not 'black boxes' with fixed interests (power, wealth, security and survival) but states have changing interests (economic, environmental and ideological) that can bring about policy reform without regard to changes in the distribution of power (Moravcsik, 1991:48). Moreover, and without regard to the practical implications of withdrawal, the state could theoretically legislate to abandon its treaty obligations. What he failed to accept, however, was that acts of integration were cumulative and prevented states retaking their autonomy and sovereignty. In 'Preferences and Power' (1993), Moravcsik sought to cultivate the domestic perspective he touched on in 'Negotiating the Single European Act' (1991). To this end Moravcsik, in a novel and original composition, added to Keohane and Nye's (1977) liberal interdependence (neoliberalism) theory to formulate a coherent theory of European integration.⁴⁸

Since Moravcsik's 'Preference and Power' (1993), LI has become the focal point of attack for integration and neorealist theorists, who have criticised it for being too simple and too parsimonious (Wincott 1995). Notwithstanding its so-called parsimonious charter, LI is not without ambiguity and it could be argued that its simplicity is only evident around

⁴⁸ As noted, Liberal IR theory views realism's accent on anarchy in the international system as misguided. Liberals argue that states are not comparable: they differ in their institutions, policy networks and political party coalitions. Fundamentally, interests are formed not taken as given (Keohane and Nye, 1977:4).

the edges. Proceeding from Haas's self critique of neofunctionalism and building on a previously well documented approach, 'intergovernmental institutionalism',⁴⁹ Moravcsik (1993:27) adds an 'explicit theory of national preference formation grounded in *liberal theories of international interdependence*'⁵⁰ in a complex attempt to coalesce studies of the EU with current theories of international political economy. LI consciously retreated from the neorealist position that states are 'billiard balls or black boxes with fixed preferences for wealth, security or power'. For academic debate, this departure is engaging, stimulating and suspicious. It makes LI hard to classify, notwithstanding Moravcsik's claim that it is firmly rooted in theories of IR. In essence, LI professes to contain three crucial elements: the assumption of rational state behaviour (realist in origin), a theory of national preference (liberal in origin), and an intergovernmentalist analysis of interstate negotiation (neorealist in origin).⁵¹ According to Moravcsik's version of liberal international relations theory, interstate relations are not held hostage or dependent on the distribution of power within the system. They are the results of the interaction of state preferences brought about by powerful elites at the domestic level. If the preferences of leading coalitions within two states match or are reconcilable through bargaining, he predicts harmony or co-operation between the two states. If the reverse is true, he predicts antagonistic relations.

With the downgrading of neofunctionalism,⁵² state-centric models of European integration seemed to have won the theoretical debate. Intergovernmentalism, like neofunctionalism, however, was to be affected by subsequent developments within the EU. The revival of the theoretical debate on integration re-emerged, revitalised by the Single European Act (SEA) and Maastricht. For neoliberal and intergovernmentalists, the 1985-Act could best be understood as a reaction to outside events, namely the increasing might of Japan as an economic power. There was nothing new in this contention; they were simply restating the presence of external influences as the motivating element. They

⁴⁹ Moravcsik (1991:651-688) *Negotiating the Single European Act*.

⁵⁰ Emphasis added.

⁵¹ To this can be added the relative power of the contracting parties.

⁵² See pages 58-65.

did, however, allot some credit to the Commission and interest groups, but contended that the real motivator was a lack of a coherent European policy to protect Europe's economy from America's and Japan's growing economic prowess (Keohane and Hoffmann 1991:5-22).⁵³ Given that some economic loss of sovereignty was envisaged with the coming into effect of the single market, and the acceptance of qualified majority voting (QMV) and Economic and Monetary Union (EMU), it was necessary for them to offer an explanation as to the dynamics at work and what effect this had, if any, on intergovernmentalist theory. Hoffmann and Moravcsik remained true to their original formulation that governments are the chief players. They could sustain this position by pointing to the conflict in the negotiations of treaty reform that centred on what governments perceived as their self-interest and how best to maximise policy outcomes in national favour, albeit without putting the whole programme at risk. For now, intergovernmentalists understood the sovereignty issue as a matter of pragmatic government, or rational government, accepting some small loss of 'effective sovereignty' or 'operational sovereignty', but any fundamental loss of sovereignty would not be so easily conceded. Therefore, while there would be a considerable shift of power to the EU in respect of decisions needed for the everyday running of the Union, the shifts would only occur 'through bargains negotiated among and enforced by member states' (Hoffmann 1989:41). However, co-writing with Keohane, Hoffmann reformulated his 1989 position on sovereignty by conceding that it was now fractious to explain the EC in absolute classical realist terms. In their book, which attracted lavish academic attention, Keohane and Hoffmann sought to explain the issues of sovereignty by presenting the EC as a 'network form of organisation' requiring the 'pooling of sovereignty' (Keohane and Hoffmann 1991: 7-15).

Moravcsik (1993:232), in the same vein, admitted that the 'EC differs from nearly all other international regimes in at least two salient ways: by pooling national sovereignty through qualified majority voting rules and by delegating sovereign powers to semi-

⁵³ Thus, we get the idea of a single market to compete with economic rivals as, applied to SDP, we get the idea of a CESDP to manage external crisis or events.

autonomous central institutions'. Moravcsik explains its uniqueness away by maintaining that supranationalism is a conductor for implementing and monitoring strictly intergovernmental bargains. Loss of sovereignty for Member States is acceptable in the pursuit of common goals and, in any case, can be explained as a pooling or delegating of sovereignty on a cost-benefit analysis to deal with external threats. Of course, for LI to maintain its theoretical integrity, Moravcsik needed to perpetuate the notion of the state as a unitary actor while at the same time accommodating the role of powerful elites within the state, and the possibility that international officials may influence outcomes. To nurture this ideal, and interpret supranational influence as a minimal aspect of EU negotiations he develops a negative theory of informal supranational entrepreneurship that, in keeping with Lakatos's (1999:132-135) theory of theory building, leaves the hard core of intergovernmentalism intact.⁵⁴ For Moravcsik (1993:514), the position is clear: 'Only where the actions of supranational leaders systematically bias outcomes away from the long-term self-interest of member states can we speak of serious challenge to an intergovernmentalist view'⁵⁵. Thus, even allowing for moderate entrepreneurial success, influence is not wielded from any inherently strong position within the system, 'but from rare structural circumstances under which international officials could help overcome domestic and transnational collective action problems' (Moravcsik 1998:299).

Moravcsik's approach has faced the brunt of three major criticisms. First, that the intergovernmentalist focus on the nation state as an independent actor within the system is over emphasised. Pierson (1996) has argued that the democratic nature of member states in the form of tenure of office for national leaders acts as a constraint on state action, as leaders are prone to sacrifice long-term interests for short-term political advantage. In

⁵⁴ For Lakatos a theory has a 'hard core' of theoretical assumptions. The theorist when faced with new and novel facts, that seem to contradict his theory, can rightly attempt to shield the theoretical core from falsification behind a protective belt of *auxiliary hypotheses*. Lakatos sought to show that modifying and developing a protective belt around the hard core is not a bad thing for a research programme (Lakatos 1999:132-135).

⁵⁵ The problem here for LI is that long-term interests (manage crisis and influence American power) seem to be biasing outcomes by default in favour of supranational leadership.

addition, states are constrained by the inability of national leaders to aggregate the long-term consequences of policies and by the predisposition of the structural set-up to bind states to predetermined policies. Secondly, intergovernmentalists are inclined to ignore the impact of community institutions on the process of integration. Nugent (1999) has argued that the Commission's role as agenda-setter and policy entrepreneur has considerable influence on the process of integration.⁵⁶ Thirdly, by focusing on grand bargains, intergovernmentalist scholars ignore the day-to-day running of the Union and the constraining effect institutions have on Member States in the process of integration (Wincott 1995). Moravcsik, nevertheless, sticks to intergovernmental logic and thus sees institutions as tools to help states to solve collective problems created by 'international policy externalities'. On the other hand, while not discounting structural forces of the neorealist bent, he gives little attention to them as a causal variable of integration. Moravcsik advances his own realist expositions of integration based on the convergence of geopolitical and economic interests:

A geopolitical explanation of international economic cooperation assumes that security issues sit atop a hierarchy of foreign policy concerns; hence the indirect security implications ('security externalities') of economic cooperation dominate the direct economic implications. By contrast, an economic explanation assumes that national preferences reflect issue-specific interests. The costs and benefits to powerful domestic economic groups dominate linkages to other concerns, whereas geopolitical interests drive purely politico-military policies (Moravcsik 1998:26).

Only when economic integration spawns beneficial and practical geopolitical externalities will states sanction integration. On SDPR, Moravcsik (2000:294) rationalises it thus:

The United States and other advanced industrial democracies live in an increasingly interdependent world. ...The central consequences of interdependence is that the realization of one country's policy—military defence... —depends in part on the policies adopted by other countries. In other words, in an interdependent world, governments must increasingly trade away a certain amount of unilateral policy discretion in order to achieve the domestic policy objectives to which they collectively aspire.

⁵⁶ In economic and social policy this may well be the case, however in the evolution of ESDP the commission's role is limited to consultation and support.

Moravcsik offers us four tenable geopolitical explanations of European integration, two of which are distinctly realist. First, 'Scholars have argued that where there is clear bilateral conflict, governments are more likely to consider geopolitical externalities; integration should correlate with the intensity of bilateral conflict' (Moravcsik 1998:29). In other words, the balance of power thesis accentuates co-operation/integration as an approach to enhancing co-operation between allies in the face of a common threat – pathological flows of destabilising events. Second, integration is seen as a way to strengthen the authority and independence of Europe in an international system monopolised by superpowers. In other words, SDPR may reflect the ambition of European states to design an order that 'in a world dominated by states of continental dimensions... Europeans can engage in power politics more effectively' (Bull 1995:256). Explanations based on neorealist and ideational elements argue that the primary intention of integration is to provide for a common foreign and defence policy (Moravcsik 1998:30). Moravcsik's thesis offered a competing version based on economic interests. Member states' rebuff of closer co-operation in SDP in 1954 indicated that Europe was aiming to become an economic power under the protection of the US. The glue of integration is seen as a set of policies aimed at creating a common market with a complex structure of laws that are designed, by mutual agreement, to protect both state economic and security interests. For him, the real motor of integration was a desire by states to gain economic ascendancy. But Moravcsik does not discount the possibility of SDP co-operation. For him, powerful Member States can agree to co-operate in SDP when they need to overcome the vetoes of the less powerful states to act to deal with security-related events outside the regional system. He explains Member States preferences on the basis that states with effective unilateral SDP tend to shun co-operation, while less powerful states tend to favour it (Moravcsik and Nicolaïdis 1999:61). Germany, lacking foreign policy autonomy and other influencing opportunities as afforded to Britain and France as permanent members of the United Nations Security Council (UNSC), would favour a deepening of SDP. Britain, with clear policy preferences and the means to pursue them, would favour

retention of the unilateral veto in SDP matters. France, on the other hand, with a policy preference for utilising EU institutions to boost its own prestige, sought both preferences (ibid. 64). The important thing is that states are willing to co-operate in security and defence affairs, notwithstanding their different motivations.

Criticisms of Moravcsik's approach may be justified on a wider analysis of theory, but for the purposes of this study it is clear from Moravcsik's LI that states under conditions of complex interdependence can and do co-operate to meet external challenges. He does not, nor could he deny, that the process has witnessed a sizeable transfer of economic sovereignty to the EU institutions. He argues, however, that states have been in control of the process. In other words, unintended consequences in his opinion are to be considered negligible (Boesche, Hellmann and Wagner, 2003:5). The essence of his LI asserts that: 'European integration was a series of rational adaptations by national leaders to constraints and opportunities stemming from the evolution of an interdependent world economy, the relative power of states in the international system, and the potential for international institutions to bolster the credibility of interstate commitments' (Moravcsik 1998:472). At the heart of this lies the pre-eminence of economic motivations. But there is no reason, except for his theory of domestic influence on policy formation, why this approach could not be applied to understand SDPR because, like his neoliberal colleagues, Moravcsik recognises that states can and do pursue absolute gains, if the fear of threat in the regional system is sufficiently low and Member States require new crisis management tools to respond to external threats to their welfare.

Neofunctionalism

The most interesting challenge to realism before the rise in prominence of liberal approaches came from the functionalist camp. Functionalism, the first approach to be associated with integration, was a comprehensive departure from the realist assumptions, that competition and conflict between states was the core of any explanatory theory of IR. David Mitrany, in a *Working Peace System* (1943, 1966), believed that state-centric views

of IR were a recipe for the continuation of conflict.⁵⁷ He concluded that the formation of sectoral linkages between states to achieve specific goods would lead to collaboration over the need to plug inherent faults in the system, thus hastening further co-operation. Furthermore, with an increase in co-operation, a steady but incremental shift towards integration would take place. Mitrany sought the creation of a system that inspired and rewarded co-operation between hitherto belligerent states. The creation of linkages in specific policy areas and collaboration over more technical matters would mitigate the extremes of anarchy and decrease the potential for war in the international system. Through success in one domain, other areas would require policy reform as the decisions and outcomes from co-operation spilled over. Critics required evidence that technical interaction would produce functional spillover and charged that co-operation and specifically integration were impossible without the direct action of states.

Out of functionalism and the ascendancy of the European Coal and Steel Community (ECSC), a new theory developed.⁵⁸ The first truly theoretically-grounded new explanation that moved away from the traditional realist philosophies of IR was neofunctionalism, associated with Ernst Haas (1958, 1961, 1964, 1964b) and Leo Lindberg (1963). At the risk of over simplifying the paradigm, one could stick to the original narration of Haas as a guiding model. For Haas, governments are not the sole important actors in the international system. The focus shifts to:

the process whereby political actors in several distinct national settings are persuaded to shift their loyalties, expectations, and political activities towards a new and larger centre, whose institutions possess or demand jurisdiction over the pre-existing national states. The end result of a process of political integration is a new political community, superimposed over the pre-existing ones (Haas, 1961: p366).

⁵⁷ Functionalism for Mitrany was not a theory of regional integration. He was not concerned with integration of European nation-states, but a framework that would allow states to create international organisations that would in turn create linkage in specific areas.

⁵⁸ Moravcsik (2005:349) has however noted that: 'Neofunctionalism, a framework rather than a theory, has long played an important role in EU scholarship. Yet initial versions were overly comprehensive, incompletely specified and, as a result, non-falsifiable'. The absence of literature on causal linkage (spillover) between EMU and SDPR is perplexing given that the ECSC in the first instance has its rationale in security related issues (Haas 1958).

What this means exactly has been the source of much scholarly interpretation. Stripped down to a minimum, neofunctionalists claim that, like the founding fathers of the ECSC, national elites and powerful interest groups will come to realise that social and economic issues cannot be satisfactorily addressed at the national level. To overcome the straitjacket of domestic constraints, elites will group and lobby for a transfer of policy competence to institutions outside the nation state. Once governments concede and establish supranational institutions and it is established that policy outcomes can be managed and sustained, a magnetic pull towards supranational institutions develops. Interest groups will shift their focus from the domestic realm to the supranational sphere thereby entrenching supranational institutions in policy competence and legitimising their authority. Furthermore, integration would be self-sustaining.⁵⁹ The speculative foundation for this ideal was Haas' new dynamic concept of the 'logic of integration' and its progeny, 'the logic of spillover', which would lead to a gradual, automatic, and incremental progression towards deeper integration under a technocratic imperative. Stone Sweet and Sandholtz (1997: 6) argue that, 'the dynamic is reinforced by the potential, inherent in integration processes, for functional 'spillover'. Spillover is achieved when supranational authority is extended to new, but related functional domains, as it becomes evident that initial policy objectives cannot be adequately attained without such an extension'. Nye explains spillover as 'functional interdependence or inherent linkages of task which press political actors to redefine their common task' (Nye, 1971:65). In essence, for integration to materialise, its advancement depends on existing policy tasks being in need of reform. The system would evolve with technical concerns, succeeded by integration in the sphere of 'low politics' (e.g. EMU), then spillover to 'high politics'⁶⁰ – that is, political spillover

⁵⁹ Stephen George criticises Haas's conclusion that a system once instituted was self-sustaining. (George 1993).

⁶⁰ The term has two frames of references. First, in foreign policy analysis to denote areas of central importance to the state's survival, their position in the international system or crises that endanger core values of the state. Thus, both economic and security can be instances of high politics if they threaten the state's being or core objectives. Second, high politics is used in integration research to denote areas where integration is traditionally lacking. More specifically, it is utilised to analyse the

into SDP. Once momentum builds, the assumption is that states, as rational actors who value economic efficiency, would be fused into the integration process. The completion of the common market, for instance, would require acceptances of binding treaties that in turn involved common policies, or at least co-operation on SDP. The result is a coalition of transnational interest groups identifying with supranational actors to realise goals that can only be pursued through the creation of supranational institutions. The state in this way is compelled to allow entrances of supranational institutions into high politics. Given time, this would then result in the erosion of state power and the possibility of its eventual disappearance. In brief, the neofunctionalist attempt to analyse the dynamics of integration by recourse to the concepts of spillover – functional and political – is a two-stage process, with SDP tentatively moving towards stage-two (political spillover).

Haas' approach, however, was hindered by a normative bias that assumed that spillover was a better explanatory variable than the neorealist nation state. His methodology, in other words, was still rooted in the logic of functionalist sociology: the notion that the functional requirements of modern political economy could no longer be achieved within a purely nation-state framework. Thus, for Haas and other neofunctionalists, internal dynamics and economic-organisational logic remains the driver of regional integration which transcends the old nation-statism so central to neorealists. Once states realised actors at the regional level were more effective in dealing with issues in the international system, the state would progressively be removed from the decision-making process.

Up until the early sixties, all seemed to be going well for the neofunctionalist theory. Haas' predictions of continued integration based on the logic of spillover seemed to be well situated. A customs union had been successfully negotiated and the negotiations for the establishment of a Common Agricultural Policy (CAP) were underway under the supervision of the by now highly visible Commission. In fact, the Commission was now

failing of the neofunctionalist theory of economic 'spillover' into foreign and security policy. This study utilises the latter.

being touted as a European government in waiting (Lindberg 1963). However, this was to be short-lived due to the poor economic climate of the 1970s and the accession to the Community of less integrationist minded states:

institutional developments gradually shifted the balance between the Commission and the Council in favour of the latter. Intergovernmental committees... proliferated, the role of the Presidency expanded and the task of giving direction to the Community was taken over by the newly created European Council (Tranholm-Mikkelsen 1991: 307).

Haas' core principle of spillover no longer seemed to match the actuality of what was taking place in the EC; neofunctionalism had for all its complexity potentially misread the process of EC evolution. Neofunctionalist theory was left with a serious question mark over its usefulness. Indeed, it had become the most criticised theory in the field of IR and, more specifically, regional integration. These criticisms developed largely in response to events within the EC, the so-called 'Eurosclerosis' of the 1970s and early 1980s. From the outset it was clear, at least with hindsight, that the future of the theory was certainly tied to the subsequent development of the venture it sought to explain.⁶¹ Three core attacks on neofunctionalism were forthcoming.

First, neofunctionalism was condemned for ignoring the importance of national interests. Hoffmann (1966) argued that traditional concepts like power and state interests were the source of integration and not spillover. Second, Haas was criticised for not detailing the concept of spillover. For instance, critics like Hoffmann argued that there was no link between economic integration and political integration. 'High politics was virtually immune from the penetration of integrative impulses' (Rosamond 2000:77). Third, it was argued that neofunctionalism failed to take into account other variables, i.e. the international economic conditions and the international balance of power.

Haas also helped contribute to the demise of neofunctionalism, in 1975, by 'concluding that one, empirical developments, especially in Europe, had shown it to be essentially wrong, and two, its theoretical concepts were biased in favour of integration'.

⁶¹ However, in recent years the 'new dynamism' within the European Union have heard calls for a re-opening of the debate on neofunctionalism. See Tranholm-Mikkelsen (1991).

He singled out three major problems with neo-functionalism: that a definable institutional pattern must mark the outcome of integration, that integration will move in one direction, and that incrementalism is the major form of decision-making' (Jane Haaland Matlary, 1993). This implied that neofunctionalism would remain off the theoretical radar. Nevertheless, less than eleven years later, it was revisited by students of IR and of European integration who began to suspect that after the SEA neofunctionalism might have something more to contribute. Its revival was complete by the time the Treaty on European Union (TEU) was agreed, although it remained highly contested. The weakness of its hypothesis to explain why a proportionate level of SDPR did not evolve to correspond to economic integration promoted at Maastricht was the main charge this time around. Brighi (2000:4) has argued that neofunctionalism seems ill suited to accounting for ESDPR. 'No spillover effect has occurred in the last decade. Even now that the EMU has been launched, it is unlikely that a positive spillover will take place and increase the chance for cooperation in military issues'. Other critics have argued that there is no correlation between economic integration and political integration (Rosamond 2000). For a time, the neorealist based intergovernmentalist approach seemed to have won the day as it was thought unlikely that spillover into SDP would take place. The state-centric model of international politics seemed to demonstrate that states would not forgo their decision-making rights where sovereignty proper was at risk. Hoffmann (1982) had argued that economic and trade co-operation was conceivable from the state-centric model, as they were clearly compatible with the logic of state interest. Furthermore, this type of integration could not be considered as a fundamental attack on state sovereignty, as it did not weaken states' ability to wage war. Whereas economic integration strengthens the state, SDI would weaken it given the zero sum nature of its character. The reality of the political situation in the early 1990s suggested that SDI would not take place, notwithstanding consensus on EMU. Not all sectors, after all, would be affected by spillover.

It was also important to understand that some sectors contained more spillover potential than others did. Haas made it clear that while specific tasks had to be chosen to initiate the dynamism of integration, these tasks had to be economically significant. They had to connect to felt needs and expectations. It was on these areas of functional low politics, which had a day-to-day impact upon people's lives that integrative seeds could be scattered, rather than on big issues such as culture and defence (Rosamond 2000:62).

Haas himself seemed to accept that integrative forces would not penetrate the security and defence fields. Neorealists and intergovernmentalists argued that, as security and defence are the essence of state sovereignty, Member States would not readily give up their decision-making function in these areas to supranational actors. SDP was destined to remain intergovernmental. It was, in other words, fundamentally different from economic policy. Alfred van Staden (1994:153) concluded that, 'for the foreseeable future none of the EC members can be expected to commit themselves to majority decision-making or to accept the authority of a supranational body in questions of life and death'.

Thus, given that Haas proclaimed his own theory all but dead, a not unreasonable question might be: Why neofunctionalism? As Adler (1991) amusingly observed, Haas turned out to be wrong about being wrong. Haas also came to believe in, if not the full resurrection of his theory, the partial utility of neofunctionalism. In his last work, Haas called for neofunctionalism to be updated and modified (Haas 2004). By this time, however, Haas had taken a different theoretical path that he termed 'pragmatic constructivism'. Moreover, even Morgenthau (1993:57)⁶² conceded that under certain circumstance states might share sovereignty.

If the price of peace were only a slice of sovereignty and not the whole of it, if in order to lessen the likelihood of war it were necessary for the nation-state only to share sovereignty with an international organization and not give it up altogether, one might have peace and national sovereignty at the same time.

In other words, the process of integration can be understood as a minimal surrender of sovereignty to ensure peace. However, as sovereignty is central to state survival, states will not relinquish control over policies that impact on their ability to act as an independent actor, i.e. their ability to wage war. Nevertheless, there was now a situation

⁶² First published 1948.

where there was an element of convergence between intergovernmentalists, neorealists, liberals and neofunctionalists. Institution building, minimal or otherwise, in the form of SDPR can be understood as a tool of co-operation to allow states to tackle pathological flows of destabilising events. Moravcsik (1993), though writing about domestic affairs, would argue that national governments will accede to a supranational institution only insofar as it strengthens, rather than weakens, their control over international affairs, permitting them to attain goals otherwise unachievable. Neofunctionalists can reinvigorate the debate on the grounds that now that the nation-state as an independent economic actor has surrendered much of its power (or is in the process of so doing) to the supranational EU, the next logical step is penetration of the foremost symbol of state-centric power, SDP.

Moreover, neofunctionalism can direct our attention to other dimensions of reality relevant to ESDP that are ignored in the other theoretical paradigms which we examine. It also encourages us to ask whether there may be functional necessities triggering the key actors within the EU to promote more integrative ESDP reforms. Does, for example, EMU assume the need for a strong political Union to preserve the integrity of the single currency in times of crucial international political crises? Could reforms be just a reaction to general problems the member states found themselves in after the Soviet collapse? Or was there a powerful functionalist logic of expansion by EU businesses into East Central Europe after the Soviet collapse, and could that logic require a strong measure of political co-ordination of the external policies of Member States towards that region? Furthermore, actors which are typically downplayed, if not discounted, in other theories, particularly sub-national interest groups and the Commission, are explored by the neofunctionalists' paradigm. Has there been evidence of strong support amongst sub-national interest groups in a stronger ESDP in order to promote the welfare interests of such actors? While neofunctionalists would certainly expect strong resistance by Member States to relinquishing their control over foreign and defence policy, they would also tend to highlight pressures towards supra-nationalising ESDP. Finally, neofunctionalists would expect very powerful forces

within the EU to resist any tendencies towards the disintegration of the EU as a result of power politics; they may also expect such forces to resist the disintegration of transatlantic relations – unlike some neorealists, that assumed just such a fragmentation after the collapse of the Soviet Union.

General Hypotheses Inferred from Theory

In general, neorealists would expect Member States to initiate policy proposals that reflect their interests on a relative gain assessment in the light of the strategic environment they find themselves in. They also expect the United States to enter into agreements on the same relative gain principle. Neorealists also assume that SDPR will reflect preferences for power and security concerning the structure of the international system and the position Member States find themselves in vis-à-vis the most powerful actor in the system. They would argue, that to understand European SDP, ‘we need to look at the changing nature of the balance of power and how Member States’ search for relative gains influence the bargaining process at the EU/NATO level’ (Bono 2002: 9). Neorealists assume that the structure of the system will affect the behaviour of states and policy outcomes due to the distribution of power within the international system. According to this conventional neorealist thesis, Member States as rational unitary actors will aim to balance American power while at the same time keeping the integrative value of policy outcomes to an absolute minimum. The West European powers, according to general neorealist assumptions (Waltzian), should be seen to form an alliance of the most powerful member states within the EU – France, Germany and the UK – or a subset of the three, vis-à-vis the US, while retaining sovereignty. Neorealists do not deny the intergovernmental argument that state preference matters, but they assert that the balance of power concept is more important in the anarchic self-help system in which states operate. Neorealists, therefore, focus their academic scrutiny on the relationships of great powers in the field of security related interests. Material power imbalances, neorealists claim, furnish us with the key independent variable in international politics. Specifically in relation to this study, the

major shifts in power balances following the collapse of the Soviet Union, they claim, will have had a deep effect on political dynamics within Europe since the 1990s. Significantly, because material power is their prime focus, they argue that the United States is also a central actor in any study of ESDPR.

Moravcsik and Keohane approach the theoretical puzzle, of how and why states interact, from a different angle than that of their neorealist colleagues, while nevertheless sharing some of their basic assumptions. At the same time, their respective approaches differ in many ways and indeed each claim an independent theoretical identity, but crucially they can be said to share the same ontological and epistemological pedigree. In other words, both neoliberalism and LI share a number of common fundamentals which make them commensurable. First, for Keohane and Moravcsik, states are the main actors in international politics. Second, under certain conditions, both also, unlike their neorealist colleagues, champion the notion of absolute gains over relative gains. Third, they dismiss neorealism's ontological assumptions that state interests are predetermined, 'black boxes' – for them, they are neither given nor fixed. For Moravcsik, policy preferences can be located in the state's domestic economic and political interests and to this Keohane would add, the presence of international institutions, which create both constraints on and opportunity for state behaviour. And while they may differ as to emphasis here, both agree that institutions promote and facilitate co-operation through a self-reinforcing positive-sum dynamic. Fourth, Keohane and Moravcsik agree, that under conditions of 'complex interdependence' states can seek, through SDP co-operation and institutional building, to tackle problems common to them (threats to their collective welfare). Finally, in order to provide a positive appreciation of state behaviour, they share the same ontological assumption concerning the rationality of state actors – what we may call 'bounded rationality' (Giddens 1987). In sum, they understand the European regional system as one that can be theoretically penetrated by the notion of complex interdependence. Both approaches are thus firmly rooted in the rationalistic research model in terms of their basic ontological and epistemological assumptions. In that context, we can offer a synthesis

between LI and neoliberal institutionalist assumptions, reminiscent of the so-called ‘neo-neo-synthesis’ between neorealism and neoliberalism of the 1980s (Smith 2000).⁶³ We can, in other words, by taking the assumptions and generalisations that Keohane and Moravcsik have in common use them to create a new synthesis based on ‘complex interdependence’. This synthesis will thus furnish us with a parsimonious structure based around a ‘complex interdependence’ framework, from which we will drawdown testable hypotheses in order to test against the empirical reality of ESDPR.

Waltzian Neorealism

Waltz’s neorealism, arguing as it does, that politics is global in structure and unbalanced power is the key ‘independent variable’, lends itself to a general hypothesis that SDPR is driven by Member States compulsion to form an alliance to balance American power. Waltz’s neorealist thesis will be supported if there is evidence of pure balancing behaviour on behalf of the Member States to counter American power. Due to the nature of the international system, however, he would not expect to see SDI proper as a policy outcome.⁶⁴ While balancing against American power, Member States should also be seen to resist surrendering sovereignty to the supranational entity that is the EU. For Waltz’s neorealist variant to be proved right, SDPR must help build a general European security alliance against the power of the United States. As a testable proposition, we should evidence a weakening of NATO (and thus American power) as the Member States build a security alliance against American power.

Mearsheimerian Neorealism

Mearsheimer, although also maintaining power as the key ‘independent variable’, argues that politics is regional in structure. His thesis, therefore, lends itself to the general hypothesis that the process of SDPR is driven by Member States desire to prevent the rise of a European hegemony, in this case Germany and, as such, the member states may even

⁶³ Sometimes also referred to as the third debate in international relations.

⁶⁴ See table two.

welcome American power as an 'off-shore balancer'; this is also akin to buck-passing, i.e. by America. As a testable proposition, Mearsheimer would assume that SDPR will result in the United States remaining as offshore balancer while US-led NATO would remain central to keeping Europe stable.

Wohlforthian Neorealism

Wohlforth, on the other hand, argues that the overwhelming power of the US forces states not to balance, but to bandwagon. Extrapolated, from this, his general hypothesis would argue that the process of SDPR has nothing to do with balancing against the US, but it is a sub-system of American global hegemony - burden sharing. As a testable proposition, according to Wohlforth we should witness America remaining the European hegemon with the overwhelming support of the Member States.

Waltian Neorealism

Walt, in a similar vein, argues that although Member States are compelled to form alliances, the key independent variable is not power as Waltz and Mearsheimer claim, but the distribution of threats. Walt's variant of the neorealist paradigm therefore lends itself to the general hypothesis that the process of SDPR is driven by the necessity of Member States to form alliances (his dependent variable)⁶⁵ as a response to perceived threats (his independent variable) from American power. Walt, while accepting the basic tenets of Waltz's neorealist assumptions, generates a different hypothesis concerning the result of SDPR. His 'threat' explicit thesis suggests that reform is initiated to help the main Member States neutralise specific pressure. This would mean, for example, giving them specific powers to control their geographical periphery or more collective autonomy for deciding amongst themselves where their security interests lie. As a testable proposition, we would evidence alliance formation as the Member States respond to what they perceive has threatening behaviour by other states. Consequently, none of our neorealists would

⁶⁵ For Walt, alliance formation would take place only if those perceived threats, brought about by the transition, could not first be neutralised by other policy means, namely ESDPR.

expect to see the integrative value of SDPR remain anything other than very low to non-existent. Only Walt and Mearsheimer predicted specific directional flow of SDP control from one set of actors to another.

Keohane-Moravcsik and Complex Interdependence

Keohane's theory is based on the core concept of institutionalised co-operation – specifically 'complex interdependence'. Thus, while it would be fatuous to view the collapse of the Soviet Union as not having any great effect on the Atlantic relationship, Keohane's theory can, nevertheless, escape the tendency of neorealists who focus on the asymmetry of the new international system. Institutionalists, like Keohane, perceive Atlantic relations as interdependent, highly institutionalised and thus stable. He also accepts the actuality of power relations within the Atlantic alliance but, unlike neorealists, he tends to view American power not as a causal mechanism, but more as a convenience that allows Washington to negotiate more advantageous policy outcomes than its European allies do. Keohane would refrain from the temptation to place relative power at the head of a hierarchy of issues that allows America to use its military ascendancy to gain advantage in other areas of state interaction. He is versed in the relative gain assumption of the neorealist argument, i.e. their security concerns, but Keohane assumes that Member States will seek to co-operate within a security and defence framework when they consider potential threats from other members as irrelevant. If the use of force is not an issue within the regional system, SDPR is possible. If this happens then states are not that concerned with security issues vis-à-vis the other member states, but are concerned about external events that have the potential to destabilise their regional system. Institutionalists like Keohane expect weak states (relative to the hegemonic power) to co-operate regardless of the anarchic international system, because they see institutions as the way out of the neorealist conundrum. An institutionalist's working hypothesis 'would explain ESDP by emphasising the impact of international institutions on the foreign policies of EU/NATO member states' (Bono 2002: 10). Keohane would assume that the creation of functional

links set up under the treaties of Rome, Maastricht, Amsterdam, Nice and Lisbon coupled with the interaction between institutional structures of NATO and the West European Union (WEU),⁶⁶ would lead to common agreement among member states to meet security and defence goals. Hence, these norms and understandings are the source of decisions to integrate SDP into the EU (*ibid.*). He seeks to interpret SDPR by stressing the importance of regional and international institutions on the foreign policy preferences of Member States and the United States. For Keohane, reforms are not, as neorealists argue, about power per se. Rather they are about bringing the Central and East European Countries (CEEC) into the Western fold by enlarging the zone of complex interdependence to steer their social and economic transformation.

At the same time, Moravcsik's LI approach would argue that European SDPR is the result of lowest common denominator bargaining among Member States seeking to benefit from co-operation while guarding against any real loss of sovereignty. The dynamics of SDPR reflect the relative power of EU Member States, i.e. agreement is only possible with the approval of the three most powerful states within the regional system. Moravcsik believes that any progress made towards SDI can be assumed to come from structural pressures associated with complex interdependence. In other words, political-military interdependence is the primary determinant within traditional foreign policy issues (Moravcsik and Nicolaïdis 1999:61). Put differently, the system produces norms and patterns of behaviour that inform us of likely outcomes.

Governments with attractive and effective unilateral policies tend to be sceptical of co-operation, while governments able to achieve policy goals only by altering the pattern of externalities imposed by the policies of foreign government policy tend to favour it. Where the substantive implications of a choice are highly uncertain... national preferences are less predictable or more dependent on ideology (*ibid.*).

From this account, we can assume, given the dispersal of power in the EU and the low-level political-military interdependence that the preferences of Member States will

⁶⁶ The WEU was established in 1954 from the Brussels Treaty of 1948; it was formally inaugurated on the 6 May 1955 (later developments are outlined in context in the text).

more often than not differ. For the general LI hypothesis to hold true, the source of integration will be found not in the international system or institutions but in the policy preferences of powerful states. Specifically, Moravcsik only anticipates SDP co-operation as an outcome when there is a convergence of preference among the most powerful states. Moravcsik (1998:27) also recognised that the essence of geopolitical explanations for Member States 'preferences concerning economic cooperation lies in the linkage between economic policies and underlying politico-military goals. The focus is on indirect consequences of economic integration, termed... security externalities'.⁶⁷ More specifically, the approach as offered by Moravcsik could be said to be conscious of the same liberal dynamics that motivate states to pursue SDPR. He, like Keohane, maintains that under conditions of 'complex interdependence' states can seek absolute gains through SDP co-operation and institutional building to tackle problems common to them. In this instance, Moravcsik would argue that SDPR is essentially about ensuring that positive flows of economic gain are not interrupted by flows of destabilising events. And since not all member states are a part of the NATO command structure, the EU would be the best institution to oversee crisis management tasks. Accepting this highly complex interdependent environment, we can thus attempt to derive specific hypotheses along the three dimensions of empirical reality.⁶⁸

Haasian Neofunctionalism

Neofunctionalists would claim SDPR is the result of spillover from economic integration. Given the high levels of co-operation needed to complete the internal market and EMU, the evolution of policy is, thus, closely linked to economic pressures. Hence, for the neofunctionalist hypothesis to hold true, the process of integration will be located in the economic and monetary decisions of member states. 'Neo-functionalists would therefore give a primary role to an analysis of how economic and monetary decisions shape the

⁶⁷ For a debate between Moravcsik and the realists see: Moravcsik and Legro (1999) *Is Anybody Still a Realist*, and Moravcsik and Legro (2000a).

⁶⁸ On the three dimensions of empirical reality, see page 20.

debate about military/security issues' (Bono 2002:9.). In other words, like Moravcsik, they are interested in how economic externalities act as a catalyst for SDPR.⁶⁹ From neofunctionalist assumptions one can derive a general hypothesis that *the process of SDPR is largely motivated by internal political economic factors and Member States policy decision to integrate the economies of the CEEC into the Unions new economic framework.*

Table 2 General Process and Outcome Led Hypotheses

Theorists	Independent + Dependent Variables	Process Led Hypothesis	Outcome Led Hypothesis
Waltz	<ul style="list-style-type: none"> • Distribution of power/Unbalanced • Balancing; Internal or External 	Member States compulsion to form an alliance to balance American power.	Evidence a weakening of NATO (and thus US power) as the Member States build a security alliance against the US.
Walt	<ul style="list-style-type: none"> • Distribution of Threats • Balancing or Bandwagoning 	Member States response to threatening American behaviour.	Evidence the transfer of significant SDP competence from NATO to the EU as Member States balance
Wohlforth	<ul style="list-style-type: none"> • Distribution of power • Bandwagoning 	Building the new US European hegemony. SDPR is a sub-system of American hegemony.	Results in America remaining the European hegemon, with for the most part, the support of the Member States.
Mearsheimer	<ul style="list-style-type: none"> • Distribution of power • Balancing and Buck-passing 	Member States desire to prevent the rise of a European State hegemon.	Reform will evidence balancing by the Member States to prevent Germany making a run for hegemony.
Keohane & Moravcsik	<ul style="list-style-type: none"> • Pathological flows of destabilising events • Absolute gains/Co-operation 	SDPR is a response to pathological flows of destabilising events outside the EU.	SDPR will evidence European institutions capable of serving Member States when coping with common security and defence related problems external to the group.
Haas	<ul style="list-style-type: none"> • Functional economic logic of regional integration • Coalitions of sub-state actors+ supranational actors • Spillovers into the foreign policy field 	SDPR is largely driven by sub-state actors engaged in institutional-building to end power politics in favour of strengthening the basis for economic integration.	SDPR will result in the ending of nation-statist power politics and the weakening of the capacity of the big EU powers to act as they please in external policy, with supranational institutions playing a larger role

⁶⁹ See also Moravcsik (1998:27-38).

While these general hypotheses are useful to an overall understanding of theory, they are less helpful for the specific task of this study – testing theory for their ability to explain ESDPR over the past 15 years. The model adopted by this study, therefore, entails analysing each reform by recourse to our three dimensions.

Specific Hypotheses Inferred from Theory

Waltzian Neorealism

Dimension One: The principal transition in the international system and its challenges for the main actors. The demise of the Soviet Union as one pole of attraction has left the post Second World War bipolar structure unipolar, with the US now the world's only truly superpower. But for Waltz, unipolarity will not last, due to his structural imperative – the inherent propensity of states to check unbalanced power. This, according to Waltz, will be the crucial dynamic in European IR for the foreseeable future – the tempo of change being impossible to predict.

Dimension Two: The likely kinds of responses of the main actors to the transition. The Member States, when faced with the overwhelming power imbalance in the system, will be forced by the structure of that system to rebalance. Member States will choose SDP co-operation as they struggle to overcome problem issues inherent in the state-centric nature of sovereign states. The result will be an embryonic security alliance that, in essence, will require a break with the US dominated NATO. In so doing, the Member States will be required to initiate a common strategic orientation with the material power to provide for their security. Washington will of course view this strategic direction with suspicion and may well generate policies to counter Member States activities.

Dimension Three: The goals of the main actors in developing ESDP. The ambition of the Member States in promoting ESDPR, tied in with (2), is therefore crucially for encouraging the formation of an incipient common European security alliance that, when brought to fruition, will be capable of balancing American power. This aspiration is therefore not, as is generally professed by the Member States, a mere crisis management

tool to carry out Petersberg-type tasks. Concisely, this goal would require the gradual breakdown of NATO concordance, and the end to the American-led command structure and the appearance of supranational interests and common decision-making rules, a command structure, an integrated military force and a common armaments policy.

Mearsheimerian Neorealism

Dimension One: The principal transition in the international system and its challenges for the main actors. Mearsheimer, like Waltz, maintains power as the key 'independent variable' but argues that politics is regional in structure. The collapse of the Soviet Union, therefore, destabilised Europe by massively increasing the power not of the United States but of Germany - resulting in the destabilisation of the regional balance, not the global balance. His offshore balancer thesis allows Mearsheimer to claim that America was not a European hegemonic leader and, as such, thus does not objectively threaten dominance over the European powers. In short, the main challenge for the Member States was to manage the new internal power imbalance in Europe.

Dimension Two: The likely kinds of responses of the main actors to the transition. Britain and France would seek to ensure that Germany did not dominate the new Europe and the US would seek both to prevent any German dominance and to stand above the battle within Europe as a 'neutral' force committed for or against no particular European power. It would thus act as stabiliser and pacifier and be accepted as such by the others.

Dimension Three: The goals of the main actors in developing ESDP. NATO would remain fundamental in keeping Europe stable under US tutelage and the ESDP would be of no real significance as a force in great power politics.

Wohlforthian Neorealism

Dimension One: The principal transition in the international system and its challenges for the main actors. The rapid collapse of the Soviet Union has left the US as the world's only superpower and the uncontested hegemonic European power. The Member States have had

to deal with this new arrangement and, given the US overwhelming power advantage, the only practical way is to bandwagon. We therefore get hierarchy with American dominance rather than the anarchy brought about by the usual security dilemma. European and Atlantic institutions, therefore, have been restructured to allow for this new transition.

Dimension Two: The likely kinds of responses of the main actors to the transition. American power, while viewed for the most part with benign intent, is not a transition the other European powers were likely to relish. Given America's vast power differential, the Member States have with reluctance been forced to accept the new unipolarity and hegemonic leadership of the US. Since the structure is now so unbalanced, no genuine balancing against the US is possible. Furthermore, there can be no significant power rivalries between the Member States because of US dominance.

Dimension Three: The goals of the main actors in developing ESDP. SDP has essentially become a sub-system within US hegemony – a framework for enabling the Europeans to do more foot-soldiering for the US hegemonic project. In line with the traditions of the EU's grandiose claims, the US allows the Europeans to bluff their own public opinions with talk of Europe being autonomous and a great force.

Waltian Neorealism

Dimension One: The principal transition in the international system and its challenges for the main actors. Unlike Mearsheimer and Waltz, Walt does not focus on the relative power of Germany or America as the key causal link; the key question for Walt is whether German and American relative power was perceived to be a threat to France and Britain.

Dimension Two: The likely kinds of responses of the main actors to the transition. France and Britain would try to ensure that German relative power would not become a threat by integrating German foreign policy into the new institutions of the EU. France, but not Britain, would use the same institutions to modify the old American led NATO hegemonic alliance.

Dimension Three: The goals of the main actors in developing ESDP. ESDP was essentially about neutralising threat – the threat from the two main powers in Europe, Germany and America, to the satisfaction of France and Britain.

Keohane-Moravcsik and Complex Interdependence

Dimension One: The principal transition in the international system and its challenges for the main actors. Moravcsik and Keohane understand the European regional system as one that can be theoretically penetrated by the notion of complex interdependence, and the inherent inference that power politics and state survival are not salient within this regional setting. They, therefore, view the transition in different terms from their neorealist colleagues – competition brought about by the asymmetry of power relations following the Soviet collapse is not operational due to the interdependence of the actors involved. The main focus of the Member States was thus not about power politics, but concerned with enlarging the zone of complex interdependence Eastward into East Central and South East Europe, while simultaneously steering the social transformation of these societies. This was the major European challenge common to all the Western powers. There could be policy conflicts between Western states on how to meet this challenge in politics and economics, but such conflicts were those characteristic of complex interdependence and not neorealist power politics. The key challenge had thus nothing to do with neorealist power imbalances, but about minimising absolute losses and maximising absolute gains via intergovernmental policy co-ordination to stabilise East Central and South East Europe to allow for positive flows of economic interaction. Political and military crises are therefore salient only to the extent that they have the potential to disrupt the economies of the Member States. The key challenge, for both, is to manage crises in the EU's periphery that have potentially serious consequences for economics and this could best be achieved through developing EU institutions; the focus was thus on Petersberg type tasks. In such circumstances, the United States need not have been a central actor over ESDP and need not have been an opponent of it.

Dimension Two: The likely kinds of responses of the main actors to the transition. The nuances of complex interdependence required the Member States and the United States to present an integrated common response to policy challenges in the new liberated states and to avoid, *inter alia*, a scramble for power/influence in the east. The resulting approach, furthermore, would allow the Member States/US to replace old Eastern institutions with Western ones. The Americans, where they held a comparative advantage, would require the CEEC to be integrated into an enlarged NATO; the Member States, for their part, foregoing any doubts they had about NATO enlargement, would want in return to see economic reforms that fitted in with the new EU model. Differences would no doubt arise over the scope and domain of American-led NATO control of the process. Such disagreement, however, would be trivial and would not encroach into the perilous area of power politics. Member States would respond to the challenges by negotiating within an intergovernmental framework to reach agreement on policy co-ordination to manage crises that arose. The result would require the creation of supranational bodies to oversee the negotiated commitments, prevent cheating and lock-in Member States. The disjointed nature of NATO membership meant that the best place for crisis management tools would be within the EU, namely Petersberg-type tasks. Given the sensitivity of military-political activity, however, the usual supranational locking-in processes could not operate in this field, unlike in the economic field proper.

Dimension Three: The goals of the main actors in developing ESDP. Reforming ESDP was to allow the Member States to respond to political and military crises that emerged in CEEC from the difficult conversion from totalitarian political domination and centrally controlled economies to liberal democratic market economies. More specifically, its purpose was to allow the Member States to respond to crises in the EU's near abroad that had the potential to destabilise the Union's geo-economic periphery. The purpose of ESDP is to buttress and sustain the Union's regional economic policy; as such a component, it should not be viewed as a tool of geopolitical power politics. ESDP should, therefore, not harbour or require Member States consensus on global geopolitics and

geopolitical strategy and neither would there be a need for strong integration of general staffs and arms industries. Neither would ESDP herald the imminent arrival of an integrated federal Europe. It would be looser and its development would be closely linked to reactive responses by Member States to the particular challenges they faced from instabilities in their periphery. Reforms would thus not resemble a traditional military alliance; rather NATO would retain that function.

Haasian Neofunctionalism

Dimension One: The principal transition in the international system and its challenges for the main actors. From a neofunctionalist perspective, two main transitions relevant to the development of the CFSP and ESDP could be highlighted that posed major strategic challenges for the main actors. First, pressures towards neofunctionalist spillover from the SEA 1986 hastened the member states to concentrate their efforts on internal political economic factors; the completion of the single market required EMU. But EMU in turn was a major political as well economic project, and the system it thus created still required strong state-like support, albeit from a supranational entity. The reality that currencies and financial markets are affected by international events leads neofunctionalists to argue that EMU creates strong pressures towards spillover into the realm of ESDP. They could also argue that the Soviet collapse gave a free rein to West European businesses actors for a massive expansion into East Central Europe. In turn, these actors would then demand integration of policy towards that region at an EU level to create a level playing field, as well as ensuring that the political, economic and social systems of the region were transformed along functional lines to protect the commercial welfare of West European business actors. Expansion thus implied an integration of the whole range of external policies – both political and economic – towards the East. As a consequence, this marked a challenge for new moves towards integration in external policy. While, for the most part, the emphasis was on consolidating internal economic reform, institutional developments

were also required to manage the policy decision to enlarge the EU, to include a reunited Germany and the CEEC.

Dimension Two: The likely kinds of responses of the main actors to the transition. Giving a political base to EMU would be expected to be championed by the Central Banks of the EU and by the bigger business interests of the member states. These same interests would be strongly in favour of strengthening the supranational co-ordination of EU external policy towards the East, enlarging the Union's sphere of influence and seeking to integrate the CEEC economies, thus creating pressures towards spillover into high politics. The need for a stable political settlement to demonstrate unity in tackling international crises and conflicts on the Union's eastern periphery would then become very important for these actors, while gaining strong support within the Commission. Neo-functionalists would, at the same time, expect rather strong resistance by Member States executives to such pressures for supranationalising external policy, resulting in a series of conflicts and compromises around the extent of supranational integration.

Dimension Three: The goals of the main actors in developing ESDP. ESDP reform is essentially about policy functionality to enable the Member States to cope with spillover from economic integration into high-politics. The neofunctionalist approach thus requires the evaluation of SDP in terms of measuring the integrative value of steps in SDPR taken at various stages and the directional flow of the reform. In so doing, we are better able to ascertain whether the process is moving the Member States towards SDI proper, away from SDI, or whether the process is stagnant. For neofunctionalists, integration of SDP proper, if achieved, would have ramifications far beyond its immediate area of policy competence. The EU would become a major international security actor and the state would no longer be seen as the dominant actor in the system.⁷⁰ The structure of the system would also be changed, leading to a revisiting of major IR and integration theories. Has the

⁷⁰ This does not necessarily mean the EU would become a state, but it does mean it would become a great power. As Tony Blair recently stated, the EU 'can be a superpower, but not a superstate' (Blair 2000).

reform taken responsibility for European SDP away from Washington? Has the reform transferred responsibility for European SDP to the Member States? Has the reform transferred responsibility for European SDP to the supranational institutions of the EU?

Analytically, the different hypotheses generated by this study offer us the following questions to answer:

1. (Waltz) Is the SDP reform process driven by Waltz's independent variable-power, specifically unbalanced American power,⁷¹ that leads to Member States pooling their resources to balance (Waltz's dependent variable)⁷² against American power?
2. (Mearsheimer) Is the SDP reform process driven by Mearsheimer's independent variable – power, specifically German power⁷³ that leads to regional balancing (his dependent variable)?⁷⁴
3. (Wohlforth) Does SDPR preserve the status quo, American hegemony (his independent variable), or does it go further and reinforce NATO/Washington's military hegemony over the Member States as the Member States bandwagon?
4. (Walt) Has SDPR aided the Member States in neutralising 'specific threats' (his independent variable) from the Americans by building a protected alliance (his dependent variable)?
5. (Keohane and Moravcsik) Have Member States responded to external events (their independent variable) by building security and defence institutions to allow for better intergovernmental policy co-ordination and co-operation (their dependent variable)?

⁷¹ Politics being international in structure.

⁷² SDP reform is about balancing against the global hegemony that is the US.

⁷³ Politics being regional in structure.

⁷⁴ SDP reform is about balancing against the rise of a regional hegemony.

6. (Haas) Is there evidence of spillover (his independent variable) leading to supra-national institutional-building from within the EU and a weakening of the Member States control over SDP (his dependent variable)?

These basic questions serve to connect the empirical case studies with theoretical considerations. Because the questions are explicitly extracted from the theoretical study, they refer, therefore, to the independent and dependent variables under analysis.

Chapter Two

European Security and Defence Policy Reforms 1989-2007

Introduction

In Chapter 1 we set the research method and detailed the theoretical framework in which we will test various IR and integration theories for their capacity to explain the analytical puzzles which ESDP construction has thrown up. In this chapter we aim to achieve two things. The first is to provide a detailed account of ESDP reforms across four reform phases. A second and connected aim is to provide a reflective and sequential narrative of the development of ESDPR to tie the empirical reform process as tightly as possible to the theoretical narrative that follows in Chapters 3-6. Both aims thus involve detailing specific NATO and European SDP restructuring from 1989 to 2007. And while those reforms did not take place in a political vacuum, we will, for the most part, leave the strategic context of the reforms to be addressed in the context of the theoretical narrative in Chapters 3-5. At the same time, we will offer a transitory narrative to ground the phases of reform in the context of the strategic background in which they took place.

The first phase of reforms, 1989-1992, leading to the Maastricht Treaty, took place during a particularly dramatic time in international relations – the Berlin Wall had come down, communism in East Central Europe had collapsed, Germany was in the process of reuniting, the Soviet Union was disintegrating, the Cold War had ended, the Gulf War had started, NATO was about to reform, the EC member states were in the process of negotiating a new EU with EMU as its cornerstone and rumblings of discontent were coming from the Balkans. The second phase of reform, 1992-1997, leading to the Amsterdam Treaty, gave the member states the opportunity to digest what had just transpired and what tactical political and military reforms could best serve the Union in the new post-Cold War world. At the same time, the collapse of communism in Eastern Europe created a political vacuum characterized by insecurity and mistrust about future

political arrangements. In Yugoslavia the unsolved ethnic and social problems and the revival of nationalistic tendencies led to conflicts, which required a response that the West European powers seemed singularly incapable of addressing without the assistance of the United States. In that context, the relationship between the US-led NATO and the Union's ESDP is highly significant throughout all the phase we examine. With two very different security institutions attempting to occupy the same space, policy divergence was bound to emerge from time to time as the two negotiated their way to an acceptable compromise (McGuire and Smith 2008:2-3).⁷⁵ This emphasis on the relationship between the EU and the US is very much the key to understanding the empirical outcomes of reforms and how they tie directly into the theoretical puzzle we are attempting to unravel. The third phase of reform, 1998-2000, leading to the Nice Treaty, was very much a practical learning curve for the member states from their experience on the ground in Bosnia and the lead up to the Kosovo crisis, both as peacekeepers and peacemakers, both in concert and disagreement with the US. The fourth phase of reform, 2000-2007, leading to the failed Constitutional Treaty and then the Lisbon Treaty, has as its strategic background the Iraq war and the split within the Union and between the member states and the US. Within the strategic context of the post-Cold War security environment it is to these reform phases we now turn.

The Creation of the CFSP and the Project for a ESDP: The Maastricht Treaty

During the Cold War, Europe's strategic location meant a predetermined attachment to providing security under the one regional body capable of offering resistance to the Soviet colossus – NATO. The problem was that the alliance structure was dominated by an outside actor – the US. More than forty years of US supremacy in the security and defence field meant the member states were forced, by necessity, to interact and co-operate under American tutelage. As Keohane (1984) observed, American hegemonic power meant

⁷⁵ Indeed policy convergence is a common theme of the EU-US relationship; see McGuire and Smith (2008).

Washington was able to enforce a continued co-operative outcome in terms of its own security. Even France, which withdrew for the military structure of the alliance in 1966, remained a valued, if sometimes awkward, partner. With the end of the Cold War, those ties, born out of strategic necessity, became somewhat more fluid. France, in the first initial burst of restructuring, possessed a sort of blueprint for an autonomous EU force based on the WEU, but the reality was too complex to allow for such a step forward (Howorth 2000:14). Nevertheless, with the collapse of the Berlin Wall, there were calls for a separate ESDP. Such reforms were however to be firmly structured as an addition to NATO. The reforms thus did not fundamentally change the strategic landscape – NATO/Washington remained supreme. Moreover, America's hegemonic position meant that decisions to use NATO assets or structures remained with Washington. And nowhere was this more clearly demonstrated to the member states than when dealing with crises in the former Yugoslavia – particularly Bosnia. In other words, the West Europeans, if reforms were not forthcoming, would remain dependent on US leadership to delineate and execute the Unions collective SDP. As sovereign states, free from the constraints of the Cold War, this was risky overdependence and thus undesirable, and for the Americans it was tantamount to free-riding and thus intolerable. As a result, there was basic convergence on the issue that SDPR would indeed take place.⁷⁶ With the end of the Cold War and increasing ethnic tensions in Yugoslavia at the time Maastricht was being negotiated, the main question that arose was, how should European and Atlantic security and defence institutions reform to handle the new security environment?

By the summer of 1990, the London NATO summit began the process of a strategic repositioning, which entailed reduced forward troop numbers, reduced reliance on nuclear weapons and the opening of diplomatic channels with Central and Eastern European Countries.

⁷⁶ For an in-depth analysis on the negotiations leading to the Maastricht Treaty, see Dinan (1999), Dyson and Featherstone (2000); Cafruny and Rosenthal, eds. (1993); and Moravcsik (1998).

We recognise that, in the new Europe, the security of every state is inseparably linked to the security of its neighbours. NATO must become an institution where Europeans, Canadians and Americans work together not only for the common defence, but to build new partnerships with all the nations of Europe. The Atlantic Community must reach out to the countries of the East which were our adversaries in the Cold War, and extend to them the hand of friendship (NATO 1990).

By June of the following year, the North Atlantic Council (NAC) Ministerial Session (Copenhagen 7 June 1991) expressed the desire to develop a security partnership through the implementation of a broad set of further initiatives, including:

- The organisation of meetings of officials and experts to exchange views and information on security policy issues, on military strategy and doctrine and on other current topics in the security files...
- Intensified military contacts between senior NATO military authorities and their counterparts in the Central and East European states, discussion at NATO Headquarters, SHAPE and major NATO commands with military officers from those countries on matters of mutual concern...
- Participation of Central and East European experts in certain Alliance activities, including those related to NATO's "Third Dimension" scientific and environmental programmes, and exchange of views on subjects such as airspace management (NATO 1991a).

A short time later, at the NATO Rome Summit of November 1991, NATO member states adopted a document entitled 'The Alliance's Strategic Concept' (NATO, 1991). According to this document:

Risks to Allied security are less likely to result from calculated aggression against the territory of the Allies, but rather from the adverse consequences of instabilities that may arise from the serious economic, social and political difficulties, including ethnic rivalries and territorial disputes, which are faced by many countries in central and eastern Europe. The tensions which may result, as long as they remain limited, should not directly threaten the security and territorial integrity of members of the Alliance. They could, however, lead to crises inimical to European stability and even to armed conflicts, which could involve outside powers or spill over into NATO countries, having a direct effect on the security of the Alliance.

What was evident was that Europe's primary security institution was in the process of adapting to the new post-Cold War situation. What was less evident was how the EC and then new EU would adapt its SDP to meet the same challenges without clashing with Washington – which intended to maintain its hegemonic leadership over its European allies through NATO (Howorth 2007). The kind of questions bound to surface were, what kind of military activities might be necessary and who should be in charge for

such activities? At the same time, eager to establish a baseline for co-operation in SDP, the French and Germans had as early as October 14 1991 informed the Council of Europe, in a common letter, of their intention to reinforce their military cooperation. Subsequently, at the La Rochelle summit on May 22, 1992, Mitterrand and Kohl took the official decision of creating the Eurocorps. In the context of the overall restructuring taken place, this could be viewed as the first step in launching the initiative for an independent European defence programme.⁷⁷ Indeed, with France and Germany setting the agenda on SDP, it appeared that the Eurocorps was structured with the intent to balance NATO; but this was certainly overstating the case, as ‘Germany never wavered on its political commitment to NATO and militarily remained fully integrated with the NATO force structure...’ (Rynning 2002:7).

At the same time, on the 7 February 1992, the TEU and its second pillar, the common foreign security policy, gave treaty force to the aspirations of the EU member states to develop a capacity to act on the international stage by the tentative step towards greater co-operation over SDP to answer such questions. The TEU was the most important institutional change since 1957. Contained in the treaty under the second pillar are the following aims, as laid down in Article J.1:

1. The safeguarding of the common values, fundamental interests, and independence of the Union.
2. Strengthening the security of the Union.
3. Preserving peace and strengthening international security.
4. Promoting international co-operation
5. Developing and consolidating democracy, the rule of law, and respect for human rights and fundamental freedom.

In pursuit of these goals, Article J.1 (3) stated that the Union should pursue these objectives in accordance with procedures set out in Article J.3, ‘*joint action* in the areas in which the Member States have important interests in common’. These joint actions required new workable operational practices. The procedure for adopting joint action as

⁷⁷ It did, as Stein (1993:214-15) noted, raise a few difficulties: ‘The question of command and control of the Eurocorps has been whether this is all a French plot to winkle Germany out of NATO or a German plot to seduce France into NATO’.

laid down in Article J.3 can be broken down into four main stages. (1) Agenda setting: the European Council heads of state/government and Commission President set priorities and issue broad guidelines to the Council of foreign ministers (CFM) for the development of the Union every six months. The process was very much intergovernmental, and gave states the chief role in the evolution of the Union's SDP. (2) Decision-making: defining and specifying CFSP common positions and joint actions falls to the CFM (Article J.2 (2)).⁷⁸ In procedural terms Article J.2, (2) was an important extension of qualified majority voting (QMV) in CFSP issues.⁷⁹ However, the mechanism was not utilised due in part to the fear of taking security policy out of the hands of national governments and more specifically because consensus could not be reached on such tough decisions as how to respond to the CEEC request for inclusion in Western institutions. (3) Policy implementation became more complex. It involved the Presidency as outlined in Article J.5; the Commission as specified in Article J. 9; the CFM as noted in Article J.3 and the WEU as drafted in Article J. 4 (2). It allowed for QMV in some cases and consultation with the European Parliament (Article J.7). The effect was rather a convoluted process that was not helped by the fact that the EU was not a legal personality⁸⁰ with the ability to agree international treaties in the same way as the EC could in trade matters. Last, evaluation and compliance seemed to involve most of the actors mentioned above and some new ones as introduced in Article J.8 (5) and, unlike issues relating to the operation of the common market, the ECJ had no authority to make rulings on CFSP matters. Under Article J. 8, everyone had responsibility for ensuring the smooth operation of CFSP commitments, yet no one had the authority to apply sanctions, as they did not exist, and no one was ultimately treaty-bound to oversee compliance. The CFSP, however, covered all

⁷⁸ For an analysis of the possible threat to EU foreign decision-making role by the 'Quint', see Gegout (2002:338-341).

⁷⁹ Procedures under Article J.3 were limited to security issues as made clear by Article J.4 (3) 'Issues having defence implications dealt with under this Article shall not be subject to the procedures set out in Article J.3'.

⁸⁰ This was not to happen for another fourteen years, and still depends on all the Member States ratifying the Lisbon Treaty.

matters which might impact on EU's security and would, at some stage in the future, include the building of a 'common defence policy', which may possibly lead to a 'common defence' (Article J.4 (1)).⁸¹ Nevertheless, inclusion of the word 'defence' should not be overlooked as a simple grammatical slip, as it swiped aside the old Cold War mantra, that 'defence' was a term 'exclusively reserved for NATO' (Hill and Smith 2000: 152). At the same time, the WEU was to be the vehicle for the new EU to create its own political identity in the international arena through SDP. 'The Union requests the Western European Union (WEU), which is an integral part of the development of the Union, to elaborate and implement decisions and actions of the Union which have defence implications' (Article. J.4.2). The WEU was thus made 'an integral part' of the CFSP to allow for the realisation of joint action that demanded military activity, thus permitting the future development of the CFSP. For now, however, the WEU was to be used primarily for the creation of a European Security and Defence Identity (ESDI) as called for by the Americans in the 'Rome Declaration'. 'The development of a European security identity and defence role, reflected in the further strengthening of the European pillar within the Alliance, will reinforce the integrity and effectiveness of the Atlantic Alliance' (NATO 1991). In other words, the WEU was to be the structure for the development of the ESDI within the Atlantic Alliance (Article J.4 (2-3)).⁸² Moreover, the WEU lacked specific actor powers – the TEU did not specify the path it should take, the end goal for the Union's evolution in this area, or the creation of guidelines to determine common interests. Thus, in pursuit of that declared aim (Article. J.4.2), the WEU Ministers of Foreign Affairs and Defence, meeting on June 1992 at Petersberg outside Bonn, declared that:

In accordance with the decision contained in the Declaration of the member States of WEU at Maastricht on 10 December 1991 to develop WEU as the defence component of the European Union and as the means to strengthen the European pillar of the Atlantic Alliance, WEU member States have been examining and defining appropriate missions, structures and means covering, in particular, a

⁸¹ Britain, having contested the mention of 'defence' in the wording of the second pillar, demanded that a distinction be made between 'security' and 'defence' with the latter eventually being dropped from the heading.

⁸² On the Prospects of ESDI see Peter Van Ham, *European Security* Vol. 4 (1995:523-545).

WEU planning cell and military units answerable to WEU, in order to strengthen WEU's operational role.Apart from contributing to the common defence in accordance with Article 5 of the Washington Treaty and Article V of the modified Brussels Treaty respectively, military units of WEU member States, acting under the authority of WEU, could be employed for: humanitarian and rescue tasks; peacekeeping tasks; tasks of combat forces in crisis management including peacemaking (WEU 1992).⁸³

Moreover, shortly after this, at the Lisbon European Council 26-27 June 1992, the Union set out the operational components regarding common interests and regions that fell under the security aspects of the CFSP.

1. The geographical proximity of a given country or region to the EU.
2. A specific EU interest in the political and economic stability of a region or country.
3. The existence of threats to the security interest of the EU.
4. Disarmament and arms control in Europe.
5. Economic aspects of security (European Council 1992).

According to Laursen (2002:22), 'the position of WEU in the Maastricht Treaty is equidistant between NATO and the EU, as the European pillar of the former and the defence component of the latter'. Nevertheless, Haine argues that Maastricht was the first breakthrough, however modest. But that foreign policy 'is not an area where the logic of integration can easily replace the logic of collective action. The intergovernmental nature of foreign policy cooperation remained the basic rule of the game. This basic reality explained the creation of a second pillar of the Union, dedicated to a common foreign policy, but at Maastricht, defence issues were postponed *sine die*' (Haine 2004a:35). At the same time, it could be argued, however, that the shift towards becoming a security actor was unmistakable with the integration of CFSP into the TEU (Nuttall 2000). Thus, the overall conclusion reached by the member states, and the US, was that the time was now right for the Europeans to do more in the field of SDP.⁸⁴

⁸³ Thereafter became known as the 'Petersberg Tasks'.

⁸⁴ See Robert (1992), Taylor (1994), Feld (1993) and Duke (2000).

The Reform of the CFSP: The Amsterdam Treaty

Within the context of NATO/Washington and the EU's engagement in the Bosnia crisis, phase two can be broken down to three key reforms. First, the Combined Joint Task Force (CJTF) concept was introduced at the NATO Brussels Summit of January 1994.⁸⁵

Building on our decisions in London and Rome and on our new Strategic Concept we are undertaking initiatives designed to contribute to lasting peace, stability, and well-being in the whole of Europe, which has always been our Alliance's fundamental goal. We have agreed: to adapt further the Alliance's political and military structures to reflect both the full spectrum of its roles and the development of the emerging European Security and Defence Identity, and endorse the concept of Combined Joint Task Forces. ... to facilitate contingency operations, including operations with participating nations outside the Alliance (NATO 1994).⁸⁶

This would give Washington the institutional tools to pursue non-Article 5 operations with non-NATO members, including those in the WEU. At the same time, it could be viewed as a way of underpinning the European pillar of NATO (ESDI) while preventing the West Europeans from developing their own independent defence structure (Bensahel 1999). The changing dynamics of the post-Cold War security environment, at the time most clearly evident in the Balkan's, created the awareness for the need for more easily deployable multinational forces to take on specific kinds of military tasks. These included, for the main part, the Petersberg Tasks, but also possible collective defence. At the core of the CJTF concept are the command and control arrangements essential to allow EU and NATO forces to operate effectively and separately where Washington decides not to involve NATO.

⁸⁵ This summit also launched the Partnership for Peace (PfP) program, as a practical, but measured step, to accommodate those former Warsaw Pact countries that desired closer ties and membership with NATO.

⁸⁶ France a founding member of NATO in 1949 left the military structure in 1966 amid policy clashes with the US. France did continue to contribute troops to NATO missions and to participate in NATO's political bodies. A rapprochement took place in 1995, when France rejoined NATO's military committee, which advises NATO's political authorities on military policy and strategy and provides guidance on military matters to NATO's strategic commanders.

The second reform, the Berlin Plus agreements of June 1996, seemed to accommodate just that, allowing the EU forces access to NATO assets.⁸⁷ 'The 1996 landmark agreement on Combined Joint Task Forces in Berlin allowed for an ESDI to develop within NATO without compromising its integrated structures. The Berlin accord explains, in part, why the EU drive to create an autonomous security entity linked to it faltered at the Amsterdam Inter-Governmental Conference in 1997' (Brenner 2002:2). In other words, there was, besides British objections, a good practical case to be made that separate EU security assets were not needed, as NATO would now provide them.⁸⁸ Moreover, fresh from their experience in attempting to deal with the Balkan crisis, 'NATO members finally grasped the notion that there may be crises in Europe in which the US does not want to intervene, and which it makes the most sense for only Europe to address' (Guay 1999:88). Nonetheless, Washington remained firm that NATO remained the primary European security institution. And NATO operations (both IFOR⁸⁹ and SFOR⁹⁰) and the Bosnian Dayton Peace Accords seemed to re-entrench American/NATO domination of ESDP.

What is more, the third major reform, the negotiated outcomes of the Amsterdam Treaty, was as much about what was acceptable to Washington as to what could be agreed between the member states. That treaty was the result of the Intergovernmental Conference (IGC) launched at the Turin European Council on 29 March 1996.⁹¹ The task of the IGC was to revise those provisions of the Maastricht Treaty which gave rise to problems of

⁸⁷ See Ministerial Meeting of the North Atlantic Council, *Final Communiqué*, Berlin, NATO Press Communiqué M-NAC-1 (96) 63, June 3, 1996; and Meeting of the North Atlantic Council in Defense Ministers' Session, *Final Communiqué*, Berlin, NATO Press Communiqué M-NAC(DM)-2 (96) 89, June 13, 1996.

⁸⁸ For more on CJTF, see: Barry, C. 'NATO's Combined Joint Task Forces in Theory and Practice'. *Survival*, Spring 1996, Vol 38, No. 1. pp. 81-97.

⁸⁹ The Implementation Force (IFOR) was a NATO-led multinational force in Bosnia and Herzegovina under a one year mandate from 20 December 1995 to 20 December 1996 under the codename *Operation Joint Endeavour* to implement the Dayton Peace Accords.

⁹⁰ The Stabilisation Force (SFOR) was a NATO-led multinational force which took over from IFOR, also tasked with upholding the Dayton Agreement under the code name *Operation Joint Guard*, December 21, 1996 - June 19, 1998.

⁹¹ The negotiated path leading directly to Amsterdam can be found in official documents: (CONF/2500/96), (CONF/3848/97), (CONF/3855/97), (SN/2555/97) and (SN 600/97 (C 101), through these various proposals the Treaty of Amsterdam emerged (CONF/4000/97).

implementation of the Union's economic and CFSP. It was adopted at the Amsterdam European Council on 16 and 17 June 1997 and signed on 2 October 1997 by the Foreign Ministers of the fifteen Member States; it entered into force on 1 May 1999 after ratification by all the member states in accordance with their respective constitutional requirements.

Article J.1 of Amsterdam differed from Maastricht Article J.1 only slightly. Article J.1 (3) of Amsterdam added to the TEU by stating that the Union shall define and implement a CFSP covering all areas of ESDP, the objectives of which shall be: to preserve peace and strengthen international security, in accordance with the principles of the United Nations Charter, as well as the principles of the Helsinki Final Act and the objectives of the Paris Charter, including those on external borders.⁹² The Treaty incorporated the Petersberg Tasks into the EU's official mission (Article J. 7(2)).⁹³ The member states however failed to elaborate on the operational modalities, preferring instead to stick verbatim to the Petersberg Declaration, 'because it was based on 'constructive ambiguity', which was acceptable to the 'Atlanticists', the 'pro-European autonomist' and the non-allied governments' (Ortega 2004:73). Instead of integrating the WEU, the Treaty called for 'closer institutional relations with the WEU with a view to the possibility of the integration of the WEU into the Union, should the European Council so decide' (Article J.7 (1)). The EU was thus committing itself to humanitarian and peace-making missions, but still doing so through the mechanism of the WEU rather than directly through EU mechanisms. Amsterdam did, however, provide the CFSP with instruments that were more coherent and more effective decision-making procedures. The Treaty sought to advance the EU's identity on the world stage by adding a new foreign policy instrument under Article J.2 to the ones agreed at Maastricht (joint actions and common positions) of

⁹² The incorporation of external borders accounts for this small difference, but now for the first time the Member States recognised the growing importance of being able to react to international events specifically outside their own regional environment.

⁹³ The Petersberg tasks include humanitarian and rescue tasks, peace-keeping tasks and tasks of combat forces in crisis management, including peacemaking.

common strategies and *constructive abstention*. The common strategy was a new instrument whereby the European Council would define the principles and general guidelines for the CFSP, including agreement by consensus for common strategies to be implemented by the Union, ‘in areas where the Member States have important interests in common’. The European Council would also decide on the objectives and duration of common strategies and the means to be made available by the Union and the member states. The crucial provision is Article J.13 (2), which states that, when adopting actions or positions implementing common strategies decided by the European Council, the Council shall act by qualified majority. This meant that, for the first time, there was a genuine possibility that QMV could become the norm for CFSP decisions. The new reforms were designed to allow for rapid action by the EU (via majority voting) to international events.⁹⁴ Agreement was also reached, whereby ‘common strategies’ would guide the Union’s CFSP and allow for QMV.⁹⁵ This settlement was only possible by adding a double safeguard for the British and French: article J. 13 of Amsterdam introduced flexibility into the decision-making process. While as a matter of principle the Union still relied on unanimous Council decisions under Title V, Amsterdam allowed for abstention by Member States so as not to prevent the adoption of such decisions by others. Positive abstention thus became the doctrine of allowing a member state to abstain on a vote in the CFM, without blocking a unanimous decision. If positive abstention was accompanied by a formal declaration, the member state in question was not obliged to apply the decision but had to accept that it committed the Union to that action. That state was then obliged to refrain from actions that might cause conflict with Union action based on that decision (Article J. 13 (1)). The creation of such a mechanism represented a major deviation from the consensus rule that prevented the EC/EU from taking positive action in time of crisis.

⁹⁴ Some uncertainty did, however, remain over the precise nature of the reforms. France had called for a concrete debate to put an end to any ambiguity, but Germany indicated that too detailed a debate risked slowing down the process (European Report: 1/13/99). While Germany supported QMV in foreign policy, France and Britain opposed it (Moravcsik 1999a:77).

⁹⁵ Once a basic policy direction has been agreed, foreign policy decision can be taken by QMV rather than by unanimity.

A step forward yes, but ‘if the members of the Council qualifying their abstention in this way represent more than one third of the votes weighted in accordance with Article 148(2) of the Treaty establishing the European Community, the decision shall not be adopted’. Given the particular voting system operated by the EU, such bloc votes would be easy to engineer – due to the voting weight of the most powerful units, if one of the three most powerful Member States so wished the Union would be unable to act. Further get-out clauses also allowed for member states to block joint actions and common positions. When a member of the Council declared that, for reasons of national policy, it intended to oppose the adoption of a decision to be taken by qualified majority, a vote would not be taken. ‘The Council may, acting by a qualified majority, request that the matter be referred to the European Council for decision by unanimity. The votes of the members of the Council shall be weighted in accordance with Article 148(2) of the Treaty establishing the European Community. For their adoption, decisions shall require at least 62 votes in favour, cast by at least 10 members’ (Article J.13 (2)). Typically, none of the above applied to decisions having military or defence implications. And far from furthering the high ideals of an ‘ever closer union’ the consequences, less articulated at the time, were that:

The concept of ‘constructive abstention’ introduced in the Amsterdam Treaty ... point the way to more such *à la carte* arrangements. No one can seriously expect this to strengthen the E.U. The more opt-outs there are, the less coherent the Union is bound to become. A multi-speed Europe can hardly achieve the Treaty of Rome’s goal of ‘ever closer union’. On the contrary, union will tend to become more remote. Instead there will be a multiplicity of petty unions: from the Treaty of Rome, in short, to a political spaghetti junction of partially overlapping ‘coalitions of the willing’ – with the mission in each case defining the coalition (Ferguson 2003:33).

Seen in that context, while improved, the reform of the decision-making procedures needed to strengthen the cohesion of the Union was fudged. But the new approach was intended to demonstrate the consistency of EU external policy as a whole across the three policymaking pillars. In concrete terms, a common strategy sets out the aims and length of time covered and the means to be made available by the Union and the Member States (Article J.3 (2)). These were intended to be the decision-making

instruments for the WEU to carry out Petersberg operations but, given the importance concerning the use of military force, that decision was to come from the European Council. In other words, it would be an intergovernmental decision. In realisation of this goal, Amsterdam also reformed the rules on policy implementation and external representation, by adding a new body to oversee policy commitments along with the Presidency. 'The Presidency shall be assisted by the Secretary-General (SG) of the Council who shall exercise the function of High Representative for the common foreign and security policy' (Article J. 8 (3)). Article J.16 also asserted that the High Representative may assist the CFM by 'contributing to the formulation, preparation and implementation of policy decisions, and, when appropriate and acting on behalf of the Council at the request of the Presidency, through conducting political dialogue with third parties'. However, 'the new Treaty was not particularly generous in details concerning the precise function and attributions of the Secretary General-High Representative (SG) (HR). For better or worse, therefore, it was up to its first holder to interpret and shape the new role. And the way Solana opted to proceed decisively strengthened the 'HR' part, to the detriment of the 'SG'' (Missiroli 2005:62). The holder of the new position was to be supported by a *policy planning and early warning unit* in the General Secretariat of the Council under the authority of the High Representative. Solana 2006:115), with some authority, locates the reform process within the context of the EC/EU failures in the Balkans and Iraq.

...when Maastricht entered into force, Yugoslavia had already fallen apart. A divided and hesitant Europe was unable to stop the bloodshed. The wars in Yugoslavia scared a generation of Europeans.... They represented a frightening return of the demons. They taught us that diplomacy not backed up by credible threats was no match for determined ultra-nationalists. And when we finally took action, together with the US – in Bosnia and later Kosovo – Europe's weakness in military capabilities stood out. ... So our Balkans misadventures also led to the creation, in Amsterdam, of the post of High Representative for CFSP. Bosnia and Kosovo gave a decisive impulse to the ESDP. And in a way, Iraq led to the European Security Strategy.⁹⁶

⁹⁶ On the European Security Strategy see Bailes, Alyson J. K. (2005) *The European Security Strategy An Evolutionary History*, SIPRI Policy Paper No. 10.

Thus we see that the logic behind the policy planning and early warning unit was to allow for the pooling of information so the Union could respond more effectively to international events. It was agreed that the unit's tasks would include:

- providing assessment of the Union's foreign and security policy interests and identifying areas on which the CFSP could focus in future;
- providing timely assessments and early warning of events, potential political crises and situations that might have significant repercussions on the CFSP;
- producing, at the request of either the Council or the Presidency, or on its own initiative, reasoned policy option papers for the Council (Declaration 6, Treaty of Amsterdam 1997:132).

The real innovations of Amsterdam were threefold:

1. The possibility for the Council to take political decisions for the European Union in relation to the 'Petersberg tasks'.
2. Provisions for the Union to 'avail itself' of the Western European Union to implement these political decisions with the *ad hoc* participation of the militarily non-aligned countries (Article J.7 (3)).
3. The introduction of the post of High Representative for the CFSP affording it a higher profile.

This was a step forward given the increased importance of peacekeeping and crisis management operations in current international affairs. In sum, Amsterdam led to a general review of SDP without necessarily changing the approach that resulted from Maastricht. The introduction of QMV in foreign policy matters, however tentative, also seemed to accommodate a more flexible approach that in time could lead to a corresponding increase in SDP co-operation. Without doubt the Treaty failed to alter the structure of the EU significantly (Moravcsik 2002:21), but it importantly incorporated the Petersberg Tasks into the Union's CFSP and furnished its SDP with new processes that could potentially lead to the member states providing for their own security, though still under American tutelage.

The Formation of the European Security and Defence Policy Apparatus: The Nice Treaty

This period of policy reform involved the establishment of the EU's own ESDP apparatus. It covers the period from the Anglo-French declaration at Saint Malo on 4 December 1998, via the EU Council meetings at Cologne (3 June 1999), Helsinki (11 December 1999) and Feira (20 June 2000), to a culmination in Nice (December 2000).⁹⁷ Saint Malo launched what was considered by some as the start of the ESDP process proper (Howorth 2003:1-3). At Saint Malo, London and Paris agreed, for the first time, to the creation of an autonomous European SDP centred on the EU. The rationale was clearly taken, at least in part, from the lessons learnt in Bosnia. This was the deep contrast between American power and Member States powerlessness to execute an effective policy to halt the crisis in the first place and, once war broke out, to bring the conflict to an end. The Saint Malo agreement released in the midst of the Kosovo crisis called on the member states to develop 'the capacity for autonomous action, backed up by credible military forces, the means to decide to use them, and a readiness to do so, in order to respond to international crises' (Saint Malo 1998).

Put into perspective, the development of a common EU security and defence policy between December 1998 and December 2000 was almost revolutionary compared with the slow progress made during the preceding half century, at least in terms of political commitments and policy guidelines. Much as Europeans still have room for improvement, especially in terms of equipment and budgets, the progress made so far would have been unthinkable as recently as two years ago (Rutten 2001:ix).

As ground-breaking as it was, the agreement was not meant to relegate NATO in the security architecture of Europe, as the EU would only take military action where NATO as a whole was not engaged and 'without unnecessary duplication'.

In pursuing our objective, the collective defence commitments to which member states subscribe (set out in Article 5 of the Washington Treaty, Article V of the Brussels Treaty) must be maintained. In strengthening the solidarity between the

⁹⁷ Including voting procedures, the 2000 IGC leading to Nice had two other major issues to address, the proposed Charter of Fundamental Rights and ESDPR. The former, it was agreed, could be negotiated in an inter-institutional setting. The latter was negotiated by national governments in an exclusively intergovernmental setting (Dinan and Vanhoonacker: 2000 and 2001).

member states of the European Union, in order that Europe can make its voice heard in world affairs, while acting in conformity with our respective obligations in NATO, we are contributing to the vitality of a modernised Atlantic Alliance which is the foundation of the collective defence of its members.... In order for the European Union to take decisions and approve military action where the Alliance as a whole is not engaged, the Union must be given appropriate structures and a capacity for analysis of situations, sources of intelligence, and a capability for relevant strategic planning, without unnecessary duplication, taking account of the existing assets of the WEU and the evolution of its relations with the EU. In this regard, the European Union will also need to have recourse to suitable military means (European capabilities pre-designated within NATO's European pillar or national or multinational European means outside the NATO framework) (Saint Malo 1998).

Nor was the purely Anglo-French declaration meant to relegate other member states to spectator status on SDP reforms. It, no doubt, sought to lay the foundation for the coming debate with regard to the direction the Unions SDPR process should take. In this endeavour Saint Malo could be considered a success, as seven days later, at the European Council in Vienna the heads of government and state seemed to wholeheartedly endorse London and Paris's vision of the strategic nature of ESDPR. In welcoming Saint Malo they stated that: '...in order for the European Union to be in a position to play its full role on the international stage, the CFSP must be backed by credible operational capabilities' (European Council 1998). Moreover, less than two months later, Germany declared unilaterally its support for the Saint Malo agreement, and as rotating President of the EU set in train the debate with the aim of getting agreement on reforms at the next European Summit.⁹⁸ ⁹⁹ At the NAC summit, two months later, the Americans, although still concerned about the possibility of SDP reforms upsetting the status-quo, nevertheless, welcomed the new proposals, but added a few caveats to ensure that NATO remained supreme (NATO 1999).¹⁰⁰ Nevertheless, the shift in policy and tempo was telling and led the way for further agreement, cumulating in the Nice Treaty two years later.

⁹⁸ See German Presidency paper Bonn, 24 February 1999: Informal Reflection at WEU on European's Security and Defence'. In Rutten, M. (2001). *From Saint Malo to Nice: European defence: core Documents*. Chaillot paper 47.

⁹⁹ Three days later, the US Secretary of State, Madeleine Albright (1998a) sought to remind the member states where their security interests could best be realised. Albright's 3 Ds policy statement page 251.

¹⁰⁰ See also speech by US Deputy Secretary of State, Strobe Talbott where he outlines America's concerns about the independent path ESDP was seemingly taking. Talbott, Strobe (1999) *America's*

First at Cologne, at the conclusion of the Kosovo war, the member states adopted the Saint Malo agreement *et punctatim*. Conflict prevention and crisis management of the Petersberg type tasks, including the functions of the WEU, were to be subsumed by the Union.

In pursuit of our Common Foreign and Security Policy, we are convinced that the Council should have the ability to take decisions on the full range of conflict prevention and crisis management tasks defined in the Treaty on European Union, the 'Petersberg Tasks.' To this end, the Union must have the capacity for autonomous action, backed up by credible military forces, the means to decide to use them and a readiness to do so, in order to respond to international crises without prejudice to actions by NATO. ... We are now determined to launch a new step in the construction of the European Union. To this end we task the General Affairs Council to prepare the conditions and the measures necessary to achieve these objectives, including the definition of the modalities for the inclusion of those functions of the WEU which will be necessary for the EU to fulfil its new responsibilities in the area of the Petersberg tasks. In this regard, our aim is to take the necessary decisions by the end of the year 2000. In that event, the WEU as an organisation would have completed its purpose (European Council, 1999).

The member states thus set out the guiding principles for the Union's new ESDP. Their main aim was to strengthen the CFSP by developing a common European policy on security and defence. Once policy was agreed it was to be backed up by autonomous military capabilities. The focus of the Member States efforts was to assure that the Union had at its disposal the necessary capabilities (including military capabilities) and appropriate structures for effective EU decision making and crisis management within the scope of the Petersberg tasks, but importantly without prejudice to actions by NATO.¹⁰¹ Washington, after Cologne, constantly reiterated NATO's 'right of first refusal. 'Both on the military and the political level, the United States therefore made its acceptance of the ESDP conditional on the Europeans not crossing a very clear red line, ruling out anything that might encourage the autonomy and above all, the strategic independence of the Union' (Gnesotto 2004:23-24). Even so, both Paris and London, once again reiterated the

Stake in a String Europe, Speech at the Royal Institute of International Affairs, London, 7 October 1999.

¹⁰¹ In the context of the Kosovo war of spring 1999, the member states also upgraded the post of High Representative for CFSP, and appointed Javier Solana. See the Cologne European Council Declaration (1999) on Strengthening the Common European Policy.

need for the Union to acquire an autonomous capacity, but seemed to moderate their language to ease the concerns of Washington.

The crisis [Kosovo] reinforced our conviction that the European nations need to increase their defence capabilities.... We therefore call on the Council in Helsinki to take a decisive step forward for the development of those military capabilities and for the setting up of the political and military instruments necessary to use them. This is necessary to give the EU the autonomous capacity to take decisions and, where the *Alliance as a whole is not engaged*,¹⁰² to launch and then conduct EU-led military operations (Anglo-French summit, London the 25 November 1999).

As Philippart and Winand (2001: 427-428) noted, this would lead in effect to an American veto on any European desire to develop a SDP independent from that of the US.

At Helsinki, the European Council followed up by setting the military capabilities known as the Headline Goal. It required the EU member states to be able to deploy 60,000 troops within 60 days and sustainable for a year, to start by the end 2003 (the new, European Rapid Reaction Force (ERRF)). New political and military bodies and structures were also established within the Council: the Political and Security Committee (PSC) and the EU Military Committee (EUMC), supported by the EU Military Staff (EUMS).¹⁰³ These new bodies were to enable 'the Union to ensure the necessary political guidance and strategic direction to such operations, while respecting the single institutional framework' (European Council 1999a). What the restructuring did not involve was the creation of an independent ESDP or a new European army. 'The European Council underlines its

¹⁰² Emphasis added.

¹⁰³ The three new *permanent* political and military bodies operated thus: a) The standing Political and Security Committee (PSC) in Brussels composed of national representatives of senior/ambassadorial level, to deal with all aspects of the Union's SDP. In the case of a military crisis management operation, the PSC under the authority of the Council exercises the political control and strategic direction of operations. For that purpose, appropriate procedures were adopted in order to allow for effective and urgent decision taking. The PSC is 'one of the most important ideational transmission belts of a gradual Europeanisation of national foreign, security and defence policies (Meyer 2006:137). b) The European Union Military Committee (EUMC) is composed of the Chiefs of Defence, represented by their military delegates. This committee gives military advice and makes recommendations to the PSC, as well as providing military direction to the Military Staff (see Rutten 2001:194); c) The European Union Military Staff (EUMS) within the Council structures provided military expertise and support to the CESDP, including the conduct of EU-led military crisis management operations: early warning, situation assessment and strategic planning for Petersberg tasks including identification of European national and multinational forces. The General Affairs Council, meeting on 14-15 February 2000 in Brussels, established the three bodies as an interim structure to allow for the immediate evolution of the bodies. And at the Meeting of European Union defence ministers in Sintra on the 28 February 2000 further progress was made prior to Nice (The Toolbox Paper). See Rutten (2001:94-102).

determination to develop an autonomous capacity to take decisions and, where NATO as a whole is not engaged, to launch and conduct EU-led military operations in responses to international crisis. The process will avoid unnecessary duplication and does not imply the creation of a European army' (European Council 1999a).¹⁰⁴

Feira bolstered the Union's crisis management capabilities by addressing the concerns of other non-EU members of NATO. The interim solution reached at Feira allowed for the six non-EU European NATO members (Czech Republic, Hungary, Iceland, Norway, Poland, and Turkey) and the nine other EU accession candidates which were not members of NATO (Bulgaria, Cyprus, Estonia, Latvia, Lithuania, Malta, Romania, Slovakia and Slovenia) to contribute to EU military crisis management. Principles for developing EU-NATO relations were identified in four areas covering security issues, capability goals, the modalities for EU access to NATO assets, and the definition of permanent consultation arrangements.¹⁰⁵ More specifically, Feira granted that through each Presidency regular meetings in EU+15 format would be held at the appropriate level and at least two meetings with the non-EU NATO members in the EU+6 format.¹⁰⁶ This disbarred the 15 non-EU and non- NATO states from any official role in the decision-making process. This of course was to protect paragraph 5 of the Guiding Principles which was what the ESDP was all about – the creation of an autonomous European structure. *'There will be full respect for the decision-making autonomy of the EU and its single institutional framework'* (European Council 2000).¹⁰⁷ Hubert Védrine, the French Foreign Minister put it thus: 'The Fifteen are totally open to everything to do with information and consultation, but that can't mean a country which isn't in the European Union taking part in the Fifteen's decision-making processes'.¹⁰⁸ In sum, Feira did not add

¹⁰⁴ Paris, probably more than any other member states, felt that US single-mindedness, in overseeing ESDPR at the NATO-EU level, rather than US-EU level, was a tactical means of ensuring that Washington remained in control of ESDP through the Atlantic Alliance (Philippart and Winand, 427-430).

¹⁰⁵ Feira 19&20 June 2000 Conclusions Paragraph. <http://ue.eu.int>

¹⁰⁶ Feira Summit Appendix 1 Section B.

¹⁰⁷ Feira Summit Appendix 1 Paragraph. 5. (Emphasis added).

¹⁰⁸ Press interview 2 October 2000 (French Embassy Statement SAC/OO/837).

much to the process of SDP reform and as such can be considered a tidying up exercise. At the same time, 'there was nothing substantially new to upset Washington' (Haine 2004:137).¹⁰⁹

In December 2000, the Nice European Council (2000a) approved the institutional reorganisation needed to achieve the changes set out at Helsinki (PSC, EUMC, and EUMS). Nice also confirmed the shifting of military responsibilities from the WEU to the EU as agreed at Cologne. The ERRF, which was not treaty-established, was to act in an operational capacity to implement decisions with defence implications. The treaty also codified a number of changes that enhanced the operational utility of the Union. Article 27a-e changed the nature of Enhanced Co-operation in CFSP and added certain clauses explaining how Enhanced Co-operation related to ESDP. Article 27a and b stated that enhanced cooperation was to be aimed at safeguarding the values and serving the interests of the Union as a whole by asserting its identity as a coherent force on the international scene. Furthermore, enhanced co-operation was to relate to the implementation of a joint action or a common position. It was not, however, to relate to matters having military or defence implications. The general provisions applicable to enhanced co-operation were grouped together in Articles 43 and 45 of the Nice Treaty. The right of veto, which the member states enjoyed over the establishment of enhanced co-operation disappeared (except in the field of foreign policy), the number of states required for launching the procedure changed from the majority to the fixed number of eight. Its scope was extended to the CFSP. The ESDP continued, however, to rely on a unanimous vote of all member states before any action, as defined in the Petersberg Tasks, could be embarked upon. In particular, decisions to deploy the Rapid Reaction Force (RRF) were to be made on a case-by-case basis and were subject to the right of veto by any member state; each state also retained the right to choose whether or not to participate. As the RRF was to rely on NATO assets, due to its own lack of military assets, Washington was de facto the decision-

¹⁰⁹ For additional documentation detailing progress from Feira to Nice see Rutten (2001:140-168).

maker of first instance. Union action was further constrained by the incorporation of the United Nations Charter into both the CFSP and ESDP. Article 24 of the Nice Treaty also removed the need for unanimity for opening and closing negotiations on agreements with third parties, by introducing QMV when agreement was required for the implementation of joint actions or common actions. Decisions relating to military or defence policies also had to be unanimous.

The Reform of European Security and Defence Policy Mechanisms: The Lisbon Treaty

After the 9/11 attacks, the member states of the EU watched as the Bush administration declared ‘war on terror’ and invaded Afghanistan in the hunt for Osama bin Laden and al Qaeda. EU leaders pronounced their unbounded support for the United States and they invoked Article 5 of NATO’s mutual defence clause,¹¹⁰ offering to send more troops to Afghanistan than the Americans were willing to accept.¹¹¹ During the military campaign, however, Washington started to shift its focus to implicate the Iraq government of Saddam Hussein, hastening a rapid deterioration in relations with two of the Member States – France and Germany. By the time of ‘operation Iraqi freedom’, the ‘Bush Doctrine’¹¹² had been declared US foreign policy, Washington and London had ignored the UN and plunged the EU’s CFSP into crisis,¹¹³ and Germany and France were sidelined by

¹¹⁰ See Lord Robertson (2001), NATO Secretary-General Statement, On The North Atlantic Council Decision On Implementation Of Article 5 Of The Washington Treaty Following The 11 September Attacks Against The United States.

¹¹¹ Howorth (2002:2) noted that: ‘Paradoxically, NATO’s invocations of article 5, high in political symbolism, could prove to be the historical death-knell of the Alliance *as a military instrument*. It also helps explain why, despite the short-term disordered cacophony of European responses to 11 September, the long-term dynamics of CESDP are likely to be reinforced’. Howorth, however, enters a caution that: ‘Without the crucial attributes of military capacity, the considerable progress recorded in CESDP, resulting from powerful historical stimuli, considerable political will, harmonious institutional dynamics and the horror of the twin towers, will remain seriously incomplete’ (ibid.5).

¹¹² That is, pre-emptive military action against perceived threats. International law recognises two bases for the use of force. The first is to be found in Article 51 of the United Nations Charter, allowing force to be used in self-defence only if attacked or attack is imminent. The second basis is when the UNSC authorises the use of force as a collective response to the use or threat of force.

¹¹³ For a realist take on Bush’s foreign policy and belief system, see Mazarr (2003). Bush’s foreign policy approach has often been alluded to as being driven by the neo-conservative right, at least in

Washington for failure to support military action against Iraq, and some Europeans accused the US of a puerile approach to foreign policy.¹¹⁴ That crisis was however somewhat alleviated by existing institutionalised approaches to foreign policy to which the Member States were jointly committed.¹¹⁵ For instance, the American accusation that Iran was developing nuclear weapons, sat on top of a hierarchy of issues that France, Britain and Germany sought to address diplomatically through the Union's CFSP mechanisms. London had concerns with America's approach to the issue: 'comply or face the consequences'. The joint diplomatic approach was a sign of a more united European foreign policy after the bitter disputes over the war in Iraq. The joint approach can thus be read as a clear sign that divisions over Iraq were not detrimental to the cohesion of the Union and that Washington would not be able to split the West European powers over the Iranian nuclear issue. For Washington, a joint British, French and German effort was preferable to France and Germany operating alone. Nevertheless, Member States co-operation over the issue signaled that the Union's CFSP/ESDP apparatus would endure at the highest diplomatic level. Indeed, even at the height of the Iraqi crisis, the Member States, through the Union, showed a remarkable level of co-operation and international actorness.

Bush's first term, rather than by realists who on block opposed the Iraq war. On the difference, see Mearsheimer (2005:358-359). On the crisis of the Neo-Conservative approach, see Fukuyama (2006).

¹¹⁴ For an objective analysis of the evolution of Bush's foreign policy, see Daalder and Lindsay (2005).

¹¹⁵ This is also true of NATO's relationship with the EU's SDP; regardless of the Iraq war co-operation did continue. At the Prague Summit 21-22 November 2002, NATO (Washington) declared their willingness to give the EU access to NATO assets and capabilities for operations in which the Alliance is not engaged militarily. 'The European Union and NATO established formal relations in January 2001 but the breakthrough came on 16 December 2002 with the adoption of the EU-NATO Declaration on ESDP. Since then, the two organisations have negotiated a series of documents on cooperation in crisis management, which made it possible for the European Union to take over from NATO responsibility for peacekeeping in the former Yugoslav Republic of Macedonia on 1 April. A set of key cooperation documents, known by insiders as the "Berlin-Plus" package, was agreed by both organisations on 17 March 2003. Five days earlier, an EU-NATO Agreement on Security of Information was signed, allowing the exchange and circulation of classified information and material under reciprocal security protection rules' (Lindley-French 2003).

On 31 March 2003, eleven days after the start of the Iraqi war, the EU deployed elements of the RRF for the first time in Macedonia with operation Concordia.¹¹⁶ Two months later the EU agreed to deploy the RRF (operation Artemis) for the first time outside NATO command, taking charge of the United Nations mission to stop the slaughter of civilians in Bunia, in the east of the Democratic Republic of Congo.¹¹⁷ Perhaps, though, its greatest achievement, in view of the split in the Europe over the American attack on Iraq, was that negotiations to enlarge the Union continued in good faith, ending on 1 May 2004 with the accession of Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia. All these states had distinctive foreign and security policy concerns and orientations that would make foreign policy co-operation unworkable if reform of voting procedures did not take place. Nice had paved the way for this enlargement but the treaty was widely regarded as not having gone far enough. The Laeken declaration of December 2001 committed the EU to improving its organisational procedures, and set out the process by which a constitution could be arrived at. Given the task of producing a draft Constitutional Treaty, the European Convention was thus established, presided over by former French President Valéry Giscard d'Estaing (European Council 2001).¹¹⁸

It published its final draft in July 2003 but, due to internal disagreement, it was not until after the Dublin summit of June 2004 that the final text of the proposed Constitution was agreed upon. Before it could enter into force it had to be unanimously ratified by each member state but, in 2005, Dutch and French voters rejected it in national referenda, sinking any hope of it entering into force. The negative response of the French and Dutch electorate led to the so-called 'period of reflection' and, in title, to the political end of the proposed Constitution. France and Germany were, it seemed, more disenchanted by the

¹¹⁶ The operation made use of NATO assets and capabilities, which was made possible by the completion of work on the Berlin Plus agreements. This operation was completed on 15 December 2003.

¹¹⁷ The Operation ended officially on 1 September 2003.

¹¹⁸ For additional documentation detailing progress from Nice to Lisbon see Rutten (2002), (Haine 2003), (Missiroli 2003) (Chaillot Paper No.75, 2005; No.87, 2006 and No. 98, 2007).

failure of the Treaty, as provisions within it were to support their joint vision of the Union's ESDP. Consequently, both were committed to developing ESDP by strengthening the Union's military capabilities when the opportunity arose.¹¹⁹ It was not until 2007, when Germany took over the six-month rotating Presidency of the EU, that the period of reflection was pronounced over. In quick time, the Germans committed the member states to replacing the failed European Constitution with a new treaty in time for the European Parliament elections in 2009.

With European unification a dream of earlier generations has become a reality. Our history reminds us that we must protect this for the good of future generations. For that reason we must always renew the political shape of Europe in keeping with the times. That is why today, 50 years after the signing of the Treaties of Rome, we are united in our aim of placing the European Union on a renewed common basis (Berlin Declaration 2007).¹²⁰

On 22 July 2007, in Brussels, the European Council reached agreement on a mandate for an IGC that removed much of the controversial constitutional terminology from the previous text.

The TEU and the Treaty on the Functioning of the Union will not have a constitutional character. The terminology used throughout the Treaties will reflect this change: the term 'Constitution' will not be used, the 'Union Minister for Foreign Affairs' will be called High Representative of the Union for Foreign Affairs and Security Policy and the denominations 'law' and 'framework law' will be abandoned, the existing denominations 'regulations', 'directives' and 'decisions' being retained. Likewise, there will be no article in the amended Treaties mentioning the symbols of the EU such as the flag, the anthem or the motto (European Council 2007).

The IGC on drafting the new treaty was completed less than three months later at the signing of the Reform Treaty at the European Council meeting of 18 and 19 October

¹¹⁹ 'Looking ahead to Germany's European Union presidency in the first half of 2007, France and Germany reaffirm their determination to pursue the development of the European Security and Defence Policy (ESDP). ...Our two countries will also work closely together on setting up the new EU civilian and military crisis-management tools. Special attention will be given to ensuring the EU Operations Centre is up and running early in 2007. ... 2007 will also see the EU's rapid response battlegroups reach full operational capability. ...France and Germany are committed to finding appropriate ways of supporting the efforts of the member States deployed in the EU's military operations' (Statement by the Franco-German Security Council, Paris 12 October 2006).

¹²⁰ Declaration on the occasion of the fiftieth anniversary of the signature of the Treaties of Rome (Berlin Declaration), March 25, 2007.

2007 in Lisbon.¹²¹ One of the Lisbon Treaty's (Reform Treaty) most important changes and perhaps the one with the most potential to impact upon the process of SDP reform in the future was the creation of a High Representative for the Union in Foreign Affairs and Security Policy (HRUFASP) (Article 9 E).¹²²

The institutional reforms contemplated in the Lisbon Treaty crucially impact on CFSP/ESDP, as they demand greater coherence between the various components of the EU external action, with a view to forging a holistic and hence more effective external action/foreign policy. The envisaged European External Action Service headed by the High Representative of the Union for Foreign Affairs and Security Policy – whose remit will virtually be equivalent to that of a Minister for External Affairs – will play a key role in integrating the capacities of the Member States' foreign ministries as well as pooling the resources of both the Commission and the Council (Vasconcelos 2008:11).

The intention was to make the EU's foreign policy more efficient and visible by effectively making the HRUFASP the voice of the Union's SDP. This institutionalising of the post for the first time means that there will be someone on the end of Kissinger's telephone.¹²³ ¹²⁴ Given the role of the European Council, and the member state, the HRUFASP main task will be in representing the Commission, except in CFSP/ESDP issues, as the EU's external representative. The Treaty allows for the HRUFASP to be one of the Commission's Vice-Presidents, thus thereby enhancing his/her influence within this and the overall stature of the post (Article 9 D (4)). The Reform Treaty did however constrain the HRUFASP in so much as the President of the European Council was also responsible for SDP issues. This may affect the operational utility of the HRUFASP, for the Reform Treaty has not specified how these functions are to be divided and the possibility for disagreement is real. The HRUFASP is to be appointed by the European Council acting by QMV, with the agreement of the President of the Commission (Article 9 E). The dual nature of the post means that the HRUFASP will conduct the Union's SDP

¹²¹ All but one, Ireland, have decided that the new Treaty now does not need reification through national referendum, parliamentary approval will do this time around.

¹²² Although the Treaty requires ratification before it comes into force, for stylistic reasons this study assumes it will be ratified.

¹²³ 'This is the person who will finally answer Henry Kissinger's sarcastic question from the 1970s: "If I want to pick up the phone and talk to Europe, whom do I call?"' (Reid 2004:275).

¹²⁴ The Reform Treaty also establishes a permanent President of the European Council, who is to take on the work currently assigned to rotating Presidencies, thus providing another voice on the end of the phone.

and will have a right of initiative in foreign policy matters and implement that policy under mandate from the Council of Ministers (Article 9 E (2)): in other words, 'agenda setting powers'. The HRUFASP was also tasked with presiding over the formation of the Foreign Affairs Council, contributing proposals to the preparation of SDP and ensuring the implementation of Union decisions (Article 9 E (3)). Together with the Council of Ministers, the HRUFASP is responsible for seeing that CFSP principles are complied with. The authority of the Union was further enhanced by the HRUFASP responsibility for representing the Union in international organisations and international conferences (Article 9 E (4)). In order for the post holder to carry out these tasks, the member states have agreed to the establishment of a European External Action Service (Article 13a (3)).

More generally, the Reform Treaty sets out a number of new proposals relating to the operation of the Union's ESDP. The member states remained committed to the TEU goal of a common EU defence policy, leading to a common defence (TEU Article I-40). The TEU was, however, too constrictive and failed to take into account the differences between member states' military capabilities and their perceptions of security and defence, especially following 9/11 and Iraq. The member states thus agreed on a more flexible approach based on military tradition and political commitments, but they held that decisions on SDP were still to be adopted unanimously. The constraints of this provision were, however, eased by new provisions that would allow a group of States to advance more rapidly on certain security and defence matters. These new provisions consisted of revamping the Petersberg tasks and the insertion of a solidarity clause but, above all, the enhanced co-operation mechanism would allow some states to move forward on SDP issues if they so wished.

First, to the Petersberg tasks were added missions such as joint disarmament operations, military advice and assistance tasks, conflict prevention and post-conflict stabilisation and these tasks were also to contribute to the fight against terrorism (Article 28 B (1)). Second, Article I88 R of the Treaty introduced a solidarity clause whereby member states agreed to provide assistance if one of them suffered a terrorist attack or

natural or man-made disaster. Finally, a mutual defence clause was introduced whereby the member states were committed to coming to the assistance of other member states if that state was the victim of armed aggression on its territory.¹²⁵ The obligations in this area, however, were to be consistent with commitments under NATO, ‘which, for those States which are members of it, remains the foundation of their collective defence and the forum for its implementation’ (Article 28A). Lisbon also provides for a group of member states, with the necessary capabilities, to undertake missions by consent of the Council.

In addition, the member states have committed themselves to establishing a common defence procurement market and the setting up of a European Defence Agency (EDA).¹²⁶ ‘This is the real keystone of the entire institutional system that the EU intends to equip itself with in terms of defence’ (Lebas 2004:6).¹²⁷ The creation of the EDA is a milestone towards SDI proper in so much as it has brought a constitutional commitment by the member states to collective military procurement. In brief, the EDA is to be responsible for enhancing the defence capacities of member states for crisis management. To this end, the agency is to act as a driving force and facilitator in four main areas: boosting capabilities, weapons policy, supporting the European defence market and defence industry, and conducting research and development (Article 28 D). It is to be subject to the authority of the Council of Ministers and is open to all member states wishing to be part of it. The statute, seat and operational rules of the Agency are to be laid down in a European decision adopted by QMV.

Article 28E (1) provides for the possibility of permanent structured co-operation in the field of security and defence co-operation between member states if, ‘military capabilities fulfill higher criteria and which have made more binding commitments to one another in this area with a view to the most demanding missions shall establish permanent

¹²⁵ The actual wording ‘mutual defence’ was struck from the old draft Constitution on UK insistence.

¹²⁶ The original decision to set up this Agency in the course of the year 2004 was already taken at the European Council meeting in Thessaloniki (2003).

¹²⁷ The Agency is tasked with five duties, see Article 28D.

structured cooperation within the Union framework'. In other words, a core grouping of member states could integrate their SDP to achieve policy goals that the Union as a whole could not agree to. This obviously constitutes a major advance compared with past provisions in the TEU on SDP. Flexibility in decision-making rules is also to be introduced, but unanimity is to remain for the most part the guiding principle in SDP, with the exception of certain clearly defined cases and the establishment of permanent structured co-operation. The reform process, starting with the European Convention leading to the failed Constitutional Treaty and then eventually to the Lisbon Treaty, was always fated to be an incredibly difficult task, even without the strategic inconvenience of the Iraq war. What was extraordinary was that there was convergence between the member states, and Washington and the Member States at all. As Howorth (2007:91) has perfectly put it:

This [ESDP] is not a policy area in which an individual, a single country or a specific type of approach can impose its view. European security policy – unlike traditional 'heroic' notions of defence and security policy – is in a very real way *leaderless*. And even if there were such actors, with such a clear blueprint for their strategy, for it to emerge intact out of the EU's institutional labyrinth would be nothing short of miraculous. In short, what emerges as European Security and Defence Policy is a series of decisions which genuinely reflect the political ambitions and the political will of all 27 member states.¹²⁸

Other earlier developments outside the Lisbon Treaty are also telling as to the nature both of the ESDP itself and its relationship to American defence policy. In response to the 1997 merger of American corporations, Boeing and McDonnell Douglas, which followed the forming of Lockheed Martin, the world's largest defence contractor in 1995, EU defence companies came under increased pressure to restructure. This consolidation took place on 10 July 2000 in the form of a merger of DaimlerChrysler Aerospace AG of Germany, Aérospatiale-Matra of France, and Construcciones Aeronáuticas SA of Spain into the European Aeronautic Defence and Space Company (EADS). Furthermore, as a

¹²⁸ To this we can add, the political ambitions and political will of the United States.

response to Washington's control of the Global Positioning Satellite (GPS)¹²⁹, the Europeans launched project 'Galileo', a Global Navigation Satellite System, as an alternative to the American GPS. When brought to fruition, this will provide the Member States with autonomous battle-field intelligence and targeting capabilities to improve its ability to carry out Petersberg type tasks.

As noted above, these tasks were in turn dependent on the member states reaching the operational capabilities as agreed under the Helsinki Headline Goal by December 2003. By May 2004, the Union had to concede that the objectives as outlined were not achievable. Upper level missions, such as peacemaking on the model of NATO's Kosovo intervention, were still not realisable, due to the failure to provide strategic airlift and sealift and were still some way off from being provided (Lindely-French (2005:1-4). However, missions on the lower end of the scale, given permissive environments, were achievable. In May 2004 EU defence ministers thus approved 'Headline Goal 2010' extending the timelines for the EU's projects. EU members made the commitment that by the year 2010, at the latest, they would be capable of carrying out the whole spectrum of crisis management operations (i.e. humanitarian and rescue tasks, disarmament operations, support to third countries in combating terrorism, peacekeeping tasks and tasks of combat forces in crisis management, and peacemaking).¹³⁰

Conclusion

The fact that ESDPR are very contentious and for some dangerous is in part a consequence of the way in which they are handled, but for the most part, due to the alleged zero sum nature of state interaction in this policy field. It is thus an important research task, not only to study the empirical outcomes of successive reforms, but also attempt to understand these reforms through various theoretical paradigms that claim to offer us superior

¹²⁹ The Americans have the power to weaken the signal strength or accuracy of the GPS systems, or to shut GPS access completely so that only the US military and its allies would be able to use it in time of conflict.

¹³⁰ European Council communiqué of 17-18 June 2004.

conceptual tools for grasping just such phenomena in the field of 'high politics'. In chapter 1 we offered a comprehensive inventory of just what questions this would involve, including those concerning the range of theoretical tools we have at our disposal to illuminate on the construction of ESDP and the problems and challenges created by ESDPR for the selected theorists. But in chapter 1 it was also argued that such theories, no longer provide the explanatory power needed to illuminate the process of European security and defence policy construction. By pulling those theories out of their conventional theoretical trenches and testing them we can provide greater confidence in their descriptive and explanatory power. Liberal and neoliberal approaches, by their very nature, have had a very limited impact on the understanding of the ESDPR process. The neofunctionalist approach confines its focus to actors, sub-national or otherwise, and policy issues while, at the same time, closing its analytical focus to systemic constraints. The neorealists in contrast deal with systemic constraints but are weakened by clear divisions within the school. Adopting the research strategy advocated in Chapter 1, in chapters 3-6 we will test the empirical evidence of ESDP construction in order to explore the adequacy of the various theoretical schools of thought discussed in this thesis.

Chapter Three

Hypothesis Testing: The End of the Cold War and the Creation of the European Union's Common Foreign and Security Policy 1989-1992

Introduction

It is not our intention to be biased for or against any particular theoretical perspective; however, that problem may seem to arise when exploring empirical data. This unintended consequence arises from the nature of the subject matter, i.e. in international relations any accurate representation of reality, conscious or not, incorporates some underlying theoretical assumptions. In other words, when dealing empirically with the actions and motives of Member States, a problem arises in that empirical issues (actions and motives of states) are more challenging than any apparent factual explanation may suggest; the selection, and indeed the analysis, of facts will differ in some of the theories as will the way they are embedded in those theories. What follows, therefore, is not a premature acceptance of certain theoretical assumptions, be they neorealist or otherwise, but an attempt to provide an accurate empirical account of the process leading to ESDPR at Maastricht in awareness of the problems highlighted above.¹³¹

Chapter 1 detailed the theoretical framework and research method we will employ to test hypotheses derived from the main branches of IR and integration theory against the empirical reforms mapped in Chapter 2. In the context of our 'three dimensional explanatory perspective', this chapter explores the ways in which the various theories offer explanations for the decisions to reform ESDP and begins the process of hypothesis testing. We thus shift the focus to examine how each theoretical school addresses the empirical evidence along our three dimensional perspective. More specifically, in the first

¹³¹ The same is true of SDPR at Amsterdam, Nice and Lisbon.

reform phase 1989-1992,¹³² we explore what each theory can suggest along the three dimensions of the process ending in SDPR at Maastricht:

Dimension 1: What was the strategic context in which the Member States initiated discussions and negotiations leading to Pillar 2 of the TEU?

Dimension 2: What was the actual response of the key actors to the change? How can their actions and the negotiating process leading up to the agreement on Pillar Two be understood?

Dimension 3: How can we assess the significance of the outcome of the process in the sense of the policy agreements and institutional changes that emerged?

The following chapter examines how each theoretical school addresses these three dimensions in the context of real world change that the post-Cold War world unleashed. We thus explore the way in which empirical events subjected state and non-state actors to new post-Cold War stimuli, which influenced their decisions to call for and actually reform ESDP. At the same time, we investigate the way different schools interpret such stimuli from their particular theoretical perspectives. In other words, we explain, from different conceptual perspectives, how theorists grapple with ESDPR by endeavouring to offer explanations from their core theoretical assumptions and auxiliary hypotheses. In that sense, as an initial frame of reference, it is thus important to keep in focus the core reforms and the general strategic background sketched out in Chapter 2.

The chapter is, as is each of the following three chapters, broke down into six separate sections dealing with each theoretical approach. More precisely, each section is divided into three subsections dealing with our three dimensional explanatory perspective. The first two dimensions can be read in the context of 'process tracing', while the third dimension is properly understood to relate to congruence testing. The first four sections, of the chapter, deals with our neorealist theorists and how security and defence policy reforms are a response to variations of power distribution or threats in the new post-Cold

¹³² See pages 83-90.

War security environment. Reforms, up to and including Maastricht, can thus, for them, be understood as leading to balancing – regional or global, bandwagoning or buck-passing. The fifth part of the chapter deals with Keohane's and Moravcsik's complex interdependence thesis and how cumulative asymmetrical interdependency led to the restructuring of European security institutions ending with the TEU and its Second Pillar, the CFSP. The final part of the chapter deals with Hass's neofunctionalist thesis and how spillover from economic integration behaved economic and supranational actors to push for greater political integration starting with the new CFSP reforms at Maastricht.

Waltzian Neorealism

Dimension One

The question arising under dimension one is: For Waltz, what new empirical challenges did the transition present for these actors and how do they relate to his theoretical hypothesis?

Waltz identifies the key causal variable acting between 1989 and 1992 as the collapse of the Warsaw Pact, producing a dramatic shift in the global balance of relative power – the American unipolar moment. He would predict that this power shift would exert profound pressures upon the European states to seek to respond by attempting to rebalance against American power. Within a Waltzian perspective, the Bush Administration's drive to maintain (and transform) NATO could be seen as an American effort to preserve American dominance in Europe and to block any rebalancing by America's erstwhile allies.

The United States thus sought to ensure that the new Germany would be a member of the Atlantic Alliance. The US government saw West German membership as central to NATO and, since the East had joined the stronger West, the Americans believed that the united Germany should join the Atlantic Alliance.¹³³ In any event, from a Waltzian

¹³³ Waltz (1995) has also argued that in the absence of a greater threat, following the end of the Cold War, Germany would be the focus of her European allies and rise in her own right, and in the

perspective, the US had won the Cold War and to lose the chance to increase its domain through NATO would be irrational and against what Washington perceived as its national interest. This American effort was evident in the Bush administration's determination to keep the newly United Germany within NATO and in its calls for NATO to be ready to engage in actions 'out of area'. Security talks began in May 1990 and concluded in September 1990 with the outcome known as the Two Plus Four Agreement, whereby East Germany did join NATO, but NATO assets were not to be stationed there. The Soviets agreed to withdraw their troops in return for economic assistance from the new Germany and the downsizing of its army to allow East German soldiers to join the German army. Further confirmation of America's determination to keep its erstwhile allies from balancing was Washington's concentrated pressure on the West European Powers to contribute strongly to the US-led war against Iraq in 1991.

The outbreak of that war had already tested the parameters of the European Political Co-operation processes and highlighted the importance of security issues in the up and coming intergovernmental conference (IGC) on political and monetary union. The annexation of Kuwait by Iraq on 2 August 1990 led to strong criticism of the EC's lack of cohesion and lack of action, especially from the US, which wanted greater commitment from individual Member States, but also viewed the Community's deficiency as a liability to US interests because of the lack of European burden sharing.¹³⁴ This was, however, an unwarranted attack on the EC – the simple fact was it did not have the institutional ability or the military capability to operate a coherent policy on the coming war. Accordingly, unanimity between the Member States on the use of force should not have been expected. The French hesitated at first; the British pursued their familiar policy and followed the Americans while the Germans disqualified themselves on constitutional grounds that precluded them from sending troops abroad. For Waltz the important central theme was

process acquire nuclear weapons. On why a country would require nuclear weapons, see Waltz (1995a) *Peace, Stability, and Nuclear Weapons*.

¹³⁴ For a realist and liberal hypotheses of how the Cold-war allies might become rivals, see Wolf (2000).

America's efforts to dominate its allies and keep them firmly under Washington's wing to prevent even the notion of a successful alliance formation. Even between democratic powers, alliance formation is exactly what Waltz would expect from the West European powers. Europe required its own superpower because the system, in his view, would be unhealthy without it, regardless of the democratic credentials. 'The stronger get their way – not always, but more often than the weaker' (Waltz 1995:75-76).

Moreover, from this particular Waltzian perspective, France being traditionally adverse to American hegemony found the new unipolar international system unfavourable; German reunification, American favouritism towards Germany, British propensity for the so-called Anglo-American special relationship and the prospect of the Soviets withdrawing their nuclear assets from Eastern Europe would force Paris into a position which compelled it to initiate a rebalancing of the Atlantic relationship. Thus the context facing the Member States in the period from 1990 to 1992 was one challenging these powers to respond to the new unipolar distribution of power capabilities (Waltz 1995). The period before the creation of the new ESDP at Maastricht (1989-92) involved their struggle to define their new security role in the light of the collapse of communism, the end of the Cold War, German reunification, the collapse of the Warsaw Pact,¹³⁵ the Gulf War and the growing power gap with the US. Also, by the time Maastricht was being signed, there was broad evidence that the USSR was in the process of collapsing. For Waltz, this created a power imbalance on a global scale that the Member States, in the form of state executives, would be forced to address by recourse to alliance formation. These concerns and events thus pushed security concerns and military alliances to the forefront of political discourse and interstate bargaining.

In addition, despite the collapse of the Warsaw Pact and the incipient collapse of the USSR in 1991, the actual military capacities of Russia as the main successor of a nuclear superpower were far from clear: Russian troops, for example, remained in the ex-

¹³⁵ The signing of the Final Settlement in February 1991 had formally ended the Warsaw Pact.

German Democratic Republic (GDR) until 1994. Indeed, the fluid nature of political events in Moscow at the time heightened concerns about major upheavals that could be used by Waltz to explain Member States' goal of both accepting the continuation of NATO and preparing power balancing against the US.

Dimension Two

The question arising under dimension two is: how does the reaction of the key actors to the context in dimension one compare with what Waltz would anticipate as the main process, which the context would set in train?¹³⁶

Waltz would expect that the Member States state executives would be the driving force behind the process of SDPR at Maastricht, that these actors would not be prepared to subordinate steps towards a power balancing project to any international institution, and that the effort by these powers to launch such a balancing project would be resisted by the United States. As we shall see, there is sufficient evidence to support this perspective.

French dislike of US hegemony is well documented, but it would be wrong, even from a Waltzian perspective, to describe their position as one of outright hostility.¹³⁷ The complexities of the international security system and the rapidly changing patterns of geopolitical interests tempered any out and out French aversions to American power at this juncture. It would, also, be equally wrong to maintain that relations were entirely harmonious. France had always sought to reduce Washington's influence in the region for a number of reasons. First, American power prevents France from taking its rightful role, as they see it, as the region's leading power. Second, to achieve this goal, France had sought to use the EU as a base for the rise of French influence within Europe and

¹³⁶ SDP reform is about forming alliances against the global hegemony that is the US.

¹³⁷ Hegemony is defined as the 'combination of coercion and consent which maintains structures of dominance, both within states and within systems of states. ...States can secure temporary supremacy over their neighbours through the use of overwhelming force... longer-term supremacy, however, depends upon at least a degree of acceptance from those dominated of the legitimacy of the dominant power' (Wallace 2002:106).

eventually the world – a view that was consistent with French elite self-assessment. In other words, France had always regarded the US as a political rival.

With the end of the bipolar international system, France found her new strategic environment less than favourable. Germany, on the other hand, was no longer wedged between the polar superpowers and had unified. With the US now serenading Germany (or so Paris thought) with the offer of ‘partnership in leadership’, France felt further marginalisation (Schmidt 1993:9-10). Furthermore, with the Soviets considering withdrawing their tactical nuclear assets, French nuclear capabilities became less significant. Not surprisingly, to begin with France was less than enthusiastic about German unification, until the true extent of American power was realised. However, once it became clear that unification would take place and America would strengthen its hold over ESDP, France had to make fundamental policy choices. For Waltz, this meant France accepting and assisting Germany reunification within a European context to secure Member States unity in the face of American hyperpower.

By 1992, France had concluded that the only way to protect her independence was to secure an advantageous re-balancing of the Atlantic Alliance (Howorth 2000). France thus opted for strengthening Europe’s only European pole of stability – the EU. Within a Waltzian context, this meant that France would seek European unity without any real loss of national sovereignty. French policy towards Europe was thus one of French pre-eminence in a united Europe with minimal loss of sovereignty. This involved a treaty that entrenched Germany into Union institutions to prevent Berlin making a run for hegemonic dominance, so efforts could focus on alliance formation against America. Specifically, French policy during this period resembled the following:

1. An assumption that the new historical environment would almost certainly lead to a new equilibrium in transatlantic relations, that elusive re-balancing of the Euro-American relationship which had been the very cornerstone of French policy throughout the Cold War.
2. A conviction that the Atlantic Alliance (and indeed NATO) would continue in business, but in a significantly restructured form, with a new division of labour between, on the one hand, its collective defence (Article 5) responsibilities and, on the other, both its political functions and any putative emerging collective security

role that might be assumed. The latter functions would progressively become the responsibility of the EU.

3. An aspiration towards an ever greater security (and possibly, in the longer term, defence) role for the European Union, probably via WEU, but with no hard and fast notion as to how far this could go or what institutional/political shape it might assume.
4. A belief that the absorption, into some Western political structure or another, of the Central and East European countries recently emerged from the Soviet stranglehold would be a task assumed primarily by the Council for Security Co-operation in Europe (CSCE)/Organisation for Security and Co-operation in Europe (OSCE) or by the EU rather than by NATO or by the US.
5. An immediate recognition, not shared by many other countries, that the end of the Cold War did not imply the end of threats to European security, and an understanding that notions of a 'peace dividend' largely reflected wishful thinking. The defence budget needed to be maintained. (Howorth 2000a:9-10)

Paradoxically, Germany, having gained relatively from reunification, also acted in a manner consistent with Waltzian expectations by supporting the French government's efforts to attach the WEU directly to the EU and to produce a strong CFSP and move towards a common defence policy and common defence. Under foreign minister Genscher in 1990, the German government had insisted that the Paris conference agreeing the external aspects of German Unification be carried out under the auspices of the CSCE, not NATO, and the practical orientation of Genscher had seemed to suggest that NATO was no longer needed as an active organisation (Merkl 2004:374-380). While the German political elite certainly regarded good relations with America as vital during this conjuncture, Bonn was conscious of the new international reality - American power would need to be balanced, if not now, then in the future when Washington could be expected, on a Waltzian reading, to pursue its foreign policy objectives on a more unilateral footing.

Furthermore, in the run-up to the Maastricht conference itself, Germany had vigorously worked to unite the EC on a common approach to the Yugoslav crisis, an approach that evidently caused concern in Washington.¹³⁸ The French and German governments also alarmed Washington with their announcement of their intention to form a Eurocorps in the Autumn of 1991. Thus France and Germany were already pursuing policies that appeared to be designed to limit US influence within the region. They had

¹³⁸ See Woodward (1995) *The Balkan Tragedy, Chaos And Dissolution After The Cold War, Washington, D.C.*, The Brooking Institution.

already assumed that the Soviet collapse would lead to a new equilibrium in transatlantic relations – the elusive re-balancing of the Euro-American relationship. Specifically (more so in the case of France), this also meant an aspiration towards a major role for Union institutions in SDP and the absorption of CEEC SDP into the OSCE or the EU rather than NATO. Paris and Germany, in short, considered their interests best served by a rebalancing of the Atlantic relationship.

Paris and Bonn thus issued a joint statement on 19 April 1990 to the EC calling for work to begin on an IGC on European Political Union (EPU) in concert with EMU. The European Council of June 1990 approved the suggestion of Kohl and Mitterrand that the IGC on political union be held in parallel with that on monetary union. The new initiative asserted that the Union should include the enactment of a common foreign and security policy with the expectation that in the future it would include a *common defence* and the progressive establishment of the WEU as a component of EU SDP. These goals were to be given force in the forthcoming TEU.¹³⁹ They also pushed to submerge the WEU into the new Union as its defence arm to enable it to pursue European interests in the security field. Paris was most publicly vocal and articulate in its calls for a European security identity, rebalancing the Euro-US relationship with its concept of a ‘two pillar’ alliance, with its drive to appropriate the mutual security guarantees in NATO and the WEU by the Union and to establish a direct security relationship of the EU with CEEC rather than leaving their security linkages to NATO. Additional evidence to support Waltz’s perspective can be found in America’s response to Pillar Two.

Brent Scowcroft, Bush’s national security adviser, had particular doubts about French ambitions to bring SDP under the influence of the new EU, where it was feared Paris could nurture an anti-American caucus within the alliance. In an effort to make its position clear to Paris and Bonn, Washington exercised its considerable diplomatic

¹³⁹ The IGC on EMU and political union began in Rome in December 1990. They were completed a year later at the European Council meeting in the Dutch city of Maastricht on 9 and 10 December 1991. The Member States formally signed the TEU on 7 February 1992.

muscle. In early 1990, American Ambassador to NATO, William Taft IV, stressed that Washington in principle supported the revival of the WEU as the defence arm of the new EU as the European pillar of the Alliance. However, he 'cautioned that the European pillar should not relax the central transatlantic bond, should not duplicate current cooperation in NATO, and should not leave out countries that were not members of the EC' (Sloan 2000:7). The expressions of US concern reached its zenith with the now famous 'Dobbins-Bartholomew' letter in February 1991, essentially warning Europeans not to develop an independent defense capability within the EU. The US wanted the European pillar implemented in such a way that it neither duplicated NATO nor threatened to dismantle or replace the alliance – de facto American hegemony. The overall American approach to SDP reform was a 'yes, but' attitude. By March 1990, America's concerns seemed to centre around five points:

the US supported the development of common European foreign, security and defence policies; NATO must remain the essential forum for consultation and venue for agreement on all policies bearing on the security and defence commitments of its members under the North Atlantic Treaty; NATO should retain its integrated military structure; the US supports the Europeans' right to take common military action outside Europe to preserve their interests or ensure the respect of international law; and European members of NATO that do not belong to the EU should not be excluded from European defence policy deliberations (Sloan 2000:7-8).

The question was, whether these aims were compatible with the policy preferences of the Member States. The end of the Cold War had destroyed the post-war international structure based on bipolarity, which involved two organisations, NATO and the Warsaw Pact, each conceived mainly to guarantee security against the other (Waltz 1995:43-48). The end of bipolarity led to structural confusion, with three different institutions, NATO, the EU and the WEU all claiming major roles in the security of Western Europe.

Gamble (1991:6-7) suggests one can see three goals of SDPR. The first one is the most widely shared objective of European security integration, being the preservation and extension of the European security-community as envisaged by Karl Deutsch (1957).¹⁴⁰ A

¹⁴⁰ See page 162.

number of influences may contribute to the emergence and maintenance of a security-community and, among these means, is security integration. 'The consolidation of the European security-community was made possible in part by forty years in which West European states had little choice but to set aside their differences and cooperate in a joint approach to security backed by a collective defence system under the leadership of the US' (Gamble 1991:6-7). For Waltz, with the end of the Cold War, the Member States were forced to conclude that US power required a policy response that amounted to balancing; for Washington, the counter response would be to block any such policy.

American policy during the transition can thus also be interpreted as supportive of Waltz's hypothesis. Washington sought to limit any moves, especially from Paris, that might work to form a European caucus within NATO through Union institutions. Washington, faced with this prospect, moved to stamp its authority on what it considered its national interest, which was preventing a European alliance from challenging American power. The diplomatic warnings of Taft, the Dobbins-Bartholomew letter, the London NATO Declaration July 6 1999, the NATO Rome declaration and the NAC's approval of the WEU being the defence component of the Union, were intended to ensure that reforms were compatible with the continuation of American dominance in the European security field. Washington, it seemed, was adamant that the new European Union's CFSP should not replace NATO. The warnings were:

...directed against any European security and defense caucus within the alliance – or against any “ganging up” against the United States in vital security issues. To the United States the political priorities were clear. In terms of security and defense, integration based on multilateralism inside the Atlantic community or in the broad framework of relations US-EU and not on bilateralism (the US versus EU/WEU) was the only acceptable organizational framework. The United States did not in vital security and defense matters want to be confronted with a united front consisting of European states (Heurlin 2004).

American concerns about a possible rebalancing thus forced the Member States to agree a constructively ambiguous concept of a common defence in Article J.4 within the intergovernmental second pillar. (From a Waltzian perspective, French insistence that a common defence be introduced at Maastricht was evidence enough that Paris intended the

CFSP as a disruption of NATO for balancing.) Thus, we evidence the first mention of an ESDI that, in principle, could lead the EU to provide for a common defence but, importantly for the Americans, it was a strategy to tie ESDP firmly to NATO. Regardless of how such language masked major disagreements between the Franco-German concept of an ESDI and the British idea over how far to co-operate in foreign and defence policy,¹⁴¹ the Americans remained concerned that it was the genesis of an institution that would evolve to replace NATO; for this reason, the Americans insisted that it remained within NATO.¹⁴² American policy during this period was close to what Waltz would predict, concentrating on:

1. ...maintaining an orderly, predictable and preferably peaceful set of relations between the European states, including a balance of power, to ensure that no single state could upset this order. Obviously, this is the interest of a great power, for orderly relations of such a nature as a rule favour the great power and its exercise of influence. But the fact that this is an American interest does not mean that it is not also a European interest.
2. Closely connected with this, but less important, are American economic interests in Europe. Here, too, stability and free trade policies favour the US as an economic power, but both of these elements are also in the interests of the Europeans.
3. ...the position of the US in Europe as a contributing factor to American world power. This encompasses influence but also allies; American power is enhanced by the fact that most of the democracies and economically important countries in Europe are closely associated with the US. Even for a great power it is useful to have allies, particularly allies that are politically stable, share the same fundamental values and are organised within a functioning and politically active alliance system. In the past the US has exercised a leadership role within this system, generally to the benefit of its allies, even if there was not always agreement on every aspect or in every case. Whether this system, in which the US has the strongest influence, has to be changed, and in what manner, is the subject of a continuing debate (Mahncke 1993:20).

¹⁴¹ Roy Jenkins argues that the British have a difficult time with the EU for a number of reasons: ‘...the British tendency to hang back from new European initiatives, from the European Coal and Steel Community (ECSC) to the present. The second lies in the British tendency (in Jenkins’ apt metaphor) to then run alongside the departing train, trying to climb aboard at the next convenient point’. The latter is a habit, he rightly notes, ‘conducive neither to comfort nor to national dignity’ and one that in practical terms, “guarantees that we never play an effective role in shaping the institutions which we subsequently join.”⁵ In the last few decades, the result has been a policy at the “extreme of illogicality,” in which the British government generally supports a la carte or multiple-speed policies, yet violently opposes any effort by others to move ahead without the UK.⁶ Such demands seem to imply a sense of “British exceptionalism” and, needless to say, elicit little sympathy from other European governments’ (Moravcsik: 2002).

¹⁴² Of course, this inference is based on the reasonable presumption that the Member States perceived NATO as an organ of American hegemony, irrespective of its evolution.

At Maastricht that debate did continue. Happily, for Washington, the Franco-German position was not endorsed by all the main West European states. Britain was hostile and, supported by Italy, adopted a common position paper, watering down the Franco-German project in a number of significant respects. This British-Italian stance between the Franco-German and American position was not rational from a Waltzian point of view: ultimately, for Waltz, they should come to grasp the logic of balancing against the overwhelming relative power of the US. On the other hand, the slowness of London and Rome to face their rational needs is perfectly explicable in Waltzian terms: in their different ways both states were deeply linked to the US and in important respects dependent upon it and they could thus be expected to move much more slowly and cautiously towards following the Franco-German lead.

Dimension Three

The third dimension allows for congruence testing by focusing on policy outcomes and goals. What were the goals of the main actors when contracting to proceed with ESDPR, and how do they correspond to the hypothesised goals of Waltz?

Within a Waltzian perspective, the Maastricht project for Pillar Two should thus be viewed as a move in the field of power politics to check unbalanced American power through launching an embryonic West European balancing alliance. The crucial piece of evidence buttressing this Waltzian perspective is the fact that Article J.4 (1) of the Maastricht treaty called for the goal of an EU common defence policy, which may lead to a 'Common Defence', a goal directly contrary to the erstwhile status quo of Western Europe's common defence being organised through an American-led NATO. This wording, from a Waltzian perspective, strongly implied a European strategy for balancing against American power. Article J.4 made the Americans very nervous and more so when they had to implicitly concede that they could not stop the rush to European Union; and while few envisaged a United States of Europe, Mitterrand appeared at that time to be convinced that the end goal would be federal (New York Times (NYT) 26/6/1990). Such

intentions, practical or not at this juncture, alerted the Americans to the possibility that a European alliance was being formed to counter its power. Washington thus needed to sound out the intentions of its NATO allies and, more importantly, convey its own policy preferences for the security and defence of Europe. In that respect, the question of NATO's role in Europe's new security architecture became the main concern for Washington. While the eventual outcome of an integrated Europe remained unclear, Washington was faced with a new invigorated Europe that seemed in the early process of alliance formation; an alliance that had the potential to suck in the CEEC and perhaps even Russia.

Indeed, the attraction for Eastern Europe's new democracies was strong; they were already seeking association with the EC as prelude to eventual membership. Furthermore, with Moscow hoping to secure finance from the Community to transform its own economy, the EC/EU was quickly becoming one of Europe's principal actors. America, which had held that position for four decades through NATO, found the alliance was now struggling to define itself. With the Soviet threat removed from the strategic landscape, Washington needed to redefine its role, both militarily and economically, in the European theatre. Washington, however, was convinced that the Atlantic Alliance was its best means to prevent the West European powers from forming an alternative alliance to balance America's power. From a Waltzian perspective, the EC regional rationale for greater SDP co-operation in this period was:

- To strengthen the institutional tools available to the Union to lock a reunited Germany firmly into the newly constituted EU so as to strengthen any future inter-European alliance
- To strengthen the EU as an international actor.
- To create a regional alliance to balance American power when needed.

The transatlantic link at this stage was more tempered because, for one thing, America was still considered a stabilising force in European politics and as yet

Washington's foreign policy remained for the most part compatible with its European allies. Nevertheless, within a Waltzian perspective we can extrapolate that there were a number of aspirations that affected the links in different ways:

- The closing of the power gap between the EU and the US following the Gulf War.
- The creation of a European military element as a disruption to NATO.
- The strengthening of West European SDP, in order to balance American power.

Thus, within a Waltzian framework, we can infer that the tools of Maastricht's Pillar Two were an inter-state alliance for power politics, masquerading as an organic step in European integration, a process formally supported by the US. This cloaking could be explained as being in part due to London's uncertainty, but more so due to Washington's outright hostility to a European common defence separate from NATO, thus necessitating the cloaking of this power politics move. Waltz, given the sensitive nature of the reforms, would expect the process to be non-transparent: what the Member States seemed to be doing in public was not what they actually intended. Thus we can deduce that their underlining motives may not be all that different from Waltzian predictions; the limited and partial nature of the agreement is explained by Waltz's prediction that the time-frame for balancing will be long and slow.

Mearsheimerian Neorealism

Dimension One

The question arising under dimension one is: For Mearsheimer, what new empirical challenges did the transition present for these actors and how do they relate to his theoretical hypothesis?

Much like Waltz, Mearsheimer understands international politics in terms of power; it is the structure of the international system that causes states to compete for

power. So, on the new Europe, following the collapse of communism, he explains why we should expect trouble.

At an abstract level, anarchy provides states with strong incentives to increase their power at the expense of potential rivals, thus making it virtually impossible to conceive of a Europe populated by status quo powers. ...Military rivalry on the Continent did not start when the Soviets and Americans moved into the heart of Europe in 1945, and it is hardly likely to end when the superpowers draw down their forces. It would therefore be imprudent for states not to worry about the balance of military power in post-Cold War Europe (Mearsheimer 1990a:220).

His brand of neorealism leads to quite different challenges stemming from the same events. The main source of this difference lies in the fact that Mearsheimer views international power politics as highly regionalised, rather than global in scope, because of what he calls the stopping power of water (Mearsheimer 2001). This leads him to insist that the United States never was the regional hegemon in Western Europe and did not become such a regional hegemon with the Soviet Bloc collapse. Instead, he argues, the United States (regionally hegemonic only over the Americas) always played the role of no more than an off-shore balancer in Western Europe, much like the British role in continental Europe during the 19th century. Thus, for Mearsheimer, the central change brought about by the Soviet Bloc collapse was that of destabilising the regional power balances within Europe. First, there was a massive, sudden leap in the relative power of Germany within the region, thanks to both German unification and the Soviet Bloc and Soviet collapse. 'The problem of containing German power would emerge once again, but the configuration of power in Europe would make it difficult to form a counterbalancing coalition ...' (Mearsheimer 1990:32). But secondly, since Germany lacked nuclear weapons while Russia, France and Britain possessed them, Germany could not become the hegemonic regional power. There was thus likely to be a phase of intense European rivalry in Mearsheimer's view, a rivalry that could lead Europe back to a situation similar to that of before 1914 and would likely result either in Germany acquiring nuclear weapons or reverting to nationalist militarism to mobilise its population for massive conventional military strength to deter threats from Europe's nuclear powers (Mearsheimer 1990:30-

36). 'The Germans might choose to go nuclear to protect themselves from blackmail by other nuclear powers. ...given that Germany would have greater economic strength than Britain or France, it might therefore seek nuclear weapons to raise its military status to a level commensurate with its economic status' (Mearsheimer 1990:36). On that note, he views geopolitics at the root of European integration per se.

The unprecedented economic integration in Europe was due largely to the American military presence in Europe and the dynamics of the Cold War. Power politics lie at the root of the European Union. Very importantly, European integration has its limits; there has not been significant political and military integration, and there is good reason to think that European economic integration is slowing down. Regarding the peace in Europe today, that is the result of the American pacifier, not the establishment of a security community. War between France and Germany was also unthinkable in 1955, as well as in 1965 and 1975. The reason: Uncle Sam's presence made it impossible for those former enemies to tangle with each other (Mearsheimer 2006:116).

Thus the only force that could prevent such a dangerous turn of events would be the United States acting as an off-shore balancer and pacifier of European conflicts;¹⁴³ events leading up to the TEU bear out much of Mearsheimer's thesis for this dimension. The four Cold War states responsible for East and West German security (US, Soviet Union, France and Britain), had contrasting national interests that first needed to be reconciled if Germany's future military status was to be agreed. France was concerned about the possibility that Germany could threaten Europe again in the long-term. Also, a united Germany would far out-compete France economically and thus increase its relative strength, therefore France wanted a weaker Germany militarily and institutional constraints on its most influential economic tools, the DM and the Bundesbank (Cameron, 1999 and Howorth, 2000, 2000a, 2001). The Soviets, for their part, knowing that their military alliance, the Warsaw Pact, could not survive much longer, were concerned that if East Germany became part of NATO other East European states would also seek to join the Alliance, thereby increasing the power of the US to influence security and defence

¹⁴³ John Mearsheimer, 'Back to the Future', (1995: 78-129).

related events.¹⁴⁴ Thus, they favoured Germany joining the more benign CSCE created during the Cold War era to promote security and economic co-operation.

A second Mearsheimian theme is that of 'offensive realism'. While defensive neorealists like Waltz believe that states only want a limited amount of power because they recognise that too much power causes security problems for other states, Mearsheimer believes that states seek regional hegemony and that they are more aggressive than Waltz appreciates. Thus, with the collapse of the Warsaw pact and the reunification of Germany, the goal, or the feared goal for London and Paris, was that Germany would seek to rise to dominate the entire regional system. For Mearsheimer (1990, 1995), the collapse of the Warsaw pact led to a regional imbalance and the reunification of Germany would be the catalysis for the other two Member States to begin the process of rebalancing. With the US acting as offshore balancer, the challenge for Washington was to ensure that no one power became Europe's regional hegemon. In other words, they did not want to have a peer competitor; the concern being that another regional hegemon would inevitably try to interfere in their sphere of influence.

Dimension Two

The question arising under dimension two is: How does the reaction of the key actors to the context in dimension one compare with what Mearsheimer would anticipate as the main process, which the context would set in train?

On the face of it, the process leading to Pillar Two of the Maastricht Treaty presents very grave problems for the Mearsheimian perspective as Franco-German co-operation seemed to be the norm. In other words, this was the polar opposite of what Mearsheimer would expect to happen. The Gulf War and the imminent reunification of Germany led both Paris and Bonn to seek closer co-operation on SDP matters. The French,

¹⁴⁴ In fact, these fears were realised when the Czech Republic, Hungary and Poland became members of NATO in April 1999. The signing of the Final Settlement in February 1991 had formally ended the Warsaw Pact.

eager to immerse Germany deeper into Community institutions and the Germans equally determined to proceed with reunification, as noted, jointly took the initiative to seek to widen the IGC on EMU to include EPU and to include within the EPU a strong move towards the CFSP and a common defence policy. When the GDR and the Federal Republic of Germany (FRG) officially became one state, the French aimed to up the integration stakes into European SDP. At the WEU parliamentary assembly meeting in December 1990, four months after the annexation of Kuwait, the French emphasised that the WEU should be the structure for the joint creation of a common European defence policy to pursue European interests. Ten days later, at the European Council meeting in Rome, the Community suggested contemplating the gradual extension of the function of the EC political union in the area of common security, but stressed that the relationship with NATO must be maintained. On 6 December 1990, in a joint letter to the EC President, France and Germany proposed that a Community common foreign policy should include security issues.¹⁴⁵

Mearsheimer, from his perspective, would expect the very opposite of a Franco-German linkage to promote greater ESDP co-operation or a Europeanist balancing against the United States. If anything, Mearsheimer's (1990:55) analysis would have ruled out this possibility, suggesting instead a widening split between Germany on the one hand and France (and probably Britain) on the other, particularly in the context of a collapse of the USSR itself. On a wide interpretation of events, he would argue that although there has been considerable economic integration in Western Europe in the last decade, 'there is little evidence that serious political integration is following in its wake. The Persian Gulf crisis is an important test of that trend. The European states failed to coordinate their responses, and acted very much like the sovereign actors they are' (Mearsheimer 1992:215). Moreover, Mearsheimer could defend the analytical power of his perspective in two ways.

¹⁴⁵ The European Council in Rome formally launched the discussion of both foreign policy and security issues in December 1990.

First and foremost, by arguing that Pillar Two was nothing more than a legalistic piece of paper in an international institution (the EU) – it was thus not serious material power balancing on the part of states. Secondly, he could point to evidence of genuine alarm in both Paris and London in 1989-92 at the prospect of rising German power.¹⁴⁶ On the first point, Mearsheimer could argue that statements of vague future aspirations about a common European defence policy and defence should not be taken seriously, as they could amount to nothing more than Machiavellian dissimulation. Serious moves to material balancing by France and Germany against the USA would entail unifying the command of nuclear force, integrating armed forces, integrating staffs and defence industries. None of this was even discussed in the run-up to Maastricht. Also, the elaborate legal formulae about joint actions were crafted to ensure that practical joint action would be almost impossible. At the same time, for Mearsheimer, international institutions like the WEU or the EU are of trivial significance in the world of power politics between states. For him, ‘institutions are basically a reflection of the distribution of power in the world. They are based on the self-interested calculations of the great powers, and they have no independent effect on state behaviour’ (Mearsheimer 1994-5:7). At the same time, Mearsheimer can point to genuine alarm in London and Paris over German reunification and tensions between Bonn and Paris over the Croatian-Yugoslav war in 1991 as evidence of regional disquiet.

When German reunification did take place on 3 October 1990, the critical issue remained – how to rein in German power? Both Thatcher and Mitterrand initially sought an Anglo-French alliance to curb any attempt by Bonn to annex the German Democratic Republic and achieve German unity. German reunification presented them with a problem they had omitted from their strategic planning – by virtue of its size, central geographical location and economic prowess, a reunited Germany could pursue a foreign policy goal of

¹⁴⁶ See Thatcher’s statement page 134.

political and economic hegemony.¹⁴⁷ Further concerns centred on claims that the 'Berlin Republic' would become Central Europe's new hegemon,¹⁴⁸ and whether Germany would remain committed to multilateralism and pan-European security co-operation; the second institutional pillar agreed at Maastricht provided for the treaty recognition of such concerns. At this stage, it was difficult to anticipate how states might respond to a reunited Germany. The French and British concerns are outlined expressly by Margaret Thatcher in her autobiography where she details two meetings she had with Mitterrand. Her comments are worth noting at some length as they highlight French and British concerns during this period. In a dual attempt to manage German reunification, she recalls that:

...the last and best hope [to slow down or stop reunification] seemed the creation of a solid Anglo-French political axis which would ensure that at each stage of reunification – and in future economic and political developments – the Germans did not have their own way. At the Strasbourg European Council in December 1989 President Mitterrand and I—at his suggestion—had two private meetings to discuss the German problem and our reaction to it. ...He was very critical of Chancellor Kohl's 'ten point' plan. He observed that in history the Germans were a people in constant movement and flux. ...I said that at the meeting he had chaired in Paris we had come up with the right answer on borders and reunification. [He] ...observed that Chancellor Kohl had already gone beyond that. He said that at moments of great danger in the past France had always established special relations with Britain and he felt that such a time had come again. [Paris 20 January] ...Picking up the President's remarks in the margins of Strasbourg I said that it was very important for Britain and France to work out jointly how to handle what was happening in Germany. ...The President was clearly irked by German attitudes and behaviour. He accepted that Germany had a right to self-determination but they did not have the right to upset the political realities of Europe; nor could he accept that German reunification should take priority over everything else. ...The trouble was that in reality there was no force in Europe which could stop reunification happening. ...[He] went on to say that he shared my worries about the Germans' so-called 'mission' in central Europe. The Czechs, Poles and Hungarians would not want to be under Germany's exclusive influence, but they needed German aid and investment. I said that we must not just accept that the Germans had a particular hold over these countries, but rather do everything possible to expand our own links there. At the end of the meeting we agreed that our Foreign and Defence ministers should get together to talk over the issue of reunification and also examine the scope for closer Franco-British defence co-operation (Thatcher 1993:796-798).¹⁴⁹

¹⁴⁷ From a traditional neorealist perspective, this is exactly what Germany policy makers should do to counter growing US power.

¹⁴⁸ Indeed this became one of the main concerns of Washington.

¹⁴⁹ Regardless of their mutual concerns, nothing of value came from these talks and it was not until some years later at St Malo in 1998 that any real progress was achieved between the two countries with regard to security and defence co-operation.

When London and Paris realised they had failed in these efforts, they sought to ensure that German power would be contained during the Two Plus Four talks. France's support for Pillar Two was less significant than its failure, either to propose a serious security alliance with Germany or to campaign for an end to NATO now that the Cold War was over.¹⁵⁰ Its readiness to maintain the Atlantic dimension corresponds to Mearsheimer's claim – that NATO would remain the stabilising force in Europe and SDPR, as agreed in the second pillar, would be of no real significance in great power politics. The most profound conclusion for all three Member States was that a continuing US presence in Europe was vital for security. Specifically, for Mearsheimer, while this meant America remained as an offshore balancer, it did not require the continuation of NATO, as he argued that the alliance was now obsolete. Pond (1999:81), however, claimed that, 'America's unique credibility in deterrence therefore remains indispensable for the preservation of stability in Europe. And so does the US role as *primus inter pares*, for the same reason that required U.S. engagement when NATO was founded half a century ago. ...U.S. leadership in European security continues to be the only device for avoiding leadership by the richest, most populous, and most energetic country in Europe, Germany'.

Paradoxically, French and German policies were closer to one another than the French and British policies, although the latter two states wanted to achieve the same thing and acted out of the same motive, which was fear of Germany. But France, unlike Britain, while acknowledging the necessity of an American presence, remained adverse to American hegemony. Within a Mearsheimerian framework, we can thus extrapolate that the result favoured by Paris and London was that America should remain involved in European security, not simply as a deterrent against Russia, but to prevent Bonn from

¹⁵⁰ Mearsheimer's approach would have a hard time accounting for Mitterrand's refusal of Thatcher's offer to balance against a Reunited Germany. 'Thatcher recalls being dismayed at Mitterrand's dismissal of her offer to create a new balance of power against the greater Germany: Mitterrand allegedly thereby betrays the Gaullist "defence of French sovereignty" in favour of "a federal Europe"' (Rynning 2002; 6).

becoming regional hegemon – in other words, they buck-passed to a seemingly willing America.

American policy towards Europe had been remarkably consistent from 1945-1989. Any shift in this policy, it was long suspected, would take a major international event and a reassessment of the trans-Atlantic relationship. Four major goals dominated American policy from 1989:

1. To stay in Europe to prevent the rise of a European regional hegemony.
2. To maintain America's position as 'first among equals' – American hegemony.
3. To prevent the rise of a peer competitor.
4. To create strong allies who would bear most of the burden of European security and defence and hopefully part of America's burden on a global scale. This meant support for the ESDI.

For Mearsheimer, that the TEU reflected the phobia amongst Germany's neighbours that she might one-day rise from partner to primacy is not in doubt.¹⁵¹ The disparate approaches to the Gulf War and particularly the reunification crisis forced the West European powers to proceed with the reform process faster than they might have wished. It also meant, for the time being, that 'widening' the Union came second in favour of 'deepening'.

At the same time, at the very height of the preparations for the Maastricht conference in the autumn of 1991, we can easily assume that Mearsheimer would stress the crisis between France and Germany over the most urgent security problem facing Europe at this time: the Yugoslav-Croatian war. Disagreement was becoming somewhat disruptive between Paris and Bonn over the Western Balkans, with the former supporting

¹⁵¹ This is not to suggest that other motives were not important. To be sure, EMU would see the completion of the single market programme and all the advantages that economies of scale would bring, and the political prestige on the international scene the member states could expect from a unified CFSP, but relative power considerations almost certainly accelerated the EC integration programme.

Belgrade while the latter aided Zagreb. Only during the Maastricht process was this crisis resolved through the French government's decision to place European integration first and gain agreement on Maastricht while sacrificing the French stance in support of Yugoslavia (Crawford 1996).

Washington's support for German reunification indicated that America was set to remain as an offshore balancer and Paris, on that basis, could accept the rather minimalist practical commitments entailed by Pillar Two. The continuing American security guarantee could be seen as the basis for French willingness to co-operate with Germany on Pillar Two. On the basis of the US presence and role, France could safely seek to pull Germany into accepting a leading French role in European geopolitics, via Pillar Two. Without that continuing American role, there could have been a return of the security dilemma in Franco-German relations, perhaps precipitating Germany into efforts to internally balance against France.

The ultimate goal of Washington as the regional hegemon of the Americas was to block the rise of a peer competitor in Europe that could one day threaten its hegemony of the Western Hemisphere – the modern equivalent of the Monroe Doctrine. To do this, America's preferred option was to remain an offshore balancer (Mearsheimer 2001:236-237). Another way to look at America's behaviour, from Mearsheimer's perspective, is to understand ESDP as a new tool to buttress and ensure America's continued engagement in European security affairs. Washington supported and encouraged ESDPR as a means for the Europeans to share more of the burden of security and defence. The problem for Washington was a matter of degrees. If the Member States' commitment to SDP co-operation was weak, it would be of little value in reducing American military expenditure. On the other hand, if it was too strong, the possibility of the EU rising as a security actor in its own right and becoming a peer competitor was very real.

The goal of ESDPR for the Member States was essentially about NATO keeping Europe stable under US tutelage, while for the US it was about preventing the rise of a peer competitor. While the goal of EMU might be considered an anomaly for

Mearsheimer, as it seemed to draw Germany closer to the other Member States, it has been commonly accepted that the overriding issue was not economic but political – the elementary incentive lurking beneath the surface was the removal of Germany’s economic domination of Europe that could just as easily in the future be turned into military advantage.¹⁵² In other words, EMU was just an example of another balancing tool agreed to contain Germany.

Dimension Three

The third dimension allows for congruence testing by focusing on policy outcomes and goals: what were the goals of the main actors when contracting to proceed with ESDPR and how do they correspond to the goals hypothesised by Mearsheimer?

Mearsheimer, in dimension one, identifies the key causal variable as being specifically related to the regional power imbalance caused by the effective collapse of the Warsaw Pact.¹⁵³ Can we, from the empirical evidence as presented in dimensions one and two, trace a causal link from the Mearsheimer independent variable (regional imbalance) to the Maastricht outcome on Pillar Two?¹⁵⁴ As we have seen, on the face of it, this is hard to sustain. It requires us to treat the TEU’s stated goal of moving towards a common defence policy and common defence as a piece of dissembling by France or Germany or both. In spite of apparent difficulties, certain responses to proposed reforms can be understood in Mearsheimerian terms.

¹⁵² All theorists, however, do not accept this view. Moravcsik is of the opinion that economic reasons dominated French preferences, not German reunification. ‘If German unification were a driving force behind the French position, we would expect strong French support for political integration. ...in striking contrast to its active initiation of discussions on EMU, the French government sought to avoid discussion of political union, including foreign and defence policies, the power of the European Commission or Parliament, and immigration. There were few French innovations and little willingness to compromise; political union was viewed by both parties as a concession to Germany in exchange for EMU. Defence cooperation was an exception, but it is unclear whether the extreme French position was meant to be taken seriously; one German diplomat claims the German government viewed the weak defence provision of the Maastricht Treaty as no more than a means to let France “save face” (Moravcsik 1998:413). The truth probably lies somewhere between the two views. It is not unreasonable to suggest that both political and economic reasons converged, so that Paris and London concluded that an integrated Germany would add to the economic and military security of the Community.

¹⁵³ Politics being regional in structure.

¹⁵⁴ SDP reform is about balancing against the rise of a regional hegemony.

The first Bush administration, while interested in the idea of Europe contributing more to its own defence, feared that process of SDPR, once started, could lead to America's marginalisation and eventual withdrawal from Europe. However, the American budget constraints at home and the wish to cash in their hard won peace dividend meant that Washington would potentially support European moves if they in no way compromised NATO or the security of the continent, i.e. none of the Member States sought to rise as regional hegemon (Mann 2004).¹⁵⁵ The US wanted to ensure the uninterrupted continuation of their superpower status by remaining an offshore balancer and allowing the Member States to put into practice processes that prevented one of them from rising to become a peer competitor. While a great deal had changed during this period, the fundamental character of international politics had not. Recourse to military power remained visible and power politics dominated relations, even between so-called European allies.

...there have been no fundamental changes in the nature of international politics since World War II. The state system is alive and well, and although regrettable, military competition between sovereign states will remain the distinguishing feature of international politics for the foreseeable future. Furthermore, the conventional wisdom notwithstanding, there is likely to be more—not less—disorder around the global in the wake of the cold war (Mearsheimer 1992:214).

Notwithstanding, the anomaly of NATO survival, there are two possible readings of Pillar Two of the TEU that could fit with Mearsheimer's perspective. The first is that the Treaty's language should be interpreted as a French bid for leadership over Germany in the field of geopolitics. In other words, it meant that France, as the nuclear power with the UNSC permanent seat, would lead Germany and Western Europe in the security field. Germany accepted this to ensure the continued benefits of the EU as a political economy strongly favouring German industrial growth. Both Bonn and Paris knew that the US

¹⁵⁵ A leaked first draft of the 1992 Defense Planning Guidance called for the US to prevent any potential power from emerging as a global competitor or military rival to the US. This included language that implied that the United States should make sure that even allies – 'advanced industrial nations' would be kept from 'challenging America's leadership'. The text was amended for publication, but its stress on supreme military strength remained (Mann 2004: 210-211). See also 'The London Declaration' Declaration on a transformed North Atlantic Alliance issued by the Heads of State and Government participating in the meeting of the North Atlantic Council, London, 6 July 1990. <http://www.nato.int/docu/basic/txt/b900706a.htm>

would hold the ring as off-shore balancer. These concessions both assured Germany that it could resist French efforts to dominate in the military-political field and assured French leaders that any German ambitions for regional political hegemony would be checked by the USA. Washington's support for German reunification certainly seemed to validate Mearsheimer's assumptions that, once the possibility of Germany rising was digested by London and Paris, they would act to ensure that America remained committed to European security. Washington thus encouraged German reunification in the expectation that Paris and London's response would be favourable to the continuation of America as offshore balancer. Paris and London did decide to support reunification and tie Berlin into European institutions as a way to prevent it from rising to regional dominance. This approach ties in with Mearsheimer's general thesis, that the United States should 'prevent great power war by quickly and forcefully balancing against potential aggressors' (Mearsheimer 1992:236).

Wohlforthian Neorealism

Dimension One

The question arising under dimension one is: For Wohlforth, what new empirical challenges did the transition present for these European actors and how do they relate to his theoretical hypothesis?

For Wohlforth, the collapse of the Warsaw Pact and the disintegration of the Soviet Union left the US as the world's only superpower. The Soviet Union no longer posed a serious threat to the US or to Europe and no other power or combination of powers came close to matching American military strength. The world had become unipolar, precipitating the Member States to rethink old methodologies of interstate relations, to find new ways to survive, remain relevant and not antagonise the hyperpower while doing so. The challenge, therefore, facing them in this unique unipolar system was not, as Waltz would have us believe, to balance against US power, nor, as Mearsheimer claims, to

manoeuvre against each other, but to seek out ways to adapt to the new US dominance and to remain relevant to a power that apparently did not require allies. Moreover, unipolarity:

...implies neither the absence of all politics among great powers nor the absence of all power balancing among lesser powers nor certainly the resolution of all global problems. It does not mechanistically determine a specific strategy on the part of the major powers. It simply creates incentives for strategies that diminish if not eliminate two major problems that bedeviled international systems of the past: struggles for global primacy and competitive balancing among the major powers (Wohlforth 2002:8).

Support for this contention can be found during the German reunification¹⁵⁶ process and the Member States reaction to the Iraq War. Britain, having failed to stop reunification and preferring an American presence to possible German regional hegemony, endeavoured to keep the US engaged in Europe by supporting SDPR in such away that reforms did not threaten NATO, while ensuring they remained relevant to the Americans (Howorth 2000a, 2000b and 2001). However, if concerns about Germany were not enough, conflict in the Persian Gulf had already proved to the West European powers that they needed to develop ESDP co-operation. The Member States realised that a united front on foreign policy was desirable to prevent them from becoming bit players in international affairs; it would also allow them to remain a valued partner to the unipolar power. Within a Wohlforthian perspective, the new unipolar environment in essence demanded bandwagoning from the West European powers.¹⁵⁷ In this context, the central fact in the security field was the Bush administration's insistence that NATO, not the WEU or EU, must be the central political institution to tackle European security issues. In line with this, NATO must be transformed so that it could strike 'out of area' and must also be enlarged to take in the post-Communist states of East Central Europe. At the same time, NATO should remain structured as a hegemonic alliance under strong American leadership and

¹⁵⁶ For Wohlforth (2004:151), peaceful German reunification on mainly Western terms was the result of changing material incentives. 'Material shifts seem to offer the most leverage on the case and to a large extent underpin other causes'.

¹⁵⁷ Likewise Posen (2004:9) argues that: 'On the whole, there is considerable evidence of bandwagoning among European states. Many realists expected NATO to weaken after the Cold War ended. Instead NATO has turned into a principal instrument of US hegemony on the Eurasian land mass'.

maintaining the integrated, American-led command structure (NATO 1991). The United States would not look kindly upon any EU development which weakened or undermined its project for the new NATO.

Dimension Two

The question arising under dimension two is: How does the reaction of the key actors compare to what Wohlforth would anticipate as their response to the transition?

While Mearsheimer's perspective requires us to down-play the significance of Maastricht's Pillar Two on the grounds of Franco-German tensions, Wohlforth's requires us to downgrade its significance because of American power and policy. In addition, Wohlforth's perspective would require us to view all evidence of West European efforts to use the WEU/EU to balance against the US as evidence of an irrational inability on the part of those attempting balancing to grasp the new reality. On the face of it, this perspective on the processes leading up to Maastricht seems unpersuasive since there is plenty of evidence of disquiet in the Bush administration over a number of independent European initiatives in the security area which implied at least an effort to acquire greater West European autonomy and cohesion in the security area. We have already noted this evidence, including the Dobbins-Bartholomew letter opposing European intervention in Yugoslavia early in 1991, the formation of the Eurocorps, the formulae in the Second Pillar on moving towards a Europeanist 'common defence', and the American disquiet over Germany's successful efforts to bring Western Europe over towards its stance on the Yugoslav crisis during December 1991 (Crawford 1996). Wohlforth would have to dismiss all these issues as amounting to no more than normal diplomatic friction as the West Europeans slowly adapted to the new reality of US unipolar dominance. According to Wohlforth (1999:25), 'Hegemonic theory tells us that a clear preponderance in favor of a leading state with a comprehensive power portfolio should eliminate rivalry for primacy. Overall, then, unipolarity generates comparatively few incentives for security or prestige competition among the great powers'. Wohlforth's perspective would thus suggest that the British and the Italians, favouring a watered down

version of Pillar Two, had a more rational grasp of power realities and he would have predicted that this rationality would gradually be grasped by France and Germany.

The Wohlforthian perspective, nonetheless, could positively explain Pillar Two as belonging to the field of public legitimation of a new phase of outward power projection by the West European powers under US leadership through NATO. Pillar Two's job, on this reading, would be to present such US-led power projection as if it was a state-led rather than an US-led project. This could be particularly valuable in relation to a German public opinion that, following their WWII experience, remained strongly pacifist and suspicious of US demands that Germany join in NATO out of area military operations (such as the Gulf War). Indeed, Pillar Two could be read as thus being an effort by state executives to demonstrate to Washington that they were going to be valuable partners for the US in a new phase of US expansionism into the former Soviet sphere. Indeed, during the Gulf war, Kohl had earned harsh criticism from the NATO member states, particularly Britain, for his decision not to send troops to the Gulf (Berenskötter 2004:23). Thus, London and Paris, far from being worried about German power, needed it to be mobilised to show the Americans how useful European power could be to the new global hegemon, thus strengthening their collective importance to the Americans. This necessarily included devising reforms so as to increase SDP co-operation which in one sense meant ensuring that policy divergence between the Member States was abated by institutional constraints.

It might thus be something of an overstatement to assert that if French policy was one of pre-eminence, within EU institutions, then British policy was one of independence from Europe. The conviction on behalf of London that European allies were useful, but non-continental allies were more important, meant for Wohlforth, bandwagoning. Britain, while favouring greater SDP co-ordination, had long resisted any supranational moves by the EC into the area of 'high politics', in part owing to her centralised political system, but also due to the perception of its people as an island-nation apart from Europe. More importantly, the British elite have traditionally favoured the transatlantic relationship to guarantee European security, now unipolarity meant British policy would anchor that

special relationship by being the chief bandwagons. 'There remains an assumption that the United States, rather than EU Member States, is Britain's preferred partner. In security matters there is continued commitment to retaining a privileged role within NATO and a dominant role for that organisation in European security' (Foster 2000:47-48).

For Wohlforth, British policy now more than ever would centre on appeasing and aiding Washington in her foreign policy decisions. In practical terms, for London, this meant a strong American commitment to Europe and a weak European CFSP. Thus, at this time, keeping NATO in Europe and Europe out of SDP became the primary British policy goal. London thus focused more on trying to prevent supranational encroachment and the possible weakening of NATO. British policy during this period was dominated by three goals:

1. Remaining relevant to the new hyperpower, coupled with:
2. Maintaining Britain's 'comparative advantage'¹⁵⁸ in European security and defence affairs.
3. Preventing supranational encroachment by the new Union into European SDP.

For the Member States, especially the British, there remained a lingering doubt about the isolationist tendency within the American foreign policy establishment. Suspicions that Washington's post-WWII internationalism could be replaced with old isolationist instincts persuaded London to reform SDP to bear more of the burden of European security, a burden that Washington was now not prepared to shoulder. The British, thus, sought to underscore US involvement in Europe without a counter mechanism to balance growing American power, and this was in harmony with Wohlforth's view that such instruments were a waste of time given the unipolar environment (Wohlforth 1999 and 2002:4-5).

¹⁵⁸ Britain's strong military tradition and professional armed forces, along with an independent nuclear capability, give the UK a comparative advantage in military matters, compared to other member states.

Dimension Three

The third dimension allows for congruence testing by focusing on policy outcomes and goals: What were the goals of the main actors when contracting to proceed with ESDPR and how do they correspond to the hypothesised goals of Wohlforth?

For Wohlforth, the goal of ESDP is thus about the Member States being able to share more of the burden of European security and defence under American leadership. SDP is about reinforcing NATO/Washington's military hegemony over the Member States as the Member States bandwagon (his dependent variable). In accordance with congruence procedure, the question can be put thus: Can SDPR in this period, be understood as being analogous with Wohlforth's predicted outcome? Does Wohlforth's independent variable (American hegemony/unipolarity) lead to his predicted dependent variable (bandwagoning)?

In this context, we can view Pillar Two as part of a wider restructuring of European and Atlantic institutions to allow for the new reality of American unipolarity. The 1989-1992 reform of SDP certainly could be viewed in this way, above all because control both of security policy-making and of West European military planning and military forces remained firmly with Washington, through NATO. Yet to accept this image of the Maastricht outcome we do surely have to posit a continuing failure on the part of some West European actors to grasp the power reality confronting them – for the Second Pillar was not, in fact, an American initiative and in its initial Franco-German form it could hardly have been acceptable to Washington. Thus, at least at this initial stage of the ESDP project, the Wohlforthian perspective sits uncomfortably with empirical realities. There were, however, some indications that the power reality was not lost on all the actors.

Washington naturally viewed any policy towards giving the EU an independent defence dimension as against American interests, but Britain, America's closest ally, also opposed the French-Germany plan announced on 19 April to speed up political integration and develop a CFSP in response to developments in Europe. Speaking in Paris on 24 April

1990, the British Foreign Secretary declared that London was 'deeply sceptical about proposals for greater centralisation' (The Times 25/04/90). Given the power differential, antagonising its Atlantic ally was not a proposition the British were willing to consider. London, for decades, having favoured the so-called special relationship, was not now going to lose the opportunity, in Wohlforth's terminology, to bandwagon in the calculated prospect that it would gain absolutely from America's continued favour – besides, the logic of balancing in unipolarity was not sound policy.

Since the fall of the Berlin Wall, Britain had opposed the EC's plans for EMU and political integration, but events had spurred her continental neighbours to act. But when analysed from a Wohlforth perspective, processes and outcomes are consistent with his thesis. Of course, America's reaction to the declared aim of developing an independent defence capability was cautious at first. Nevertheless, meeting in London on 5-6 July, the North Atlantic Council (NAC) acknowledged the West Europeans' desire to create an identity in security issues.¹⁵⁹ The 'London Declaration' issued by the NAC declared that:

The unification of Germany means that the division of Europe is also being overcome. A united Germany in the Atlantic Alliance of free democracies and part of the growing political and economic integration of the European Community will be an indispensable factor of stability, which is needed in the heart of Europe. The move within the European Community towards political union, including the development of a European identity in the domain of security, will also contribute to Atlantic solidarity and to the establishment of a just and lasting order of peace throughout the whole of Europe.¹⁶⁰

Also, at the same time, the first Bush administration sought to persuade its European allies to make a stronger contribution to NATO – a contribution that would lessen the defence burden of the US, but one that would not marginalise it, or threaten its position in the future (Smith A. 2000:67-70). Washington's policy preference of securing a greater European contribution to defence, while ensuring that it remained the most powerful actor in the European security system via NATO, was for Wohlforth only possible due to unipolarity and the gradual realisation by the West European powers of

¹⁵⁹ Without American approval, no such declaration would have been possible.

¹⁶⁰ London Declaration On A Transformed North Atlantic Alliance Issued by the Heads of State and Government participating in the meeting of the North Atlantic Council, London 5-6 July 1990.

their unfavourable position in relation to the unipolar power. A power that had in the post-Cold War world, 'overwhelming nuclear superiority, the world's dominant air force, the only truly blue-water navy, and a unique capability to project power around the globe' (Wohlforth 2002:21-22).

Waltian Neorealism

Dimension One

The question to be asked under dimension one is: For Walt, what new empirical challenges did the transition present for these actors and how do they relate to his theoretical hypothesis?

Walt's departure from the other neorealists discussed above lies in his rejection of a purely materialist approach to power analysis and in his insistence that states do (and should) frame their security policies on the basis of assessments of 'threats' not just of power. This gives us yet another perspective on what was salient during this transition. For him, the importance of the collapse of the Warsaw Pact and of the Soviet Union was only relevant inasmuch as it removed one evidently perceived threat to the West European powers from the East. But it did not necessarily lead to other threats, whether from the United States or from Germany. Walt did, however, warn that '...the end of the Cold War did not bring the end of power politics, and realism is likely to remain the single most useful instrument in our intellectual toolbox' (Walt 1998:43). Nevertheless, whether such threats were perceived to emanate from the US or Germany would depend upon the perceived behaviour of these powers, not on their relative power capabilities.

Within this perspective, the way in which the Kohl government pursued German unification was evidently perceived to be potentially threatening to the French and British governments. 'For his part, Chancellor Kohl consistently maintained that the East Germans' right to self-determination was guaranteed by the Helsinki Final Act (1975)' (Davis and Wohlforth 2004:142). Kohl thus exercised that right when he announced his 10 point plan for unification in the autumn of 1989 without prior consultation with his allies.

In the months leading up to German Monetary Union and elections in the GDR, the Bonn government drove forward rapid unification in opposition to any attempt by Germany's neighbours to slow it down. Attempts by the European Commission to take charge of a gradual integration of the GDR into the EC were brushed aside by the German government. GDR integration into the EC was turned into a paper exercise in Brussels – rubber-stamping decisions already taken in Bonn. The threat represented by this drive to Germany's neighbours and allies was the possibility that a united Germany would embark on a 'sonderweg' eastwards, loosening its ties with the West, establishing its hegemony in East Central Europe and developing a special relationship with Moscow.¹⁶¹

Against this background, Washington's insistence that German unification be placed within continuing NATO membership would have been perceived in Western Europe as an insurance that Germany would continue to position itself firmly within its post-war, Western institutional frameworks. The Maastricht process, from a Waltian perspective, could also be seen in the same light: as a test of whether Germany would remain subordinated to a new, stronger EU framework, or would seek to break free of such constraints and thereby increase the level of threat perception of the other member states.

Dimension Two

The question arising under dimension two is: How does the reaction of the key actors to the context in dimension one compare with what Walt would anticipate as the main process that the context would set in train?

In this context, Maastricht can be understood as above all an effort by West European leaders to establish a framework in which all the main West European powers would be assured that the bases of the patterns of inter-state trust which had existed in the West would be maintained in the new conditions. This meant, above all, Germany allowing itself to be bound in by its neighbours and thus preventing it from taking a

¹⁶¹ Criticism of the *Sonderweg* thesis can be found in Eley and Blackbourn (1984) *The Peculiarities of German History* where they argue that there is no "normal" course of social and political change inherent in the German system or any system for that matter.

'special path' east. If Germany decided to go neutral, she could unilaterally set policy goals in Central and Eastern Europe (CEE) and, more importantly, put the continuance of NATO in doubt, thus creating fear among its former allies. American policy sought to ensure neither happened. Regardless of British and French concerns, reunification of Germany was a means to an end. Indeed, from an American perspective, NATO's continued existence, German reunification and SDP reform would ensure that existing patterns of inter-state trust would continue in the new international system. But this could only be achieved if a united Germany was a full member of the alliance; insofar as a unilateral Germany would not be accepted by its neighbours and a Germany outside NATO might imply an expectation that a future withdrawal of American troops would take place with the possible collapse of NATO. In other words, the perception of threat would force erstwhile allies into dangerous policy choices. Fortunately, the Germans took the view that rapid reunification was paramount and they favoured NATO membership as a means to dispel the concerns of other member states. The expectation of the member states that a reunified Germany would remain in the West was accepted a priori and no serious reappraisal of membership in NATO took place. 'The rationale behind this course was simple: Kohl government's main objective was to prevent a reopening of the German question and to maintain continuity in its national identity. Having just secured a status as a 'normal country' within the Western collective, the last thing Germans wanted was giving up their status as a valued member in the West' (Berenskötter 2004:20-21). In other words, for Germany, NATO remained the one constant that could legitimate its reunification and expanding political economic and security roles in the new post-Cold War system (Weber 2001:94).

Correspondingly, Monetary Union would neutralise the danger of German monetary hegemony and the CFSP and Pillar Two could be seen as a way of guaranteeing against German unilateralism towards the east. Western European efforts to restructure the East Central European societies and economies and integrate them with Western Europe would be done collectively through the EU and not unilaterally by Germany. In short, the

whole negotiating process up to Maastricht can be viewed as centred on producing what Chancellor Kohl repeatedly called a European Germany rather than a German Europe (Time, July 30 1990). At the same time, within a Waltian perspective, the reform of NATO could be viewed in the same light.

Given that West European states had very important interests at stake in the way in which East Central Europe would be restructured while on the other hand the United States had a very strong interest in maintaining its leadership in European security, tensions between the Maastricht project and US European strategy were bound to arise. But these tensions, in a Waltian perspective, were rooted not in power disparities but in uncertainties about the future and in worries that current arrangements to meet the new challenges could prove threatening in the future. The whole Maastricht process was thus about neutralising worries that one Western power or another might take steps that could be perceived as threatening by its partners. The realisation that the collapse of the Warsaw Pact would inevitably lead to a new regional security dynamic for Walt meant that the key actors would go through a period of reflection and threat assessment before any hard policy decisions were taken; reaction would therefore be slow and considered. Walt would, nevertheless, expect the Member States to initiate policy reform that would have the potential to counter either American or German initiatives in Europe if these were launched unilaterally. London, seemingly more concerned about German reunification, was also willing to accept Article J.4 (the possibility of a common defence policy) as a possible tool for threat neutralisation once the hope of an Anglo-French alliance did not materialise.

Dimension Three

The third dimension allows for congruence testing by focusing on policy outcomes and goals: What were the goals of the main actors when contracting to proceed with ESDPR and how do they correspond to the hypothesised goals of Walt?

Walt, in dimension one, identifies the key causal variable as being related to the collapse of the Soviet Union, specifically the perception of threat it caused; he would predict that the goal of the main actors in developing ESDP was essentially about neutralising threats from both Germany and the US, the other Member States thus foregoing the need to balance against either in the traditional 'hard balancing' sense. In accordance with congruence procedure, the question can be put thus: Does Walt's independent variable (perception of threat) lead to his predicted dependent variable (threat neutralisation)?

The Americans and Member States, no doubt taken by surprise by the changing international environment, struggled to redefine their relationship as military allies. The Americans would have to consider what the overall ambitions of the Member States would be. In this context it was suggested that EC security goals sought (i) the maintenance of the pluralist European security-community and its development into an amalgamated security community¹⁶², (ii) the defence and advancement of European national interests in international relations, and (iii) 'the construction of a federal Europe' (Gamble 1991:5). For Walt, the real concern, nonetheless, came from the US perception that a strong European SDP would lead to a European coalition at the heart of the Atlantic Alliance. Accordingly, the Americans sought to ensure that existing patterns of co-operation were not threatened, which in effect meant making sure that NATO remained the main security institution in Europe with its integrated military structure intact. The French, on the other hand, attempted to perform a balancing act of appeasing Washington while at the same time trying to wriggle out from under American hegemony by creating a tentative European SDP as a form of 'soft balancing'. The British were happy with the status quo, but suspicious of German reunification and the relative increase in power that brought. The Germans' desire for reunification necessitated a show of benign intent in the form of EMU and SDP reform. The Americans, happy for the Europeans to take on more of the burden

¹⁶² For an explanation of a pluralist European security-community see pages 149 and 162.

of European defence, were nevertheless suspicious of French motives and a German resurgence that could threaten American interests.

The goal, thus, both at Maastricht and in the parallel NATO reform process, was essentially about neutralising threats; the CFSP's procedures ensured that foreign policy actions by Germany and other EU powers towards East Central Europe would be multilateralised. Moreover, the new Pillar Two institutions would make the foreign policy actions of member states more transparent to the others. The aspiration to a common defence policy was not so much directed against NATO as directed against unilateralism in the defence field by Member States, combating the danger that with the end of the Soviet threat foreign policy strategies and defence policies in Europe would be 'renationalised'. Although, the actors' perception of threat differed, the outcome, given these differences, apparently suited all. Britain, for instance, as evidenced from Thatcher's statement,¹⁶³ considered Germany a threat and considered the idea of a return to the old balance of power tactics, while at the same time holding a firm policy line that America's presence was a vital component to keep Germany from rising to hegemonic power. London, therefore, perceived no threat from American power, unlike French leaders, who sought in the long-term to weaken American influence in the region through soft balancing tactics. The 'yes but' attitude of Washington to SDP reform at Maastricht confirmed American fears that SDPR, as tool of threat neutralisation, might encroach on NATO/American dominance of security and defence affairs. Outcomes, therefore, tended to reflect American concerns, while at the same time allowing SDPR to neutralise any perceived threat to the satisfaction of the Member States.

Alliance formation, although evidenced in Article J.4, was thus not essential in this period for threat neutralisation. For one thing, America at this time was not considered a military threat, although it might be a threat to influence. However, the Member States had already conceded much of their SDP sovereignty to Washington during the Cold War.

¹⁶³ For Thatcher's statement, see page 133.

Walt's independent variable, perception of threat, if operational at all, is only so at a cognitive level and is thus harder to quantify. Even so, in procedural terms the CFSP process was complex and did not lend itself to structures that would have facilitated SDI proper through the WEU. France, suspicious of hegemonic US power, was determined not to let the opportunity pass to address these fears and settled for linking the WEU to the EU as the European pillar of NATO (Article J.4 (2-3)). Thus, with the WEU established as the security wing of the EU with a treaty commitment to enhance itself in phases, the French were satisfied that the process of SDP co-operation could at least evolve from the inclusion of the WEU to guard against any future threat. The British and the US remained happy with NATO dominance. The Germans, always conscious of French ambitions and NATO's protective umbrella, freely accepted the compromise.¹⁶⁴

For Walt, thus, the absence of hard balancing corresponds to the threat neutralisation effect of ESDP. In any case, the reform of defence policy agreed at Maastricht contained only small practical inroads into American hegemony – the real value, for Walt, was that existing patterns of co-operation were not threatened and indeed Pillar Two could also be understood as a means to neutralise threats or, more specifically, the perception of threats on the part of the Atlantic allies. Consequently, Walt's thesis, unlike that of the other neorealists under analysis, seems to offer us a better understanding of the weak integrative value of reform and stagnant flow of power within our model during this period.

¹⁶⁴ The French aversion to US hegemony stems from the Gaullist approach to international politics, i.e. neorealist state-centric view, that states are the most important actors and a desire for France's independence from foreign power. Thus, French moves to establish a CFSP may seem contrary to neorealist concepts unless of course they assume such an undertaking will lead to greater influence for France. See Gordon (1993) *A Certain Idea of France: French Security Policy and the Gaullist Legacy*. Princeton, NJ: Princeton University Press.

Keohane-Moravcsik and Complex Interdependence

Dimension One

The question arising under dimension one is: For Keohane and Moravcsik, what new empirical challenges did the transition present for these actors and how do they relate to their theoretical hypothesis?

Both accept the neorealist premise of states as primary actors in the world, seeking to maximise their power, but conclude that co-operation occurs within an institutionalised framework that constrains their behavior. The collapse of communism in Eastern Europe had the potential to cause flows of destabilising events – events that would seriously threaten the economic security of the Member States. The key challenge for the West European actors was thus essentially similar to other challenges in the world of complex interdependence, which had led these states to seek policy co-ordination through the EU to cope with them. Ultimately, the Member States faced the positive task of enlarging the zone of complex interdependence to the CEEC, a process that required greater co-operation and unity on economic and foreign policy. They, in other words, required a secure and stable crisis free zone that would allow business actors to invest in the region with confidence (Dunne 1993).¹⁶⁵ This requirement, to enlarge, is rooted in commercial liberalism, in that ‘collective behavior of states based on the patterns of market incentives facing domestic and transnational economic actors’ (Moravcsik 1997:528). The similarities to neofunctionalism are, of course, striking. ‘Changes in the structure of the domestic and global economy alter the costs and benefits of transnational economic exchange, creating pressure on domestic governments to facilitate or block such exchanges through appropriate foreign economic and security policies’ (Moravcsik 1997: 528).

¹⁶⁵ By the end of 1990, virtually all countries in CEE had passed legislation to promote foreign direct investment (FDI), and some ventured further and passed privatisation laws. ‘As a result, most of the countries of the region are potentially quite attractive to foreign investors... At the same time, the transition from centrally planned to market economies creates, at least in the short run, major economic uncertainties in an environment which, in any event, has an underdeveloped business infrastructure. ...More than half of the total number of joint ventures and foreign equity participation in Central and Eastern Europe originate from countries in Western Europe, particularly the European Community’ (World Investment Report 1991:14-15).

Agreement on the structure of foreign policy was left solely to national executives because, according to Moravcsik (1994:8):

In the area of foreign policy, strong executive control over policy initiation has both domestic and international roots. Domestic, national constitutions generally designate executives as sole national representatives in international negotiations, with parliamentary, public and ministerial oversight over the executive's conduct more limited than in the domestic policy process. Most international agreements are not formally considered in domestic parliaments, ministries or publics, if at all, until they have been concluded internationally and submitted for ratification. International institutions reinforce the executive monopoly by recognizing only executives as legitimate national representatives. This restriction, which reflects the fact that most international institutions were brought into being by prior agreement between national leaders, permits executives to "cartelize" control of the international agenda, thereby further strengthening their domestic influence.

Institutions, in other words, insulate executives from domestic pressure that are found in international economic regimes. Echoing this theme, Keohane (2003) asserted that the EU remained largely a set of intergovernmental and supranational institutions supported by an agreement among elites. Moreover, in search of domestic political flexibility and support, executives opt to 'create redundant institutions that appeal to different domestic constituencies. Certainly French executives have increased the domestic legitimacy of French security policy through simultaneous membership in the EPC,¹⁶⁶ the WEU and NATO – while all the time proclaiming the independence of national policy' (Moravcsik 1994:77). This allowed the Member States to contract out of sight of public pressure, thus preventing a split in the cohesion of the Union. The damage to European unity during the first Gulf War was a problem for the French and indeed the European Commission. Greater co-operation would be needed to encourage and integrate the CEEC into West European institutions. As Jacques Santer, subsequent President of the European Commission, later said:

the world is once again becoming a dangerous place: shaken by internal crises of identity, rights or power; confused and, as it were, disoriented by the collapse of the Cold War certainties; what confronts us, then, is a sort of return to our origins. The original modest Community of six, brought into being 40 years ago to prevent further wars between Europeans, has given us security, democratic stability and prosperity. Over the years, it has opened its doors to other countries, which

¹⁶⁶ European Political Co-operation.

believed in the eminently political objective of bringing about an 'ever closer union between the peoples of Europe' (Nato Review No. 6 November 1995).

While it was clear that the Member States (although they differed as to range and scope of reforms) wished for greater SDP co-operation by bringing it into Union institutions (as hoped for in the Maastricht Treaty) the truth was that, given the timelines of CEEC integration into the EU, the only direct route in the short-term was NATO enlargement. At the same time they could develop Union institutions to allow for more integrationist policies to deal with complex issues that arise out of interdependence. In so doing, the Member States and the US would seek to avoid clientist rivalries between them, so as to collectively ensure that pro-Western regimes were installed there. This would mean that the US would ensure that NATO reforms would integrate the CEEC, while the Member States concentrated on ensuring that the Union's economic model was assimilated to allow for their eventual economic integration.

For Keohane and Moravcsik, the Member States eager to work out a favourable security arrangement would thus acknowledge that NATO enlargement would come before EU enlargement. In actual fact, the Member States had committed themselves to NATO enlargement and, through the EU, they sought to reassure Moscow that they genuinely wished Russia to be a full partner in European affairs.¹⁶⁷ In a world of complex interdependence there would always be friction, and the EU's inability to respond to Russia's economic crisis, America's Balkan policy and proposed NATO enlargement, led Moscow to conclude that a new international order based on normative values meant very little in the face of Western policies (Waltz 2001:30-31). In spite of this, to be fair to the EC/EU, it must be acknowledged that its institutions were hardly ready to cope with the magnitude of international crises that sprang up in the 1990s. The same can be said of theory; the sudden removal of cold-war certainties left many playing theoretical catch-up. Within the context of Keohane's and Moravcsik's complex interdependency thesis, SDPR

¹⁶⁷ For an analysis of the EU Russian relationship, see Emerson (2001), *The Bear And The Elephant*.

reflected the concerns of the member states over crisis management – securing the Union’s geo-economic periphery - and would not, therefore, resemble a traditional security alliance as that role remained in NATO.¹⁶⁸

Dimension Two

The question arising under dimension two is: How does the reaction of the key actors to the context in dimension one compare to what Keohane and Moravcsik would anticipate as the main process, which the context would set in train?

This phase of reforms was essentially about finding adequate policy responses to the new strategic environment (economic and military) the key actors found themselves in. German reunification, from a liberal perspective, was about the efforts by the Member States and US to enlarge the zone of complex interdependence eastward. Reunification, no doubt, had the potential to destabilise the Atlantic relationship, but what happened, as Keohane and Moravcsik would expect, was policy conflict between the Western states solely on approach, which was characteristic of complex interdependence rather than neorealist politics. For them, the real motor of SDPR was a desire to deal with security-related events on the Union’s periphery that had the potential to impact the economic well-being of the Member States.

The NATO London declaration of 6 July 1990 recognised the necessity of the Member States to form a political Union as well as developing a European identity in the domain of SDP. EMU was utilised to lock the newly united Germany into Union institutions (as well as tackling the problem of currency volatility, which had threatened to disrupt the EU’s political economy). Moravcsik does, however, warn us about oversimplification, in claiming that Paris only embraced EMU as a response to German reunification. For him, the EU is ‘a series of pragmatic responses to economic and geopolitical interdependence’, influenced by, for the most part, the Member States (Moravcsik 2001a:116-117). The European institutional frameworks of complex

¹⁶⁸ On NATO and alliances, see Keohane (1999b) et al. *Imperfect Unions*.

interdependence, above all NATO and the EU, proved robust in preventing the key actors from a return to old power politics, but the problems they faced asymmetrically in coping with the upheavals in the East and in extending this model into CEEC did amount to a daunting challenge which made negotiation on the terms of policy co-ordination up through Maastricht difficult. Nevertheless, for the most part, the negotiations reflected what Keohane and Moravcsik would expect from interaction between sovereign states over coping with interdependence – that is, the interactions between states could be accommodated within an institutional framework. The characteristic underlying this assumption is that institutions provide information and transparency to other states thus allowing them to negotiate intergovernmental bargains in pursuit of economic gains.

Because Keohane and Moravcsik identify the key variable as intergovernmental policy co-ordination by Member States as a response to flows of international interaction in the field of economics,¹⁶⁹ ESDPR is thus the result of a search for policy co-ordination to stabilise a periphery in conflict, and nothing to do with geopolitics. Walt's talk of neutralising 'threats,' would no doubt place too much stress on geopolitics for Moravcsik. They understand such policy co-ordination as involving inter-governmental negotiation and the utilisation of supranational institutions to lock Member States in to prevent cheating. For them, more so Moravcsik, supranational institutions are conductors for implementing and monitoring strictly intergovernmental bargains. Loss of sovereignty, if there is any real loss, is acceptable in the pursuit of common goals on a cost-benefit analysis to deal with external threats. But given the nature of the membership of European military structures and traditional domestic French hostility to NATO, the best policy choice for the Member States was to reform the EC SDP, while at the same time foregoing the usual lock in mechanism and supranational development due to issues of sovereignty. From a Keohane and Moravcsik perspective, with their stress on patterns of complex interdependence and stress on institutional building to manage flows of destabilising

¹⁶⁹ By the first half of 1992 West European business actors accounted for, by far, the largest foreign direct investors in CEEC (World Investment Report 1993:55)

events, ESDP was simply to buttress and protect the Union's regional economic policy from crisis that may arise from time to time. For them both, SDP would be loose and its development would be closely linked to reactive responses by Member States to the particular challenges they faced from instabilities in their periphery.

Much of the theoretical reasoning as outlined above applies equally to both Moravcsik and Keohane. Where they differ, in relation to process tracing, is with regard to causal mechanisms or intervening variables. The key variation between them lies in Moravcsik's insistence on the importance of the two level game – the influence of domestic politics in deciding the form of co-ordination – in contrast with Keohane's inclination to retain assumptions of states as rational actors (whose preferences are little contaminated by domestic political conflicts). On a structural level where domestic preference formation is weak, for example in relation to SDP, Moravcsik would argue that institutions are created to solve externalities that affect states' security. Reform of SDP, for him, is to solve externalities that affect domestic economic interests. In Moravcsik's analysis, economic interests, asymmetrical interdependence and credible commitments are the motivating factors that forced states to reform SDP at Maastricht.

At the same time, Moravcsik's theory of inter-state bargaining over the form of policy co-ordination suggests that the state with the strongest interest in such co-ordination would be willing to pay the most to achieve it. In this case, the state with the biggest stake was Germany, directly bordering the CEEC. It would thus be ready to supply pay-offs to others less concerned about the problems to achieve its goals. The inclusion of the newly unified Germany into NATO and the central role Germany played in the development of the TEU and its CFSP demonstrated the importance German policy makers placed in Western institutions, due to the highly interdependent nature of interstate relationships. While Germany certainly recognised that its relative power position after unification had increased, interdependence prevented it from taking unilateralist CEE policy decisions that would alienate its allies and no doubt also prove too expensive. In any event, Germany remained conscious of its history and the concerns of its partners in the West. This, of

course, left Germany with a difficult balancing act – it could neither utilise its full power nor be seen to be free riding. German policy during this period was thus directed by its new geo-political position and existing patterns of complex interdependence, which accumulated in the following policy aims:

1. to safeguard German unification by embedding the larger Germany in a framework of ties to Western Europe, but without excluding the Atlantic dimension; and to find a reasonable institutional framework for the whole of Europe;
2. to look for *as many partners as possible* for the great task of developing Eastern Germany and Central and Eastern Europe economically and politically (France represented not only an important economic power but is also a central player in the EC). Whereas Germany formerly needed partners to ‘keep the Russians out’ they by now became keen to co-operate in order to ‘help the Russians up’;
3. to persuade Western powers to include to the greatest extent possible the Central and Eastern European countries in a sustainable security framework (European and Atlantic). Whereas the US represented the Atlantic dimension, France was considered to be of great importance for the West European contribution to the fulfilment of this task. (Schmidt 1993:16)

For Germany, at Maastricht, the outcome of choosing either the US or the EU would be unacceptable; thus Germany was again forced by geopolitical reality to straddle the fence between Europe and America, while at the same time trying to realise its own policy ambitions.¹⁷⁰ The main concern for German policy-makers then was to champion multilateralism and integration as the opportunities arose as a means to manage policy in an environment of complex interdependence.

At the same time, a European defence policy became increasingly attractive as a means to overcome the constitutionally imposed limitations on its capacity to participate in out of area-missions.¹⁷¹ ...From a pragmatic point of view, Germany’s efforts to deepen security and defence integration were a creative response to the problems posed by the new security agenda (Boesche, Hellmann and Wagner (2003:25).

This reading of the dynamics of the negotiations would seem to carry some empirical force. The German government was indeed the main driving force behind the idea of a ‘Political Union’ IGC parallel to the EMU IGC. Within the Political Union negotiations it would appear to have been seeking a tighter form of political union than

¹⁷⁰ See Kuhnhardt (1995:103-128) *Germany’s Role in European Security*, SAIA Review 15 Special Issue.

¹⁷¹ This corresponds to Moravcsik’s and Nicolaïdis (1999:64) account of SDP reform.

France was prepared to concede: the Kohl government seemed ready to move towards a more federal and less inter-governmental approach to such issues. Kohl argued that: 'If we do not succeed in finally achieving a breakthrough on the question of the political union of Europe we shall have failed before history' (International Herald Tribune 16/6/1992). Similarly it was Germany which was ready to pay the most to achieve a common EU position on the Yugoslav crisis in late 1991.¹⁷² Thus, while Walt's stress on threat neutralisation might have suggested Germany's neighbours would be most keen for a strong institutional framework to constrain Germany, the Keohane-Moravcsik approach would seem to fit the facts of Germany as the driving force for strong integration in Political Union while others preferred a more modest (and cumbersome) degree of policy co-ordination.

Dimension Three

The third dimension allows for Congruence testing by focusing on policy outcomes and goals: What were the goals of the main actors when contracting to proceed with ESDPR and how do they correspond to the hypothesised goals of Keohane and Moravcsik? Can we from the empirical evidence, as presented in dimension one and two, trace a causal link from Keohane and Moravcsik's independent variable (destabilising events) to their predicted outcome (crisis management institutions)?

One of the main aims of the Atlantic Allies was to expand east, while at the same time ensuring that the existing Alliance was not put in jeopardy as a first option crisis management tool. Further to this, the Member States, in seeking SDP reform, wanted to be able to secure important EU policy goals where conflict with American policy arose or where Washington was disinclined to act. This need, to develop an independent security role to protect Western Europe's vital interests, became apparent to France and Germany

¹⁷² See Michael Libal (1997) *Limits of Persuasion: Germany and the Yugoslav Crisis, 1991-1992*. London: Praeger, 1997

during the Gulf War.¹⁷³ The British, however, drew the opposite conclusion, arguing that the Gulf War demonstrated that the Member States were a long way short of being ready to act to formalise a CFSP. But the French and Germans were eager to proceed and assured Washington that the Europeanisation of SDP would not affect the region's commitment to NATO – an assurance that Washington consistently looked for during the reform process at Maastricht. At the NATO Rome Summit of November 1991, Washington thus accepted the Member States' desire to develop their own crisis management tools by strengthening the WEU. The Rome declaration stated three important points that demonstrated Washington's concerns:

1. The development of a European security identity and defence role, reflected in the further strengthening of the European pillar within the Alliance, will reinforce the integrity and effectiveness of the Atlantic Alliance. ...We are agreed, in parallel with the emergence and development of a European security identity and defence role, to enhance the essential transatlantic link that the Alliance guarantees and fully to maintain the strategic unity and indivisibility of security of all our members. The Alliance is the essential forum for consultation among its members and the venue for agreement on policies bearing on the security and defence commitments of Allies under the Washington Treaty.
2. We welcome the perspective of a reinforcement of the role of the WEU, both as the defence component of the process of European unification and as a means of strengthening the European pillar of the Alliance, bearing in mind the different nature of its relations with the Alliance and with the European Political Union.
3. We note the gradual convergence of views in the discussions concerning the developing European security identity and defence role compatible with the common defence policy we already have in our Alliance.¹⁷⁴

Within a Keohane and Moravcsik perspective, patterns of complex interdependence almost certainly required that hard bargaining between the contracting parties would take place. For Washington this meant negotiating and securing a defence identity compatible with American hegemony. The problem for America was accountability. If the WEU were accountable to the NATO council, the potential threat to Washington's influence would be negligible. On the other hand, if it was accountable to

¹⁷³ In other words, functional spillover from economic to military issues as predicted by Haas or, as Keohane and Moravcsik would argue, patterns of complex interdependence require both military and economic tools for successful policy implementation.

¹⁷⁴ Rome Declaration on Peace and Cooperation Issued by the Heads of State and Government participating in the meeting of the North Atlantic Council in Rome on 8 November 1991.

the EU, that threat became tangible and with it the future of NATO and American commitment to Europe. On 15 December, despite Washington and London's concerns, the EC formally started the IGC on political union to incorporate a CFSP. In any event, 'towards the end of 1991 the US backed away from overt protests about a European CFSP and concentrated on diplomatic efforts to ensure that the definition of that identity that emerged from the NATO summit in Rome and the EU summit in Maastricht, was consistent with US interests in NATO as the primary European security institution' (Sloan 2000:8).

On 19 December 1991, the NAC session in Brussels explicitly supported the goal of developing the WEU as the defence component of the EU and as an instrument of strengthening the West Europeans crisis management tools, albeit as the European pillar of the Atlantic Alliance. This was not to suggest that the Americans became less concerned about French ambitions, but that the Americans realised that the French had eventually concluded from the Gulf War what her other European partners had long suspected – that France and Europe were incapable of addressing crises on an regional basis, let alone on a pan-European footing. Jolyon Howorth (2000:12) makes the point deftly:

And yet, as the Gulf crisis and war were to make abundantly clear...France (and Europe) were in no position to press for a greater role either in regional crisis management or in Continental collective security. History will record two main features of French policy in the Gulf crisis: first, an immediate alignment on American politico-strategic objectives (at the expense of Paris's long-term elaboration of a distinctive 'Arab policy'); and second, an attempt at 'alternative diplomacy' which ultimately proved irrelevant. Moreover, France's experience of participating in a multinational force commanded by a US general under NATO procedures for interoperability was both humiliating and revealing – particularly for the military. Any illusions which might have remained about France's (and Europe's) capacity to underwrite the collective security of the Continent were shattered in the Saudi Arabian desert. When the French defence establishment gathered in April 1991 at the *Ecole de Guerre* for a collective reappraisal of the lessons of the Gulf, some believed that President Mitterrand, in his closing oration, would announce France's full return to the Alliance's integrated military structure. There were widespread nods of approval when the President made an emotional acknowledgement of France's historical debt to 'the great American ally', and then several audible gasps of disbelief when he nevertheless announced that there would be no return to the integrated military structure. Such a break with what had become over the years a Gaullist shibboleth, was to prove a step too far for a president who had already been following parallel security tracks (NATO and Europe) for almost a decade. It would take France a further five years to digest the strategic lessons of the Gulf War.

Washington thus eventually accepted Member States guarantees that reforms would not threaten NATO's dominant position. Policy reforms did, however, represent a fundamental change in statecraft; historically, security had been the sole responsibility of the state with strategies of 'ally-seeking', 'balancing' and 'bandwagoning' employed. The new Franco-Germany proposal implied a *security community* along the lines of Karl Deutsch's model.¹⁷⁵ The EU was seemingly heading in this direction and had arguably already developed into a security community based on the pluralistic model, where recourse to war is no longer the final arbiter between states as it has been traditionally in the state-centric model (Deutsch 1957:5). For Keohane and Moravcsik, this pluralist model represents, in their perspective, patterns of complex interdependence where co-operation is the norm of rational actors. The Member States, therefore, far from balancing or bandwagoning, were willing to forgo a purely independent SDP to ensure American support and assistance for the Union's new crisis management tools. The real driver of SDPR was a desire to deal with destabilising events on the Union's periphery, leading both Paris and Bonn to seek closer co-operation on SDP matters. The Joint statement by Germany and France on 19 April 1990 to utilise the up coming IGC to start negotiations on SDPR follows Moravcsik's thesis that states effect change by institutional means (Moravcsik 1994). Regardless of state preference, the important thing is that states were willing to co-operate in security and defence affairs to manage new patterns of complex interdependence and pathological flows of destabilising events.

Haasian Neofunctionalism

Dimension One

The questions arising under dimension one are: what new empirical challenges did the transition present for these actors and how do they relate to theoretical hypothesis?

¹⁷⁵ Deutsch in fact differentiates between two kinds of security community — pluralistic and amalgamated. The amalgamated, unlike the pluralistic, community forms a body politic among the members via institutions that in the future could induce integration (spillover).

In this period, neofunctionalists would focus on the extent to which functional economic pressures were operating on EU sub-national actors at the start of the 1990s, and how these forces led to integrationist responses in the separate field of foreign and security policy. As we have already suggested in chapter one, two such functional pressures can be identified. First, those deriving from the SEA and culminating in EMU and secondly, those deriving from the opening of East Central Europe to a massive expansion Eastwards of EU business organisations (Monod, Gyllenhammar and Dekker 1991). Both these developments can be seen to express the economic rationale of neofunctionalist theory, a reasoning that gives great weight to the ever-larger scale of economic integration across frontiers which, in turn, requires new regimes to facilitate expansion. EMU can be seen as the culmination of the logic of creating a single integrated market across the EU. The collapse of Communism in East Central Europe provided a unique opportunity for an immense growth of economic operations by EU business actors eastwards. But such developments required a supra-national actor capable of steering the transformation of these societies in such a way as to synchronise them with the practical requirements of West European business models.

Both these challenges required from the member states a degree of political solidarity much greater than had been required before by European regional integration. EMU required the sacrificing of national monetary sovereignty and, at the same time, a readiness to allow a supranational body to exert significant control over the macro-economic policies of the member states. Furthermore, the stability of the new currency would be confronted by inherent challenges arising from the International Political Economy, increasing the functional requirement of a much stronger common European foreign policy, which was only achievable by the political integration of the member states.

The same rationale also applied to the opening of East Central Europe to EU business actors. These actors were threatened with the possibility that different EU member states would establish different kinds of patron-client relations between

themselves and various East Central European states, with some falling into a German sphere of influence, others into a French sphere, etc. Such fragmentation would have been against the general functional interests of EU business actors. But preventing such tendency presupposed that the EU could establish supranational bodies capable of managing the whole range of EU external policy towards East Central and South East Europe, which would only mean one thing for neofunctionalists, a major addition to EU integration – political integration. If successful, these steps would transform the EU into a major power in the International Political Economy domain, involving it in negotiations and actions with major political as well as economic implications for the world economy. Given such a state of affairs, there was, it could be argued, a very strong functional requirement for the EU to acquire a foreign policy role to ensure that its member states were brought together in these fields. All these pressure could be cited as pushing the member states towards spillover from international economics to foreign policy integration. Moreover, neofunctionalists would expect strong support for this new integration project from the Commission, while equally expecting strong resistance from many of the Member States – after all, SDP sovereignty was the very core of statism in the EU. Nevertheless, the Commission could overcome such state resistance. According to Pollack (1997:130), ‘the influence of a supranational entrepreneur is greatest when member governments have imperfect information and are uncertain of their own policy preferences and when supranational institutions possess more information and clear preferences; in these circumstances, entrepreneurial institutions may provide focal points around which the uncertain preferences of the member governments can converge’. In this respect, EMU presented the Commission with a greater influencing role due to the uniqueness and ambiguity surrounding the whole project; the Commission could thus use this uncertainty to push for closer political union. At the same time, regardless of its isolation from the ESDPR process, as was the outcome of Maastricht, the Commission could see to it, due to its pivotal role in the enlargement process, that widening was not to be at the expense of deepening (European Commission 1992:10). With specific regard to

the Union's new CFSP the Commission stated: 'An applicant country whose constitutional status, or stance on foreign affairs, renders it unable to pursue the project on which the other members are embarked could not be satisfactorily integrated into the Union' (European Commission 1992:11). The Commission could thus ensure that new members were fully briefed of their responsibilities with regard to ESDP, while at the same time tacitly encouraging the Europeanisation of their SDP process.

As we shall see, there is some helpful empirical material to support this neofunctionalist case. The German Bundesbank and many other leading figures in the European banking and business world did indeed stress the necessity for EMU to be accompanied by Political Union (Goodman 1992). Thus, in mid-December 1990, two intergovernmental conferences were convened in Rome. The task of one conference was to advise on the Treaty amendments needed to complete EMU, while the other conference was to deal with the further development of the Community into a political union to buttress, neofunctionalist would argue, the coming EMU. They viewed this as functionally necessary – political buttressing for a secure and successful Monetary Union. At the same time, as privatisations took place in Central and Eastern Europe, the Commission worked very closely with EU business actors to generate a co-ordinated policy approach as they moved eastwards to capture market share. 'The Commission will request advice from a Business Round Table, comprising economic operators from different parts of Europe, on suitable measures to overcome obstacles to investment and to stimulate trade' (European Commission 1992a:10). Besides, it was also in the interests of all that the CEEC should be transformed in line with Western economic and political models to avoid a balkanisation of economic and political arrangements. Only the EU Commission could ensure this and thus became centrally involved in managing this transition, in a highly politicised context, long before the Maastricht Treaty was signed. Indeed, already by mid 1990 the Commission was in discussion with the applicant countries of central and eastern Europe and by 1992 had produced Association Agreements for some of these countries which

involved political dialogue as well as economic themes, in a pre-emptive attempt to prevent fragmentation of their economies (European Commission 1990 and 1992a).

Dimension Two

The question arising under dimension two is: how does the reaction of the key actors compare to what neofunctionalists would anticipate as their response to the new context?

For neofunctionalists, the important question in terms of the dynamic of ESDP is how much the reform process is problem-driven (that is, reactive)? The new international economic and security environment presented to the actors issues that needed resolving. For Haasians, therefore, the response to particular issues by these actors can best be understood by recourse to functionalist reasoning and the creation of institutions to manage the already visible spillover - hence the Maastricht Treaty and its second pillar.

There is, however, a serious empirical problem for attempts to explain the process and outcome in the Pillar Two area in neofunctionalist terms. Neofunctionalists would expect the Commission to play a central role in moves to integrate new policy areas and to be supported by sub-national actors in the member states. This does not, however, seem to be the model in the case of Pillar Two negotiations. The Commission was not a significant actor and neither were sub-national actors within the member states. While the German government did hope for bringing at least some aspects of Political Union within the EC framework, thus giving the Commission a role, this was blocked by France and ESDP was thus kept out of EC integration proper, remaining entirely inter-governmental. Yet, in the face of this, neofunctionalists could identify a number of factors and mechanisms to support the analytical integrity of their perspective.

Neorealists, such as Waltz, argue that Pillar Two and Treaty calls for the possible framing of common defence policy can be understood as a reaction to American power. For neofunctionalists, such pronouncements are evidence of functional spillover from the decision on EMU. Whether this new economic system, in which the member states had pinned their future economic wellbeing, needed to be buttressed by a CFSP is the core

thrust of analysis. From a Haasian perspective, that analysis would continue, based on the logic of spillover and the illogical charade that the EU could have an integrated EMU without some form of corresponding CFSP. In other words, SDP co-operation is best explained by the logic of spillover, the emergence of co-operation through the functional expansion of integration from international political economy (IPE) to security and defence (Medley 1999). Moreover, Etzioni (2001) has also argued that halfway integration is not sustainable and that the Member States, in political matters, will also have to move to a higher level of supranationality or fall back to a lower economic one.

Viewed in this neofunctionalist light, the policy outcomes between the member states became more integrationist as they tried to carve out some kind of common SDP in support of economic policy. The lack of a common response to the Persian Gulf War from the EC, the absence of a common European voice and the realisation of the limited military capabilities during the Gulf War are all presented by neorealists as evidence of the structural nature of international politics, especially those who believed in a more French dominated European security architecture. Yet, from a Haasian standpoint, it evidenced that the West European powers needed to develop a more integrated SDP to protect their vital economic interests. Indeed, even intergovernmentalists would also concede that certain drivers are operational. Both intergovernmentalist and neofunctionalists 'assume that European integration is fundamentally driven by the instrumental self-interest of actors whereby the utility functions are defined in economic terms' (Risse-Kappen, 1996: 56).¹⁷⁶ By creating an efficient sustainable military establishment to buttress foreign policy, member states thus hoped to be able to protect their welfare needs, albeit for the time being through the intergovernmental institutions of the EU (more so France and German, as Britain was cool on the idea of EMU as it was not expected to sign up). The notion that EMU would eventual lead to, if not political union, at least closer political co-

¹⁷⁶ See also Wolf, D. (1999). 'Neofunctionalism and Intergovernmentalism Amalgamated: The Case of EMU. Paper presented at the Conference on, Conceptualising the New Europe: European Monetary Integration and Beyond, University of Victoria, B.C. Canada.

operation, was in certain quarters a given, and not just the mainstay of neofunctionalist thinking. Indeed, monetary union cannot be understood in isolation. 'It must be seen in the context of the wider economic and political process of European integration' (Issing 1999)¹⁷⁷. EMU will, in other words, force the member states into a political union to safeguard the whole European Union project.

Mitterrand and Kohl, neofunctionalists would assume, had already reached that conclusion when they announced their intention of combining an IGC on EMU with another IGC on 'Political Union'. Three months after the signing of the TEU, the formal inauguration of the Franco-German army corps took place in La Rochelle on 21 and 22 May 1992. This was a significant departure from France's traditional Gaullist enthusiasm for independence in defence matters and a turning point in European security affairs. Regardless of Waltzian arguments that this was clear evidence of balance against the US, neofunctionalists could argue that Member States homage to American concerns were not consistent with his assumptions, but the process and outcomes were closer to what they would expect, despite the absence of sub-state actors and the Commission from the initial process.

The two pivotal policy goals for the member states at Maastricht were the agreement on EMU and the beginning of a European SDP to buttress it. The following month, on 19 June, the WEU Council of Ministers meeting in Petersberg, Germany, decided to develop the WEU as the defence arm of the EU. The US agreed on the condition that this was compatible with Article 5 of the Washington Treaty and was used as a means of strengthening the European pillar of the Atlantic Alliance. Bush made this clear to the West Europeans at a 1991 NATO meeting: 'Our premise is that the American role in the defense and the affairs of Europe will not be made superfluous by the European Union. If our premise is wrong, if, my friends, your ultimate aim is to provide individually

¹⁷⁷ Member of the Executive Board of the European Central Bank, Speech to the European-Atlantic Group, House of Commons, London - 28 January 1999.

for your own defense, the time to tell us is today'.¹⁷⁸ Indeed, U.S. officials have continually cautioned the member states that transatlantic SDP co-operation must take precedence over co-operation among the Europeans themselves on security matters (Menon, Forster, and Wallace 1992: 98-118). Furthermore, the council also decided to set up a forum of consultation between the WEU and the CEE states, which satisfied both American and Germany's foreign policy approach to CEE.¹⁷⁹ The French, as neofunctionalists would expect, while not altogether happy with the limitation the Americans had put on the project, accepted that greater SDP co-operation would come over time.

In truth, and neofunctionalists would also concede to this point, the TEU was largely a symbolic move into the area of high politics, but importantly for them born out of the logic of spillover. Thus specifying that the Union should aspire to assert its identity on the international scene through the completion of a CFSP 'which might in time lead to common defence' meant in practical terms very little, but the possibility it afforded of achieving greater political solidarity of the Member States in international affairs was very real.

The result of reforms, as outlined above, for neofunctionalists would prove unsatisfactory even in the short-term. In the wake of the TEU, the Member States aspired to develop virgin structures to accommodate the evolution of the CFSP after its failure to act in Bosnia –classical spillover. From a Haasian perspective, the CFSP was the first step in the process of what was eventually to lead to a real commitment to greater SDP co-operation. But for neofunctionalists, it would take time and several treaty amendments to reform SDP to enable it to meet pathological challenges that would arise in the new IPE. Thus, as a means of buttressing economic policy, the member states needed to amend their

¹⁷⁸ Quoted in Alan Cowell, 'Bush Challenges Partners in NATO over Role of U.S.,' New York Times, November 8, 1991, p. A1.

¹⁷⁹ The different types of military tasks, which the WEU members might undertake, were humanitarian, rescue tasks, peacekeeping tasks and crisis management. The Treaty of Amsterdam specifically incorporated these Petersberg tasks in the new Article 17 of the EU Treaty. It also provided for, with many constraints, the provision for foreign policy decision making by QMV.

policy co-operation and co-ordination to present a common united front in the face of ever increasing security problems on its periphery and the growing signs of American disinterest or unilateralism, both of which were a major concern to the Member States.¹⁸⁰ But because the US, for now, insisted that transatlantic defence co-operation must take precedence over ESDP co-operation, the WEU's relationship with NATO was bound to affect any operational value gained from the marginal commitments made at Maastricht. The problem, at this stage, for neofunctionalists was that the CFSP was not part of EU law – no one was ultimately responsible for overseeing states' compliance and the decision-making framework was weak. This led some to conclude that 'Member States have never intended to delegate foreign and security policy to the EU' (Regelsberger, Elfriede, de Tervarent and Wessels (eds.) 1997). That may be so, but they did attempt to reform SDP out of the realisation that the post-Maastricht IPE would be a fundamentally different environment. The real point of the reforms, for neofunctionalists, was that member states knew, or should have known, EMU required SDPR, but without Commission involvement to guide and promote the supranational aspect of the restructuring, outcomes were always going to be sub-optimal from a neofunctionalist perspective.

Dimension Three

The third dimension allows for congruence testing by focusing on policy outcomes and goals: What were the goals of the main actors when contracting to proceed with ESDPR and how do they correspond to the hypothesised goals of neofunctionalists?

As we saw above, the outcome of the negotiations on Pillar Two did not, in fact, correspond to the programmatic predictions of neofunctionalism concerning the dynamics of integration through spillovers. Yet functionalist arguments for Political Union were

¹⁸⁰ In contrast to American unilateralism, according to Chalmers (2001:580), the EU is more multilateralist. 'Its own experience over the last half-century (especially in NATO and the EU) means that its governments are more willing to promote cooperative responses to international problems, and more willing to accept the sharing of sovereignty, and the compromises, that such responses can involve'. For a debate on the cost of American unilateralism see Brooks Stephen G. and Wohlforth William C. (2005a) *International Relations Theory and the Case against Unilateralism*.

advanced by some of the most powerful business actors within the European Community. Indeed, a report drafted by the European Round Table of business leaders (ERT)¹⁸¹ seemed to give empirical support to neofunctionalist arguments about the need for political union to follow monetary union.

The pressures are all forcing us in the same direction, especially the urgent need to complete the Single Market with a monetary union and the growing demands for a more effective foreign policy. ... What business asks for is simply the development of political institutions that can cope with these complex problems. That is what political union means to us – a practical process, not a theory or dream. The pace at which Europe will move on this road of political union is difficult to estimate. ... We need to be sure that the process towards coherent political management is moving ahead, so that we can plan and build our factories and businesses on that assumption (Monod, Gyllenhammar and Dekker 1991:58-59).

And like members of the ERT, neofunctionalists could also argue that full functional integration might take sometime to materialise. Neofunctionalists could further argue that for them the important question is whether ESDP is demonstrated through time to be a functional necessity for the maintenance and consolidation of the integration within the EC that had already taken place. In other words, from the assumptions inherent in Haas's neofunctionalism, and its lack of a temporal component, a consequence, if forthcoming at all, will take some time to materialise.

The first point to stress, nevertheless, is that Title V of the Treaty was the first formal inclusion of CFSP into common institutions. It could be argued that this in itself was an indication that the logic of spillover was beginning to penetrate and generate institutional innovation, by providing the EU with new instruments to make foreign policy decisions. The reforms, however, had diverse decision-making procedures. Consensus was needed for actions under Title V with defence implications, unlike trade matters where QMV sufficed. In addition, the role of the Commission and European Parliament (EP) was much less significant in issues that fell under CFSP commitments. The primary actor in the

¹⁸¹ 'ERT consists of around 45 chief executives and chairmen of major multinational companies of European parentage, covering a wide range of industrial sectors. Companies of ERT Members are situated in 18 European countries and have a combined turnover of around €1,600 billion, employing around 4.5 million people worldwide'. See http://www.ert.be/members_a_to_z.aspx for a full list of Members.

development, the European Council, kept the policy firmly intergovernmental in nature. The goals outlined in Article J.1 (2) were to be pursued through the WEU (Article J.4 (2)) only with member state consensus. This section will, nevertheless, attempt to analyse the integrative value of policy reforms in order to assist in analysing the neofunctionalist hypothesis during this transition.

There are a number of commitments the EU must first make before SDI proper can be said to have taken place. The generation of a compendium of common interests stands out as the first minimal commitment.¹⁸² Maastricht, while attempting to define common interests and their operational components, provide the EU with at the very best a vague statement of ambition. The safeguarding of common values and fundamental interests are the two leading aims of Article J.1 (2). But its force and impact as a foreign policy guide were too general in character so as to make it unworkable. It left the member states with so broad a spectrum of concerns for identifying common interests. Given its general nature, each member could interpret any action as falling under Article J.1 to be a common interest if it suited its particular purpose at any given time. It was a start, but it lacked identifiable interests common to the Member States, which meant that the first commitment needed to facilitate SDI proper was lacking. The Member States needed to state definitely what common values and interests the EU would be ready to go to war for. Without a codified commitment to recognisable interests, the likelihood of coherent co-operation in SDP, let alone SDI, remained doubtful.

The next commitment required in the process of SDI, the creation of a command structure under the authority of community institutions,¹⁸³ was dogged by a lack of clear

¹⁸² This commitment calls for the formation of *supranational interests and common decision-making rules* that are acceptable to all the contracting parties. The settlement upon which these interests are based will define the strategic goals member states will adhere to, as a collective and as individual units within the system. This commitment is important for, without it, common action would prove laborious and disjointed, and the formation and function of a common military force would be impossible to operate on a viable basis to project effective power. Of course, effective military power can only be demonstrated through the establishing of a joint military force.

¹⁸³ Without a command structure and supranational control further integration would prove difficult. For this reason, one would expect to see such a structure fairly early on in the process, if SDI is to materialise. The structure must not be ad hoc in nature and it must be of a proactive nature rather than a reactive response to events on a case by case basis. The authority to summon the military resources of members is also vital to tackle security issues external to the group. In other words, security issues vis-à-vis other Member States are sufficiently low to allow them to concentrate on

political will to furnish the EU with the necessary resources. The WEU was utilised by the Member States to be the chief institutional body for the creation of a common security policy (Article J.4 (2)). The problem with this approach was that the WEU remained disconnected from the institutional structure that gave the EU its supranational character. This was hardly compatible with treaty pronouncements to place foreign and security policy and later common defence policy under an EU mandate (Article J.4 (1)). Another problem with clipping the WEU loosely to the EU was that its constituency was dispersed so that not all members of the WEU were members of the EU and not all members of the EU were members of the WEU. This was bound to handicap the operational utility of the organisation. Another weakness was that, with a lack of a clear operational structure and policy framework, SDI as envisaged by neofunctionalists seemed a long way off. As noted, though, the stage was set for the possibility of future integration. The inauguration of the Franco-German army corps signalled that potential conflict vis-à-vis member states was no longer seen as relevant in the institutionally rich regional environment they had committed themselves to build.

The third commitment on the path to SDI proper – the creation of a fully integrated multilateral *standing military force* - was also lacking.¹⁸⁴ With its own well-defined defence commitments, command structure and assets, NATO remained Western Europe's sole defence organisation. The WEU would not be allowed access to NATO assets without de facto US approval. In essence, the WEU was subordinate to NATO in every way that counted as a military force. The central position 'NATO-as-US' in European security affairs meant that the creation of a separate European army would threaten to bring about US disengagement – a proposition that neither the US nor its European allies envisaged at that time. As duplication of NATO's missions was prohibited, the WEU tasks as set out at Maastricht were limited.

possible threats outside their regional system. These threats are not necessarily military threats; they can also mean *threats to influence*, as seems to be the case with EU-US relations.

¹⁸⁴ To have any positive influence on international events this commitment must be brought to fruition – the creation of a fully integrated multilateral standing military force, made up of at least three of the major EU military powers. Admittedly, this is not something that will happen until later in the integration process. But if the Union is to demonstrate presence, the idea should be mooted early on in the process with some movement in that direction visible during the evolution of our other two commitments.

The final commitment, the creation of a common European Armaments Agency, was not considered until our last phase, and will thus be analysed in chapter five.¹⁸⁵ All the same, between 1989 and 1992, for the first time, the EU made tentative policy commitments, giving the new Union a door into SDP competence. The problem for neofunctionalists was that the commitments made lacked any structure for transferring command of national forces to supranational institutions as their theoretical model predicted. For this to be rectified, the contracting parties would have had to displace sovereignty to such a degree as to cause, at this stage of the process, insurmountable differences. Thus, given the lack of commitment to SDP reforms that were made between 1989-1992, meant those reforms remained weak.

¹⁸⁵ The establishment of a *common European armaments policy* – tasked to co-ordinate co-operation in the Member States armaments industry, to allow the Union to achieve its main foreign policy goals. This would signal the end of national control over an important military structure that if the Union is to demonstrate presence has long been considered a vital ingredient for the protection of national sovereignty. If the Member States are seen to relinquish the ability to develop and procure weapons for their own protection, but instead do so for the common interest of the Union, then conflict vis-à-vis Member States is no longer considered a strategic variable. Like other commitments, this is not something that will happen until much later in the integration process, but is vital if SDI proper is to be achieved at an acceptable cost to Member States. Indeed, without this strong commitment, SDI would have no substance. (It should be noted that the Member States had, up until now, by way of Article 269 of the treaty establishing the European Community, excluded the production, trade and procurement of military goods and services from the European integration process.)

Chapter Four

Hypothesis Testing: The Bosnian Crisis and the Reform of the European Union's Common Foreign Security Policy 1992-1997

Introduction

In Chapter 3 we analysed how our theorists sought to explain European SDP restructuring from predetermined assumptions that were central to the theoretical integrity of their particular approaches. Following this, we evidenced well-defined variations that questioned the consistency of the neorealist school. At the same time, we also scrutinized Keohane's and Moravcsik's complex interdependence approach and Haas's neofunctionalism for their capacity to illuminate on the process of ESDPR. This testing was performed in a positive way – in so much as we assembled the evidence in a manner that sought to support the hypothesis under investigation. In this chapter we follow the same common pattern with the spotlight shifting to the second reform phase chronicled in Chapter 2 (1992-1997).¹⁸⁶ We thus shift the focus to examine how each theoretical school addresses the empirical evidence along our three dimensional perspective. More specifically, in the second reform phase, we explore what each theory can suggest along the three dimensions of the process leading to SDPR ending at Amsterdam:

Dimension 1: What was the strategic context in which the Member States initiated discussions and negotiations leading to the Amsterdam Treaty?

Dimension 2: What was the actual response of the key actors to the change? How can their actions and the negotiating process leading up to the reforms of the CFSP be understood?

Dimension 3: How can we assess the significance of the outcome of the process in the sense of the policy agreements and institutional changes that emerged?

¹⁸⁶ See pages 90-96.

The following sections examine how each theoretical school addresses these three dimensions in the context of the first real post-Cold War military challenge that the Atlantic allies faced during the Bosnia crisis. We thus explore the way in which the events in the Balkans forced member states and the US to reform both NATO and the Union's new CFSP to deal with new crises that may arise. At the same time, we investigate the way different schools construe the empirical events and SDP restructuring from their individual theoretical perspectives. In other words, we describe, by utilising different conceptual perspectives, how theorists grapple with SDP reorganisation up to Amsterdam.

The first four sections deal with our neorealist theorists and how security and defence policy reforms were a response to the crisis in the Balkans. At the same time, we examine how those events exposed deep variations in the distribution of power that contributed to the threat perception of the member states when dealing with crises that required a military response that only the Americans seemed realistically capable of giving. The fifth part of the chapter deals with Keohane's and Moravcsik's complex interdependence thesis and how the Bosnian crisis highlighted to the Member States the growing interdependent nature of their new Union. In other words, SDP co-operation was needed if they were to deal with crisis management tasks in their near abroad – ending in the restructuring of European security institutions by the incorporation of the Petersberg Tasks into the Amsterdam Treaty. The final part of the chapter deals with Haas's neofunctionalist thesis and how adverse conditions in CEEC, particularly the Balkans, behaved economic actors to argue for greater SDP integration to protect and facilitate business interests and expansion in CEE.

Waltzian Neorealism

Dimension One

The question arising under dimension one is: For Waltz, what new empirical challenges did the transition present for these actors and how do they relate to his theoretical hypothesis?

For Waltz, the Bosnian crisis can be read as evidence of global power politics albeit set in a regional setting.¹⁸⁷ In the global power political field, the central dynamic for Waltz was, as we have seen, the West European powers seeking to balance against American power. The theatre in which that dynamic played itself out up to the Dayton agreement was the series of conflicts in the western Balkans. America acted, Waltz (2001:24-25) noted, 'not for the sake of its own security but to maintain its leadership position in Europe. American policy was generated not by external security interests but by internal political pressure and national ambition'.

Two days after Slovenia and Croatia declared independence on 25 June 1991, the Yugoslav army attacked Slovenia. As these events unfolded, the roles of the WEU and the EU took on a new urgency. As the crisis turned into bloody war, the member states eventually, with some optimism, allowed the EU to declare itself responsible for the international effort to bring the crisis to an end. The EU foreign ministers moved to negotiate a quick settlement to the conflict by having Slovenia and Croatia shelve their declaration of independence and the Yugoslav National Army (YNA) to withdraw under the supervision of a newly set up European Monitoring Mission (EMM). The Russians, to keep American influence to a minimum, backed the setting up of the EMM rather than see YNA troops withdraw under the supervision of the CSCE. This acceptance was unusual, given that it would normally be the responsibility of the CSCE, but Moscow, for geopolitical reasons, did not want to set a precedent for CSCE interference in Balkan politics. It wanted to keep the United States uninvolved, thereby preventing Washington from spreading its sphere of influence into Moscow's former domain (Crawford 2001:44).

Within a Waltzian perspective, the main challenge was for the Americans to take control of the Bosnian crisis through NATO as a means of preventing the West European powers from going it alone and thus entertaining notions of alliance formation to balance

¹⁸⁷ For a comprehensive dissection of the Yugoslav crisis on Europe's foreign relations see: Baev, Dessouki, F. Stephen Larrabee, Sezer, Wohlfeld and Jopp (1994:1-61) Institute of Security Studies of the WEU available at: <http://www.weu.int/institute/chailot/chai17e.html>

its power. Evidence of this can be found in America's failure to support EU efforts to bring the crisis to an end, because such efforts seemed to sideline NATO; Washington thus responded, to all intents and purposes, by seeking to marginalise the Member States to spectator status in the Yugoslav theatre. In the autumn of 1991 it looked as if the main EU powers would be deeply split, with France backing Belgrade and Germany backing Croatia in the Croatian war. The US could thus remain on the sidelines while the West European states seemed headed for a deep internal crisis over Yugoslavia. But by January 1992, the EU states, under intense pressure from Germany, had proved this perspective wrong and had united behind the German position of recognising the independence of Slovenia and Croatia. The Bush administration's response was to refuse to recognise Croatian independence unless the West European powers backed Washington's new drive for an independent, unitary Bosnia (Gowan 1999, Woodward 1996 and Daalder 2000). It was already clear by this time that any attempt to establish such an independent, unitary state would lead to civil war in Bosnia, a war that the EU states would have great difficulty in coping with (Rose 1998). In March 1992, therefore, the EU made a great effort to produce a negotiated agreement between the conflicting parties in Bosnia to avoid this prospect. But the agreement achieved in Lisbon in March was soon repudiated by the Izetbegović government in Sarajevo, apparently urged on by the Bush administration (NYT 17/06/1993). A few days after the agreement was signed, on March 28 1992, United States Ambassador, Warren Zimmerman flew to Sarajevo and met with Izetbegović and apparently, although denied by Zimmerman, suggested to Izetbegovic that if he withdrew his signature from the Lisbon agreement, the United States would grant recognition to Bosnia as an independent state. 'What is indisputable is that Izetbegovic, that same day, withdrew his signature and renounced the agreement' (Krnjevic-Miskovic 2003). The result was a declaration of an independent, unitary Bosnian state and its recognition by the US in April, 1992 – the trigger for the Bosnian civil war. 'After the European Community and the United States recognized the Izetbegović Government, on April 6 and 7, 1992, the Bosnian Serbs attacked' (NYT 17/06/1993).

The Clinton Administration's decision in early 1993 to undermine the major West European effort to broker a Bosnian peace settlement (the Vance-Owen Plan) because it marginalised NATO, further supports the Waltzian perspective on a balancing struggle between France and Germany on one side and the US on the other.¹⁸⁸ American political dominance over the Bosnian war allowed the United States not only to remain hegemonic, but to increase its sphere of influence into what the Russians perceived as their natural sphere of influence and what the West European powers hoped would become theirs. For Washington to secure its position decisively, however, it was also necessary to reform NATO to act out of area, much like the proposed Euro-corps, but with firm US control of such strikes.

Some may argue that successive US threats to 'abandon' European security and leave the West Europeans to their own devices contradicts the Waltzian perspective. In November 1991, President Bush had bluntly told the allies that they had to decide whether they wanted the US to protect them or not. 'The Bush administration saw, and the Clinton administration continued to see, NATO as the instrument for maintaining America's domination of the foreign and military policies of European states' (Waltz 2001:29). In the run up to the NATO Summit in Brussels (January 10-11, 1994), Secretary of State Warren Christopher asserted that 'Western Europe is no longer the dominant area of the world' and Washington had been too 'Eurocentric' for too long.¹⁸⁹ This again seemed to suggest that the United States was ready to pull out and leave the West Europeans to their own devices in SDP. But a Waltzian interpretation of these manoeuvres would be that they were ruses designed to highlight to the Member States how weak their own cohesion was and how easy it would be for the United States to play a spoiler role within Europe.

For Waltzians, this amounted to an American pre-emptive check on possible European alliance formation that would require a response from the Member States. SDPR at Amsterdam can, thus, be understood as a response to Bosnia and NATO reforms. The

¹⁸⁸ See (NYT 31/01/1993) 'Vance-Owen Bosnia Move Is Surprise for Washington'.

¹⁸⁹ NATO Review, No. 2 – Apr. 1994: Vol. 42 – pp .27-31.

Member States support concerning these NATO reforms, though a problem for Waltzian neorealism, can nevertheless be understood as a tactical retreat in the face of the Clinton administration's dominance on Bosnia. In the midst of this retreat, however, the Member States worked to strengthen the CFSP and ESDP through the Amsterdam process to allow them to strengthen an embryonic alliance against the United States.

Dimension Two

The question arising under dimension two is: How does the reaction of the key actors to the context in Dimension One compare with what Waltz would anticipate as the main process, which the context would set in train?

The focus of the Amsterdam negotiations on establishing a High Representative to make EU external policy more cohesive would fit easily into the Waltzian perspective. On the other hand, the focus on Petersberg missions alongside the Member States acceptance of NATO as the main European security structure is not without difficulty for Waltz. After all, West European balancing would directly clash with NATO strengthening. Yet two other considerations are relevant here. First, the Member States combined acceptance of NATO with a very strong demand for a West European collective identity within NATO – a demand enthusiastically sought at the NATO NAC meeting of December 1996 (NATO 1996). Secondly, if Petersberg missions seem conceptually weak in the context of the power politics of balancing, they were at the same time the main way that the Atlantic powers legitimated their military power projection during the Clinton period, not least in the Western Balkans.

In the run-up to Amsterdam, the French and Germany sought a united front on SDPR in the light of their Balkan experience when trying to accommodate Washington's policy demands. They decided to pursue joint consideration of all the major questions relating to SDPR; they envisaged, notwithstanding British defiance, reforms of the CFSP to strengthen its efficacy, consistency, visibility, continuity and solidarity. Indeed, at the bilateral summit of 7 December 1995, 'Kohl and Chirac reaffirmed their commitment to

Maastricht and European Union and, in a pointed reference to Britain, warned that they would not tolerate unilateral vetoes of further integration efforts' (Loriaux (1999:374). To this end, Paris and Berlin actively supported reforms that, understood from a Waltzian perspective, focused on building balancing coalitions, even if for the time being that meant moving forward without London. In the guise of treaty reform they championed incorporating the principle of constructive abstention into the CFSP, a political solidarity clause, the inclusion of the Petersberg declaration into the TEU and asserting the EU's role in determining the common European defence policy. In a joint declaration they stated that: 'The European capacity for action must exist even when all the partners cannot contribute militarily to an operation. The other States' solidarity should in such a case be expressed by political support, where appropriate. Our objective remains WEU's eventual inclusion in the European Union. The IGC should produce clear and specific commitments with this goal in view. To this end, WEU-EU institutional convergence will be enhanced'.¹⁹⁰ The EU-wide debate thus centred on two key issues: the decision-making procedure, and the development of a European defence policy. As regards decision-making, two groups emerged: an intergovernmental faction led by France and the United Kingdom and supported by Denmark, Portugal and Ireland, and a supranational grouping led by Germany, and supported by Belgium, The Netherlands, Luxembourg, Greece, Spain and Italy. On SDPR, the member states split into two camps – the atlanticists led by the UK and supported by, The Netherlands, Portugal and Denmark, who favoured American dominance of European defence, while the Europeanists led by France and supported by Greece, Belgium, Spain, Italy and, to some extent, Germany, wanted less dependency on NATO and greater commitment by the member states to their own defence. For Germany, strengthening of the EU's hard core of countries oriented towards SDPR was the obvious way to avoid stalemate when foreign policy action was necessary. A core made up of Germany, France and the Benelux would, it was hoped, counteract the centrifugal forces

¹⁹⁰ Embassy of France in the US – 27 February 1996: www.info-france-usa.org.

generated by constant enlargement.¹⁹¹ Enlargement made it all the easier for the US to tactically split the member states thus preventing rebalancing.

The proposal was, however, unacceptable to London, which felt affronted by being left out of the core. In any case, it could be interpreted as a ruse by Germany and France to get London on side and away from its Atlanticism – as any European coalition without the UK would have been very weak indeed. By virtue of Article J.2 (common strategies and constructive abstention) and Article J. 13 (Positive abstention) it was now possible for a hard core of member states to provide the Union with material capabilities to carry out joint actions, while the other member states would then decide whether to follow or not. The clear implication was a multi-speed SDP, which was not acceptable, especially to the British who were now, with France, operating in the Bosnia theatre with some discontent as to Washington's handling of the crisis – especially its proposal to 'lift and strike', which London and Paris feared would endanger their troops on the ground. 'The British and French, who had troops in Bosnia as part of a United Nations force, objected strongly to airstrikes, and the Clinton White House backed off' (NYT 8/10/2000). Reforms, as they turned out, resulted in a compromise between the above positions. For Waltzians, regardless of Member States differences, the upgraded dual role of the WEU was the most telling sign yet as to the long-term strategy of the Member States. In spite of assurances that the WEU in no way challenged the authority of NATO, from a Waltzian perspective, it appeared designed eventually to replace it.

In spite of the fact that Britain and France had troops on the ground, up till now the US was free to pursue its Bosnian policy with little or no regard to its formal allies precisely because the EU lacked cohesive political and military power projection structures for humanitarian intervention in that theatre. That absence was increasingly leading both the British and the French forces in Bosnia, operating under UN authority, to seek ever closer collaboration in the theatre. Indeed, by late 1994, differences between

¹⁹¹ Europe Documents, No. 1895/96, 7 September 1994.

America and its European partners reached crisis proportions. London and Paris warned Washington that they would pull their troops out of Bosnia altogether if Washington insisted on bombing Serb forces (Daalder 2000:7). London and Paris feared that the American policy of lifting the arms embargo would create a proxy war, between the American backed Bosnians and the Russian backed Serbs, putting at risk European troops on the ground, especially if the United States carried out its policy of 'lift and strike'.¹⁹² Daalder (2000:7) points out that the Europeans 'consistently rejected any effort that would either escalate the fighting (as lifting the arms embargo surely would) or increase the risk to their troops (as one-sided air strikes threatened to do). Instead, the allies predicated their endorsement of the use of force—notably air power—on the United States accepting equivalent risks by deploying American forces alongside European troops. This, the Clinton administration consistently refused'.

For Waltzians, this interrelation can be understood as the Member States seeking to co-operate over Bosnia to give them a collective leverage over the warring parties, while demonstrating to the Americans their determination and ability to control the Balkans. Their failure, in this instance, meant reform of SDP at Amsterdam to allow for better intergovernmental co-operation, and to increase their international presence to an end that could be interpreted in Waltzian terms as an innovative strategy to balance American power while concealing that intention. For, if made obvious, it was clear that Washington would manoeuvre to prevent such a strategy. We thus evidence the dual and, somewhat paradoxical NATO January 1994 Brussels Summit agreements, where the Member States established an intergovernmental ESDI while appeasing Washington's unease about the possibility of the West Europeans forming an caucus within NATO. A caucus, from Washington's perspective, with the main objective of disrupting NATO, and eventually replacing it with a European alliance, not subordinate to Washington (Bensahel 1999).

¹⁹² American policy sought to remove the arms embargo and strike Serbian targets, whereas most EU member states favoured negotiations and humanitarian measures.

...the discussions then in progress on establishing a European identity within NATO (ESDI) were already tracing a clear dividing line between the reorganisation of European military capabilities within NATO (desirable) and a possible political structure to reflect those military arrangements (unacceptable). Hence the constant refusal of the United States to envisage any 'European caucus' within NATO, the formulation of the concept of 'separable but not separated' forces to govern possible developments in European capabilities (Gnesotto 2004:23).

Just as important, from a Waltzian perspective, SDPR at Amsterdam also remained state-centric, as the Member States resisted supranational encroachment into SDP. Evidence to support this perspective can be found in Article J.7 (1), (2) and (3) of the Amsterdam treaty. This demonstrated the Member States intention, not only to take military action where common interests were identified, but also the possibility of forming a military alliance through the possible integration of the WEU into the Union.¹⁹³ The rejection of QMV proper by the member states and the retention of unanimity in CFSP matters ensured that future processes and outcomes would remain intergovernmental. In Waltzian terms, it meant that the Member States were not prepared to forgo future opportunities to balance by surrendering SDP sovereignty to supranational institutions and to vetoes by smaller powers. This buttresses the neo-realist perspective on the process against either liberal or neo-functionalist theories of West European integration.

Dimension Three

The third dimension allows for congruence testing by focusing on the significance of the actual decisions taken at Amsterdam.

Waltz would predict that the likely outcome of Amsterdam would be a significant step towards the West Europeans rebalancing US power by forming an embryonic alliance against the United States. In accordance with congruence procedure, the question can be put thus: Can the Amsterdam decisions be understood as being analogous with Waltz's predicted outcome?

¹⁹³ On the debate within the IGC on the CFSP, see Security of the Union - The Intergovernmental Conference of the European Union (Federal Trust Papers, No. 4, 1995); van Ham, 'The EU and WEU: From Cooperation to Common Defence?', in G. Edwards and A. Pijpers (eds), *The Politics of European Treaty Reform. The 1996 Intergovernmental Conference and Beyond* (1997).

One of the central aims of the IGC that led to the Amsterdam Treaty (1997) was to constitute a stronger SDP to enable the EU to project power on the international stage. Indeed, from the Amsterdam treaty, Waltzians would identify a number of amendments as evidence of balancing. Article J.1 (3) could be interpreted as extending authority to the Union to act outside its borders, thereby unobtrusively transforming ESDP into an institutional alliance that could rival NATO. This potential rivalry was not lost on the Americans when they insisted on reforming NATO to allow it also to carry out out-of-area missions. America's desire to reform NATO to counter European calls for greater defence autonomy and locking the Member States capability to carry out Petersberg-type tasks into the Berlin Plus agreements evidenced for Waltz that ESDR, as seen from Washington, was about rebalancing, however disguised. The reform of decision-making instruments to allow the WEU to carry out military and peacekeeping operations, although novel, further supported Waltz's claims of rebalancing as opposed to integration, as the decision to use force remained intergovernmental. For him, reform to include external representation (Article J.8 (3)) also amounts to the Member States appointing a representative much like the NATO General Secretary. On the continued existence of NATO and its reform, Waltz argued that America had behaved as unchecked powers have usually done. 'The error of realist predictions that the end of the Cold War would mean the end of NATO arose not from a failure of realist theory to comprehend international politics, but from an underestimation of America's folly' (Waltz 2001:34). In all these instances of SDPR and NATO counter reforms, Waltz's variant of the neorealist paradigm would confidently claim that congruence between his independent and dependent variable was in the process of taking place.

Mearsheimerian Neorealism

Dimension One

The question arising under dimension one is: For Mearsheimer, what new empirical challenges did the transition present for these actors and how do they relate to his theoretical hypothesis?

As we saw in Chapters One and Two, Mearsheimer views power politics in Europe as regionally rather than globally driven, with the United States as an off-shore balancer rather than a hegemon. He has further argued that the end of the Cold War was tending to generate a power struggle between a Germany with greatly enhanced power but lacking nuclear weapons and France and Britain, as well as Russia, all weakened but with military advantages vis-à-vis Germany. This perspective gives the context in which the EU moved towards Amsterdam, and above all the crisis and collapse of Yugoslavia, a very different character from that suggested by Waltz.

Germany's very assertive policy in pressing France and other EU states to back its line of recognising the independence of Slovenia and Croatia undoubtedly bred antagonisms in both London and Paris. Pond noted, 'the French and British were still queasy about German unification and still flirting with the idea of a return to nineteenth-century, balance-of-power politics in backing the Serbs against the 'German' Croats' (Pond 1999:77). But Germany's success in winning France and Britain over to its policy on Croatia and Slovenia at the end of 1991 bred alarm in Washington (Gowan 1999). While a Waltzian interpretation of this alarm could read this as a fear of Washington losing its European political hegemony to a group of European states, a Mearsheimerian reading would suggest that Washington was, instead, alarmed at the possibility of a German hegemony emerging in Europe, particularly if the independence of Croatia and Slovenia brought a peaceful end to the crisis in the Western Balkans. For him, the one constant of the crisis was that the Western powers wanted peace in the Balkans but did not

want to spend much blood and treasure to achieve it, thus the unworkable Vance-Owen plan (Mearsheimer 1993:22).

In this context, the Bush administration played the card of Bosnian independence in the knowledge that this would generate a war in which Germany would be impotent, given its internal restrictions on military power projection. Instead, the US, because of its military-political and intelligence resources and influence, would be bound to dominate the international politics of the Bosnian war. The opposition to lifting the arms embargo by London, Paris and Moscow was thus not well received in Washington – Congress passing two resolutions in support of its lifting, but both were vetoed by Clinton (who took office on 20 January 1993) for fear of creating a rift between the US and the aforementioned countries. Nevertheless, his administration, in flagrant violation of the UN arms embargo, provided the Bosnian Muslims with arms in an Iran-Contra style operation (Richard J Aldrich, *The Guardian* 22/4/02).

Yet we then face the paradox that, having played its Bosnian card against German assertiveness, Washington then proceeded to reverse its own declaratory political goals for Yugoslavia, which had initially been to favour the maintenance of Yugoslav unity, but then swung round to goals very much in line with the Bonn project of breaking up Yugoslavia and weakening Serbia.¹⁹⁴ Under Clinton, this policy was accentuated in a more strongly anti-Serb direction to the point of accusations being made in Washington that both Britain and France were engaging in an immoral appeasement policy towards the Serbs (NYT 31/01/1993). On the European peace plan, Secretary of State Warren Christopher stated that: ‘I do not think we can make those negotiations our sole reliance. I think we have to have an independent position with respect to Bosnia and the former Yugoslavia countries, because the stakes are too large for us to rely solely on the negotiations taking place at Geneva’ (NYT 31/01/1993).

¹⁹⁴ Washington, having first valued the preservation of Yugoslavia’s territorial integrity, then reversed its policy and pronounced itself in favour of Yugoslavia’s break-up immediately after the break-up of the Soviet Union.

Mearsheimer's perspective can explain this paradox. Washington had no specific goals of its own within the Yugoslav theatre. Its goals in that theatre derived entirely from its larger power political goals in Europe as a whole – preventing the rise of a peer-competitor. It was thus neither anti-German nor anti-French: only against any one power or bloc of powers dominating the continent. As a result, it could combine pushing Germany out of the leadership on the Yugoslav crisis and simultaneously broadly adopting German political goals within the Yugoslav theatre itself and risk gravely antagonising its own closest European ally as a result: Britain. However unhappy London and Paris might be over this, they would prefer American leadership on Bosnia to German hegemony. Thus while Waltz would argue that the dynamic of the EU would demonstrate a strengthened will by the main West European states to unite to balance American power, the evidence was of greater disunity within the EU, with the Member States being anything but united on the Balkans. Jopp (1994:2) captures this, pointing out that the EU presented:

...a fairly bad image with its external partners, in terms of its response to the Yugoslav crisis. First, none of the countries... sees in the EU and its CFSP a credible security actor, many of them even holding Western Europe responsible for the continuation of the crisis. Secondly, and that is in part a consequence of the first reason, most partners of the EU continue to strengthen their ties with *individual* West European powers. This preference for bilateralism, in combination with the remaining divisions within the EU on Yugoslavia, makes it difficult to develop an effective CFSP. Thirdly, the EU is facing a considerable dilemma because of the contradictory demands made by some of its partners. Whereas Russia expects Western Europe to display greater understanding of the Serbian situation, Islamic states like Turkey and Egypt are demanding the opposite: tougher action against the Serbs and much stronger protection of the Bosnian Muslims. Escaping this dilemma through compromises, which will not harm relations with either side, is a problematic task.

This is very much in line with a Mearsheimian perspective on the dynamic. For Mearsheimer, the old German foreign policy of straddling the fence between French Gaullist views and British Atlanticism was no longer relevant to a rising Germany. Bosnia proved the testing ground for the first *realpolitik* between the West European powers at a regional level. The main challenge for the key actors during the crisis concerned preventing Germany from rising by Germanizing the Balkans. In that context, 'Germany

found itself isolated in Europe as a result of its first autonomous act of diplomacy since World War II. Its isolation was compounded by persistent complaints of German monetary hegemony, provoked by the Bundesbank's refusal to ease upward pressure on interest rates in the wake of reunification' (Loriaux 1999:369).

NATO reform or, more specifically, its continued existence, was an issue harder to understand from a purely Mearsheimerian perspective, if we are to view NATO as a hegemonic alliance dominated by the United States. But a Mearsheimerian view of NATO would rather be that the organisation had a much more negative role: that of simply preventing the West European states from getting together within a security policy framework that excluded the US, for example through the EU. For him, NATO provides an excellent example of neorealist thinking about institutions in general.

NATO was basically a manifestation of the bipolar distribution of power in Europe during the cold war, and it was that balance of power, not NATO per se, that provided the key to maintaining stability on the continent. NATO was essentially an American tool for managing power in the face of the Soviet threat. Now, with the collapse of the Soviet Union, realists argue that NATO must either disappear or reconstitute itself on the basis of the new distribution of power in Europe (Mearsheimer 1994:14).

Thus, beyond the Cold War, from his perspective, Washington viewed NATO as a rather loose framework for preserving US influence as a balancer in European security. This Mearsheimerian view of NATO's role from Washington's perspective is buttressed by the fact that after the election of Clinton there was the risk that Washington's commitment to European security might diminish, leading to an assumption that the member states should take on more of the responsibility for their own security (Jackson 1992). Such fears were not helped when the new administration ordered a review of the United States military with an eye to downsizing. Nevertheless, a successful outcome to the Bosnian conflict meant that Washington, having demonstrated American power, particularly so by highlighting the lack of European ability, could now move to enlarge and reform NATO to act out of area so as to counter moves by Germany, to seek regional hegemony. Similarly, for Paris and London, the interrelation during this transition can be understood as a challenge to stabilise the internal security of the Union by rebalancing Germany through

both NATO and ESDPR. For Mearsheimer, Washington's strategic goal of reform was to prevent the rise of a peer competitor while ensuring the peaceful interrelation of the main West European powers by remaining offshore balancer. Germany could be satisfied that its own goals were being pursued in the Yugoslav theatre while at the same preventing an outright break between itself and its main European neighbours, something that could be achieved both by NATO reform and by strengthening the ESDP framework of the EU through Amsterdam.¹⁹⁵

Dimension Two

The question arising under dimension two is: How does the reaction of the key actors compare to what Mearsheimer would anticipate as their response to the transition?

Like Waltz, Mearsheimer looks to states as the key motivators of change in the international system. In this context, the Treaty of Amsterdam then expresses Member States efforts to tackle inter-state tensions within the European region. The NATO agreement to enlarge and reform represented a readiness on the part of all the main European powers to accept the US's continued involvement as an off-shore balancer within European power politics. This US role reassured all the main European powers through its ability to constrain the actions of the others. NATO enlargement to Poland, the Czech Republic and Hungary blocked the emergence of a German sphere of influence to its East, and NATO's switch towards a readiness to strike out of area could also be seen as a way of preventing unilateral power projection by any of the European powers. As then Secretary of Defence, William S. Cohen, put it: 'NATO Enlargement is critical to protecting and promoting our vital national security interests in Europe. If we fail to seize this historic opportunity to help integrate, consolidate, and stabilize Central and Eastern Europe, we would risk paying a much higher price later' (Cohen 1997).¹⁹⁶ With America committed to NATO reforms, Paris and London could be reassured that the new Germany

¹⁹⁵ At the same time the so-called Contact Group on Yugoslavia was Germany's way of keeping Russia on board in relation to the Bosnian war.

¹⁹⁶ Quoted in Bee (2001:150).

would not exercise its new found freedom in foreign affairs regardless of EU commitments. American involvement ensured that France and Britain did not have to embark upon rebalancing against Germany per se.

In some capitals there were fears that Washington, seeking to cut its defence burden, might start to withdraw its troops from Europe and shift the burden of European security politics onto its erstwhile Cold War allies. This assumption was not without theoretical justification. For Mearsheimer, NATO's *raison d'être* had ended with the Cold War and could be viewed as just another American foreign commitment that Washington could ill afford. London and Paris would thus be forced to take on more of the burden for their own security. Accepting NATO reforms kept the US engaged, continued the integration of the newly reunited Germany into NATO's command structure, and thus contained Germany at the expense of the Americans, who would act as night watchman. Washington, through NATO, was allowed to increase its scope and domain in return for acting as offshore balancer. According to Mearsheimer (2006:116):

If the United States pulled out of Western Europe, the European states would compete among themselves for power the way they had for centuries before the Cold War. ...there is evidence that policymakers on both sides of the Atlantic accept my basic logic. After all, the principal reason that American troops did not come home is because US and European leaders believed that their presence helps keep the European states from engaging in security competition with each other.

Lind (1991) reasoned that:

With its decision to recognize Croatia and Slovenia on Jan. 15, Germany proved it is no longer an economic giant and a political dwarf. It succeeded in pressing the European Community to recognize the Yugoslav republics against the objections of the United States and the United Nations. This act symbolized the collision between the post-World War II global order and the emerging post-cold war European order. ... The new Germany, like its predecessors, has proved that it is a revisionist power, intent on reshaping Europe.

In essence, alarm over Germany's unilateralist Balkan policy was the catalyst for change, forcing the other two Member States to concede to NATO reforms and American control of the Bosnian crisis. In return, Germany was kept under control and prevented from dominating the Balkans or a more worrying 'sonderweg' eastwards, while America prevented the rise of a peer competitor by remaining off-shore balancer. The Amsterdam

reforms could be viewed as an extra dimension of this orientation. They did not, in fact, contradict NATO centrality. They were instead another layer of reassurance against a German *sonderweg* in the East. As Loriaux (2001:369-7) commented, ‘the specter of Germany unilateralism and hegemony in Europe stirred the French to tighten their relationship with NATO as well’. The result was thus an ESDI with just enough reform to seek to prevent Germany from unilaterally declaring policy, as was the case during the Bosnian crisis. The new projected post of High Representative in SDP would strengthen the constraints against unilateralism in the diplomatic field on the part of any EU power, and the inclusion of Petersberg tasks in Amsterdam similarly blocked unilateral initiatives in the field of low-level power projection by any of the Member States.

For Germany, the NATO and EU reforms could be seen as at the same time reassuring her that her strong national interest in reshaping economic and political relations to her East and in stabilising East Central and South East Europe could be addressed multilaterally through NATO and the EU without the need for the assertive unilateralism of German policy on Croatia in 1991. At the same time, Germany’s security interests in the East led it, in the negotiations at Amsterdam, to press for the most streamlined and institutional arrangements in this field so that the multilateral framework would respond more effectively to the German government’s policy goals in the East, rather than acting simply as a break on German initiative in that zone. From this angle, Amsterdam could be seen as a compromise, with Britain and France refusing to streamline ESDP to the point where it could become an instrument for German leadership of Western Europe’s construction of a sphere of influence in the East.

Dimension Three

The third dimension allows for Congruence testing by focusing on policy outcomes and goals: What were the goals of the main actors when contracting to proceed with ESDPR and how do they correspond to the hypothesised goals of Mearsheimer?

Mearsheimer's perspective predicts that SDP reform at Amsterdam would not lead to real SD integration. Reform at Amsterdam did promote greater Germany SDP cooperation by ingraining more coherent and effective decision-making procedures (Article J.13: QMV). Importantly though, the fudged nature of these reforms allowed states to block action or act unilaterally when they considered it in their best interest to do so. Whereas Germany supported QMV as a means to balance Anglo-French dominance of European security affairs, Paris and London were reluctant to agree measures that would limit their freedom of action in an area in which they held a comparative advantage over the Germans. From a Mearsheimerian perspective, reforms reflected the concerns of the Member States at a regional level, confirming correlation between his independent and dependent variable.

Wohlforthian Neorealism

Dimension One

The question arising under dimension one is: For Wohlforth, what new empirical challenges did the transition present for these actors and how do they relate to his theoretical hypothesis?

For Wohlforth, the overwhelming power of the United States brought about by the collapse of the Warsaw Pact and the Soviet Union and by its military dominance across the whole of Europe was demonstrated during this period by its complete domination of the NATO reform process and the Bosnia peace process. From a Wohlforthian perspective, the entire security architecture of the new Europe was in American hands and the key American strategy was to push the West European powers to commit their material resources in the military field, vigorously strengthening this set of American arrangements rather than free-riding on American power.

The response on the part of the other major states has been to accommodate this American strategy. The absence of balancing among the great powers is a fact. Rhetoric aside, there has been no alliance or alignment among great powers to counter U.S. capabilities. Instead, states have sporadically engaged in what might be called "prestige balancing," the technique of using relatively low cost gestures to distance oneself politically from Washington (Wohlforth 2002:7).

As at Maastricht, the key challenge for the Member States centred on reforming ESDP to allow them to take military action, either in cooperation with the United States or where the United States did not want to get involved but would allow the Member States to act. For the Americans, the key challenge was to ensure that SDPR at Amsterdam was compatible with NATO reforms and the continued continuation of American hegemony. Their goal, which corroborates Wohlforth's position, and backed up by the decisions taken at the NAC meetings of 1994 and 1996 (implementation of the CJTF concept and the development of the ESDI within NATO) was to direct reforms so that the Member States could act independently but in a subordinate position to NATO (NATO 1994 and 1996). For him, such bandwagoning with the American hegemon is the theoretical thread that explains SDPR at Amsterdam. In other words, American hegemony was acceptable to the Member States as an 'insurance against an internal or borderland crisis whose resolution requires the military and command capabilities of NATO. ESDP and the rapid reaction force may someday be able to handle any plausible contingency, but until that day, the U.S. presence is a valuable strategic asset' (Wohlforth (2002:7).

Dimension Two

The question arising under dimension two is: How does the reaction of the key actors compare to what Wohlforth would anticipate as their response to the transition?

For Wohlforth, recasting NATO to suit the new international environment became a priority for the Americans. However, the uneven burden sharing in favour of the Member States became a subject of debate for Congress and a catalyst for tacit agreement from Washington for the forming of ESDI to allow the West European powers to pull their weight, albeit under American domination.¹⁹⁷ The reform package was approved by its members at the NAC 1994 Summit which also gave the go ahead for some form of

¹⁹⁷ ESDI was from its inception a NATO concept aimed at consolidating the European pillar of the Alliance while reinforcing the transatlantic bond.

ESDI.¹⁹⁸ The basic thrust of this was a technical-military set-up that acknowledged that the Member States/EU would play a larger part in security operations with access to NATO assets with Washington's approval.¹⁹⁹ The opportunity to reform SDP at Amsterdam was constrained by what would be acceptable to the United States. Reforms were thus crafted carefully so that they were not a challenge to NATO. Washington, although anxious that the Member States take on more of the burden of security, was keen to ensure reforms buttressed those taken place simultaneously at NATO.

The realignment that took place forced a corresponding one in NATO, as Washington proposed to change the alliance from static defence to mobile response units geared towards out of area missions. At the January 1994 NATO summit the Member States and Washington strengthened institutional ties between the WEU and NATO to promote the EDI. The summit was something of a difficult balancing act for the Americans. Having already agreed in Rome and London to facilitate the EU's efforts to create an EDI, Washington needed to offer its allies practical help while at the same time remaining in control of European defence policy and capabilities. For Wohlforth, the main challenge facing the actors was to concoct an institutional arrangement that buttressed American power while at the same time allowing the West European powers some SDP autonomy when Washington did not want to get involved. There is ample evidence to support Wohlforth's thesis that reforms were not designed to balance the US, but took place within a sub-system of American global hegemony, with the US remaining the

¹⁹⁸ In January 1994, at a meeting of the NATO NAC, the notion of some form of European Security and Defence Identity (ESDI) was launched. This was superseded by the Helsinki Council in December 1999 which initiated the concept of a Common European Security and Defence Policy (CESDP). The ESDI was a NATO programme of structural change within the alliance. Conversely, the CESDP is an EU initiative and a long-term political goal.

¹⁹⁹ Declaration of the Heads of State and Government, Ministerial Meeting of the North Atlantic Council, 10-11 January 1994, NATO Press Communiqué M-1 (94) 3. Para. 4: 'We give our full support to the development of a European Security and Defence Identity [which] will strengthen the European Pillar of the Alliance while reinforcing the transatlantic link'; para. 6: 'We therefore stand ready to make collective assets of the Alliance available, on the basis of consultations in the North Atlantic Council, for WEU operations undertaken by the European Allies in pursuit of their Common Foreign and Security Policy'. Available at: www.NATO.int/docu/pr/1994/p94-003.htm. The previous days Communiqué announced the PfP initiative, www.NATO.int/docu/pr/1994/p94-002.htm.

European hegemon with the overwhelming support of the member states. Building on the decisions made in London and Rome the NAC agreed:

1. To adapt further the Alliance's political and military structures to reflect both the full spectrum of its roles and the development of the emerging European Security and Defence Identity, and endorse the concept of Combined Joint Task Forces.²⁰⁰
2. To the continued substantial presence of United States forces in Europe as a fundamentally important aspect of that link. Today, we confirm and renew this link between North America and a Europe developing a Common Foreign and Security Policy and taking on greater responsibility on defence matters.
3. To give our full support to the development of a European Security and Defence Identity which, as called for in the Maastricht Treaty, might in time lead to a common defence compatible with that of the Atlantic Alliance.
4. To support strengthening the European pillar of the Alliance through the Western European Union, which is being developed as the defence component of the European Union.
5. To make collective assets of the Alliance available, on the basis of consultations in the North Atlantic Council, for WEU operations undertaken by the European Allies in pursuit of their Common Foreign and Security Policy.
6. To support the development of separable but not separate capabilities, which could respond to European requirements and contribute to Alliance security.²⁰¹

The agreement reached allowed for institutional co-operation and the possible use, by the WEU, of NATO assets. Further to this, the concept of a CJTF was agreed with the aim of allowing the United States to act with states outside of the alliance.²⁰² More importantly, agreement was reached to allow NATO/United States to pursue non-Article 5 operations with non-NATO members, including those in the WEU. The outcome of these commitments meant that the EU's SDP was subordinate to Washington. NATO assets

²⁰⁰ The CJTF represents the next logical step in this adaptation of NATO's new structure. 'It will provide the flexibility that would be required to allow NATO and non-NATO forces to act together in peacekeeping and other contingency operations. Using a building block approach, command elements could be detached from major NATO commands for operations under NATO or, where NATO decides not to become involved, under WEU auspices. The concept therefore provides a mechanism for co-operation with units from states that are not part of the Alliance's integrated military structure. The outcome is a kind of defence alliance with overtones of some sort of regional collective security, sitting tentatively on the edge of NATO, not in it or out of it' (Worner 1994:2).

²⁰¹ Declaration of the Heads of State and Government Ministerial Meeting of the North Atlantic Council/North Atlantic Cooperation Council, NATO Headquarters, Brussels, 10-11 January 1994

²⁰² Ministerial Meeting of the North Atlantic Council/North Atlantic Cooperation Council, *Declaration of the Heads of State and Government* (NATO Headquarters, Brussels, Press Communiqué M-1 (94) 3, January 10-11, 1994), 2-3.

could only be utilised with the permission of the Americans and, since Washington insisted that the Europeans should not develop separate capabilities, United States hegemony was not endangered.

Instead of enacting treaty reform that would have given the Member States their own security and defence capabilities, Amsterdam, following the 1994 NAC agreements, committed the Union to no more than the possible framing of a common defence policy, which might in time lead to a common defence (Article J.7 (1)).²⁰³ As reassuring as this may have been to the Americans, the treaty went even further by asserting that Union policy would not encroach on Member States's other security and defence commitments to NATO. In other words, Article J.7 (1) committed the Union to a secondary role in European security affairs and avoided Albright's three D's – the consistent American policy to ESDPR (no decoupling, duplication, or discrimination).²⁰⁴ As had become the theme of EU SDP reform to date, semantics failed to hide long held differences over the institutional integration of the WEU and the general nature of SDI per se. For Wohlforth, these differences can be understood as erstwhile allies trying to come to terms with unipolarity and setting out a rational approach to the new reality. On the other hand, it had been noted that the new set of rules suited Germany's ambitions to offset an emerging trend towards unilateralism by increasing the network of multilateral institutions. 'Though the WEU acquired a role in security and defence, NATO remained the major forum for consultation and the major player in out of area-missions, thus, the major international institutions were collaborators rather than competitors in security and defence policy' (Boesche, Hellmann and Wagner 2003:26). In any event, according to Wohlforth (2002:10-11):

...individually, European states will in all likelihood never be capable of assuming a polar position. Only by pooling strategic resources will Europe gather the strength necessary to help resurrect a multipolar world. That will

²⁰³ Waltz would, however, equally evidence this as balancing.

²⁰⁴ See page 351.

require increased military spending,²⁰⁵ extraordinarily difficult military restructuring in fifteen countries, and, most important and difficult, the creation of a unified defence industry, centralized staffing, command, and strategic decision making capabilities. Creating such state-like capabilities goes to the heart of state sovereignty and inevitably is, at best, a grindingly slow and contradictory process. Many European states have been very reluctant to relinquish sovereign power in the area of defence and foreign policy. It is hard to square such concerns with the occasionally stated goal of counterbalancing U.S. power. While they do not rule out the possibility of major progress along these lines, most students of European politics do not expect state-like foreign and defence capabilities to emerge any time soon.

Within such an environment any apparent moves by the West European powers to balance against the US can only be understood as a temporary lag due to irrational behaviour, as certain actors came to accept the realities of unipolarity.²⁰⁶ ²⁰⁷ Such realisations were not lost on London – the British foreign secretary Malcolm Rifkind stated that any proposal to give the CFSP real teeth would be ‘totally unacceptable’ if it involved merging the EU and WEU. For the British, it was impossible to draw a line between peacekeeping and peace enforcement and other forms of military action, and giving the neutrals a say in WEU decision-making would effectively make the organisation impotent.²⁰⁸ The reaction of some Member States to events might not thus exactly match what Wohlforth would expect, but policy reforms, from his theoretical

²⁰⁵ As a percentage of gross domestic product, French military expenditure in 1988 stood 3.6, by 1995 that had decreased to 3 and by 2006 to 2.4. As a percentage of gross domestic product, German military expenditure in 1988 stood at 2.9, by 1995 that had decreased to 1.6 and by 2006 to 1.3. As a percentage of gross domestic product, British military expenditure in 1988 stood at 4.1, by 1995 that had decreased to 3 and by 2006 to 2.6. As a percentage of gross domestic product American military expenditure in 1988 stood at 5.7, by 1995 that had decreased to 3.8 but by 2006 increased to 4. However, because the US GDP has risen over time, the military budget can rise in absolute terms while shrinking as a percentage of the GDP. In relative terms thus US defense spending dwarfs all three of its European allies and almost as much as the rest of the world’s defense spending combined. For a detailed breakdown of the decline in military expenditure in Europe in local currency, at current prices, 1988-2007 and military expenditure in US dollars, at constant (2005) prices and exchange rates, 1988-2007 and military expenditure as a share (%) of gross domestic product (GDP), 1988-2006. See country specific statistics at: <http://milexdata.sipri.org>.

²⁰⁶ In any event, NATO foreign minister had agreed two years earlier in Oslo (19/06/92) to the objective of developing the WEU as a means of strengthening the European pillar of the Alliance and as the defence component of the EU, that would also cover the ‘Petersberg tasks’, which meant for Wohlforth it was compatible with Washington’s unipolarity policy.

²⁰⁷ France, Germany, Greece, Italy, Belgium, Netherlands and Spain (the Commission and EP) wanted to merge the WEU into the EU – Britain, Denmark, Finland, Sweden, Ireland, Austria and Ireland did not.

²⁰⁸ AFP (1997): WEU Notion Impossible because of Finland? News Bulletin, Finnish News Agency No 57, March 25, www.mofile.fi/fennia/um/2304.htm.

standpoint, amounted to bandwagoning. For him, in the final analysis, real balancing ‘involves paying real economic and political costs, which no great power has shown any willingness to do. Since 1995 military spending by the major powers has remained at historical levels, generally declining as a share of economic output. By any reasonable benchmark, the current international system is one in which both external and internal balancing among great powers is at a historical low’ (Wohlforth 2002:8).

Dimension Three

The third dimension allows for Congruence testing by focusing on policy outcomes and goals: What were the goals of the main actors when contracting to proceed with ESDPR and how do they correspond to the hypothesised goals of Wohlforth?

Wohlforth identifies the key causal variable as United States hegemony brought about by the collapse of the Soviet Union, with German reunification, American dominance of NATO reforms and the Bosnia crisis being examples of this. He would predict that the overwhelming power of the United States would prevent rebalancing, and the goal of ESDPR after Bosnia is thus about the West European powers being able to share more of the burden of European security and defence. SDPR was thus about reinforcing NATO/Washington’s military hegemony over the Member States as the Member States bandwagon (his dependent variable). In accordance with congruence procedure, the question can be put thus: Can SDPR in this period be understood as being analogous with Wohlforth’s predicted outcome? Does Wohlforth’s independent variable (unipolarity/American hyperpower) lead to his predicted dependent variable (bandwagoning)?

From a Wohlforthian perspective, not only had NATO reformed, taking its European allies along with it, but while carving out a new place in the post-Cold War world, it had also found a new rationale to enlarge. As Crawford (2001:56) put it:

The Bosnian war provided NATO with the renewed legitimacy that it needed to expand eastward. It left no doubt in the minds of both European and American leaders that other institutions in which Russia participated would be too conflict-

ridden and too weak to provide a common security umbrella for Europe. NATO enlargement was thus an unambiguous strategy to keep Russia out of the security institutions in Europe that really counted.

Wohlforth's independent variable seems to be operational within the reform process. The Member States, while attempting to build institutional structures to allow them to act in SDP matters, did so within the confines of American hegemony. The incorporation of the Petersberg tasks and institutional change meant the EU could act but, and this confirms the validity of Wohlforth's dependent variable, only where America allowed them to act or to do so in concert with it. Furthermore, while the Second Pillar at Maastricht was a European initiative, ESDI was an American one.²⁰⁹ For Wohlforth, SDP was thus reformed as part of the bandwagoning process, to allow the West European power to have a security and defence identity, but only as a means to allow Washington to lessen their security burden, while the Member States remained relevant to SDP in general. In other words, this did not evidence any form of balancing, as some other neorealists would argue, but bandwagoning. Wohlforth's independent variable, if utilised to explain reforms during this period, does seem to offer us a reasonable account of the limited nature of those reforms.

Waltian Neorealism

Dimension One

The question arising under dimension one is: For Walt, what new empirical challenges did the transition present for these actors and how do they relate to his theoretical hypothesis?

For Walt, the power upheavals attendant upon the collapse of the bipolar system were not matters of concern for states per se; what concerns them is not the power shifts but whether states perceived other states as responding to them in potentially threatening ways. For Walt, states have the capacity to reassure each other and thus to mitigate or even

²⁰⁹ In Berlin (03/06/96) NATO foreign ministers agreed to build up the ESDI within NATO, to rebalance roles and responsibilities between the West European powers and America. An essential part of this initiative (which can also be understood from an LVP) was to improve European capabilities by making NATO assets available for WEU-led crisis management operations. These decisions lead to the introduction of the term 'Berlin-Plus'.

neutralise security dilemmas.²¹⁰ Although this starting point is very different from Mearsheimer's, it can tend towards very similar analytical conclusions as to the context and dynamics leading up to Amsterdam. The assertive German drive on the Croatian war was a radically new departure in German diplomacy that evidently caused concern in Paris and London, leading both towards stronger institutional frameworks for containing German policy towards the East both through NATO and through the CFSP/ESDP. At the same time, Walt would give greater salience to the impact of the Clinton Administration's behaviour in Bosnia on French and British thinking about European security. While the outcome of the Bosnian war was not, in itself, a matter of great national security concern to either France or Britain, their military forces were directly engaged in the theatre of conflict. They found these forces were directly threatened by American policy in that theatre. The US policy of 'lift and strike', had it been implemented fully, threatened to result in British and French soldiers being made hostages by the warring local forces, particularly the Bosnian Serbs. More worrying, London discovered that shifting Washington away from this policy was not possible through the usual alliance channels. It took direct and explicit threats by the British that, if the policy was implemented, NATO would be at risk – an extraordinary warning – to stay Washington's hand (NYT 01/12/1994). In any event, with the British and French objecting strongly to airstrikes, the Clinton White House backed off (NYT 8/10/2000).

Just about the only thing that has been consistent in the U.S. approach to Yugoslavia is a determination to bolster America's authority at the expense of its rivals. Thus the initial pro-Yugoslav policy in 1991 was an attempt to slow down the dissolution of the cold war order upon which America's ascendancy depended. America's about-face in 1992, when it led the campaign for an independent Bosnia, had nothing to do with higher principle; it was a manoeuvre to usurp the leadership role in Yugoslavia from Germany. Washington's pursuit of the lift and strike policy through 1993 and 1994 was aimed at presenting the Europeans as

²¹⁰ This could be achieved by signaling type, although Mearsheimer would argue that this is not possible due to the difficulty in distinguishing defensive assets from offensive ones. 'The beauty of the defensive realists' claim that it is possible to distinguish defensive from offensive weapons is that it makes it possible – at least in theory – for states to signal benign intentions by building just defensive weapons. If a state builds offensive weapons, it is hard for it to claim that it is a security seeker and not a revisionist state. The problem, however, is that in practice it is hard to distinguish defence from offence' (Mearsheimer 2006:234).

appeasers and the Americans as decisive leaders and defenders of a besieged multi-ethnic democracy (Hoey 1995).

No less alarming for London was US intelligence policy in Bosnia. The uniquely close intelligence links between the US and the UK, which had continued for decades and which were in many ways the distinctive core of the special links between London and Washington, marked US-British relations as different from US-French and US-German relations. But in Bosnia, the US not only broke intelligence collaboration with Britain but turned its intelligence agencies against British operations there and bugged UN offices (Rose, 1998).

The scope of these activities included bugging UN Commanders and diplomats. Former UN Commander in Bosnia General Sir Michael Rose was aware that the Americans were secretly bugging his office: 'We were always very careful in what we said in that office. And if we did say something, it was with deliberate intent'. All of this intelligence-gathering activity was supposed to be concealed from America's allies in the UN and NATO. Britain especially has a very close link with American intelligence, but in late 1994, this supply of intelligence to the British was temporarily cut off, causing panic in Whitehall.²¹¹

This would provoke reassessments of British international strategy in the aftermath of the Bosnian war, including a switch of line on institutional links between the EU and ESDP, very much in line with the accent on threat perception given by Walt. Thus, for Walt, the Amsterdam context was different from Maastricht in three respects. There was the worry in some European capitals about German unilateralism in the Balkans. Secondly, there was concern in Europe that, as in the Cold War, American power, in some instances, would be exercised regardless of Member States concerns. Specifically, it signalled to the member states Washington's willingness to pursue its foreign policy, project power or refrain from action with little regard to European interests or international institutions. Washington's unilateralism thus threatened to undermine the norm-based structure the West European powers preferred. Bosnia provided the member states with a lens as to America's military and political defects, increasing the perception of threats because they lacked the tools to neutralise them. While the structure of the international

²¹¹ 'Allies and lies': BBC Online: news.bbc.co.uk/2/hi/programmes/correspondent/1390536.stm

system at the time of the Maastricht negotiations was still (just) bipolar, by Amsterdam it was singularly unipolar. Thirdly, both Britain and France had military personnel on the ground in Bosnia and a lack of coherent political leadership from the top would undermine European influence on the peacekeeping mission and threaten the successes of their military deployment.

Thus, in the period of Amsterdam, for Walt, both London and Paris would have been inclined to see the challenge as being a double containment of both German and American unilateralism. Bosnia showed that the effect of these reforms on their ability to influence either American or German power was very weak indeed. For Walt, therefore, Amsterdam was a continuation of early reforms for the same reason - threat neutralisation. Between the Atlantic allies at this particular juncture, threat perception was low and, while EU institutions could be reformed to take account of a direct threat, this was not thought necessary prior to Bosnia and the NATO reforms. Thus, for now reforms could also be conceptualised as a form of soft balancing.

Dimension Two

The question arising under dimension two is: How does the reaction of the key actors compare to what Walt would anticipate as their response to the transition?

While the disintegrating of Yugoslavia threatened to destabilise the Union's periphery and was of concern to the Member States, from a Waltian angle, the overriding interest for the Member States was to identify possible threats and neutralise them by way of SDPR. More specifically, in this context, Amsterdam can be understood as an attempt by the Member States to correct the fallout from Germany having apparently shaped the new Union's response to the Yugoslav crisis and America's domination of European security and defence policy through NATO reforms. Although, for Walt, reforms left article J.4 of the TEU for the most part unaffected, it did, however, add an important proviso, which was the possibility of a common defence and the chance of the WEU to be integrated into the EU as a tool of threat neutralisation. American policy remained

consistently based around one question: did ESDPR threaten the NATO alliance? In an interview, (Washington Post 7/3/2000) the secretary general of NATO, Lord Robertson, summed up Washington's pathological post-Cold War fear: 'The US suffers from a sort of schizophrenia. On one hand, the Americans say 'You Europeans have got to carry more of the burden' and when the Europeans say, 'ok, we will carry more of the burden,' the Americans say, 'Well, wait a minute, are you trying to tell us to go home?' US policy on European defence integration emanated from this core concern. Its goal, at this stage of the process, was to steer SDP co-operation in a non-threatening direction. In so doing, however, the Member States' perception of threat increased. It was not helped either by America's domination of the Bosnia peace process. Loriaux (1999:369) noted that, 'the Europeans were practically excluded from the Dayton negotiations. European members of the Contact Group had to remonstrate before being allowed to see and approve documents that were being submitted to the negotiating parties. Their ire was such that they walked out of the press conference that followed the conclusion of the accords'.

Thus, for Walt, the bonds that had contributed to holding the hitherto safe patterns of state interaction together were disintegrating and with them the perception of threat amplified. The actors, in other words, were moving in a direction that would suggest that they could no longer base their foreign and military policies on the presumption of military cooperation and mutual respect.

It can hardly be reassuring, for example, that the United States tried repeatedly to get the Europeans to solve the Bosnian crisis on their own, and that the eventual U.S. entry into Bosnia was accompanied by open hand-wringing in Congress and by an all-too-visible reluctance to risk even minimal U.S. casualties (Walt 1998).

For Walt, even given that reforms were about threat neutralisation, reform of NATO and reform of the ESDP at Amsterdam were for him different sides of the same coin that were destined to create tension; two security institutions seeking to dominate the same space only heighten the perception of threat. The important point to remember is that although reforms at this stage can not easily be identified as balancing, they can also be understood as a form of threat neutralisation – soft balancing. For him, hard evidence of

traditional balancing is missing because the Member States were still happy to free-ride on American protection. The United States did not yet threaten to dominate them, which meant that for the Member States, the US represented the perfect ally – for the time being. Reforms, such as they were, thus sought to provide the Member States with a SDP that could be utilised to rein in the worst of American excesses – doing too much or doing nothing at all. For the Member States, Bosnia represented such double excesses. ‘The United States has taken advantage of its current superiority to impose its preferences wherever possible, even at the risk of irritating many of its long-standing allies. It has forced a series of one-sided arms control agreements on Russia, dominated the problematic peace effort in Bosnia, taken steps to expand NATO into Russia's backyard, and become increasingly concerned about the rising power of China’ (Walt 1998:43). The same can also be said with regard to Germany, where the Petersberg Tasks and Article J. 2 and Article 8 effectively bound her closer to the other West European powers. The reactions of the key actors at this juncture can therefore be accommodated within Walt’s brand of the neorealist paradigm.

Dimension Three

The third dimension allows for Congruence testing by focusing on policy outcomes and goals: What were the goals of the main actors when contracting to proceed with ESDPR and how do they correspond to the hypothesised goals of Walt?

Walt, in dimension one, identifies the key causal variable as being related to the perception of threat created by the Bosnian war and NATO reforms which, to the West European powers, seemed designed to oppose EU reforms of the same period. From the empirical evidence, is it possible to trace a causal link from Walt’s independent variable (perception of threat) to his predicted outcome (threat neutralisation)?

Walt would expect to see balancing against the United States if it acts in a manner that causes alarm to its allies, but in this prior period mitigating factors came into play. First, the United States was still considered a power with benign intent, i.e. it did not have

an expansionist disposition. Secondly, the main regional actors were more worried about relative gains vis-à-vis one another. Bosnia and NATO reforms, while not cancelling these factors, certainly made the Member States take more notice of American power and how it might be used in the future. For Walt, Article J.7 (2) of Amsterdam can be read as a first step by the Member States to concoct treaty reform that would for the first time allow them collectively to mount military actions. Although cloaked in soft balancing format, the Petersberg tasks reforms demonstrated to the Americans that the Member States were willing to form a military alliance if they believed there was an external threat to their security. Article J.2 further provided the Member States with the modalities to identify interests and present a common strategy. Article J.13 (2), although tenuous in practice, was a sign to the Americans that the Member States were ready to take rapid action if a threat warranted this. More alarming for the Americans was Article J.7 (1) whereby the Member States took a step closer to incorporating the WEU into the Union as its defence arm, in direct competition to NATO. Although the Treaty left out any mention of Article V collective defence, it did, to the dismay of Washington, call for the creation of a CESDP. In short, the reforms tied Germany closer to the union, by ensuring CFSP would be multilateral and signalled to the Americans that alliance formation was a very real possibility if Washington's actions threatened the West European powers' interests. Relations between the Member States and the United States are fuelled largely by European concerns about American unilateralism (Walt 2004:32). From a Waltian perspective, all these reforms can thus be understood as deliberate and calculated attempts at threat neutralisation and thus evidence of correlation between his independent and dependent variable.

Keohane-Moravcsik and Complex Interdependence

Dimension One

The question arising under dimension one is: For Keohane and Moravcsik, what new empirical challenges did the transition present for these actors and how do they relate to their theoretical hypothesis?

From the Keohane-Moravcsik perspective, the neo-realists' focus on the centrality of power-political relations among the great powers of the Atlantic alliance is misplaced: in the highly institutionalised and transparent world of complex interdependence that they take to be the framework of the inter-actions of states in the Atlantic world, such security issues are not central and do not trump other issues. Actually, Keohane would acknowledge that, 'the pooling of sovereignty works well for the internal common market.... But it does not facilitate innovative and decisive strategic action outside of the EU's borders. Instead, the inevitable divergence of interests among Europe's states leads to a policy of quarrel and compromise, in which external policies emerge as a result more of internal politics than a coherent strategic design' (Keohane 2002:14). Indeed, questions of the impact of international processes on domestic welfare will typically loom largest in the eyes of policy-makers. From this angle, events in the Croatian and Bosnian wars were security issues for the West European states insofar as they generated welfare threats – for example, uncontrolled movements of population westwards – or caused spreading chaos across South East and East Central Europe. They also posed a challenge of ensuring a coordinated policy response by the European and Euro-Atlantic institutions and of such a response effectively stabilising the Eastern region under preponderant Western influence. Indeed, in pursuit of this goal, the member states made a public commitment to enlarging eastwards at the Essen European Council in 1994. 'The European Council confirms... that the associated States of Central and Eastern Europe can become members of the European Union if they so desire and as soon as they are able to fulfill the necessary conditions. ...

The key element in the strategy to narrow the gap is preparation of the associated States for integration into the internal market of the Union (European Council 1994).²¹²

But crisis management policy co-ordination had proved more difficult. Having declared themselves responsible for the Yugoslav crisis, the member states, on 7 September 1991, convened a peace conference with a Franco-German plan to place a WEU peacekeeping force on the ground, but London's objections effectively blocked this. The conference thus turned into a political failure for the Member States, and by October 1991 they requested the UN to get involved. When Bosnia-Herzegovina declared independence in April of 1992 the situation on the ground deteriorated, as did relations between Member States, and Member States and the United States. Washington remained reluctant to get involved militarily in a post-communist crisis, while Britain and France had different ideas as to how to bring peace to the region. London accepted a peacekeeping role for the UN as did Paris, though it had preferred an EU-led approach fearing that a UN role would undermine EU initiatives. The bottom line, and this became more pronounced with time, was that the warring parties were not going to honour political solutions born out of diplomatic consensus if there was no effective security institution to enforce them. The complexity of the situation and the failure of the EU to grasp it led to the collapse of the Yugoslav federation. Only when war spread to Bosnia did Washington seek to become involved, although its reluctance was due in part to Paris and London's request to find a European solution to the problem. For Keohane and Moravcsik, this created a difficulty that the West European powers could only address as a unitary force backed up with military assets. The crisis thus forced deep introspection from the Member States and the United States, leading to the future of both European security institutions (WEU and

²¹² Bevan and Estrin (2000) noted that, the effect of offering membership to CEEC, at Essen, was a significant increase in the level of FDI received by the frontrunner countries for accession – namely the Czech Republic, Hungary and Poland. Research by Dunning (1993) suggests that NATO membership for a candidate country would also be a factor in the appeal of that country as a recipient of FDI by business actor, by reducing the possibility of political instability.

NATO) following parallel paths. Maastricht, having failed to provide the necessary institutional reforms to allow the Member States to effectively manage the crisis, meant that further reform of SDP institutions was required to enable Member States to act swiftly and coherently, when the United States would not do so.

As noted, the Petersberg Declaration of June 1992 announced that WEU forces would be available to undertake a variety of tasks, including humanitarian missions, rescue tasks, peacekeeping tasks, and the use of combat forces in crisis management – including peacemaking. By the summer of 1992, the Member States continued to seek to devise a response to the Bosnian crisis. On 1 July, the Eurocorps established an interim staff in Strasbourg for humanitarian operations. Two months later the Member States committed themselves to sending a 5000 strong intervention force through the WEU. In October 1992 the Allied Command Europe Rapid Reaction Force (ARRC) headquarters was up and running, but with United States elections around the corner the issue of American troops intervening in the conflict was a non starter. As the conflict continued, a solution was made all the more difficult as an institutional battle ensued between the EU dominated WEU and the United States dominated NATO. Gowan (1999a) noted that the tensions over Washington's 'lift and strike' policy 'reached the point where some thought NATO might even split on the issue as the British even threatened such a split'. Moreover, the key to US security and defence policy, was 'to transform the roles of NATO, to subordinate the West European states and multilateral institutions to NATO in the field of high politics and security, and to make NATO sovereign *vis-à-vis* the UN' (Gowan 2000:275).

After numerous rejections of the Contact Group's peace plan, a four-month truce took effect on 1 January 1995, but failed to end the conflict. By the end of July, the situation was spiralling out of control. To bring the crisis to a quick end, NATO planes carried out airstrikes against Serb targets that September. By the beginning of the peace talks in Dayton on 1 November 1995, the EU had been marginalised as an international actor as the Americans took over the peace negotiations. Airstrikes allowed NATO for the first time to act out of area, reflecting the 1993 Department of State's prediction, 'Out of

Area or Out of Business'. While it is certainly true that unilateralism was a major hindrance to EU actorness, more so at that time was the lack of effective crisis management tools available to the Member States through the institutional structures of the Union. Furthermore, it would be unrealistic, given the short timeframe, to expect centuries of interstate diplomacy to be forgotten on the declaration of the TEU while clear divisions remained between the contracting parties. For Keohane and Moravcsik, patterns of complex interdependence would always evidence such *mêlées* over means and ends.

The spectrum of views was defined, on the one hand, by governments with pan-European aspirations, such as France, who strongly favoured the deepening of West European Union integration with the EU and, on the other, by governments like Britain, with a credible unilateral policy and a commitment to NATO, who adamantly opposed any such policy uncoordinated with NATO. Germany, traditionally in the middle, publicly sided with France on WEU matters, but its degree of commitment to their joint proposal can be questioned. (Moravcsik 1999a: 64)

But more importantly, Bosnia served as a first reminder that pathological flows of destabilising events on the fringes of the member states borders would need to be dealt with by reforming SDP to account for the new reality of the post-Cold War world, since corresponding American reforms of NATO, to allow for out of area missions, would mean very little if Washington was not prepared to get involved or only sought a role thirty thousand feet above the battle ground. The West European powers thus required their own crisis management tools. 'In the new Europe 'soft security' type missions like the Petersberg tasks were becoming more important. The traditional 'collective defence' and strategic deterrence functions were becoming less important it appeared' (Laursen 2002:23). Following their experience in Bosnia and a change in Government, the British, although opposing the integration of the WEU into the EU, now came to see the wisdom of developing a separate crisis management capability and opted for inclusion of the Petersberg Tasks in to the Union's CFSP. Doug Henderson, Minister for Europe, in the new Blair Government, stated:

We are committed to making the Common Foreign Policy more effective. We would like to see improved coordination and presentation, and an enhanced planning capacity in the Secretariat... We are prepared to see the Petersberg tasks included among the issues covered by the CFSP, with the WEU implementing

decisions with defence implications. We favour improved practical arrangements so that the WEU and EU can work effectively alongside each other, as separate institutions. We regard NATO as the primary framework for common defence for all members of the Alliance (Henderson, 1997).

Dimension Two

The question arising under dimension two is: How does the reaction of the key actors compare to what Keohane and Moravcsik would anticipate as their response to the transition?

These experiences in the conflicts in the Western Balkans underlined the fact that policy formation in the West for now had remained state-centric rather than genuinely internationally co-ordinated, far less supranational. The conflict, as it turned out, was a policy success for the United States and a depressing failure for the new CFSP. Valasek (1991:1) noted that 'the U.S. initiative in Bosnia worked – making Washington, not Brussels, the major player in Balkan politics'. But the CFSP was only in its infancy and co-operation on security matters was yet to reach the mindset of EU leaders. Furthermore, the contrasting views and lack of policy co-ordination hampered true co-operation at the time.

As Keohane and Moravcsik would expect, the Member States, faced with Balkan like crisis that required collective action, sought to manage the crisis through Union institutions, and when they failed to produce the require outcome they sought institutional reforms to allow for better management of ESDP to handle crisis. This was initially attempted at Maastricht and then, when those arrangements failed to deliver the desired outcome, through a new negotiating process to reform ESDP at Amsterdam, along with a parallel NATO reform negotiation. As a result, the Member States agreed to the NAC Brussels reforms and tagged a European dimension on to it in the form of an EDI. For them this was a stopgap measure. In the light of events unfolding in the Balkans, the EU Council of Ministers instructed the WEU to begin work on a common European defence

policy.²¹³ This was all the more relevant as Washington continued to reform NATO under the Strategic Concept agreed at 1991 NATO Rome summit.

The reforms that were eventually agreed at Amsterdam were hard fought, with the process often marked by disagreement about both depth and width and how best to accommodate Washington's concerns. As Moravcsik noted, CFSP reforms depended on the maximal willingness of the British to compromise. 'The inclusion of 'Petersberg tasks' was the maximum they would accept, yet one that was made acceptable to all by providing for an opt-out on demand – through constructive abstention – and a veto' (Moravcsik 1999a:75). London particularly, often viewed as the most pro-American Member State, was cautious that SDP reforms did not displace NATO and shift the full burden of European security and defence to the West Europeans. Indeed, this was a major concern for all actors. From Keohane's and Moravcsik complex interdependency perspective, the purpose of reforms was not to replace NATO but a prudent strategy to build the Union crisis management institutions to allow Member States to act where conflict threatened welfare gains, and importantly to give them means to act where their interests or strategies did not coincide with those of the US. The new types of conflict persuaded the Americans that NATO reform was also necessary if they were to maintain an effective contribution to European security. The old alliance structure simply could not do this and was thus becoming worthless to Washington as a means to retain its hegemonic position – a position that the Member States were willing to accept, so long as it provided security and economic wellbeing. Reforming ESDP and NATO thus became a priority. ESDPR was to become the vehicle for the EU to project a viable and recognisable European alternative to American power if the Americans, for whatever reason, failed to act.

Moreover, even the usually accommodating government of John Major began to realise that a European SDP needed to be developed where America would not or could not act. 'Indeed, the first post-Cold War decade has demonstrated to many Europeans that

²¹³ *Kirchenberg Declaration* (Luxembourg, May 9 1994), <http://www.weu.int>

continued reliance on the United States for security in Europe can have significant costs. ...Washington may decide, as it did for more than three years in regard to Bosnia, that its interests are not affected by what happens in the region, even though these developments do affect European interests' (Daalder and Goldgeier 2001:79). This, for Keohane and Moravcsik, while not the whole story, was what SDPR was about – to open alternative courses of actions where the United States would not commit itself.

In summary, the rationale for SDPR is not static. What was agreed at Maastricht remained important, but the international system had changed and SDPR needed to reflect those changes. The LVA rationale for SDP reform at Amsterdam reflected a number of concerns. The EU's internal rationale was:

- to reinforce and give operational utility to a completed CFSP
- to establish crisis management tools following their failure in Bosnia
- to repair the damage to the cohesion of the Union.

The transatlantic rationale linked to the above was twofold:

- to take action where America was indecisive
- to influence Washington by having EU crisis management tools.

Of course, the Europeans were mindful of the fact that the United States retained a dominant international position, but they believed that reforms gave them the capacity to manage a crisis if the need arose. The EU official website declared at the time that:

The 'Petersberg tasks' have been incorporated into Title V of the EU Treaty. This is a crucial step forward at a time when there has been a resurgence of local conflicts posing a real threat to European security (for example, former Yugoslavia), even though the risk of large-scale conflicts has fallen significantly compared to the Cold War period. The 'Petersberg tasks' represent a very fitting response by the Union, embodying as they do the Member States' shared determination to safeguard European security through operations such as humanitarian and peace-making missions (Europa Website).²¹⁴

Following the collapse of Yugoslavia, the assimilation of the Petersberg Tasks into the Amsterdam Treaty was particularly significant as a way for the Member States to take more responsibility in international affairs. Otfried (1999:25) observed at the time that a

²¹⁴ Official site of the EU, available at: <http://europa.eu/scadplus/leg/en/lvb/a19000.htm>

progressive realisation began to take place among the Europeans that they needed to take a greater role in international politics – a role that in part corresponded to their economic power.

Understood in more explicit theoretical terms, Member States developed preferences based on issue-specific concerns (crisis management and asymmetrical interdependence) and bargained to achieve SDPR, on the basis of institutionalising those reforms. Thus, from a LVP, reforms can be understood as Member States adapting ‘to a range of specific problems triggered by the new post-1989 societal challenges: open borders and new applicants to the east, new foreign and defence policy challenges short of war...’ (Moravcsik 1999a:81) Thus, SDPR was to become the vehicle for the Member States to develop their crisis management capabilities through the institutions of the EU to handle issues that were increasingly dominating the post-Cold War world, as the line between crisis management and more traditional defence operations became increasingly blurred (Moravcsik and Nicolaidis 1998:27).

Dimension Three

The third dimension allows for Congruence testing by focusing on policy outcomes and goals: What were the goals of the main actors when contracting to proceed with ESDPR and how do they correspond to the hypothesised goals of Keohane and Moravcsik?

Keohane and Moravcsik, in dimension two, identify the key causal variable as being specifically related to the Bosnian war. In accordance with congruence procedure, the question can be put thus: Can SDPR in this period be understood as being analogous with the outcome predicted by Keohane and Moravcsik? Can we, from the empirical evidence, trace a causal link from Keohane and Moravcsik independent variable (destabilising events) to their predicted outcome (crisis management institutions)?

Keohane and Moravcsik’s hypothesis certainly seems to have a lot to offer by way of explaining the 1992-1997 reforms of SDP. Bosnia, from a member states perspective, clearly endangered the security of the Union’s peripheral states and threatened to

destabilise its borders with a large influx of refugees. While the enlargement of NATO can be read as a security reward for winning the Cold War, it did, in a certain respect, threaten to dilute the Member States' authority within the alliance. This was one of the catalysts for the ESDI. Consequently, SDP reform for the Member States can be explained as a strategy to minimise absolute security costs and maximise absolute security gains. Absolute gains are what mattered most as the security concern among the Member States was not a relevant factor, either in geo-strategic thinking, or with concern to American power. Evidently, the Petersberg tasks were designed to tackle destabilising or humanitarian crises outside the Union's own borders, not as a balance to NATO/Washington power. The ability of the member states to manage the Bosnia crisis was compromised by the Union's weak institutional framework. Amsterdam attempted to rectify this, but this could not be interpreted as a challenge to Washington's domination of European SDP. Reforms did evidence institutional building to allow for intergovernmental policy co-ordination, weak as they were. Empirically we find a correlation between what states say they are doing and what they actually do. In short, a correlation between Keohane and Moravcsik's independent and dependent variables was evidenced during this period of reform.

Haasian Neofunctionalism

Dimension One

The question arising under dimension one is: What new empirical challenges did the transition present for these actors and how do they relate to the theoretical hypothesis?

For neofunctionalists, the Bosnia conflict and the other conflicts in the Western Balkans would not, in themselves, loom as large as a challenge to the EU as these conflicts appear to neorealists or even to liberal institutionalists. For neofunctionalists, the details of military events in that region would be far less important than the maintenance and enhancement of EU political coherence and the development of the political side of the twin goals of EMU and enlargement Eastwards. At the same time, issues that would be down-played or ignored by neorealists such as the 1992 currency crisis and the failure of

the other Member States to develop an effective common response to that crisis would loom large.²¹⁵ So too would evidence of the emergence of political regimes in East Central and South East Europe hostile to the expansion of EU business in that region.

In the face of geopolitical conflicts within Western Europe or between the West European powers and the US, neofunctionalist theory would predict strong pressures from sub-national actors in the business field to mitigate these conflicts and indeed overcome them, since all such geopolitical conflict threatened the functional requirements of business expansion. In this context, neofunctionalists could cite a number of instances during this period when their predictions bore fruit. Thus, what appeared to be a very serious Franco-German dispute over Yugoslav policy in the autumn of 1991 was overcome by December 1991. Conflicts between France and Germany on the one hand, and the US on the other, over the project for a greater West European integration in the military-political field, as over the Eurocorps,²¹⁶ were also mitigated. Haasians could thus argue that throughout the period between 1992 and 1997 there were continual demonstrations of the desire to limit and manage such conflicts, even if they were not fully resolved.

They would, furthermore, predict that the greatest challenge for the member states in this period was to resolve the remaining political economic issues about the organisation of EMU and the development of a strong, coherent EU external policy towards East Central European transformation and integration following Essen.²¹⁷ Notwithstanding that there would be strong resistance on the part of the member states seeking to guard their sovereignty, neofunctionalists would have expected a continued effort on the part of EU,

²¹⁵ German insistence on keeping interest rates high to ward off inflation at home made the mark too strong for the British pound to keep up with, and the concessions offered by the Bundesbank were not enough to prevent a run in the financial markets on the pound and other weaker currencies. London was thus forced to pull out of the European monetary system. Italy also temporarily went out, and there was a run on French franc that September.

²¹⁶ Disagreement, in the first instance, arose out of lack of transparency and a certain dislike between Secretary of State, Baker and French Foreign Minister, Roland Dumas. France saw the force as the potential core of an army for a united Europe while the American's feared it would undermine NATO.

²¹⁷ FDI into CEE did increase to an estimated 5 billion by 1993, but significantly after Essen, to 19 billion by 1997 (World Investment Report 1994:98 and 1998:271).

to demonstrate its will to greater coherence and institutional development in the direction of a stronger ESDP. The Commission guardian of economic policy and enlargement would thus push for reform of SDP to handle crises by way of a more integrationist approach in the field.

Dimension Two

The question arising under dimension two is: How does the reaction of the key actors compare to what Neofunctionalists would anticipate as their response to the new context?

Notwithstanding the empirical difficulty of the Commission being absent from the SDP reform process, we can nevertheless identify instances where some Member States attempted to secure reforms that neofunctionalists would expect to see. The 1993 EU adoption of the Copenhagen Criteria²¹⁸ for establishing Association Agreements with East Central European states could be seen as a major step forward in the definition of EU external policy, giving great weight to human rights and the rule of law, both values being very important for business expansion Eastwards. During the period from 1992 to 1997 there was substantial progress in strengthening the coherence of EU policy towards the East and in placing the Commission, through the Association Agreements, at the centre of this work. Even if this could be viewed as centred in 'low-policy' fields, it was a very important new development which could be viewed as a foundation for later development of EU capacities in the more politicised fields of foreign policy. The Commission, in other words, would provide a degree of leadership over, as well as an arena for, a burgeoning transnational society (Caporaso, 1998:9).

Similarly, neofunctionalists could claim that the EU's adoption of Petersberg Tasks at Amsterdam fits very well with their theoretical orientation. Such tasks, and the instruments for carrying them out, would be very important for ensuring that if a country

²¹⁸ It should be noted that the Member States had, up until now, by way of Article 269 of the treaty establishing the European Community, excluded the production, trade and procurement of military goods and services from the European integration process.

in East Central Europe in which EU businesses had acquired a significant presence²¹⁹ plunged into a domestic crisis, the EU could respond, intervening with its Petersberg instruments, rather than leaving such intervention to ad hoc action by individual member states (as happened in the Albanian case with Italian intervention in 1997 – Operation Sunrise, a UN supported intervention). Put another way, while states may start from a power political position, they soon become oriented towards utility-functions and expertise more than at interests and power (Caporaso 1998). From a neofunctionalist perspective, there was evidence that the West European powers had recognised the necessity for them to act outside of their highly institutionalised regional setting in order not to project power, for power's sake, or to balance, but to protect economic gains from being disrupted by crises that might arise from time to time. The spillover from economics to SDP came in the guise of Article J. 7 (2), incorporating the Petersberg Tasks into the Amsterdam Treaty as called for by the most powerful business actors who had initiated a rather dramatic burst of expansion eastwards (Monod, Gyllenhammar and Dekker 1991:58-59). The functional necessity of such reform, from a neofunctionalist bent is significant, because for the first time we have the inclusion of possible military actions into what had hitherto been largely an economic entity. No doubt, the failure to integrate the WEU into the Union during the reform process was a missed opportunity, but evidence of future intentions (Article J.7 (1)) to do so, confirms neofunctionalist assumptions about the nature of spillover, if not the timeframe.

Furthermore, Article J. 2 and Article J.13 (2) also supported the spillover assumption by allowing for common strategies and constructive abstention and, with QMV, the Member States deviated from the consensus rule that prevented them from taking positive action in times of crisis. Understood from a neofunctionalist perspective, this was an organic step towards greater SDP integration; this was further advanced by the

²¹⁹ Although, by this time America was the biggest single source FDI in CEE, followed by Germany and Holland, the countries of Western Europe together account for the bulk of inward investment (World Investment Report 1998:271).

creation of the post of High Representative for Pillar Two (Article J. 8 (3), which neofunctionalists could argue was equivalent to embryonic supranational encroachment into SDP. In 1970, Haas inquired: 'how and why states cease to be wholly sovereign, how and why they voluntarily mingle, merge and mix with their neighbors so as to lose the factual attributes of sovereignty while acquiring new techniques for resolving conflict between themselves?' (Haas 1970: 610). Reforms during this period can cast some light on this puzzle. The how and why question can now be penetrated by 'integration dynamics', whereby actors are involved in a learning process, which inevitably leads to increasing demands for more integration resulting in spillover – functional, political and geographical. While states may be the instigators of reforms per se, the effect of spillover is an automatic chain within which the Member States lose some control of their national sovereignty. Or, put differently, the key 'is the emphasis on the dynamism towards integration that follows from the self-regarding activities of political actors whose 'loyalties' are defined in terms of collective perceptions of how their interests might best be served' (Rosamond 2005:241). Sweet and Sandholtz re-conceptualise spillover and come at it from the 'logic of institutionalization', but are firmly rooted in Haasian logic. They thus understand the process of reforms very much in the neofunctionalist tradition:

As European rules emerge and are clarified, and as European organizations become arenas for politics, what is specifically supranational shapes the context for subsequent interactions: how actors define their interests, what avenues are available to pursue them, how disputes are to be resolved. This creates the 'loop' of institutionalization. Developments in EC rules delineate the contours of future policy debates as well as the normative and organizational terms in which they will be decided. (Sweet and Sandholtz 1997:311)²²⁰

²²⁰ They called their approach 'modified neofunctionalism'. Their theory has important affinities with neo-functionalism. On crucial questions, they believe, Haas's attention to the relationship between global interdependence, political choice, and the development of supranational institutions is correct. They appreciate 'Haas's insight that supranational policy-making (governance) generates a dynamic process of institutionalization'. They do not, however, embrace all of Haas's neo-functionalism. Haas defined integration as 'the process whereby political actors ...are persuaded to shift their national loyalties, expectations, and political activities to a new and larger center' (Haas 1961: 367). They leave as an open question the extent to which the loyalties and identities of actors will shift from the national to the European level. For them, 'there is substantial room for supranational governance without an ultimate shift in identification' (Sweet and Sandholtz 1997:300-1).

In that context, SDPR was inevitable once the decision was made to enlarge the Union Eastward. Business actors once they defined their interests – a secure liberal democratic society – buttressed by the Union’s military instruments, the Petersberg Tasks, would lobby hard to achieve these goals (Monod, Gyllenhammar and Dekker 1991:58-59).

Dimension Three

The third dimension allows for Congruence testing by focusing on policy outcomes and goals: What were the goals of the main actors when contracting to proceed with ESDPR and how do they correspond to the hypothesised goals of neofunctionalists?

From a neofunctionalist perspective and within our four point integrationist framework,²²¹ SDP reform at Amsterdam provided the Union with two significant amendments that impacted on EU integration: the possibility for the Union to avail itself, rather than request the use, of the WEU’s capabilities, and the incorporation of the Petersberg Tasks into Article 17. Importantly, in theory these changes expanded the scope of the Union’s SDP to act. More specifically, they impacted on the operational utility of the WEU, with important changes to common interests and common decision-making rules. This was a clear breakthrough since for many years Member States had debated whether tasks with an overtly military element should be included in the organisation’s SDP. By including them, the Member States had sent out a clear message as to what they considered their common interest. The language used in Article J.7 (1) raised questions as to the possible meaning of terms like ‘peacekeeping’ and ‘peacemaking’ as the WEU itself had no established principle on the matter. Furthermore, these interests for the first time, in accordance with Article J.1 (1), seemed to have no geographical limitation as to where the EU would act. The treaty also called for the creation of a ‘*Common European Security and Defence Policy*’, but left out any mention of NATO’s Article V – collective defence. Instead, the Member States preferred to emphasise the relationship between the WEU and the EU in regard to carrying out Petersberg type actions. As discussed above, Amsterdam

²²¹ See page 40-42.

also introduced the idea of common strategies in policy areas where the Member States shared common interests. This reform was intended to help the Union span the divide between general statements of interests and the creation of more definitive policies on security issues, such as ‘common positions’ and ‘joint actions’. However, the fact remained that at Amsterdam the Member States developed the Union’s common interests to a higher standard, which required more than just marginal changes to common decision-making rules and commitments.

The common decision-making rules were less problematic than agreeing common interests. In common with NATO and the WEU, decision-making principles were based on consensus, although the Member States did endeavour to employ QMV rules to stop deadlock in certain areas of the CFSP. The Amsterdam Treaty did not, however, change the principles of the decision-making process in relation to CFSP. An undertaking to extend QMV into the CFSP process was attempted by reforming the Treaty, so that once common strategies had been unanimously agreed, the Council could proceed with majority voting for ‘joint actions’ and ‘common positions’ (Article J.13 (1)). This attempt was limited by Article J.13 (2) that allowed Member States ‘for important and stated reasons of national policy’ to block the ratification of a decision by QMV. The principle of flexibility proper was not yet extended to the CFSP. The possibility of constructive abstention that was introduced in the Amsterdam Treaty did in practice, however, allow a limited number of states to take initiatives in the CFSP field without the inclusion of all member states in the action. How this would operate remained to be seen. But the possibility of ‘coalition of the willing’ acting represented an important reform to the long-standing consensus rule. The project of creating a *command structure* under the authority of community institutions advanced marginally under Amsterdam by way of recourse to the procedures and structures of the WEU.

From a Haasian perspective, the integrative value of these reforms is hard to quantify. The real problem lay not so much in the defects of the TEU as in the political will to reach agreement and implement processes available after Maastricht. Yet, despite

these failures, the EU had reformed its commitments to streamline the effectiveness of its decision-making process and the rationalisation of its intended common interests. If the will was there, the instruments to act were now available to the member states. If they so wished they could initiate military action in defence of Petersberg type tasks through the newly attached institutions of the WEU for the first time. Its lack of military assets of course meant it was to a large extent reliant on Washington and in this respect it could be argued that policy control remained firmly with the United States, but this is not something that would greatly concern neofunctionalists. And if the Member States agreed that a certain course of action was imperative to their security they could mobilise their own military assets to respond to the challenge. Secondly, the United States could now take a step back and leave conflict management up to the Europeans if it so wished. In the past, their security concerns almost made it inevitable that if one thought it necessary to act the other was compelled to do so too, due to the intermeshing of their SDP. In this respect, while Washington's control of SDP remained strong, the Member States, as neofunctionalists would expect, began to wrestle some of that control away, albeit with Washington's approval.

Chapter Five

Hypothesis Testing: The Kosovo Crisis and the Formation of the Common European Security and Defence Policy Apparatus 1997-2000

Introduction

In Chapter 4 we analysed how our theorists sought to explain European SDP restructuring during the second phase of the reform process leading to Amsterdam. Again we evidenced variations within the neorealist paradigm that called into question the logical consistency of the school as a whole. At the same time, we also tested Keohane's and Moravcsik's complex interdependence thesis and Haas's neofunctionalist hypothesis for their power to give explanation to the process of ESDPR. Yet again this testing was performed in a positive way; in so much as we amassed the evidence in a manner that supported the hypothesis under analysis. Again we follow the same pattern with the focus now shifting to the third reform phase recorded in Chapter 2 (1997-2000).²²² We thus shift the focus to explore what each theory can suggest along the three dimensions of the process ending in SDPR at Nice:

Dimension 1: What was the strategic context in which the Member States initiated discussions and negotiations leading to the Nice Treaty?

Dimension 2: What was the actual response of the key actors to the change? How can their actions and the negotiating process leading up to Nice be understood?

Dimension 3: How can we assess the significance of the outcome of the process in the sense of the policy agreements and institutional changes that emerged?

We therefore investigate the way in which the crisis required the member states and the US to reform both NATO and the Unions new SDP to deal with patterns of conflict emanating from the Balkans. At the same time, we investigate the way different

²²² See pages 96-103.

schools interpret the empirical events and SDP restructuring from their original theoretical perspectives. Put differently, we describe, by utilising different conceptual perspectives, how theorists grappled with European security and defence policy reorganisation up to and including Nice.

The chapter is broke down as detailed in Chapter 3.²²³ The first four sections of the chapter examines how events in Kosovo exposed real variations in the distribution of power and how they may have contributed to the threat perception of the Member States when dealing with crises that, once again, required a military response that only America seemed capable of executing. The fifth part of the chapter deals with Keohane's and Moravcsik's complex interdependence thesis and how the Kosovo crisis highlight, once more, to the member states, the political and military interdependent nature of their Union, particularly if they were to autonomously execute crisis management tasks – ending in the restructuring of European security and defence policy to accommodate a new interdependent and independent (from the US) ESDP in the Nice Treaty. The final part of the chapter deals with Haas's neofunctionalist thesis and how lack of crisis management tools adversely affected the West European business actors who had a preparatory financial stake in ensuring that the region remained free of conflict.

Waltzian Neorealism

Dimension One

The question arising under dimension one is: For Waltz, what new empirical challenges did the transition present for these actors and how do they relate to his theoretical hypothesis?

Less than two years after the Bosnian Dayton peace settlement, ethnic tensions in neighboring Kosovo increased, leading to new calls for renewed action on the part of the West European powers to solve the new Balkan problem. As the crisis in Kosovo unfolded the member states, once again, found it harder to resist American policy or offer a

²²³ See paragraph 3 page 114.

European solution. This was all the more painful for the Member States as they realised that the crisis was in part due to the American conflict resolution process at Dayton, which failed to address the status of Kosovo that had, until 1989, been an autonomous province within the Yugoslavian federation. In other words, failure at Dayton almost guaranteed that the 'Balkan Question' would again be revisited on the Member States in the near future. By the summer of 1998 the unrest reached crisis point, as violence erupted following the same pattern witnessed in Bosnia.

Within a Waltzian perspective, the context in which the EU states launched SDPR was dominated by the Kosovo crisis or, more specifically, America's response to it, with its drive to launch a NATO military attack on Serbia. This would be interpreted by Waltzians as a wake-up call for the West European powers to take more vigorous action to tackle unbalanced American power and thus to prevent Washington's possession of unfettered power in international politics, and more specifically in the European region.²²⁴ The obvious difficulty with the Waltzian interpretation of the Kosovo crisis, however, is the impression that the West European powers, far from balancing against the American push against Serbia, bandwagoned with it. On September 23 1998, the UN Security Council agreed a resolution demanding that all hostilities in Kosovo stop and that, if not complied with, additional measures would be taken to maintain or restore peace and stability in the region.²²⁵ For Washington, this resolution gave the green light to act; yet it was not opposed by France or Britain on the Security Council.

Moreover on October 12, the West European states went along with American demands and approved an activation order authorising air strikes against Serbia. The strikes were in fact averted when Holbrooke struck an agreement with Milosevic to allow a Verification Mission of 2000 unarmed personnel, under the auspices of the OSCE, into

²²⁴ Out of Kosovo and Nice some commentators have suggested that, notwithstanding America's relative power, 'If the U.S. has an imperial rival today, then the E.U. appears to be it' (Ferguson 2003).

²²⁵ UN Resolution 1199 - later held up as proof by the British and sometimes by the Americans that UN authority was granted, despite a consensus to the contrary.

Kosovo to oversee withdrawals of troops and police from the region. The British welcomed the agreement, but warned that the crisis 'is not over yet' and insisted that NATO must remain on standby to force Milosevic to implement the agreement. Blair believed the agreement was only possible using diplomacy backed up by a credible use of force. And Cook thought, 'the only way to ensure Milosevic keeps his promises is to keep the credible threat of force hanging over him' (Xinhua News Agency 13/10/1998). Vedrine welcomed the agreement but also cautioned Germany, Britain and Russia, to be 'vigilant and united' (Reuters 13/10/1998). This statement could be read as ambiguous, above all because it implied that Russia should be treated as integral to all decisions. But Germany's outgoing Defence Minister, Volker Ruehe, stated that 'the Western allies' united position including the Cabinet decision to send German soldiers, was key to winning the agreement' (AP Online 13/10/1998).²²⁶ This could be read in two ways: a general consensus had now been reached about the interpretation of the crisis or an endorsement of a US assertion of power over Kosovo.

Furthermore, the immediate pretext for the NATO attack was the failure of the Serbian government to reach agreement with the Kosovar Albanian nationalists and with the Western powers at the Rambouillet Conference in early 1999, a conference chaired jointly by France and Britain. During the Kosovo war itself, French Foreign Minister Vedrine bluntly asserted that he wanted to get away from the old impression '...still held by some, that our relations are a zero- sum game where the Americans are trying to impose

²²⁶ The outgoing centre-right government of Kohl was divided over whether action should be taken without an explicit UN mandate and, with Schroder's incoming centre-left having traditionally argued that acting without UN approval would be a violation of international law, Clinton was finding it hard to present a united front to Moscow and Belgrade. In the end, Schroder's Social Democrats did support action on the legally unsound September 22 resolution. Speaking after his first meeting with Clinton, Schroder warned Milosevic that: 'We cannot permit a situation where in Kosovo we see a catastrophe producing itself with refugees suffering all over the place. ...If the Yugoslav president thinks he can depend on doubting the German position and readiness to act together with the international community, he's making a big mistake. We will take a meaningful position, but first inform ...(Milosevic) of that and then the public. ...If we are talking about who is to blame and who is responsible, then (Milosevic) certainly is the one solely responsible for any future action taken. A new German government or any government does not have a vested interest in going into war in Kosovo. But certainly I find it very important to reveal a certain degree of decisiveness here that if action is needed and ... Milosevic doesn't comply ... that the resolution and the decisiveness amongst us is there' (AP Online 9/10/1998).

their global strategic imperatives and the Europeans simply trying to thwart Washington whenever they get the chance. There is no truth in any suggestion that the United States somehow imposed its own agenda on Europe or that the Europeans ran to the Americans for help' (International Herald Tribune, 20/04/1999). This Vedrine statement could be read as the bluntest possible challenge to a Waltzian perspective, which would precisely view the relationship in zero-sum terms. Waltzians can make two responses to this. First, they can argue that behind the apparent NATO unity there was, in reality, an intense conflict between the European powers and the United States, in which the Clinton administration successfully manipulated the European powers into the war. Waltz could also claim, in an apparent contradiction to his general thesis, that: 'Balancing among states is not inevitable. As in Europe, a hegemonic power [America] may suppress it' (Waltz 2001:36). Nevertheless, at the same time, Waltzians can also claim that West European balancing through building the ESDP came in response to this US manipulation and was organised during the war itself.

From this angle, the September 1998 UN resolution could be viewed not as giving the US *carte blanche* but as an incongruous compromise, resulting from pressure within the UNSC against an American attack: the resolution was more a warning to Milosevic and not a statement of intent to attack. The United States ultimately was forced to bypass international institutions, laws, and bilateral agreements, such as the principles of the NATO/Russian Founding Act, to attempt to assert its supremacy through NATO. France and Germany wanted the crisis to be resolved within the framework of the UN—to at least give the impression that American power could be reigned in. Washington, sensing that the Security Council would never agree to strikes, thus took the legally dubious position, backed by London, that it did not need Security Council backing for military action in Kosovo. This approach was to let the West European powers and Russia blatantly know that the United States was aware of its ability and prerogative, as they saw it, to impose an American solution to the crisis unilaterally. London, from a Waltzian perspective, while undoubtedly concerned about American power, took a different strategy, accepting an

American military solution but also attempting in the long-term to build an alliance with the wherewithal to confront or replace American power when the need arises in the European region.

Ignoring their allies' doubts and concerns, Washington pressed NATO's EU allies to authorise the use of force. Some continued to hold out against this move, in favour of trying again to negotiate with Milosevic or, failing that, securing Security Council agreement by persuading Russia to accept the use of force by UN resolution. This outcome was, however, unlikely. For one thing, America's erstwhile allies had been sending out mixed signals about the need for a UN resolution to authorise force—a resolution Milosevic calculated that Moscow would veto in the Security Council. The German Defence Minister Volker Ruehe was of the opinion that NATO could act without UN mandate, but he stated: 'Certainly it would be ideal to have a UN mandate for an active intervention in Kosovo' (Reuters 06/14/1998). However, the German Foreign Minister Klaus Kinkel was of the opinion that '...a U.N. mandate was 'essential' for any potential NATO deployment within Kosovo itself or its air space' (Ibid.). France backed the use of force with UN authorisation, but by October 1998, the French seemed to have made a policy shift that opened the possibility of NATO action without UN approval or Russian consent. Vedrine announced '...it was possible there could be military action against Serbia without a new Security Council vote and even if Russia sought to veto the operation' (Reuters 2/10/1998). Britain decided that NATO action was possible, but played down suggestions that some EU members would seek further UN authorisation. British Foreign Secretary Robin Cook argued, somewhat disingenuously, that the September 23 resolution was good enough for NATO to act within international law. He side-stepped suggestions that Russia was ready to use its veto to oppose NATO action, by stating that '...we already have a Security Council resolution. It was actually a resolution that Russia voted for' (Reuters 06/10/1998). The Americans, by now, however, dropped the claim that the UN had given approval for NATO action and were on the verge of declaring unilateralist policy. State Department spokesman James Foley a week earlier had

'reaffirmed the U.S. view that no Council action would be required for NATO to take military action but that any Council statement in support of NATO's determination to act would be welcome' (AP Online 30/09/1998). The British wanted it both ways – to keep up the pretence that it was acting within international law so as not to embarrass Cook who, when he took office, publicly ushered in a so-called ethical era of British foreign policy and give the illusion that the West European powers remained relevant, even if that meant for now supporting America against fellow EU member states.²²⁷

During the Kosovo crisis, Waltz's old warning that unbalanced power, whoever wields it, will come to be exercised without constraint came to fruition. As major powers acting alone, the Member States could only make marginal inroads into American foreign policy, but as a collective, they could seek to balance. America's response to the Balkan crisis and their experience on the ground in Bosnia brought home to the Member States, including Britain, the realisation that they would have to contemplate deeper more comprehensive reforms of ESDP to achieve just that—we thus evidence St Malo and then its integration into the Nice Treaty. As Posen (2004a:2-7) pointed out:

The EU is balancing against US power, regardless of the relative low European perception of an actual direct threat emanating from the US ... This will have important implications for transatlantic relations, as allies that are prepared to look after themselves, and know it, will prove even less docile than they have already proven. US strategists and citizens should thus follow carefully the EU's efforts to get into the defence and security business.

For Waltzians, this period of reform presented the Member States with a classic neorealist dilemma – American power needed to be balanced and balancing which, for Waltzians, is just what the Nice Treaty was about.

Dimension Two

The question arising under dimension two is: How does the reaction of the key actors to the context in 'dimension one' compare with what Waltz would anticipate as the main process, which the context would set in train?

²²⁷ Of course London could and did argue that ethical principles superseded international law.

Kosovo, from a Waltzian perspective, demonstrated to the West European powers the dangers of unbalanced power. This realisation, even before the bombing of Kosovo started, forced the two most military powerful member states to reassess SDP co-operation. The resulting co-operative framework agreed between St Malo and Nice was, for Waltzians, the start of a more overt balancing than that at Amsterdam. Regardless of London's continued attachment to the so-called special Anglo-American relationship, this period of reform highlighted the fact that the Member States were no longer content with American domination. And there is evidence of widespread European alarm over the Clinton administration's drive for war. One senior German official said in November 1998, 'there seems to be very little willingness to treat the Europeans on an equal footing. Our impression is sometimes that Americans prefer to cut us out and that they are no longer capable, intellectually speaking, of being part of a team' (NYT 10/11/1998). When Washington unilaterally appointed William Walker to head the OSCE mission in Kosovo, the British Foreign and Commonwealth (FCO) protested to the National Security Council. One European official complained that: 'We provide two-thirds of the expense and the personnel, and then the appointment is made with almost no consultation' (NYT 10/11/1998).

Blair's Portschach declaration, that a ESDP was now necessary for the Union, can also be read as the start of British moves towards balancing US power through providing the Member States with an ESDP – originating out of frustration with Washington's unilateralism dating from Dayton and reaching its zenith during the run-up to the Kosovo crisis when it became apparent to London that there were contrasting opinions on how best to solve the crisis. Actually, during a press conference at Portschach between 24 and 25 October 1998, Blair was already hinting at a change of British policy:

...in respect of common foreign and security policy, there was a strong willingness, which the UK obviously shares, for Europe to take a stronger foreign policy and security role...we all agreed it was important that Europe should be able to play a better more unified part in foreign and security policy decisions...people want to see Britain engaged with key arguments in Europe and as Kosovo has brought home to us, it is right that Britain and other European countries, as part of Europe, play a key and leading role and that we enhance our

capability to make a difference in those situations. ... A common foreign security policy for the European Union is necessary, it is overdue, it is needed and it is high time we got on with trying to engage with formulating it and I think that people were pleased that Britain came to this with an open mind and was willing to participate in the debate and I think it is important that we do that (Blair 1998).

The sea-change in British policy arose out of their experience on the ground in Bosnia, and the years between Dayton and Nice (1996-2000) contributed further to the realisation that the Member States desperately needed to develop the Union's institutional capacity to manage international crises and American power. The change was all the more remarkable since less than five months earlier Cook had claimed that he did not envisage the EU becoming a defence organisation: 'we will be working for better co-operation between the EU and the WEU but not for merger between them' (Telegraph 3/10/1998). Both the British and the French had a meeting of minds on the urgent need to develop the EU's military capabilities. Thus, between St Malo and the Nice European Council in December 2000, the whole security constitution of the EU was remodelled to form what in Waltzian terms would be a kind of power bloc project.²²⁸ Within a Waltzian perspective, the St Malo green light highlighted just how seriously the French and British now took the need to balance. For the first time since the end of the 1940s, NATO under US leadership would not have exclusive control over collective military-security policy in the West European zone. The Blair-Chirac St Malo Declaration in December 1998 seemed a dramatic move by London towards a new balancing initiative. When the bombing started this only added to the urgency of reforms. The French and Germans had long pressed for this project, announcing the establishment of a RRF and their commitment to a CESDP, but London had sought to keep the Americans appeased. Yet now London also understood the dangers of unbalanced American power. For America, the new institutional innovations as understood by Bolton (1999:3) were a means to recapture Europe's independence and dispense with America if the Member States so wished. This, as

²²⁸ But not of the neofunctionalist bent; any European security architecture would have to be for the French and British politically intergovernmental.

interpreted from a Waltian perspective, was alliance formation to balance American power.

As the crisis continued, late in January 1999, America and Russia bilaterally insisted that the two sides stop fighting and meet at Rambouillet in France on 6 February to negotiate a peace settlement by no later than 19 February. Within a Waltian perspective, with the Member States now set for the first time to exhibit unified actorness, the Americans became concerned about the possibility of a Europe destined to change the balance of power to the detriment of American influence. Consequently, with the EU primed to become an international security actor the United States had a number of choices. The two most important were: either to base its decision to launch airstrikes in pursuit of its own national interest – the maintenance of hegemony in Europe,²²⁹ which would mean sinking the talks at Rambouillet; or to protect the regional interests of its EU allies in relation to security actorness and to respect the concern of many of them to remain within the principles of the UN Charter, particularly on the question of sovereignty and military aggression. Albright wanted international support for her definition of what sovereignty should mean in this particular instance.²³⁰ ‘Great nations who understand the importance of sovereignty at various times cede various portions of it in order to achieve some better good for their country. ...The way we are all operating as a global community means that we are looking at how the nation-state functions in a totally different way than people did at the beginning of this century and will be doing at the beginning of the next’.²³¹ Sovereignty is not as fluid a concept as Albright was trying to sell to her European allies and, in any case, she was not advocating that her vision applied to America, it was for other countries to surrender their sovereignty, not the hegemon. By

²²⁹ It is conceivable that the American interpretation of national interests also coincided with a conviction that Milosevic could only be stopped by force.

²³⁰ According to Albright, American foreign policy had not changed in more than 200 years and the goals remain the same: security, prosperity, and freedom. Albright tests American policy through five prisms, Vision, Pragmatism, Spine, Resources and Principle, concluding that ‘freedom is America’s purpose’ in the new international system. (Albright 1998).

²³¹ Secretary of State Madeleine K. Albright, Press briefing following meeting with Contact Group on Kosovo, Kleber Centre Paris, France, 14 February 1999
<http://secretary.state.gov/www/statements/1999/990214a.html>

bombing Yugoslavia the Americans had ignored precepts 4 and 6 of the NATO-Russian Founding Act – ‘respect for sovereignty, independence and territorial integrity of all states’ and ‘prevention of conflicts and settlement of disputes by peaceful means in accordance with UN and OSCE principles.’²³²

Furthermore, at Rambouillet, the United States sought to wrestle control of the negotiating process from Paris and London, by seeking complete military and political control of Kosovo by NATO, and de facto military control of the rest of Yugoslavia. ‘It has been speculated that the wording was designed so as to guarantee rejection. Perhaps so. It is hard to imagine that any country would consider such terms, except in the form of unconditional surrender’ (Chomsky 1999:2-3). By the deadline both sides walked away without agreement being reached. In a speech launching the war (March 24) on Yugoslavia, Clinton said, ‘We act to protect thousands of innocent people in Kosovo from a mounting military offensive. ...Ending this tragedy is a moral imperative.’²³³ Happily, for Washington, that moral imperative also coincided with the self-interest of American foreign policy—its continued hegemonic rule over European security affairs, preventing, for now the possibility of the West European powers from forming an alliance to balance American power. The French Foreign Minister, when asked about United States influence over its European partners and French anti-Americanism, was not going to be drawn into a diplomatic tiff with Washington. Anyhow, Paris, if it wanted to be seen to act independently of US pressure, could hardly publicly criticise Washington while French planes flew sorties over Belgrade.

From a Waltzian perspective, this public display of unity during the war amounted to nothing more than a facade, preserved by the French to ensure that the joint project of Europeanist alliance formation could not be jeopardised by a split within the European

²³² At first, UN Secretary General, Kofi Annan supported NATO taking action (NYT 29/01/1999), but as the bombing continued he seemed to back away and criticised the United States for taking military action without Security Council approval (NYT 19/05/1999).

²³³ President Clinton Address to the Nation, Washington, DC, 24 March 1999.
http://www.state.gov/www/policy_remarks/1999/990324_clinton_nation.html

Union into pro and anti-American camps. This meant that it was preferable to give the impression of Atlantic unity.²³⁴ For Waltzians, the Defence Capabilities Initiative (DCI), the new Berlin Plus agreements and new NATO 'Strategic Concept' were simply a means to ensure that ESDP remained within Washington's control, while paradoxically, for the Member States it represented change and the genesis of an EU military institution that could now not only operate outside NATO but come to challenge it as Europe's primary security provider.

American concerns, during the Cologne, Helsinki, Feira and Nice summits that a European caucus would develop from enhanced Union military capabilities, only compounded the Waltzian view that balancing was taking place. At Helsinki this belief was reinforced when the European Council launched the notional CESDP on to a political footing. ESDI, an American idea, about burden sharing, was being turned into a Franco-European project to restructure the alliance with two equal pillars, the ambition being to balance America power. In short, the establishing of PSC, EUMC and the EUMS epitomised the continued abstraction of European security from American domination and thus corresponded to what Waltz would predict as a response to the transition.

Dimension Three

The third dimension allows for Congruence testing by focusing on policy outcomes and goals: What were the goals of the main actors when contracting to proceed with ESDPR and how do they correspond to the hypothesised goals of Waltz? In accordance with congruence procedure, the question can be put thus: Can SDPR in this period be understood as being analogous with Waltz's predicted outcome?

On 10 June, 78 days after the war commenced, NATO suspended airstrikes on evidence that Serb forces had in fact begun withdrawing from Kosovo. The West European powers were acutely aware that the cohesion of the Union was at stake, but more

²³⁴ The French were also concerned about EU-Russian relations, so much so that Paris was convinced that NATO should not press its military action against Yugoslavia past what was acceptable to Moscow.

importantly they now grasped the need to rebalance the Atlantic alliance. Matveyev (1999:1) observed that: 'NATO's war in Yugoslavia manifested in a most graphic manner the new nature of the political system existing on this planet. Lying in ruins are the foundations of international law and political trust, which seemed so firm only yesterday. Based on the UN Charter, the international law proved too narrow to contain the global aspirations animating the new Goliath, the United States of America.'²³⁵ Whereas the Member States and the United States presented the war as a humanitarian imperative citing *Jus cogens*²³⁶ as justification, Yeltsin understood the Kosovo war as American post-Cold War diktat:

The Americans found it necessary to stimulate North Atlantic solidarity by any means. They also felt threatened by the crisis in post-war values. They were afraid of growing strength of European independence—economic, political, and moral. For these reasons, they resorted to war. ... This is an attempt by NATO to enter the twenty-first century in the uniform of the world policeman' (Yeltsin 2000:258).

One of the main goals behind United States policy in Yugoslavia, notwithstanding so-called humanitarian aims and the belief that Milosevic must be stopped was, as in Bosnia, to ensure United States hegemony on a pan-European basis.²³⁷ By reinventing NATO as the moral guardian of Europe, Washington hoped to achieve this.²³⁸ The West European powers, on the other hand, found their policy complicated by trying to present a common front on the crisis and their supposed commitment to international institutions. Whereas NATO's intervention in Bosnia was by UN resolution, however loosely defined, no such authority was given this time, or for that matter asked for.²³⁹ Kosovo tested the

²³⁵ For a debate on American foreign policy after Kosovo see Podhoretz (1999) and for a response to Podhoretz see Muravchik, Ledeen and Kirkpatrick (2000) *American Power - For What?*

²³⁶ Refers to a set of principles or norms in international law that outweighs others.

²³⁷ Whether or not there were any truly humanitarian motives is a moot point. They are not, however, the emphasis of the theories with which we are dealing, but insofar as they were cited as reason for action we will address them in that context, without assigning any value judgment as to states motives per se.

²³⁸ If, as is widely reported, the United States became involved for humanitarian reasons then neorealist theorists would have some explaining to do. See Rieff (1998).

²³⁹ The UN resolution of 23 September 1998 calling on all sides to stop the fighting was militarily enforceable, but importantly it did not explicitly authorise NATO action. In any event, although Russia signed the resolution, Moscow argued that another resolution would be required before military action could be undertaken.

new security architecture supposedly based upon international rules and norms that the West European powers were thought to hold dear.

At the same time, Waltzians would stress the centrality of the processes launched by St Malo, when the British government under the leadership of Tony Blair revised traditional British policy of opposing an institutionally stronger SDP function for the EC/EU, lest it been seen as a challenge to NATO. St Malo to Nice, from a Waltzian perspective, was thus evidence of tentative alliance formation in opposition to American power. According to Bolton²⁴⁰ (1999:1), although the United States has:

attempted in recent years to treat the emerging "European Security and Defence Identity" as entirely consistent with and supportive of the Atlantic Alliance, we can no longer realistically accept this analysis. A true ESDI would mean the end of NATO as we know it as a military organization, a fragmentation of trans-Atlantic political cooperation, and could quite possibly spill over into harmful economic conflict as well.²⁴¹

In a similar vein, Peter Rodman (1999) warned that the real point of contention:

is the emergence of the United States as the sole superpower—and Europe's reaction to it. Where Americans, understandably, are quite comfortable with this outcome, Europeans—on the continent where the concept of the balance of power was invented—see this imbalance as a major international *problem*. Rather than joyfully falling in step behind our global leadership, they are looking for ways to counter our predominance'.

Bolton saw this as the basic policy drive behind the TEU, St Malo and Summit Declarations. 'Now the EU is shaping not only a new identity in foreign and security policy but also new institutions' (Bolton 1999:3). Bolton further warned that their motivation was to recapture Europe's independence from the United States and that this is apparent from statements coming out of European capitals.

The French, as usual, state it in the most melodramatic terms -- warning darkly of the "risk of hegemony" by the United States the new "hyperpower." But the French are not the only ones.²⁴² Former Dutch Prime Minister Wim Kok spoke of

²⁴⁰ Was a key hawk in the current Bush administration.

²⁴¹ Access to Congressional testimony by John Bolton; Peter Rodman; Simon Serfaty; Ian Duncan Smith and Elmar Brok on European Common Foreign, Security And Defence Policies to the Committee on International Relations, House of Representatives, 10 November 1999 can be found at: http://www.house.gov/international_relations/106/full/106first/fullhear.htm

²⁴² In fact it has been pointed out that 'the United States is already regarded by much of the world as an overbearing 'hyperpower' ...insisting on a division of labour that assigns Washington the main international security role to the exclusion of others is unlikely to be popular among its allies' (Daalder and Goldgeier 2001:72).

CFSP as a way to make the EU more of a "counterweight" to the US; our British ally Tony Blair, as well, has advocated European defence institutions as a way to lessen dependence on the US... The new EU procedure, in contrast (at least in some Europeans' minds), will enable Europe to dispense with the Americans, "if it wishes." That seems to be, indeed, its whole point' (Bolton 1999:3).

Croft, Howorth, Terriff and Webber (2000:6) disentangle the empirical puzzle

thus:

Since Kosovo, however, the gradual creation, inside the Alliance, of a stronger and more autonomous *European* security capability has emerged not just as a NATO military project, but also as *an EU political project*. The Cologne Council in June 1999 and above all the Helsinki Council in December 1999 launched the notion of a Common European Security and Defence Policy (CESDP) as an inherent part of the EU's long-term political agenda. To that extent, there is a clear differentiation between ESDI and CESDP which is not often appreciated by commentators. The idea that Europe should play a role in security more commensurate with its size and resources has been promoted in different forms on both sides of the Atlantic. In the United States the main focus was always on "burden-sharing", while in Europe, much of the driving force has been generated by France, whose long-term ambition of creating a more *balanced* Alliance, structured by two more or less equal pillars, has created a veritable consensus across the French political class. Burden-sharing referred primarily to resources, leading United States political and strategic leadership unchallenged. ESDI is, at one level, merely the latest version of burden-sharing. However, the "Franco-European project" was predicated on the assumption that balance involved not only resources and military tasks, but also political influence and diplomatic leadership. CESDP therefore goes much further than ESDI in positing not only the necessity but also the legitimacy of some relatively autonomous measure of European security policy.

Of course from a Waltzian point of view, the new CESDP meant alliance formation to balance American power. However, if Waltz's independent variable (US power) were to lead to balancing, his critics would argue that the overwhelming demonstration of American military power during the Kosovo crisis should have initiated the Member States to do so pretty convincingly. St Malo, not an official ESDP agreement, Waltz would counter was persuasive evidence of the birth of an alliance to balance American power—balancing having no explicit temporal movement. In support of a Waltzian perspective on embryonic European alliance formation, the decisions on rapid defence policy integration among European states look impressive.

Helsinki had launched a number of key institutional frameworks (PSC, EUMC and the EUMS) for ESDP that had been set out at Cologne.²⁴³ This institutional base was an important step forward for the EU that had hitherto been seen as a bit player in international relations.²⁴⁴ The new committees gave the EU the political framework to develop, in the long-term, internal cohesion in the area of SDP among the EU states.²⁴⁵ The Feira European Council summit adopted the Helsinki Presidency Conclusions that, in many ways, demonstrated the difficulty that the Member States would encounter when trying to reform the Union's SDP without over alarming the Americans, the non-EU European NATO members and the nine other EU accession candidates which were not members of NATO.

Aware of their weaknesses, Europeans express determination to modernize their forces and to develop their ability to deploy them independently. Europe's reaction to America's Balkan operations duplicates its determination to remedy deficiencies revealed in 1991 during the Gulf War, a determination that produced few results. Will it be different this time? Perhaps, yet if European states do achieve their goals of creating a 60,000 strong rapid reaction force and enlarging the role of the WEU, the tension between a NATO controlled by the United States and a NATO allowing for independent European action will again be bothersome (Waltz 2000:23).

²⁴³ See Annex 1-V at: <http://ue.eu.int/Newsroom/LoadDoc.asp?BID=76&DID=59750&LANG=1>

²⁴⁴ While this may seem to buttress neofunctionalist claims it does so only superficially, since Helsinki remained a triumph of intergovernmentalism over supranationalism as power lay with the national ministers in the General Affairs Council.

²⁴⁵ An extensive analysis by Jolyon Howorth of European integration and defence led him to conclude that 'now that a new raft of CESDP committees has been established, this process of Brussels-based intergovernmentalism is likely to intensify. In the formulation of policy, it is bound to lead, sooner or later, to a new balance within the intergovernmental framework, between national capitals and their Brussels-based permanent representatives. It was not by accident that intergovernmentalism decided to give precedence to the ministerial General Affairs Council, in which the specific concerns and the political initiative of national capitals remains paramount. But now, as four separate clusters of permanent representatives (COREPER, iPSC, Policy Unit, EMS) get to know one another and 'consociationalise', it is hard to imagine that they will not assume an increasing tendency to develop a collective ethos of their own and to generate transeuropean perspectives on CFSP and CESDP. While this need not automatically lead to tensions with the national capitals, it is almost certain to lead to a relativisation of the roles of foreign ministries. France in particular is very sensitive to this, and Foreign Minister Hubert Védrine misses no opportunity to insist that what is being forged is a *common* foreign and defence policy and not a *single* one. At the same time, much of the implementation of the CFSP, especially since the Kosovo crisis, has been assumed by the Commission. We are already witnessing a new and rather different version of the old battle between intergovernmentalism and supranationalism. With the profusion of Brussels-based organs of intergovernmentalism, is it time to coin the expression 'supranational intergovernmentalism'?' (Howorth 2000:18).

According to Waltz (1979:126), states will balance against any disequilibrium, to restore the balance of power. Here thus Waltz would surely argue that what we were witnessing was an impending Europeanist challenge to US control over European security politics.

Mearsheimerian Neorealism

Dimension One

The question arising under dimension one is: For Mearsheimer, what new empirical challenges did the transition present for these actors and how do they relate to his theoretical hypothesis?

Mearsheimer's stress on America's off-shore balancing role in Europe would lead him to downplay both the interpretation of the US-led war against Yugoslavia as a hegemonic drive for US dominance in Europe and the interpretation of the new ESDP process as a collective European balancing project. In his view, the most favourable situation in Europe, for the US, is for there to be two or more major powers who direct their attention towards one another thereby distracting them from forming alliances against the United States.

If there is a rough balance of power among Europe's great powers, there is no need for America forces to be deployed on the continent since there is no threat of a hegemon. If a potential hegemon emerges in Europe, the initial response of the United States is to pass the buck to the other European great powers so they do the hard work of balancing... (Mearsheimer (1998:225).

By leading on Kosovo, the US prevented both any alternative regional coalition asserting leadership on Yugoslavia and a damaging split between European states on the issue. This was achieved, in the first instance (Bosnia), according to Mearsheimer (1995b:16) by torpedoing two peace plans while endorsing none, thus infuriating the Europeans, who then demanded that the US propose and support solutions of its own.

At the time, Mearsheimer debunked the Clinton Administration's claims that it had made progress toward bringing peace to Kosovo, telling us, 'don't believe it', that the deal arranged by Richard Holbrooke was likely to fail. Then, in the same editorial

comment, while offering a solution to the crisis, he made it clear where the West European powers stood in the international pecking order. 'As a carrot, the United States could guarantee Serbs leaving Kosovo safe passage to their new homes and compensation for their loss of property and jobs. *We could lean on our European allies to help create a fund for that purpose*' (Mearsheimer, NYT 19/10/98). The Europeans, in other words, would pay for the peace and presumably police it also, once the Americans had decided what form it took. The solution to Kosovo, according to Mearsheimer, was an American forced 'partition'. 'There are only three other options in Kosovo: endless ethnic conflict and retribution, allowing Serbs to win the struggle and cleanse Kosovo of Albanians permanently, or allowing the Albanian Kosovars to do the same to the Serbian minority. Partition is clearly better than any of those unacceptable choices' (Mearsheimer 2000: 137).

On power relations, Mearsheimer (2004:187) would stress that 'the ideal situation for any great power is to be the only regional hegemon in the world. The state would be a status quo power, and it would go to considerable lengths to preserve the existing distribution of power'. Thus, for him, by America taking control of the crisis, a European leader, a historically revisionist state like Germany, would be prevented from dominating the crisis and rising, even if that meant acting in concert with the potential hegemon. At the same time, a Mearsheimian view of St Malo would stress its purely Anglo-French character (arguing as he does that a regional balance against Berlin is the likely outcome of the post-Cold War system) offering these powers the initiative against Germany which was notably absent from the agreement. Reforms, from a Mearsheimerian perspective, were thus about first controlling and then balancing latent Germany power and not, as Waltz would argue, about balancing American power.

Dimension Two

The question arising under dimension two is: How does the reaction of the key actors compare to what Mearsheimer would anticipate as their response to the transition?

St Malo, for many, represented the genesis of ESDP proper and in analysing it from different theoretical perspectives it could be rationalised thus. However, for Mearsheimer, the most salient aspect of the agreement was the absence of Germany. This, for him, provided the evidence to support his thesis that SDPR reflected the necessity of regional balancing. Regardless of the perceived benign structure of power between the Member States, danger lurks large. Mearsheimer warns that such structures are not sustainable. 'The most likely scenario in Europe is an eventual American exit coupled with the emergence of Germany as the dominant state. In effect the region will probably move from its present bipolarity to unbalanced multipolarity, which will lead to more intense security competition among the European powers' (Mearsheimer 2001a:47). In that context, and anticipating an eventual American withdrawal, once France and Britain had agreed SDPR, they could then turn their attention to bringing Germany along, even if that meant institutionalising the St Malo agreement to lock Berlin into a greater Europe where its latent military power could be managed.

Croatia had evidenced that Berlin was perhaps considering an attempt at regional hegemony. Bosnia could be viewed as a German-American combination to decisively weaken Serbia and at the same time sideline French and British interests in the conflicts in the Western Balkans. Paris and London sought at St Malo to send a quiet message to Berlin that any renationalisation of SDP would result in an Anglo-French alliance to balance any such intentions. It could also be read as Paris and London signalling to Washington that they were not prepared to accept a US-German condominium on European security matters. The accommodating rhetoric of preceding summits, culminating in the Nice Treaty, was designed so as not to snub Germany. But within Mearsheimerian perspective, this was little more than window dressing to prevent Berlin from renationalising its SDP.

Dimension Three

The third dimension allows for congruence testing by focusing on policy outcomes and goals: What were the goals of the main actors when contracting to proceed with ESDPR and how do they correspond to the hypothesised goals of Mearsheimer?

In accordance with congruence procedure, the question can be put thus: Does Mearsheimer's independent variable (regional imbalance) lead to his predicted dependent variable—regional balancing by London and Paris to prevent the rise of Germany as regional hegemon (US as offshore balancer)?

The body of evidence presented here makes it hard to support this thesis. For one thing, Mearsheimer's critics could argue that if its destination were regional hegemony Germany would not have signed up to Nice. Furthermore, Germany was just as concerned as Britain and France about the lack of military clout the EU could bring to bear on the Kosovo conflict as evidenced by the Berlin/Paris agreement to boost the EU's defence role by remodelling their Euro-corps military unit into a European RRF. This was another policy choice Berlin would not have taken had regional hegemony been its intention. Its aim, along with that of France, was the re-emergence of a strong regional group where European, as opposed to German influence, was the strategic ambition. And all saw SDPR as a means to managing international crises without depending on the US. In so far as Mearsheimer's independent variable is present in the EU regional system, the evidence suggests it did not motivate the Member States to form regional balances, none having been formed. For Mearsheimer, however, this misses the point; his critics are confusing cause and effect. The consequence of German power forced an Anglo-French response at St Malo that excluded the Germans, but within the regional setting the best way to contain German power was to pre-empt it by bringing it under the influence of the member states. Yet what is lacking in this perspective is any evidence that German leaders were other than enthusiastic about the Anglo-French initiative to build a strong ESDP. The Americans, furthermore, had it in mind that the EU would takeover responsibility for peacekeeping in

Kosovo once the conflict was brought to an end, as tying down US troops in the Western Balkans would not be the smart thing to do lest it set a bad precedent for further conflicts. 'We cannot afford to tie our military down doing police work. The world is full of civil wars, and the whole American military could soon be committed to peacekeeping if we made a general policy of such deployments' (Mearsheimer 2000:134). In other words, he was advocating a strict policy of offshore balancing. In effect, the US should follow a '...buck-passing strategy – remaining on the sidelines while getting others to bear the burden of deterring or fighting aggressors – until it could no longer do so safely. Unless the realist patterns of behavior change radically, the future of U.S. military commitments to Europe ...can thus be expected to hinge on whether a potential hegemon emerges ... that can be contained only with American help' (Mearsheimer 2001a:46-7).

Wohlforthian Neorealism

Dimension One

The question arising under dimension one is: For Wohlforth, what new empirical challenges did the transition present for these actors and how do they relate to his theoretical hypothesis?

Within a Wohlforthian perspective, Kosovo provided the West European powers with proof, if it was needed, that the overwhelming power of the US could not be balanced. The Americans bounced their European allies into a war without UN approval, despite their repeated declarations of respect for UN principles and UNSC mandates. France, the one EU country willing to oppose United States hegemony, now realised the reality of power relations, took military action against a traditional (pre 1945) French ally under American leadership. In other words, the only course of action open to them was to bandwagon—and this could be effectively achieved only by buttressing their NATO commitments with practical military capabilities broadly in the service of a unipolar world order. For Wohlforth, America's role is predetermined by power disequilibrium and the danger comes not from doing too much but doing too little.

Critics note that the United States is far more interventionist than any previous system leader. But given the distribution of power, the U.S. impulse toward interventionism is understandable. In many cases, U.S. involvement has been demand driven, as one would expect in a system with one clear leader. Rhetoric aside, U.S. engagement seems to most other elites to be necessary for the proper functioning of the system. In each region, cobbled-together security arrangements that require an American role seem preferable to the available alternatives. The more efficiently the United States performs this role, the more durable the system. If, on the other hand, the United States fails to translate its potential into the capabilities necessary to provide order, then great power struggles for power and security will reappear sooner. Local powers will then face incentives to provide security, sparking local counterbalancing and security competition. As the world becomes more dangerous, more second-tier states will enhance their military capabilities. In time, the result could be an earlier structural shift to bi- or multipolarity and a quicker reemergence of conflict over the leadership of the international system (Wohlforth 1999:39).

Therefore, that the US, for the most part, dominated the Kosovo crisis was a given.

In that context, the almost complete dominance by the US of military and diplomatic action, during the crisis, forced the Member States into a policy revision based solely on accommodating Washington's wishes that they share more of the burden of European security and defence. Blair speaking in Belgium in late February 2000 tacitly communicated this very sentiment: 'NATO will always remain the cornerstone of European defence. ... But Europe needs to take on more responsibility and share more of the burden within NATO' (Blair 2000). Thus, with a Wohlforthian perspective, ESDPR during this period, was thus about updating policy to reflect the new international reality, again reinforced by America's display of power in Kosovo, which behoved Member States to think along the lines of how to remain useful to the unipolar power.

Dimension Two

The question arising under dimension two is: How does the reaction of the key actors to the context in dimension one compare with what Wohlforth would anticipate as the main process, which the context would set in train?

Wohlforth would argue that the Member States responded to the Kosovo crisis, not by balancing American power or by recourse to regional balancing, but by strategically reforming ESDP to allow for effective bandwagoning with the USA in the future. 'The European Union's efforts to beef up its joint military capability is almost entirely a

response to a perceived need to be able to address regional security issues along the lines of the 1990s crisis in the Balkans' (Wohlforth 2005a:512). Indeed, within the context of the Kosovo crisis, the Americans allowed the Rambouillet peace talks to be hosted by France and Britain, with the EU taking a leading role alongside America and Russia.²⁴⁶ The talks for Washington were seen as an opportunity for the West European powers to demonstrate their usefulness in international affairs after their humiliating failure in Bosnia. Kosovo, by unfortunate circumstance, furnished the Member States with a second chance to make up for the lack of 'actorness' (under American tutelage) and indecision that led to the Bosnia bloodbath. After the Blair-Chirac meeting at St Malo, Kosovo was as good a place as any to test the new Anglo-French resolve to strengthen the EU's SDP co-operation to remain relevant to the hegemon by at least being able to manage an external crisis on the Unions periphery.²⁴⁷ Thus, far from trying to isolate and divide the Europeans, as Waltzians would argue, the Americans considered their involvement, while not necessary, at least desirable as an obvious way to lessen Washington's security and defence burden.

Thus, the West Europeans understood, when it came to negotiating a settlement, the deal was as much about what was acceptable to America as it was to the warring parties. Whatever Washington's motives (geopolitical or humanitarian), it was highly unlikely that the crisis would have been brought to a quick end without American willingness to use force. Mathiopoulos and Gyarmati (1999:68) observed that 'even with the lessons of Bosnia still fresh in Europe's collective memory, Europeans failed to take any meaningful joint action in Kosovo, forcing them to concede that in the existing climate only the United States can act in times of crisis'. The United States presence in a European crisis was however reported in the media as EU weakness. And in many ways, it was, but

²⁴⁶ Vedrine and Cook chaired the talks.

²⁴⁷ While St Malo is important, it should be stressed that the British intention was not to displace NATO or reduce American influence in European affairs. 'It was rather a recognition that America might be less willing to commit ground forces to a European conflict that did not obviously threaten American interests – an uncertainty that has been exposed by Kosovo' (Riddell, *The Washington Post* 4 March 1999).

the Member States, with some logic, had earlier argued that: 'Why should it be seen that acting with the Americans be synonymous with European weakness?' (European Report 21/05/1998). This, from a Wohlforthian perspective, was dialogue designed for domestic consumption – as a way to shift focus away from the fact that America led the way and the member states were destined to follow.

This realisation would have been all the more evident as Washington simultaneously extended NATO's sphere of competence to incorporate humanitarian missions to allow it to act outside the bounds of its original charter – as the concept of humanitarian intervention is so fluid, military action could be justified and taking almost anywhere and in any situation that America decided. This thus represented an extension of United States power that logically threatened the legal concept of sovereignty, which for Wohlforth could only happen in a unipolar system. It did not, as Walt would argue, threaten the international security environment, because that system was what America, as hyperpower, made of it. Cohen, recognising the importance of what had happened, states that:

NATO's decision that it was ready to bomb Serbia over human-rights abuses against ethnic Albanians in Kosovo amounted to a watershed, raising all sorts of questions about the criteria by which the world's most powerful military alliance would determine its actions, the (diminished) nature of sovereignty in the modern world and how countries like Russia and China might respond' (NYT October 18, 1998).

NATO was now no longer an Article 5 defensive alliance. It had begun a transformation into an offensive coalition with a rationale that could conceivably bring American troops into any global theatre in defence of human rights, which, from a Wohlforthian perspective, was a cloak for the maintenance of its hegemonic position and another instrument to legitimise the subordinate European allies within the unipolar system.

As the conflict continued, a senior NATO diplomat summed up the situation thus: 'nobody likes the idea of taking military action against the Serbs, so we are taking a cautious and phased approach. But it may become necessary at some point, because our

credibility is on the line and the military option is the only thing that works with Milosevic' (Washington Post January 18, 1999:A17).²⁴⁸ While this may be true, the rationale was that the Americans could reform European security and defence institutions, and plan and attack a sovereign European state, all for the most part, unfettered by their European allies, who then initiated reforms as part of a subsystem of American hegemony.

Indeed a quick look at the NATO Washington summit in April 1999 demonstrated this propensity. The continued bombing of Kosovo had begun to create cracks in the Alliance over strategy and the uneven costs of NATO action. In particular, the United States resented the uneven burden sharing and seemed no longer willing to sit back and let the situation continue indefinitely. The summit thus produced the Defence Capabilities Initiative (DCI) to increase the burden sharing within the Alliance.²⁴⁹ The objective of this initiative was to improve defence capabilities, but it also indicated to the Member States that the initiative would not only cost them more but also inevitably lead to greater dependence on the United States as they feared the programme was an invitation to 'buy American'. The summit also agreed, within the framework of the 1996 Berlin agreement, a preliminary agreement called 'Berlin Plus', to allow forces operating under the aegis of the WEU to use the assets, troops and planning capabilities of NATO, with Washington's approval.

In the face of the Waltzian arguments summarised above, to the effect that the main West European states responded to the American-led war against Serbia by constructing the basis for balancing against US power in Europe, Wohlforthians would make three points. First, Waltzian evidence of West European unhappiness with the US war-drive does not amount to a will to balance. Instead, it can be read as the normal kinds

²⁴⁸ Interestingly, the same month, balancing its short term need for US aid against its long term goal of restoring multi-polarity to the international system, Russia rejected any change to the ABM Treaty to allow America to build a MDS for fear that it would give the United States world hegemony, if Russia's nuclear weapons were to become redundant. 'The budding dispute compounds a distinct cooling of relations between Moscow and Washington over issues ranging from Kosovo to Iraq to NATO expansion' (Washington Post January 23, 1999:A18).

²⁴⁹ This is the other side of the argument — the concern that Europe will not do enough, not that they will do too much.

of diplomatic frictions between powers, particularly when one acts as forcefully as the US in its drive for war against Serbia. Second, balancing must involve shifting the real, material balance of force between a really autonomous power bloc and the United States. What evidence was there of a will to engage in this kind of costly activity amongst any of the European powers? Thirdly, it was the United States that had been demanding European powers to commit more resources to military activity and powerful voices within the American state were demanding that the US should devote itself to high intensity warfare and leave peace-enforcement and peace-building – in short Petersberg tasks – to others, albeit under ultimate and effective US control and within the framework of an American hegemonic order. Even if the Member States wanted to develop their military capabilities to compete with the United States, Wohlforth, argued it would be a ‘gargantuan task’ not likely to succeed any time soon.

The EU is struggling to put together a 60,000-strong rapid reaction force that is designed for smaller operations such as humanitarian relief, peacekeeping, and crisis management, but it still lacks military essentials such as capabilities in intelligence gathering, airlift, air-defense suppression, air-to-air refueling, sea transport, medical care, and combat search and rescue—and even when it has those capacities, perhaps by the end of this decade, it will still rely on Nato command and control and other assets. Whatever capability the EU eventually assembles, moreover, will matter only to the extent that it is under the control of a state like decision-making body with the authority to act quickly and decisively in Europe’s name. Such authority, which does not yet exist even for international financial matters, could be purchased only at the price of a direct frontal assault on European nations’ core sovereignty. And all of this would have to occur as the EU expands to add ten or more new member states, a process that will complicate further deepening. Given these obstacles, Europe is unlikely to emerge as a dominant actor in the military realm for a very long time, if ever (Wohlforth 2002a:25-26).

Under Wohlforth’s category of diplomatic friction could be grouped many of the tensions in the run-up to the war. France and Germany cautioned that airstrikes might prove ineffectual and had the potential to inflame the crisis. The West European powers were hesitant about delivering new bombing threats and felt that strikes could embolden the Kosovo Liberation Army (KLA) and make the guerrillas feel that NATO planes were serving as their air force (Washington Post, 29/02/99). On 20 January, France and Germany issued a joint statement giving priority to a political solution. Vedrine said: ‘We

are determined to stay engaged and mobilised and to do everything, first politically and diplomatically, but also through other means if necessary, for bringing peace to this region of Europe' (Xinhua News Agency 20/01/1999). His counterpart, Joschka Fischer, called on the KLA to renounce violence and find a political solution but cautioned that it was not acceptable to allow massacres and humanitarian catastrophes in the region (Ibid.). Britain and America again threatened force, but this time emphasised that it was essential to introduce new life into the search for a political solution.²⁵⁰

The British remained concerned about the legality of the action or, more precisely, about the perception of its legality. Robertson, in a clear demonstration of Britain's own anxieties, declared that: 'We are in no doubt that NATO is acting within international law and our legal justification rests upon the accepted principle that force may be used in extreme circumstances to avert a humanitarian catastrophe' (Washington Transcript Service 03/25/1999). From a Wohlforthian perspective, Blair seemed to believe that British military action, albeit on the shirrtails of American military prowess, served as a vehicle to present Britain as a first rate world power. For him, Blair was making the best of unipolarity by being an effective junior partner to the United States – a position he was to take again when joining the second American war on Iraq. *The Economist* (04/03/1999) noted London's propensity to use its military expertise to help it 'punch above its weight' rested largely 'on being able to tag along with someone else's army', in the hope that its comparative advantage in military matters (relative to its European partners) can be turned to diplomatic advantage. 'By the same token, his [Blair] St Malo initiative for an autonomous European defence capacity was in part a way to compensate for Britain's abstention from monetary union' – in other words, nothing whatever to do with balancing American power.

²⁵⁰ At this stage, Western negotiators had failed to persuade the political and military leadership of the Kosovo Albanians to come to the negotiating table; it was thus harder for America to lay the blame totally on Milosevic. In other words, they needed a political solution that the KLA would sign up to.

The United States continued the rhetoric on the lasting need for co-operation while pursuing a policy that contradicted multilateral dialogue. Wohlforthians would thus argue that the West European actors, regardless of rank, worked within American dominated institutions to contain the crisis, and while they would have preferred to have the wherewithal to bring the crisis to an end themselves, as styles of conflict resolution with their European allies clashed, the reality of power differentiation meant subordination to the American hegemon. For example, the Europeans restrained from declaring what would happen if Milosevic declined to meet the withdrawal deadline as they feared it might encourage the KLA. Albright was, however, less restrained. 'We have committed ourselves to doing whatever is necessary to secure compliance from both sides. And we will maintain the credible threat of force which has proven, again and again, to be the only language President Milosevic understands'.²⁵¹ The following day, in an effort to maximise pressure, NATO (read Washington) authorised the launch of airstrikes if the parties refused to enter negotiations by the stated date.

Wohlforth would stress that Washington's war with Milosevic was far more important than the simple destiny of Kosovo – it was about the unipolar power demonstrating its domination of international affairs to bring its erstwhile allies along with it. 'This was to be the first case study of the world after NATO expansion, in which NATO states, led by the United States determined, without reference to the UN Security Council or even to the letter of NATO's charter, when, where and how force might be employed to affect political behaviour, perhaps extending to the borders of Russia itself' (Lynch 2001: 13).

Overall, from a Wohlforthian perspective, the effect of America's Kosovo policy on world affairs was fourfold. First, it demonstrated the scope and depth of American power. Second, it demonstrated to the international community, including the West European powers, their impotence in the face of United States determination. Third,

²⁵¹ Secretary of State Madeleine K. Albright, Press Conference, Foreign and Commonwealth Office London, England, 29 January 1999. <http://secretary.state.gov/www/statements/1999/990129.html>

Washington hoped to prove to the world that United States leadership was effective, whatever the verdict of the UNSC. Fourthly, it would reinforce what was won in Bosnia – NATO’s rationale and position as the primary security institution in Europe. Put differently, it relegated other West European security institutions to sub-systems of American hegemony. Saint Malo thus witnessed the usually reticent British, now for the first time, recognising that reforms, far from alienating the Americans, were necessary if they were to remain relevant to the unipolar power. The reforms, specified in the Treaty of Nice, taken verbatim from the Saint Malo agreement, although proclaiming the need to take autonomous action and supposedly providing the Member States with the institutional and military means to do so, did not actually achieve any of those goals. While at Nice, the member states integrated the WEU into the actual defence component of the EU, from Wohlforth’s perspective, the WEU assimilation by the Union was only approved by the Americans once they were satisfied it did not challenge NATO’s central role as Europe’s main security organisation. The result was that the EU was to rely largely on NATO through the concept of the Combined Joint Task Force. The lack of military assets, the anchoring of access to such resources to Washington’s control and, with no command structure on par with NATO, SDPR demonstrated the depth and scope of American power. More importantly, it illustrated the continued domination by America over the Member States and subsequent reforms of SDP as no more than bandwagoning to buttress American military power.

Dimension Three

The third dimension allows for congruence testing by focusing on policy outcomes and goals: What were the goals of the main actors when contracting to proceed with ESDPR and how do they correspond to the hypothesised goals of Wohlforth?

For Wohlforth, the Americans were happy enough to let the West European powers take greater responsibility for European SDP within the confines of NATO responsibilities—a sub-system of American global hegemony. One of Washington’s main

motivations for doing so was burden sharing. At the same time, the West Europeans could draw upon NATO and thus American assets. Grant (1999:4) noted: 'Though politicians will not readily admit this, one great advantage of the 'St Malo initiative' for the Europeans is that it will allow them to piggy-back on NATO's strengths, and America's relatively high levels of defence spending'.

Yet Wohlforth's vision of overwhelming American dominance in Europe deriving from its overwhelming superiority over military resources does not easily explain the evident anxieties and indeed hostilities in Washington over the EU ESDP project. St Malo evidently presented the Americans with difficult policy choices. From the outset the Americans gave verbal support to the idea of an ESDI as part of a wider American global strategic policy. This declaratory support was, in any case, no great leap in the dark, given that most proposals and notions of European SDP were ill defined. After St Malo the possibility of a well-defined European SDP forced the Americans to respond promptly to the new British-French project. Four days after the declaration, United States Secretary of State Madeleine Albright, writing in an article in the Financial Times, outlined the potential risks posed to European security and NATO. The basic thrust of her article outwardly received the aims outlined at St Malo positively, but the real message she wanted to deliver emphasised simply that NATO must be the principal security institution in Europe. The declaration became known as the '3Ds' policy statement.

As Europeans look at the best way to organise their foreign and security policy cooperation, the key is to make sure that any institutional change is consistent with basic principles that have served the Atlantic partnership well for 50 years. This means avoiding what I would call the Three Ds: decoupling, duplication, and discrimination. First, we want to avoid decoupling: NATO is the expression of the indispensable transatlantic link. It should remain an organisation of sovereign allies, where European decision-making is not unhooked from broader alliance decision-making. Second, we want to avoid duplication: defence resources are too scarce for allies to conduct force planning, operate command structures, and make procurement decisions twice - once at NATO and once more at the EU. And third, we want to avoid any discrimination against NATO members who are not EU members (Albright 1998a).

While the Americans embraced the idea of the EU developing its own capabilities, it was by no means allowing the Member States a free rein in European SDP. The concept

was to remain within the parameters of the American concept of ESDI, in other words, an essentially subordinate sub-system of American global hegemony. 'On the basis of decisions taken by the Alliance, in Berlin in 1996 and subsequently, the European Security and Defence Identity will continue to be developed within NATO'.²⁵² In a speech at the Royal United Services Institute Blair warned that 'we Europeans should not expect the United States to have to play a part in every disorder in our own back yard. The European Union should be able to take on some security tasks on our own, and we will do better through a common European effort than we can by individual countries acting on their own' (Blair 1999). Blair, from a Wohlforthian perspective, was certainly not advocating SDI proper, he argued for European SDPR to allow the Union to play an important role in international power projection under American tutelage.

At Helsinki American pressure led to the inclusion, in the declaration, of language designed to quieten doubts about a possible disruption to NATO: therefore the Union pronounced its intention to develop an autonomous ability to take decisions and military action, but only where NATO was not engaged. Put another way, the Member States agreed to American demands by letting them have, for all intents and purposes, first refusal on all matters related to the security and defence of Europe. This of course was in line with a Wohlforthian prediction that the Europeans would be bound to bandwagon with America.²⁵³ And surely the Helsinki decisions placed the new ESDP well short of Waltzian balancing assumptions. Furthermore, for home consumption, they spelt out that the creation of a European army was not the strategic goal, as indeed as part of a sub-system of American hegemony it was not. The fact was that the EU could not ignore American concerns about possible NATO disruption, while the Americans, wanting to cut their own

²⁵² Ibid. Strategic Concept: Paragraph 30. Paragraph 13 also states that 'In parallel, NATO has successfully adapted to enhance its ability to contribute to Euro-Atlantic peace and stability. Internal reform has included a new command structure, including the Combined Joint Task Force (CJTF) concept, the creation of arrangements to permit the rapid deployment of forces for the full range of the Alliance's missions, and the building of the European Security and Defence Identity (ESDI) within the Alliance'.

²⁵³ Indeed Brooks and Wohlforth (2002:28) noted that, 'The general tendency towards bandwagoning was the norm before September 11 and has only become more pronounced since then'.

defence budget, could not realistically expect their European allies to contribute more without obtaining some greater leverage.

Again, Wohlforth's independent variable, unipolarity, seems to fit with the reform process. The United States during the Kosovo crisis demonstrated to the rest of the world, particularly its European allies, that it and it alone could influence events. America's position as principal world power was thus reinforced. The Member States, in response to this overwhelming show of power, reacted not by balancing but by institutional change to allow them to share more of the security burden and perhaps when the need may arise to act independently from NATO, albeit under American tutelage. They, in other words, continued to bandwagon while simultaneously devising capabilities to allow them to act alone but, importantly, not unaided and not without America having first option via NATO. Certainly the perception of the world as a unipolar one remained and the West European powers kept their SDP tightly linked to the Americans. SDP reform in this light, Wohlforth would argue, can only be understood as a sub-system of American global hegemonic power. 'In short, the current world order is characterized not by a looming U.S. threat that is driving other powers toward multipolar counterbalancing, but by a material structure that presupposes and demands U.S. preponderance coupled with policies and rhetoric that deny its existence or refuse to face its modest costs' (Wohlforth 1999:41).

Waltian Neorealism

Dimension One

The question arising under dimension one is: For Walt, what new empirical challenges did the transition present for these actors and how do they relate to his theoretical hypothesis?

Waltians would argue that SDPR was conditioned on European perceptions of threatening behaviour on the part of the United States and the need to reform in order to be able to balance that emerging threat. His balance of threat thesis would view events thus: while being conscious of the need for an American presence for European defence,

Member States, nevertheless, fearful of US military hegemony and unilateralism, as witnessed during the Kosovo crisis, began to reform ESDP to counter-balance the US. This was internal co-operation to counter an external threat. In contrast to Wohlforth's insistence that for neorealists balancing must mean 'hard balancing' in the field of material resources, Walt (2005:126-132) could envision the significance of 'soft balancing', by, for example, seeking to shape international institutions as barriers to American unilateralism in the field of symbolic politics, and also by constructing autonomous policy co-ordination mechanisms among the West European states. Moreover, for Walt, in this context, the nature of security threat had changed from classic military invasion (although no neorealist could discount this) during the Cold War to threats to the hitherto interdependent, albeit asymmetric Atlantic relationship from American unilateralism. The challenge, from his perspective, was to reform ESDP, in the light of Kosovo, to take account of the threat American unilateralism presented—threat neutralisation (2005). According to Walt:

...the United States can reduce the threat perceived by other states in its overawing power by giving them a degree of influence over the circumstances in which it will use force. Confining the use of force to multilateral contexts would be an effective way to assuage potential fears about unilateral exercise of American power. This point has been lost on conservative opponents of the United Nations and other international institutions, who fail to recognize that multilateral institutions help the United States exercise its power in a way that is less threatening (and therefore more acceptable) to other states (Walt 2002:22).

Within this context, during the NATO air campaign, Waltians could point to cracks in the Alliance over target options and the dispute over the need for a ground war as evidence of the menace that asymmetric power posed to the Member States. The French and Germans were not totally oblivious to the fact that American power, if so used, posed a threat to the European regional system. Moreover, Albright's domination of the diplomatic effort to end the crisis bothered the Member States as to the growing nature of American unilateralism.²⁵⁴ When the NATO campaign in Kosovo began on 24 March 1999, no one doubted America would lead the charge. However, the operation, a 78-day air campaign (Operation Partial Force), led to a feverish activity in Member States defence

²⁵⁴ Unilateralism, from whatever actor, for Walt and most realists, is threatening per se.

ministries as American stealth bombers and long-range missiles, based in the US, swept in undetected by member states' radar, completed their sorties and returned home, without consultation. These actions outside the NATO framework alerted the Member States to the reality that Washington was prepared to act as if it needed no allies.

Dimension Two

The question arising under dimension two is: How does the reaction of the key actors compare to what Walt would anticipate as their response to the transition?

The Waltian approach, with its use of the idea of soft balancing to neutralise unilateralist threats, does seem to capture the reaction of the Member States to the US Kosovo campaign through ESDP reform. The shift in policy, most apparent at St Malo, calling for 'autonomous military capability' was intended to add a military dimension to the Union's diplomatic assets. Not only were the warring parties apt to ignore agreements not backed-up by military force, but importantly from a Waltian perspective, the Americans could at will dominate international affairs without regard to their European allies. Soft balancing tactics or not, the Americans grew uncomfortable with the new policy shift, particularly now that they considered the British calls for autonomous military capability at St Malo as reneging on the promise regarding Berlin Plus. Washington warned the West European powers in the now famous 'three D's' speech, that they were giving the impression that they were moving in the direction of replacing NATO with a Euro-centric security and defence institution.

As the crisis heightened and American power became more invasive, the Member States became more open to the idea of real SDPR. The summits that followed St Malo sought to enhance ESDP in ways that were not to Washington's liking, with reforms that did not align with US interests. The Cologne Summit, ominously for Washington, failed linguistically to adhere to the usual reference to NATO primacy, highlighting French desire to pursue a counterweight strategy by 'toying with the idea of using the new force for (really) autonomous actions' (Philippart and Winand: 2001:427). The Americans

reacted vigorously and with some success: by Helsinki the Member States modified their position, at least linguistically, to declare they would take action only 'where NATO as a whole is not engaged'. The result, in notional terms, meant Washington could veto European action and stall the development of an independent ESDP. For Walt, the specific declaration that ESDP did not imply the creation of a European army was telling. The post-Cold War environment forced the Member States and the US to reassess their relationship and agree new ways to co-operate to meet new security concerns via other actors, but importantly also among themselves. Threat, for Walt, not only took the form of direct military threat, but threat to influence or threat by omission, for America's failure to act could threaten the Member States. Clinton's refusal to use ground troops in Kosovo threatened Member States interests (or so London believed), by prolonging the crisis unnecessarily (NYT 18/5/1999). SDP reform was about constructing a protective alliance to prevent this happening in the future.

It was not until the Franco-British summit in St Malo that tangible progress was made on structural linkage, which the UK had hitherto vetoed out of fear that a truly strong ESDP²⁵⁵ would alienate the United States and precipitate a collapse of the Atlantic Alliance. The primary reform achieved at St Malo allowed for the EU to take autonomous action to neutralise threats. In other words, the EU was to have security autonomy with its own decision-making institutions and military assets, albeit while at the same time buttressing its NATO obligations. Outwardly, no one doubted the Union's ability to create positive actor abilities through the CFSP/ESDP, but the political will, as in the days of the EPC, remained, uncertain, as international events intervened to shape policy reactions to the new security situations the Member States found themselves in. Nonetheless, after the NATO action of March 1999 against Serbs in Kosovo and the later bombing campaign in

²⁵⁵ In January 1994 at a meeting of the NATO NAC, the notion of some form of European Security and Defence Identity (ESDI) was launched. This was superseded by the Helsinki Council in December 1999 which initiated the concept of a Common European Security and Defence Policy (CESDP). The ESDI was a NATO programme of structural change within the alliance. Conversely, the CESDP is an EU initiative and a long-term political goal.

Serbia, the EU agreed at Cologne in June 1999 to take over the functioning of the WEU.²⁵⁶ At the ensuing summit in Helsinki in December, the Member States set out on the path to create an ESDP by announcing its intention to form a rapid reaction force to neutralise threats where the Americans would not, which was from a European perspective, due to the fact that Washington seemed to ignore their concerns. The Member States came to believe that they had little influence on American policy, and were 'left with the choice of either agreeing to whatever Washington wants or being left in the dark' (Walt 2004:35). The Member States did nevertheless, for the most part, accept American hegemony, but were concerned about how it used its power. Put another way, by accepting American leadership, a balance of power was prevented from emerging in Europe. But Walt warns that although:

Efforts to balance the United States have been modest thus far (surprisingly so, when one considers how powerful the United States is), because the United States is geographically isolated from the other major power centers and does not seek to dominate any of those regions. Indeed, America's geographic position remains an enormous asset, because the major powers in Europe and Asia tend to worry more about their neighbors. But the desire to keep a leash on "Uncle Sam" is real, and U.S. leaders should not underestimate the potential for concerted anti-American action in the future (Walt 2002:19).

But for now, for Walt, the outcome was thus never likely to resemble the old balance of power tactics – threat neutralisation was the goal and, for Walt, the actual response of the key actors compares favorably to what he would anticipate as a response to the transition. Member States reformed SDP to allow them to neutralise threats where the Americans were unable or unwilling to act and, importantly, to neutralise perceived threats from American unilateralism.

Dimension Three

The third dimension allows for congruence testing by focusing on policy outcomes and goals: What were the goals of the main actors when contracting to proceed with ESDPR and how do they correspond to the hypothesised goals of Walt?

²⁵⁶ The UK up until Cologne had opposed the gradual merger of the WEU into the EU institutions.

Notwithstanding Member States assurances on 'collective defence', the Americans preferred to speak of the ESDI whereas the Europeans now spoke of an ESDP. The West European powers of course were not unconcerned about American worries and, as noted, they needed to keep US involvement in Europe while at the same time developing their own threat neutralisation capabilities. Unfortunately, the United States perceived Cologne as a threat to American hegemony. Former United States national security adviser Brent Scowcroft condemned the West European powers' pursuit of an autonomous European military capacity, saying that: 'Europe is wasting money because a strong military capacity is already available under NATO' (Scowcroft 1999).

In the context of Walt's hypothesis, Member States, while no doubt worried about America's handling of the Kosovo crisis on a strategic military level, were not concerned about any direct threat posed to them from America's use of its power. Like Bosnia, the Member States were more interested in the tactical projection of America's power than perceiving a military threat to their vital security interests. In Walt's analysis, the Clinton Administration had 'struck a delicate balance between doing too much and not doing enough. Doing too much encourages Europeans to 'free ride' ...doing too little makes Europeans doubt U.S. credibility and fuels their desire to possess a more potent military capability. Many Europeans are clearly tiring of their dependence on America and are also worried about U.S. credibility, which explains their renewed effort to forge a more formidable defense capability' (Walt 2000:68). Within this Waltian framework, the main purpose of SDPR was to allow the Member States to neutralise threats where Washington would not do so. Moreover, building an alliance against US power or what was threatening in Washington's behaviour, was not compatible with the empirical outcome of SDP reform during this period that de facto gave Washington first right of refusal if and when international crises arose. Walt's model is of little theoretical use if we conclude that reforms were about direct military threat from America. His model specifies four particular criteria for judging when states will evaluate when other states are a threat. To date there has been no evidence to suggest that the West European powers felt directly

threatened by Washington's behaviour. Certainly, they worried about how America used its power strategically and loss of European influence in Washington and how best to bias future outcomes to their liking when preferences clashed.

In the context of American hegemony, Walt notes that 'soft balancing is the conscious coordination of diplomatic action in order to obtain outcomes contrary to U.S. preferences – outcomes that could not be obtained if the balancers did not give each other some degree of mutual support. By definition, 'soft balancing' seeks to limit the ability of the United States to impose its preferences on others' (Walt 2005:126-7). Walt's approach thus offers the possibility of a more nuanced and fine-tuned analysis of the actual course of ESDP reform than those offered by the other neorealists we have examined. It allows us to view the reforms as a kind of soft balancing, giving the West European states extra options in the future for responding to American unilateralist actions which may appear threatening to European interests and to launch initiatives in cases where the US was not interested in action.²⁵⁷

Keohane-Moravcsik and Complex Interdependence

Dimension One

The question arising under dimension one is: for Keohane and Moravcsik, what new empirical challenges did the transition present for these actors and how do they relate to their theoretical hypothesis?

Keohane and Moravcsik's approach would argue that 'complex interdependence' between the Member States and the United States is an important factor in our understanding of SDPR (Moravcsik 2000:294).²⁵⁸ In economic matters, Keohane and Moravcsik look beyond the state to other actors who pursue their own agendas, which may differ from those of state actors. In SDP matters they focus on states – more specifically, state executives as the providers of policy flows. They do not, however, discount

²⁵⁷ Walt's threat neutralisation thesis is thus not unlike Keohane and Moravcsik's crisis management thesis.

²⁵⁸ See pages 69-72.

institutions (although they differ on the extent of their influence), like most of their neorealist antagonists. Co-operation between NATO/Washington-EU/Member States can thus be understood, in part, due to the intricate linkage that remains between the contracting parties within the Atlantic Alliance. Regardless of disagreement about the nature of SDPR, co-operation is rife because the interests of the West European powers and the US coincide in the long-term while institutions guarantee that these interests are kept in focus. Unlike neorealists, Moravcsik (2003:29) argues that 'liberal theory predicts and explains the absence of competitive alliance formation among West European powers. The lack of serious conflict in the rest of Europe over Yugoslavia – avoiding the "World War I scenario" – reflects in large part a shared perception that the geopolitical stakes among democratic governments are low'. In addition, Nye also warned as early as 1990:

The traditional models of power transition and hegemonic change may be profoundly misleading...possibly leading to self-defeating American policy responses. The problem is not that one or the other of America's postwar allies will challenge the United States for hegemony, but that the United States will have to adapt to new patterns of interdependence and new political agendas in the twenty first century (Nye 1990:170).

The same liberal perspective can be applied to the West European powers' foreign policy concerns, in as much as one of them rising to hegemon is less of an anxiety or outcome than the real need to manage interdependence and new political realities. Keohane in welcoming the end of Cold War wrote:

Strict realism, should lead one to expect a decline in the number and significance of international institutions; institutionalists such as myself expect no such decline. Institutionalists expect existing international institutions to adapt and to persist more easily than new institutions, formed by states on the basis of changing interests, can be created. Realists make no such prediction (Keohane 1993: 297).

While Keohane and Moravcsik accept the neorealist premise of states as primary actors, they also conclude that SDPR takes place within an institutional framework (EU/NATO) that compels and reinforces interdependences. Kosovo demonstrated that difference would occur, but those differences, for Keohane and Moravcsik, were more about means than ends. The Member States, having witnessed destabilising events on their periphery during the Bosnian crisis, again found themselves in the humiliating position

during the Kosovo crisis of having to rely on American power to bring the crisis to an end. Furthermore, they considered this crisis to be a natural progression from Washington's mishandling of the Dayton peace agreement. Dayton had 'failed, quietly but quite completely' (Mearsheimer 2000:134). The Member States thus required SDPR to enable them, where necessary, without US assistance to carry out crisis management operations to stabilise the Union's periphery. In other words, in areas of complex interdependence, it was vital that the Member States would be able to carry out crisis management operations independently of the US, if Washington decided not to get involved for any reason. Robert Art (2004:4) concludes that:

ESDP represents the institutional mechanism to achieve the following aims: a degree of autonomy in defence matters; a hedge against either an American military departure from Europe or an American unwillingness to solve all of Europe's security problems if it remains in Europe; a mechanism to keep the United States in Europe and to have more influence over what America does there by showing that Europe will bear more of the defence burden....

The challenge for the West European Powers and the United States was, therefore, to reform the Union's SDP to carry out Petersberg type tasks, in concert with a reformed NATO, which remained the primary security institution in Europe.

Dimension Two

The question arising under dimension two is: How does the reaction of the key actors to the context in dimension one compare to what Keohane and Moravcsik would anticipate as the main process, which the context would set in train?

The Keohane-Moravcsik approach would not discount inter-state conflict over NATO-ESDP reform, but they would set such conflicts within the context of common concerns to cope with challenges to the Euro-Atlantic world from turbulent and destabilising flows of events in the Western Balkans. They would thus reject the notion that power politics within the Euro-Atlantic area governed the approaches, either to the Kosovo crisis or to the problems of developing policy-co-ordinating institutions, for coping with similar challenges in the future. Conflicts over institutional design and

institutional boundaries would inevitably arise because of different interests, priorities and concerns among different states but these should not be read as neorealist power politics.

The previous intervention in Bosnia meant that NATO was no longer a strictly Article 5 defence alliance. Washington had seen to it that it evolved to a defence of so-called principle alliance (it could, in other words, act out of area for humanitarian reasons). The overwhelming impression was that it was an American defence of NATO as an institution (Lugar 1993). For the West European powers, that defence brought with it the realisation, compounded by Kosovo, that the Union needed stronger security and defence institutions to act where America would not or could not.²⁵⁹ During the reform period, the Clinton administration needed to accommodate its desire for NATO to remain supreme while allowing the European member states to develop crisis management tools of their own.

When the bombing ended and once the US/NATO led protection forces were to be withdrawn,²⁶⁰ the Americans and Member States agreed that it was the Union's job to normalise and maintain the peace in the region.²⁶¹ Whether the West Europeans were entirely happy with this is a moot point, but it corresponded to Keohane and Moravcsik's assumptions that collective institutions would be utilised to achieve co-ordinated, collective policy goals. In practical terms, this meant a division of tasks, with America executing the wars and the Europeans the peacekeeping missions. With the go-ahead from the Americans, the EU could be an international actor after all, though one operating within this division of labour. At the same time, this perspective can easily accommodate

²⁵⁹ In this respect it is not unlike Walt's perception of threat. Where they differ from Walt is that while he can envisage reforms as a kind of soft balancing against the US, they would deny such a need exists at all.

²⁶⁰ Contrary to the United States, the EU did not believe the composition of such troop force should be placed entirely in the hands of NATO. Gerhard Schroder noted at the time that: 'The core of this protection force will require logistics which can only be provided by NATO, but it is up to the United Nations Security Council to rule on its make-up'. This was a veiled way of bringing Russia (which already had peace-keeping troops in Bosnia) back into the game. Such a presence would require a joint strategy on the part of the European Union Member States in the framework of its Common Foreign and Security Policy' (European Report 17/04/1999).

²⁶¹ In other words, rebuild the region as a functional democratic capitalist society based on largely Western social and economic ideals.

the idea that West European states did not enjoy being perceived, especially by their own electorates, as the mere subordinates of an American boss leading in everything. And at the same time, there could be a genuine and serious clash over preferred means to resolve common problems: an American penchant for using means which it possessed – hard power – and for ignoring normative constraints such as those embedded in the UN system, while the West Europeans wished to privilege their strengths – in the soft power field – and thus also were much more sensitive to normative issues and constraints. These differences could therefore drive member states to agree to reform SDP in ways that might irritate the Clinton Administration.

This perspective makes possible the inclusion of a wide range of issues excluded from neorealist analyses. For example, London's approach to ESDP does not have to be looked at in terms of power political options to do with balancing versus bandwagoning. It also afforded Blair the opportunity to chisel out a place in a major European policy for the UK—given that they had excluded themselves from the other main goal of EMU.²⁶² Sloan (2000) considered that London's failure to join the single currency and its miscalculation concerning loss of influence forced it to make SDP shifts on the hoof. For their part, the French, as noted, long thought the best solution to the unworkable NATO-WEU-EU troika was the incorporation of the WEU into the EU. With the WEU's existence about to expire under the Brussels founding treaty, Paris took the opportunity, late in the summer of 1998, to reopen the debate on its future. Chirac (1998) in a speech in London reconfirmed his belief that the WEU was 'destined to become the European Union's defence agency, progressively integrated into its institutions, while, of course, retaining its links with NATO'. Stressing the links with NATO gave Blair the opportunity to enter the debate on initial terms that suited both London and Washington.

The French opening and the British policy shift ended with the signing of the St Malo declaration. Since the end of the Second World War the West Europeans, out of

²⁶² The Portschach meeting coincidentally (or not) took place less than nine weeks before the launch of the single currency on 1 January 1999.

necessity, had placed the security of the continent in the sole hands of NATO. St Malo ended that and seemed to construct the start of a true European security and defence project. Its importance in the history of European SDP co-operation should not be underestimated. Its meaning was imprecise, but it certainly did not mean nor intend to alienate Germany or effectively re-nationalise European security relations. Clearly what it meant in practical terms differed from what had been proposed by the ESDI and demonstrated a definite shift in British policy. The push by the Member States for an institutionalised ESDP proceeded as the American led NATO bombing of Kosovo continued.²⁶³ The air campaign led many of the member states, including the British, to conclude that the EU needed to move faster than had been previously thought necessary.²⁶⁴ Although this need had been identified as an EU goal as early as 1998 through to the establishment of a Rapid Reaction Force²⁶⁵ the political will had been absent, but Kosovo seemed to provide it.

By the time Chirac and Schroder met on May 29, the month before the Kosovo crisis ended, it had become apparent that they were anxious about the lack of political co-operation and military clout the EU could bring to bear on the conflict. Not discounting St Malo or because of it, the French and Germans announced plans to boost the EU's defence role by remodelling their Eurocorps military unit into the future European RRF. Both Chirac and Schroder described a common European SDP as a challenge just as important as EMU. 'We are convinced the new strategic environment should lead us... to adapt this great multinational unit, and in particular its command, to make it in future a European rapid reaction corps' (Reuters 29/05/1999). The NATO Washington summit, although

²⁶³ Following the failure of the negotiations at Rambouillet France, NATO launched air strikes on 24 March 1999, first against targets in Kosovo but later Serbia itself.

²⁶⁴ The United States, at the conclusion of the air campaign over Kosovo, had flown about 80% of the air raids.

²⁶⁵ On 25 November 1999 France and the UK confirmed the intention of the two countries to form a European rapid reaction force of 50,000-60,000 troops. On May 19 2003, the Union announced that 60,000 troops were available and ready to carry out Petersberg type tasks. While media coverage of this development was low, the importance of the announcement should not be underestimated — the EU now had clear security capabilities. Whether the political will to utilise them was there is another question.

largely defined in Wohlforthian terms above, can also be looked at from the Keohane-Moravcsik perspective. Given that the evolution of WEU military capabilities was already defined and was intended to become part of the EU, the Berlin Plus agreement referred both formally and substantively, to the unchanged need for the ‘release of means and capabilities’ for crisis management operations possibly launched by the EU. It comprised the following major parts:

1. NATO—EU Security Agreement
2. Assured Access to NATO planning capabilities for EU-led Crisis Management Operations (CMO)
3. Availability of NATO assets and capabilities for EU-led CMO
4. Procedures for Release, Monitoring, Return and Recall of NATO Assets and Capabilities
5. Terms Of Reference for DSACEUR and European Command Options for NATO
6. EU - NATO consultation arrangements in the context of an EU-led CMO making use of NATO assets and capabilities
7. Arrangements for coherent and mutually reinforcing Capability Requirements²⁶⁶

Clearly, NATO remained vital to any possible military action, but for the first time, it was conceived that the European pillar of NATO could operate outside NATO. Nevertheless, ‘the size of the military and leadership gap between the United States and its European allies that Kosovo revealed still shocked the Europeans’ (Pond 1999:80). Regardless of the pressures Kosovo placed on the allies the summit produced a new vision for the Alliance—the ‘Strategic Concept’ which promoted the EU’s position on the need

²⁶⁶ All parts were tied together through the so-called “Framework Agreement”, which consisted essentially of an exchange of Letters between SG/HR and SG NATO, dated 17 Mar 2003. Since that day, the “Berlin plus” package has been in effect and serves as the foundation for practical work between EU and NATO. In that context, the EU-led CMO makes use of NATO planning support or NATO capabilities and assets for the execution of any operation.

for the Member States to increase their own crisis management capabilities, but in accordance with Albright's '3Ds' policy. Paragraphs 17 and 18 declared that:

The European Union has taken important decisions and given a further impetus to its efforts to strengthen its security and defence dimension. This process will have implications for the entire Alliance, and all European Allies should be involved in it, building on arrangements developed by NATO and the WEU. The development of a common foreign and security policy includes the progressive framing of a common defence policy. Such a policy, as called for in the Amsterdam Treaty, would be compatible with the common security and defence policy established within the framework of the Washington Treaty. Important steps taken in this context include the incorporation of the WEU's Petersberg tasks into the Treaty on European Union and the development of closer institutional relations with the WEU. As stated in the 1994 Summit declaration and reaffirmed in Berlin in 1996, the Alliance fully supports the development of the European Security and Defence Identity within the Alliance by making available its assets and capabilities for WEU-led operations. To this end, the Alliance and the WEU have developed a close relationship and put into place key elements of the ESDI as agreed in Berlin. In order to enhance peace and stability in Europe and more widely, the European Allies are strengthening their capacity for action, including by increasing their military capabilities. The increase of the responsibilities and capacities of the European Allies with respect to security and defence enhances the security environment of the Alliance. (ibid.)²⁶⁷

The Cologne European Council Summit gave force to the St Malo accord to further their strategic goals, to the annoyance of the Americans who were unhappy with EU moves towards what they perceived as an autonomous European SDP.

Nuanced differences in wording in the Washington summit communiqué and the Cologne declaration revealed differences in conception.²⁶⁸ The Clinton administration was so vexed by discrepancies in the communiqués that it vigorously protested. The points in contention were summarized in a "Sins of Cologne" memorandum, prepared by the State Department, that compared wording of the two declarations (Brenner 2002:42).

In Cologne, as outlined above, the Member States decided to build up the institutional capacity of the EU to tackle international crises, by enabling the Union to

²⁶⁷ In 1999, G. Robertson replaced Mrs. Albright's 'three D's' with the 'three I's' (*indivisibility* of the Alliance, *improvement* of European capabilities and *inclusiveness* of all partners) to stress the underlying compatibility between European efforts and NATO reform. 'ESDI and NATO', *NATO Review*, May 2000.

²⁶⁸ In contrast to the NATO Washington summit declaration ('where NATO as a whole is not engaged'), the Cologne European Council declaration referred to EU action responding 'without prejudice to actions by NATO' and stressed the need for the EU to 'have the capacity for autonomous action, backed up by credible military forces' (Cologne European Council, *Presidency Conclusions* (June 3-4, 1999)).

mount its own military campaigns without the US. The American press noticed that the sentiment:

echoed language first used by French President Jacques Chirac and British Prime Minister Tony Blair six months ago after two crises in the Balkans showed how far Europe still had to go to be taken seriously as a military power, even on its own continent. Neither in Bosnia nor in Kosovo were European countries, whose total armed forces exceed those of the United States in size, able to project military power convincingly enough to halt the violence (The Dallas Morning News 4 April 1999).

This failure was in part due to the need for unanimity on CFSP issues. The Amsterdam Treaty had sought to rectify this by introducing QMV into the process and by introducing the common strategy approach to foreign policy. The member states had hoped that quick and effective relations could be built with other international actors. Washington was duly concerned. One former American bureaucrat 'noted that British reassurances throughout this period were often followed by outcomes that reflected compromises with French positions that were not entirely to the liking of Administration officials, raising concerns about the eventual impact of a "European caucus" on transatlantic cooperation' (Sloan 2000:14). At Cologne, France pursued a counterweight strategy 'by toying with the idea of using the new force for (really) autonomous actions' (Philippart and Winand 2001:427). For Germany, the real concern, apart from constitutional issues, was the ever-present knowledge that they would have to finance a large part of the SDPR at a time that they were already feeling the continued financial burden of reunification. Nevertheless, the policy goals set at Cologne were to enable the West European powers to proceed with the task of addressing the strategic imbalance and to create a Union with capabilities that would allow them to tackle Petersberg type tasks and not, as Waltz would argue, to balance American power.

While the Keohane-Moravcsik approach can accommodate such transatlantic tensions, it would assert against the neorealists that these tensions were not the expression of a zero-sum transatlantic struggle. They were set within the framework of both sides' commitment to the maintenance of an overarching Atlantic alliance framework because of fundamental shared interests rather than because of American dominance or European

weakness.²⁶⁹ In a speech on 17 December 1999 in Berlin, Solana explained the rationale of the ESDP in terms that would appeal to Keohane-Moravcsik:

In an age of increasing globalization, many are insecure, feeling threatened by events over which they consider they have little if any control. We cannot respond to this by pretending these problems do not exist. Transnational problems require transnational solutions. The development of an effective ESDP is an important contribution. It will give us the ability, where appropriate and whenever necessary, to show that the Union is not prepared to stand idly by in the face of crises. Nor always to let others shoulder responsibility²⁷⁰

The member states were no longer comfortable with the dependency role that they had hitherto played within the Alliance (mainly now because that role prevented them from carrying out crisis management operations) and the humiliation the Balkans had caused them over the preceding decade. In order to fulfil its obligations under the Petersberg tasks, the Union required 'the definition of the modalities for the inclusion of those functions of the WEU... In this regard, our aim is to take the necessary decisions by the end of the year 2000.'²⁷¹ In that event, *the WEU as an organisation would have completed its purpose*'.²⁷² For its part, the WEU seemed in an even greater hurry. The WEU Council of Ministers meeting in Luxembourg in November consented to afford the EU direct access to its operational structures, suggesting that de facto integration had taken place.²⁷³

At Helsinki, the project was propelled forward by tempered Gaullist ambition and by British desire to safeguard the Atlantic Alliance in the face of growing American concerns over Europe's military capabilities and burden sharing. The British Defence Secretary made the point clear when he stated that: 'Helsinki is all about enhancing military capability [for Petersberg Tasks]... If hanging a European tag on it is what it takes to make it happen, then so be it' (Hoon 2000). The real problem for Washington was the

²⁶⁹ For instance, in CEE, both had a vested interest in protecting the investments of their respective business actors (World Investment Report 1998).

²⁷⁰ Available at: <http://www.eurunion.org/legislat/Defence/esdpweb.htm>

²⁷¹ On 1 May 1999, the Amsterdam Treaty entered into force providing, inter alia, for the possibility of the integrating of the WEU into the EU should the European Council so decide.

²⁷² Ibid. Emphasis added.

²⁷³ WEU Ministerial Council Luxembourg Declaration, 23 November 1999.

Anglo-French agreement calling for greater defence autonomy, which seemed to put in doubt the Berlin Plus accords. St Malo threatened the compromise between the two institutions whereby NATO would permit the use of CJTF's by the WEU/EU to conduct Petersberg type operations without the US. It had also been hoped, as early as 1996, that the recent Bosnian crisis would persuade Paris to return to the NATO fold and rejoin the integrated military command. As it turned out, the price was too high for Washington, for it would involve French command of AFSOUTH. The resulting distrust by the Americans of French motives for SDPR, did not, however, prevent agreement being reached at Nice.

Responding to the Kosovo crisis and the new international reality, the Member States sought to reform ESDP in concert with NATO. The resulting debate reflected Washington's concern that such reforms remain consistent with Member States' NATO commitments, while for their part the Member States, eager to reform SDP, adapted the semantics of summit declarations to accommodate State Department concerns. With the US consistently pressurising the Union over the wording of the Cologne declaration, the member states relented and at the December 1999 European Council in Helsinki they moderated its declaration by reiterating explicitly that the European force would be used 'where NATO as a whole is not engaged'.²⁷⁴ The desire and need to reform European security institutions meant compromise on both sides, but the tremendous need for institutional change to meet common challenges encouraged actors to adjust policy demands. The Member States and the US were in many ways on a steep learning curve in terms of managing their relations and finding new ways of co-operating to meet a range of common challenges (Frellesen 2001). But as Keohane and Grant pointed out, the Member States and the US 'need cooperation from others, even in the absence of institutionalized accountability mechanisms' (Keohane 2005:39). States will, in other words, seek 'to ameliorate such conflict, states have for over a century sought to construct international

²⁷⁴ Helsinki European Council, *Presidency Conclusions* (December 10-11, 1999).

institutions to enable them to cooperate when they have common or complementary interests' (Keohane 2003:1).

Contrary to the neorealist structural imperative, the Member States responded to the transition as Keohane and Moravcsik expected. Flows of destabilising events, this time Kosovo, forced the West European powers to reform ESDP to tackle crises with the potential to impact the welfare concerns of the contracting parties. The Berlin Plus agreements, WEU integration, PSC, EUMC, EUMS, RRF and Solana's rationale for reform all correspond to what they would anticipate as a response – building crisis management tools in a world dominated by patterns of complex interdependence.

Dimension Three

The third dimension allows for Congruence testing by focusing on policy outcomes and goals: what were the goals of the main actors when contracting to proceed with ESDPR and how do they correspond to the hypothesised goals of Keohane and Moravcsik? Can we, from the empirical evidence as presented in dimension one and two, trace a causal link from Keohane and Moravcsik's independent variable (destabilising events) to their predicted outcome (crisis management institutions)?

The lesson the Americans thought the West Europeans should have learnt from Kosovo was the need to spend more on becoming an effective partner within NATO before developing institutions that would duplicate and undermine the alliance.

Without clear links [between NATO and the EU's SDP] there is a danger that the two institutions will get bogged down in bureaucratic disputes over jurisdiction while a crisis escalates out of control. ...we need to ensure that ESDI does not lead to a duplication of capabilities. In theory, there is a possibility that the European allies could develop separate capabilities that enabled them to act without drawing on U.S. assets. However, given the decline in European defense budgets, it is unlikely that Europeans will have the money to create such capabilities (Larrabee 2000:2).

The Member States, on the other hand, gleaned from Kosovo the need for future assets to come under the control of the EU – thereby giving them greater influence at the

negotiating table over future crises.²⁷⁵ Kosovo had proved a turning point in EU policy that the Americans were going to have to identify with. Haass (1999:9) articulates this point thus:

The United States will have to accept that a greater European willingness and capacity to share the burdens of European and global security will translate into enhanced European influence, especially if Europe is prepared to act politically and militarily under EU rather than NATO auspices. The United States cannot have it both ways, urging that Europe do more, but do America's bidding and no more.

If Cologne, Helsinki and Feira gave the Americans something to ponder, the upcoming European Council summit in Nice on 7, 8 and 9 December 2000 chaired by the French must have given rise to suspicion for the Clinton Administration. Notwithstanding the copious issue areas covered by the French presidency at Nice, the usual deference to NATO was adhered to in the introduction, with provisos that there would be: no European army, action would be taken only where NATO as a whole was not engaged, NATO would remain the basis of the collective defence of its members and the ESDP would contribute to the vitality of a renewed Transatlantic link.²⁷⁶ But the devil was in the detail and the French produced a lot of detail. From one perspective, this could be an indication of their resolve to create a strong ESDP or it may just have been that they had a lot to build on from Cologne, Helsinki and Feira.²⁷⁷ In fact, a large part of the Presidency conclusion on ESDP was a repeat of progress made at the preceding three summits. This was not surprising perhaps because this summit was essentially tasked with agreeing constitutional reforms designed to open the way for CEEC membership of the EU. In that endeavour, Nice was widely seen as having failed. 'It would nonetheless also be wrong to underestimate the progress made by the Europeans on ESDP. The progress should be

²⁷⁵ In short, a collective European action to respond to international crisis.

²⁷⁶ Nice 7-9 Dec 2000 <http://ue.eu.int/Newsroom/LoadDoc.asp?BID=76&DID=64245&LANG=1>

²⁷⁷ The annex to the Nice European Council summit concerning ESDP contained nearly double the words of the Cologne, Helsinki, and Feira annexes combined (Nice 18,259, Cologne 2,010, Helsinki 2,776 and Feira 4,882 words).

viewed as much in practical as in political terms' (Parmentier 2001:2).²⁷⁸ At Nice, the Member States reaffirmed, by treaty, the establishment of the structures needed for engagement in crisis management. The Americans gave tacit approval on the understanding that NATO remained the dominant security organisation and Washington's Three-Ds policy was not threatened.

The French saw ESDP as a European project, albeit dependent on NATO assets. The British, regardless of John Bolton's statement,²⁷⁹ saw the project much like the Germans – as a way of preserving the Alliance by the use of European structures to manage international crises. Whether or not the obvious disparity of the two positions create a big enough gap in policy goals to constitute a serious rip in the cohesion of the Union remained to be seen. From both an American and European perspective this would be disastrous. Within complex interdependency, issue areas, crisis management being the most visible, required clear and definite patterns of co-operation if problems were to be resolved. The West European powers had a greater task of reconciling diverging national interests and appeasing American sensitivities while at the same time ensuring that they developed effective crisis management tools. The French wanted the EU on an intergovernmental basis to decide military action, the British wanted the same intergovernmental agreement but to look to NATO to carry out the action; the Germans

²⁷⁸ The European press in the run-up to Nice highlights the difficulties the summit would encounter. The Italian *Il Sole 24 Ore* pondered the warning from American Defence Secretary William Cohen that NATO risked becoming a relic of history if the planned European rapid reaction force means that the Union is going its own military way. "Without the American infrastructures in NATO, the Europeans would be unable to take a single step," the paper says. This is why the new European force "can only get off the ground with Washington's blessing... at least until the Union can become truly autonomous for all practical purposes". The Nice summit must therefore "take Europe seriously once and for all, and agree the necessary reforms to make it effective and credible". The Slovak *Pravda* thought it likely that the summit would bring to a head differences within NATO over the ESDP. "For reasons that remain unclear, the United States fears that the creation of a 'European army' will threaten NATO's existence," the paper stated. "Needless to say, such fears are absolutely groundless," it adds. "More importantly, America's decision to voice them just hours before the summit was due to open can only be perceived as an attempt to exert pressure on the European Union." "After all, the Union is planning to form rapid reaction units, not an entire army," it pointed out. http://news.bbc.co.uk/hi/english/world/europe/newsid_1058000/1058670.stm

²⁷⁹ Bolton (1999:3), see page 236.

wanted something in between, with Europe setting the priorities, and providing the troops but dependent on NATO assets to manage external crises.

The pace of SDPR during this period gained momentum as a response to the failure of the Unions CFSP over the Kosovo crisis. In this respect, the lack of European crisis management tools was an important driver. Yet, despite the underlying principle of SDP co-operation, power politics (realist principles) remained a tool of state analysis – the various policy differences over conflict management more than demonstrated this. The effort to create EU institutions to take on an independent crisis management role forced Member States to develop deeper SDP commitments that seemed to contradict certain neorealist theories, but that were consistent with the LVP of Keohane and Moravcsik. It is worth noting, however, that policy reforms agreed at Nice could not have been developed in opposition to the US. Washington, although wary of any attempts to create an independent European military force, wanted the Member States to share more of the defence burden. Disagreement did however exist: Paris wanted to give the EU the capacity to act autonomously from NATO, while Washington wanted to see it as a regional grouping remaining entirely dependent on NATO's planning structure. At this stage, the disagreement was a moot point. The Member States did not have the military forces, the strategic and planning capabilities, or the defence budgets to go it alone. The dispute, however, was not an obscure bureaucratic point. It represented the future direction the Member States wanted the EU to take. The drivers for policy reform were policy and military weakness during the Kosovo crisis, which led the Member States to conclude that even greater co-operation was needed in SDP.

The crisis also confirmed both the relevance but also the singular nature of the transatlantic relationship. An effort to improve Europe's military capabilities had become essential if the strategic decoupling of a Europe, lagging behind technologically, was to be avoided; yet, doing so would raise fears of the political decoupling of a more autonomous Europe. From an American point of view, the conflict raised concerns about a 'war by committee' – a term indicating excessive restrictions on American room for manoeuvre, while, in fact, procedures were entirely in line with the fundamentals of the Atlantic organisation. More deeply, and even before 11 September, the new Bush administration had concluded that Europe was of lesser strategic importance, heralding more selective and restrictive external actions by the United States which would now be decided on the obvious,

but reassuring, assumption of American hegemony and focused on the main strategic balances in the world. This partial reading of the conflict, and the explicit exclusion of any future NATO operation like that in Kosovo, influenced Washington's views on ESDP. After Kosovo, United States misgivings over European integration became more pronounced (Haine: 2004).

Paradoxically, Kosovo confirmed the Member States desire to reform the Union's SDP. Nevertheless, that outcome was dependent on a number of variables, not least whether the United States would accept the EU as an equal partner and de facto a challenge to its hegemony. From a French perspective, this was doubtful. Furthermore, notwithstanding St Malo, would Britain risk its so-called special relationship with the United States if it proceeded down the path of SDP co-operation under an EU banner?

The trend towards unilateralism in SDP identified during the Bosnia crisis seemed to have been replaced by a common policy, at least in the Balkans. Certainly, as America became more willing to take unilateral action, the West European powers seemed more open to building deeper SDP institutions, without confrontation with their most important ally. From a LVP, while the EU's internal rationale remained more or less consistent, it did evolve to:

- undo the damage to the United Nations authority and their own failure to uphold international law
- redouble the effort to strengthen the cohesion of the Union through ESDPR to tackle international crises as they arise

The transatlantic rationale developed to:

- compensate for American aversion to the use of ground troops
- take into account their failure to influence US policy over Kosovo

There remained, however, a debate over which institutions were responsible for what. The reforms were thus ambiguous at best, because of the lack of real consensus on Europe's future security architecture. Nice left the Union with no command structure on a par with NATO, and the lack of military assets essential to operating effectively, left the ESDP a poor second cousin to NATO. In effect, in Europe there were two chains of

political decision making – the NATO chain and the EU chain – but only one set of military assets. The EU was to rely largely on NATO for military staff work, command structure, logistics, intelligence, and lift, thus leaving NATO the main player through the concept of the CJTF.

Furthermore, despite the fact that the wording of the Nice Treaty called for the creation of an independent European SDP with the capacity for autonomous action, backed up by military forces, the agreement was not a means to relegate NATO/US in the security architecture of Europe, nor was it a purely Anglo-French agreement as it was later incorporated into the Nice treaty (Article 17. (1)). The goal, as the wording suggests, was to give the Member States the capacity to respond to international crises where the Americans would not do so. Clinton's refusal to contemplate the use of ground troops in Kosovo against the wishes of Blair forced him to conclude what the French had long believed, that the Union needed to develop its own independent military capacity to act. Regardless of the Member States having wrestled some policy competences from Washington, London in particular was anxious to demonstrate that NATO was still Europe's premier security institution.

The question of independence was clarified at Nice. Independence as concept and objective had been a leitmotif of French commentary on ESDP. The use of the term by French President Jacques Chirac to characterize the force in creation was challenged by British Prime Minister Tony Blair, who firmly rejected the idea that a defense entity separate from NATO was in the works. Blair, under pressure from EU skeptics at home, was taking pains to distance himself from anything that smacked of a federal European Union. Eager to avoid provoking American opposition and suspicion of French ambitions, most European governments tilted in the Blair direction. France prudently backed away from its espousal of a wholly independent ESDP (Brenner 2002 4-5).

While the Americans were anxious about the reforms, they were not concerned about balancing, but about an influential European block forming inside NATO, an institution that the Americans had hitherto dominated. Thus, regardless of structural pressures, for the West Europeans it was their lack of military and institutional assets to confront the crisis as an equal partner of Washington that brought about the change. The crises forced the Member States, after numerous failed attempts, to begin building a

functional SDP. The previous issues that stood in the way of SDP reform were overcome, so that we may now 'talk of a continuous process of centralisation within the EU' (Rynning 2001:19). Moreover, as Moravcsik has argued, SDPR's are not a counter weight to the US, but a means for the Member States to be an equal partner, albeit utilising different strengths. 'European civilian power, if wielded shrewdly and more coherently, could be an effective and credible instrument of modern European statecraft, not just to compel compliance by smaller countries but perhaps even to induce greater American understanding' (Moravcsik 2003c). He further argues that: 'The EU is not a United States of Europe in the making. Instead, it should be seen for what it is—the most successful international organization in history. The secret of that success lies not only in the Europeans' willingness to centralize certain types of political power, but also in knowing how to mold and limit that power' (Moravcsik 2002b).

Keohane and Moravcsik's independent variable, from the evidence presented here, is consistently operational in relation to the strategic calculations of the Member States. Kosovo undeniably had the potential to destabilise the Union's peripheral states but, more importantly, it shocked them into the realisation that their respective and collective military capabilities were completely inadequate for the task of crisis management. Thus, the task of institution building evolved once more out of the need to manage crises on their terms without the embarrassing need to rely solely and completely on the US for military assistance. The changes, outlined above, for Keohane and Moravcsik are evidence of their dependent variable – institution building, to allow for intergovernmental policy coordination of flows of destabilising events. In the final analysis and, as we shall see, in direct contradiction to Haasians, Moravcsik would stress that EMU is not to be considered 'the first major steps towards political union, but as the finishing touches on the construction of a European economic zone' (Moravcsik 2001a:121).

Haasian Neofunctionalism

Dimension One

The question arising under dimension one is: What new empirical challenges did the transition present for these actors and how do they relate to the neofunctionalist theoretical hypothesis?

Like Bosnia, Kosovo presented the Member States with a crisis management problem, in so much as destabilising events on the Union's periphery needed to be managed lest they impact the welfare interests of the Member States (this is where neofunctionalism and Keohane-Moravcsik overlap). In the case of Kosovo, a neofunctionalist perspective would focus particularly on the fact that the leadership of ex-Yugoslavia – Serbia and Montenegro – had shown no significant support for the transformation of the political economies of East Central and South East Europe in the directions favoured by EU economic actors and the Commission.²⁸⁰ A NATO military attack on Belgrade would thus not in itself have involved a negative development from the angle of EU integration, while a defeat for EU-NATO in its confrontation with the ex-Yugoslav government could have been a major defeat for the entire drive to integrate East Central and South East Europe within EU political and economic structures. In this context, the bombing campaign against Serbia and the initially ambivalent and to some extent contradictory peace agreement bringing the war to an end left both parts of both Western and East Central Europe in considerable disquiet and even turmoil. In such circumstances, neofunctionalists would stress the major efforts on the part of the EU to restabilise the continent through a vigorous new drive on key issues: the offer of a more decisive set of steps for East Central Europe towards full membership of the EU at an early date; a new deal for South East Europe in general and for the Western Balkans in

²⁸⁰ Indeed, Albania is only comparable to Yugoslavia for the lowest flows of FDI. The World Investment Report (2001:35) showed inflows into Yugoslavia as amounting to only \$29 million in 2000 from an estimated \$124 million in 1999. Other years inflows reflect patterns of crisis and renewal – (Estimates in millions) 1992-\$126, 1993-\$9.6, 1994-\$63, 1995-\$45, 1996-\$102, 1997-\$740 and 1998-\$113 (World Investment Report 2001:35).

particular; and a clear demonstration of a much stronger united will on the part of the EU to develop its own authority and capacity as a security actor on the periphery of the EU.

In parallel, EMU was proceeding to its final stage, and a neofunctionalist perspective would view this as an absolutely crucial political project in European integration. Neofunctionalism would thus point to evidence of a kind of spillover effect from EMU to much stronger political unity in external affairs on the part of the EU. Indeed, Sweet and Sandholtz (1997:314) expected that integration would produce new political arenas and ‘that the politics in these arenas will qualitatively differ from purely intergovernmental politics; and that this difference will have an impact downstream, on subsequent policy processes and outcomes’. In neofunctionalist terms, spillover from economics to SDP compels the member states to reassess interstate co-operation. The challenge for the main actors (supranational actors/entrepreneurs) was to push forward the reform process by pressing for progress in intergovernmental negotiations in the direction of state executives giving a greater role in an enhanced SDP to supranational actors (the new HR for CFSP, PSC, EUMC and EUMS), who, neofunctionalists argue, are better placed to effect strategic outcomes favourable to the common good. Notwithstanding that these actors must follow rules already specified by intergovernmental negotiations, they can and do influence the rules of the game to affect an integrationist policy outcome. Moreover, as Missiroli has argued:

...CFSP is a central element, but not the only one, of European ‘external action’ proper, which is broader in its functional scope and institutional framework. It is also endowed with a bigger toolbox, encompassing bodies, programmes and instruments: these lie mostly in the first EU ‘pillar’ (from DG RELEX to DG Trade and other agencies) and are run by the European Commission. ...EU ‘crisis management’ is not carried out only through ESDP instruments. When it comes to tackling real international crises, other policy areas – entailing trade, aid, assistance, transport and communication, financial and political measure (positive and/or negative) – may equally be involved, which do not fall within the remit of CFSP/ESDP. The trade partition of EU policies into separate ‘pillars’, in other words, still holds in strictly institutional terms but is increasingly challenged – or just less relevant – in practice, thus raising thorny issues of cross-pillar coherence, consistency and coordination (Missiroli 2005:58-59).

In other words, the complexity of the system appeared to enable neofunctionalists to conceptualise the evolution of ESDP by analysing the future roles that supranational actors could have on the policy process.

Dimension Two

The question arising under dimension two is: How does the reaction of the key actors compare to what neofunctionalists would anticipate as their response to the new context?

Much of the course of events in the field of ESDP during this period can indeed be interpreted quite well within a neofunctionalist perspective. While neorealists of some varieties may seek to present the Anglo-French pronouncement at St.Malo on the need for autonomous military capabilities in power political terms, it could equally be viewed simply as a joint commitment to further the integration process in the external field in the face of pressures from sub-national actors to co-operate. Or, as Sandholtz and Sweet (2004:239) put it; 'Rule systems, or institutions, enable actors to conceive, pursue, and express their interests and desires, but also to co-ordinate those desires with other individuals'. Thus, British business (members of the ERT – British Steel, BP, BAT) had since 1991²⁸¹ expressed strong support for the decisive drive to transform and integrate East Central Europe within the EU and, given Britain's decision to stand outside the single currency, London would have a strong incentive to show its own business actors that it was not seeking to isolate Britain from the more general drive to build EU integration.²⁸²

Britain's military capabilities and, UNSC role meant that it could make a substantial

²⁸¹ See Monod, Gyllenhammar and Dekker (1991).

²⁸² Moreover, by 1998 the number of European companies with operations in CEE were as follows: B.A.T in Hungary, Bertelsmann in Poland, BP in Poland, GKN in Poland, Krupp in Romania, Lafarge in the Czech Republic, Lyonnaise des Eaux¹ in Czech Republic and Hungary, Philips in Hungary, Profilo Group in Lithuania, Renault in Slovenia, Saint-Gobain in Poland, Siemens in the Slovak Republic, Shell in Hungary and the Czech Republic Solvay in Bulgaria, Unilever in Romania and Veba in Latvia. The activities of ERT companies in Central and Eastern Europe confirm a wider trend of significant investment by Western companies in the region. 'Annual FDI flows into C&EE now amount to the E 9 billion, with cumulative investment since 1989 of over E 50 billion. EU companies account for a significant proportion of this investment. In 1997, for example, EU companies accounted for two-thirds of FDI flows into Hungary and the Czech Republic and half of those into Poland. EU exports to C&EE have also grown significantly – they have now reached E 80 billion - treble the level of a decade ago' (European Round Table 1998).

contribution to integration in this field, but only by being prepared to give the EU a direct role, which it endeavoured to fashion from St Malo to Nice. Moreover, Duke (2001:24) has highlighted that:

.... contrary to some of the laudatory comments, the outcome of the IGC and the French Presidency saw advances in non-military and military crisis management and not, as is sometimes claimed, defence. This is not just a semantic point since it is precisely in defence that progress has *not* been made and probably will not be for a while to come. A more accurate portrayal of progress to date might refer to the emergence of a European security policy (ESP) and no more.

Thus, to say reforms agreed at Nice were comparable to exact neofunctionalist predictions would be an overstatement, but for them it could nevertheless be understood in integrationist terms, as the stated end goal allowed for independent action on behalf of the West European powers. Whatever the intention was, the reality dictated that, for the time being, the ESDP and ESDI would have to develop in parallel with one another. This was a prospect that neofunctionalists could easily accept as a tactical alignment until integration proper was realistically attainable.

Moreover, neofunctionalism can also cope rather well with the sometimes chaotic and continually fudged relationship between the steps towards ESDP and the hostilities and concerns of the US administration at this time.²⁸³ Within a neofunctionalist perspective, the sub-national actors who are the focus of neofunctionalism would not have been interested in pushing steps towards ESDP to the point of a break with the US. They would, on the contrary, wish to retain strong positive links with the US for business reasons. On the other hand, they would wish to see strong and stable EU institutions for dealing with challenges to the East and for assuring the political coherence of the EU integration project in the context of EMU. Elmar Brok (10/11/1999) in a statement to the

²⁸³ The Americans were alarmed by the use of the wording 'autonomous actions', fearing that the NATO led concept of the ESDI was, if not over taken by the ESDP, at least being positioned to do so in the future. The Americans thus warned against possible difficulties that might lie ahead. 'We would not want to see an ESDI that comes into being first within NATO but then grows out of NATO and finally grows from NATO, since that would lead to an ESDI that initially duplicates NATO but then could eventually compete with NATO' (Talbot quoted in Tyler 1999).

United States House Committee on International Relations tried to reassure the Americans of the need for and benefits of the reforms and its actual relation to past NAC decisions.

The aim of this declaration was to provide the EU with *'the capacity for autonomous action, backed up by credible military forces'* in order to implement the Petersberg tasks. This is to be done by incorporating the WEU into the European Union. Collective defence, however, will remain within NATO. The Cologne Declaration is in line with the decisions taken in 1996 in Berlin by the North Atlantic Council to develop a European Security and Defence Identity (ESDI) within the Alliance. I quote: *'Taking full advantage of the approved CJTF concept, this identity will be grounded on sound military principles and supported by appropriate military planning and permit the creation of militarily coherent and effective forces capable of operating under the political control and strategic direction of the WEU'*. This is exactly what we are aiming at in bringing the WEU into the EU. What the ESDI will involve in the way of action and planning for action has been defined to some extent in Berlin and Washington. There can be European action within NATO, which does not involve all NATO members with, for example, the use of Combined Joint Task Forces. And the Europeans may have a chain of command running down from a European Deputy Supreme Allied Commander – Europe (D-SACEUR).²⁸⁴

Eight days earlier, the United States House of Representatives had passed a resolution maintaining that 'collective defence' should remain NATO's core function. But it also took note of the Member States goals set at Cologne and declared its support for the ESDI. If Brok had counted on his statement and the appointment of Javier Solana (former General Secretary of NATO) as the EU's High Representative for CFSP and Secretary-General of the WEU to reassure the Americans, it is doubtful that the moves succeeded.²⁸⁵ In any case, Solana's joint appointment was a double edged sword — the United States could just as easily conclude that this was another EU move to enhance its CFSP by bringing the two under one hat. 'By placing Solana in charge of both the WEU and the CFSP, effectively overseeing the EU's military and foreign policy developments, the position is already somewhat heavily leaning in the direction of that of a Defence Minister'

²⁸⁴ Statement by Mr. Elmar BROK, Chairman, European Parliament, Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy on European Security and Defence Identity after the EU Summit in Cologne and the Transatlantic Link Before the U. S. HOUSE COMMITTEE ON INTERNATIONAL RELATIONS Washington, DC – 10 November 1999 <http://www.eurunion.org/news/speeches/1999/991110eb.htm>

²⁸⁵ See Bolton (1999) and Rodman (1999).

(Cross and Nassauer 1999:2).²⁸⁶ Clearly though ‘for all the remarkable surrender of sovereignty by the merging European nation-states to date, they scoff at the notion that Europeans might actually pool their armies as they pooled their currencies’ (Pond 1999:87). This might be a fair analysis of the situation as it was, but for Haasians European co-operation has a history of moving forward once it enters a certain policy area. Regardless of neorealist or intergovernmental assumptions, for neofunctionalists there is no logical reason why security and defence issues should be any different. Indeed, ironically, out of Waltzian neorealist necessity (balancing unbalanced power) Europe’s nation-states might need to integrate further to influence American power and in the process dispel balance-of-power politics between Europe’s nation-states.

The obvious problem for neofunctionalists, again, was the absence not only of sub-state actors from the negotiating process – that was to be expected – but above all of the Commission from the process. Yet given the fact that what was at stake was nothing less than the core security functions of states, this firm grip of state executives on not only the negotiations but also the institutional designs of the project is not unexpected within a neofunctionalist perspective. Functional spillover would, however, predict that Member States were pressured to reform SDP due to co-operation in other areas. Using this type of argument, the Maastricht and Amsterdam treaties led to a broader set of objectives — although Kosovo was a compounding factor that led to SDPR, because neofunctionalism’s *raison d’être* relies on actors perceiving a necessity sourced on not only external conditions, but from internal dynamics. From spillover we can understand why Member States during the conflict perceived a problem with their current SDP and thus proceeded to reform it in order to solve the problem. For Haasians the response, rightly or wrongly, on a strictly neofunctionalist interpretation, is formed by actors who perceive external stimuli through an institutional prism and then go on to form policy preferences.

²⁸⁶ These suspicions and reassurances can of course be understood in neoliberal terms also, but for neofunctionalist they underline the supranational path the member states were taken, if not in practice due to practical difficulties, then conceptually, as the Americans feared.

Dimension Three

The third dimension allows for congruence testing by focusing on policy outcomes and goals: what were the goals of the main actors when contracting to proceed with ESDPR and how do they correspond to the hypothesised goals of neofunctionalists?

In assessing what existed after Amsterdam and in the midst of the Kosovo crisis, the changes to the CFSP did little to bring SDP proper under the control of the Union as a state-like actor.²⁸⁷ Again, reform was necessitated out of failure in the Balkans and its military weakness relative to the challenge in the Balkans. This was not, of course, the only motive for the Nice IGC, which was driven more by the need for institutional reform to cope with the rapid, large-scale enlargement Eastwards of the EU. But Nice was also importantly about ESDP. The Nice Treaty did not elaborate further on common interests, in part, because Maastricht and Amsterdam had satisfied Member States as to the scope of their commitments as permitted by current decision-making rules.

Although Nice maintained the role of Member States in relation to military and defence policy, new structures were added to the decision-making system of the CFSP and ESDP. These new structures ‘...have a momentum towards integration which will, together with the innovations of Amsterdam, probably change the intergovernmental aspect of the Second Pillar significantly’ (Muller-Brandeck-Bocquet 2002: 259).

The creation of a command structure under the direct authority of community institutions was also advanced with the creation of the new permanent political and military bodies. Moreover, the appointment of Javier Solana as High Representative for the CFSP and Secretary General of the Council demonstrated the importance the West European powers placed on the new security bodies. The structure, however, remained clearly intergovernmental — coming under direct control of the European Council. Nevertheless, the new bodies are at the heart of the ESDP and are accorded an impressive list of functions.

²⁸⁷ It is worth noting, however, that Art. 17 incorporated the Petersberg tasks, thereby significantly broadening the scope of the CFSP.

In effect, the European Union has equipped itself with the infrastructure that, if fully developed, would enable it to act with a high degree of independence from NATO as an independent international actor. Current intentions and overall capabilities, however, place that prospect well into the future. Still, these organizational assets are an indication of the dedication to ESDP and the new EU security vocation in general (Brenner 2002: 50).

Rynning (2001:24) noted, however, that ESDP is not drawing the EU any closer towards the 'strategic actor' model.²⁸⁸ For him, we should classify the US/EU relationship as 'New Atlanticism'. The Atlanticism was due to the division of labour between NATO and the EU's SDP and was new because only a small grouping, led by France and Great Britain, will be in control of the directorate that acts as a bridge between NATO's 'high' and the EU's 'low' intensity roles (ibid.).²⁸⁹ However, this misses the point for neofunctionalists, who would continue, in the face of such criticism, to stress the cumulative effect of reforms.

The creation of a fully integrated multilateral standing military force was also advanced in this period with the establishing of an autonomous RRF with the potential to undertake missions without American involvement. Solana (2000), in a speech that would resonate with Haasians and liberals alike, observed that:

The purpose of the common foreign and security policy is not to exercise power for its own sake... In order to take on the challenges brought about by increasing interdependence, we have to be more interdependent ourselves. Our citizens now expect us to react to events on the other side of the world. They will not tolerate that Europe stands by, rather than facing up to disasters, crises or conflicts. We must have the diplomatic and military capabilities to respond in a world where humanitarian disasters and conflicts are all too common. I do not think we are being too ambitious. Since taking up my current post a few months ago, I have been struck by the commitment of the EU member states, even those that have traditionally been reticent about pooling areas which touch the heart of national sovereignty. We will not achieve everything overnight. You cannot mold an army, which has for 50 years been designed for territorial defense into a rapid reaction force in a few days. But the political will exists. That is enough to make sure it happens.

²⁸⁸ Rynning's (2001:7) 'strategic actor' model assigns to the EU the capacity to act, a well-defined vision of itself as a security actor and the willingness to use military force when its interests are threatened.

²⁸⁹ New Atlanticism, according to Rynning (2001:27-29), can be described along five dimensions: partnership, NATO planning, EU planning, access to capabilities and the directorate.

If the RRF and ESDP as envisaged become fully functional, a re-balancing of the transatlantic relationship is inevitable. But for neofunctionalists, it would be wrong to measure the success of ESDP in exclusively military terms. The important point from their perspective is that it acts as a catalyst for further institutional development. The force was declared operational in 2003 and will thus form the basis for functional spillover. In all, reforms represented an important commitment to the creation of a fully integrated multilateral standing military force. But the continuation of the unanimity principle and the clear desire of Member States to retain functional sovereignty of SDP make for slow progress, but for neofunctionalists this is unimportant. 'If powerful states dictate international rules and change them as they please, then we need only focus on material power relations and the analysis need go no further' (Sandholtz and Sweet 2004:270). For Haasians, the analysis goes much further and for this reason, the integrative value of the Nice reforms is significant as a demonstration of the internal/external dynamic that drives states to integrate.

For neofunctionalists, European integration per se can be viewed as a chronicle of missed opportunities: with a ponderous and tangled history, the process of SDPR is no different. The collapse of communism and the ensuing crises in the Balkans seemed to galvanise the EC/EU to construct a serious attempt at creating a common functional security and defence policy. The Member States were, by default, moving ever closer towards a Union based not only on EMU but also SDI of the neofunctionalist bent. Admittedly, this was not out of conviction or vision of a greater Europe but out of functional necessity. For neofunctionalists, something different from past developments was happening. European states, regardless of speed or conviction, found themselves pursuing more integrationist policies than perhaps their state-centric view of IR would normally permit. Clearly there is a long way to go and perhaps Howorth's 'supranational intergovernmentalism' was another piece in the theoretical jigsaw that interprets European integration. But for now, neofunctionalists could confidently argue that once Maastricht institutionalised CFSP and Member States sought to utilise these institutions, the reality of

their vulnerability would force them through the lens of functional spillover to keep reforming SDP until it fell under the remit of the Union's supranational institutions. This was the context for Amsterdam and Nice. The problem again, of course, is that the neofunctionalist dependent variable has thus far failed to materialise. Certainly, Nice introduced new structures and bodies through which the supranational aspect of the Union could find a voice, but a voice it only was and for the most part decision-making remained intergovernmental in character. Neofunctionalists would nevertheless stress that functional spillover was taking place regardless of supranational actorhood and in any event that actorhood would develop over time, the theory having no temporal component.

Chapter Six

Hypothesis Testing: The Iraq War and the Reform of the Common European Security and Defence Policy Mechanisms 2000- 2007

Introduction

In this chapter the focus of the empirical analysis shifts from European crisis to the near global crisis that the Anglo-American invasion of Iraq stirred up. In Chapter 5 we analysed how our theorists sought to explain European SDP restructuring during the third phase of the reforms leading to Nice. In this chapter we follow the same approach with the focus shifting to the fourth empirical reform phase chronicled in Chapter 2 (2000-2007).²⁹⁰ We thus shift our attention to explore what each theory can suggest along the three dimensions of the process leading to SDPR at Lisbon:

Dimension 1: What was the strategic context in which the Member States initiated discussions and negotiations leading to the Lisbon Treaty?

Dimension 2: What was the actual response of the key actors to the change? How can their actions and the negotiating process leading up to Lisbon be understood?

Dimension 3: How can we assess the significance of the outcome of the process in the sense of the policy agreements and institutional changes that emerged?

The following chapter examines how each theoretical school addresses these three dimensions in the context of American SDP reorganisation following 9/11 and the disruption caused to interstate relations by the Iraq crisis. We explore the way in which the crisis focused member states resolve to reform the Union's new CESDP and general security and defence architecture, not only to deal with internal policy divisions but as a general response to Washington's new dramatic SDP reorientation. At the same time, we explain how theorists come to grips with SDP reorganisation up to and including Lisbon.

²⁹⁰ See Page 103-111.

The first four sections of the chapter deals with our neorealist theorists and how security and defence policy reforms are a response to the Iraq war, and how those events, once more, exposed actual variations in the distribution of and perception of power, contributing to the threat perception of the member states when dealing with issues that the Americans were determined to direct and control on an unilateralist footing. The fifth part of the chapter deals with Keohane and Moravcsik and how the Iraq crisis demonstrated to the member states, that regardless of policy divisions, that the complex interdependent and institutionalised world they operate in, required a policy response that strengthened SDP co-operation – ending in the restructuring of SDP to accommodate a more independent (from America), but interdependent CESDP in the Treaty of Lisbon. The final part of the chapter deals with Haas’s neofunctionalist thesis and why states and non-state actors, that had a great deal of capital invested in the Euro-American capitalist system, would want to ensure that no real long-term damaging split in Atlantic relations would occur.

Waltzian Neorealism

Dimension One

The question arising under dimension one is: for Waltz, what new empirical challenges did the transition present for these actors and how do they relate to his theoretical hypothesis?

Evidence supporting the Waltzian thesis could be found with the post-Kosovo launch of the ESDP. The crisis management rationale declared by the Member States was beginning to sound insincere, as the actual reforms, to policy makers in Washington, started to resemble old fashioned balancing of the Waltzian bent. Alexander Vershbow, America’s Ambassador to NATO, expressed such reservations:

Is ESDP primarily a political exercise, the latest stage in the process of European construction, or is ESDP’s main goal to solve real-world security problems in Europe? If ESDP is mostly about European construction, then it will focus more on institution-building than on building new capabilities, and there will be a tendency to oppose the ‘interference’ of NATO and to minimize the participation of non-EU Allies. The danger here is that, if autonomy becomes an end in itself, ESDP will be an ineffective tool for managing crises, and transatlantic tensions will increase (in, Philippart and Winand 2002:429).

For neorealists in the Waltzian tradition, the significance of the Bush administration's forward thrust into Afghanistan and then Iraq could be grasped only in its relation to great power politics, rather than in relation to 'terrorism' or minor states in the Greater Middle East.²⁹¹ As an assertion of American power in central Eurasia, it could be expected to generate balancing activities by the Eurasian great powers, including those in Europe.²⁹² For Waltz, the strategic background of this case in particular resonates with his forewarnings about the menace of unbalanced power. After domestic political pressures led the Bush administration to turn to the UNSC for support in the Autumn of 2002, moves were made by various Security Council members, notably France, to block a UNSC mandate for invasion of Iraq. Within a Waltzian perspective such tactics, ineffectual as they were, were about other permanent members of the UNSC manoeuvring to frustrate America's decision to invade Iraq or weaken its legitimacy, a kind of 'soft balancing'. Actually, before the formal report by the chief UN Weapons Inspector Hans Blix was made, Bush had ordered the deployment of some 200,000 US troops to the Gulf on 21 December 2002. Washington, it seemed, was not to be distracted from its policy goal of regime change by the UNSC. Blair, if there was any doubt, made it clear that America would not be alone even if UN approval for an invasion was withheld. 'America should not be forced to take this issue alone. We should all be part of it. Of course, it should go through the UN – that was our wish and what the US did. But if the will of the UN is breached then the will should be enforced' (Blair 2003). In other words, for London and

²⁹¹ Notwithstanding Bush's State of the Union axis of evil speech, this section will limit itself to analysing events after 9/11 and more specifically from 17 September 2002 (the releases of the National Security Strategy) to 19 March 2003 (the start of the invasion of Iraq).

²⁹² Washington's rationale for the invasion of Iraq was provided by the Bush White House, in the National Security Strategy (NSS), released on 17 September 2002: 'The US has long maintained the option of preemptive actions to counter a sufficient threat to our national security. The greater the threat, the greater is the risk of inaction—and the more compelling the case for taking anticipatory action to defend ourselves, even if uncertainty remains as to the time and place of the enemy's attack. To forestall or prevent such hostile acts by our adversaries, the US will, if necessary, act preemptively'. Robert Kagan (2002:135-139) explains the war as the logical outcome of an American 'Grand Strategy' rooted in an expansionist tendency dating back over the course of four centuries. According to Peterson (2004:624), because, 'The NSS contained no promise of negotiation about the circumstances under which US military power would be used to pre-empt security threats, it thus represented the end of a negotiated international order'.

Washington resolution 1441 was all the authority they needed to make a lawful attack on Iraq.

London's support for Washington is evidently an anomaly for the Waltzian thesis. For Waltzians, however, it can be understood as a tactical decision to support America while the Member States built up their military assets without overly antagonising their Atlantic ally, even if this meant temporarily alienating France and Germany. Paris and Berlin, on the other hand, opted for direct and open opposition to the invasion.²⁹³ The resulting split between the Member States nevertheless causes a serious problem for the Waltzian perspective, for it meant a crisis for the EU's CFSP and a possible setback for SDP reform due to be agreed at the forthcoming IGC. In other words, this meant that there was a possibility that the Member States could lose this opportunity to rebalance the system. Most of so-called 'New Europe' backed the American position to the anger of the French and Germans, who had hoped that the new EU candidate states would align with their joint position. France thus mounted a vigorous and protracted opposition to military action on the simple grounds that given the present situation as understood, it was unnecessary and only served the purposes of underpinning the disequilibrium of international power relations. French Foreign Minister, Dominique de Villepin, stated Paris's position:

If war is the only way to resolve this problem, we are going down a dead end. Already we know for a fact that Iraq's weapons of mass destruction programs are being largely blocked, even frozen. We must do everything possible to strengthen this process. ...The United Nations should stay on the path of cooperation. The other choice is to move forward out of impatience over a situation in Iraq to move towards military intervention. We believe that today nothing justifies envisaging military action. (AP 20/01/03)

Paris aligned with Berlin, which had already opposed an invasion of Iraq in the Autumn of 2002 with or without UNSC support. More strikingly, President Chirac and Chancellor Schroder were prepared to link up directly with Russia against the United States and the British, now vocally claiming that an attack on Iraq would be detrimental to

²⁹³The importance of France and Germany in the UN process was heightened by the fact that Paris held the presidency of the Security Council and was due to hand it over to Berlin on 1 February.

the long-term stability to the region. In Waltzian terms, notwithstanding London's support for the US, this troika was an impressive instance of balancing. As Washington took a more unilateralist position, the three opposed the war more vigorously at the verbal level. By the time the US Congress passed a resolution on 10 October 10 2002 authorising pre-emptive action against Iraq, the troika had reason to believe that American policy had already been decided upon. Riddell (2003:167) in fact noted that Blair, following a meeting with Bush on 6 April 2002, knew that Washington had decided to remove the Iraq issue by regime change.

From a Waltzian perspective, London should have aligned with the other two Member States in challenging America to bring symmetry back to the system. London's backing of Washington was of course nothing new, given the primacy of the Anglo-American relationship in British foreign policy. But what was different this time was that London seemed willing to hitch its wagon to an American foreign policy in 'unilateralist overdrive' that no longer wanted to play by the old rules (Dunne 2004:908).²⁹⁴ Britain again seemed the odd man out by going against the other two Member States. However, from a Waltzian perspective, London's alignment with Washington was not fatal to his balancing thesis for he could interpret this, as before, as simply tactical difference, until the Member States could, independently from America, build up their military assets to restore symmetry to the system.

Conversely, within a Waltzian perspective, the objective for a Bush administration set upon global primacy would no doubt have been to prevent a new balance of power forming against the US by dividing the West European powers. According to Waltz (2000:28), however, such attempts by the Americans are prone to failure, because they inherently stimulate other states to overcome them. However benignly the US may wield its power, the weaker member states of the EU will always fear that sooner or later it will discard decent and moderate conduct for 'arbitrary and arrogant behaviour' and America's

²⁹⁴ Tim Dunne (2004:908-909) suggests London's position is one of simple national interest born out of an Atlantic identity.

Iraq policy seemed to evidence just that. The challenge for the Member States was to create a new balance of power by strengthening the cohesion and military capabilities of the West European powers and indeed possibly also collaborating with Russia and China.

Dimension Two

The question arising under dimension two is: how does the reaction of the key actors to the context in 'dimension one' compare with what Waltz would anticipate as the main process, which the context would set in train?

The Member States shortly after 9/11 realised that Washington would pursue a unilateral policy of power projection when it believed it to be in its best interest to do so. Furthermore, following military operations in Afghanistan it was apparent that working outside NATO constraints was going to be the preferred US policy route. This not only had ramifications for bilateral relations but also the continued existence of NATO in its present form. One commentator argued that these decisions to work outside NATO by building ad hoc bilateral coalitions with heads of state directly, 'rather than through multilateral organisations – have been one of the most noticeable features of its military performance, fuelling doubts about the long-term commitment of the US to multilateral solutions' (Deighton 2002:120).

From a Waltzian understanding, such multilateral solutions were very much on the minds of the West European powers throughout the Iraq conflict if a successful alliance was to be formed to balance the unipolar power. During its aftermath, the Member States agonised and debated their way towards the eventual acceptance of a European Constitution.²⁹⁵ The Constitution contained important provisions relating to the process of SDP reform. Of course, none of this is to suggest that the European Convention or IGC

²⁹⁵ Although the Constitution had to be abandoned in its original form, SDP reforms were for all practical purposes integrated into the Lisbon Treaty without much substantive change. It is thus not necessary to look directly at the process leading up to Lisbon, as cause and effect were already established in the lead up to the acceptance of the Draft Constitution.

negotiations²⁹⁶ were initiated in response to the Iraq war, but this did have an effect on the outcome (Everts and Keohane 2003:167).²⁹⁷ In the light of past conflict prevention failure, these bodies also reassessed the operational utility of the Union's SDP. However, more important, for the purpose of this section, this reassessment took place when the Iraq crisis was in full swing. While the establishment of the Convention predates the crisis in Atlantic relations, it would be unrealistic to assume that the crisis did not have a profound effect on the working groups tasked with presenting the Union with new modalities for the operation of its SDP. Everts and Keohane (2003:176) noted that when the Iraq crisis happened:

The absence of a shared threat assessment was an important reason why EU countries ended up so divided. Each country first formed its own national viewpoint, and only then engaged in half-hearted attempts to form a common stance with its European neighbours. EU leaders realised that, based on this dynamic, EU foreign policy would never succeed. A new clause was quickly inserted into the Constitution, stipulating that the EU should work out a coherent vision of its strategic objectives.

Indeed, early on in the process, the Convention accepted that institutional reform of SDP decision making processes and military capabilities needed to be brought forward if the West Europeans were to effectively rebalance the post-Cold War system. 'Many of the most fraught debates in the convention have centred on foreign policy and defence, reflecting the splits caused by the Iraq war and the aspirations of those who hope to see the Union develop into a counterweight to the US' (The Economist, 29 May, 2003).

Certainly, if America's allies were serious about new alliance formations, they needed to consolidate the Union's SDP to avoid such a damaging split in the future.²⁹⁸ The

²⁹⁶ The European Convention (28 February 2002 to 10 July 2003) was launched at Laeken (December 2001). The Intergovernmental Conference on the Future of Europe to approve the draft officially began on 4 October 2003 under the Italian Presidency of the EU.

²⁹⁷ In general, the Convention was tasked to debate and present a coherent strategy for the internal functioning of the EU when enlargement took place.

²⁹⁸ On 20 June 2003, shortly after what seemed likely to be a detrimental split over the Iraqi crisis, Javier Solana presented the first Security Strategy for the EU Member States to rally around. After a short review process, the document was adopted by the Brussels European Council on 12 December 2003. Nicknamed the 'Solana doctrine', the document was seen in some quarters as a response to the 'Bush doctrine'. More importantly, it demonstrated to the outside world and the Member States the continued need for the Union to develop its own identity on the world stage. The document is meant to act as a handbook for ESDP operations. It is thus relevant in the overall context of this

Swiss *Le Temps* (25/04/03) also reported at the time that 'Europe is drawing lessons from the Iraq crisis and intends to strengthen its common defence and foreign policies'. This perception, from a Waltzian angle, essentially meant alliance formation to bring the system back into equilibrium and thus stability.

The most remarkable outcome, given the hostility between the pro-war and anti-war Member States, was that agreement was reached at all. The process, while not initiated as a direct reaction to the Iraq crisis, can, however, be analysed in the context of America's war with Iraq. 'It is not fashionable to say it but the war in Iraq concentrated our minds. It showed that the EU had zero influence if its member-states do not pull together' (Everts and Keohane 2003: 176). Hill (2003:77) concluded that both the Convention and the general interest shown in the Constitution 'are a natural part of the overall process of European integration, which has been historically driven by four factors and/or sets of motives'. These he summarises as:

1. The state-building imperative
2. The pressure for institutional reform
3. Issues of democracy and accountability
4. The (super) power-building imperative in international relations (ibid.)

The fourth factor certainly has echoes of neorealist reactions to the structure of the international system, while the second resonates with liberal and neofunctionalist theory. Yet, despite the widely held conviction that the Iraq war had exposed fundamental differences between the Member States, the upshot of the crisis saw a number of new plans to keep the process of reform moving forward. From a Waltzian perspective, it was not so much American power as a lack of European power that motivated the Gaullist tendency of some of the member states. Hulsman (2003) sees the problem through an American neo-conservative realist perspective and argues thus:

Given anaemic European defense spending, it is little wonder that many politicians in Europe are implacably opposed to the military tool being used in international relations, that they don't want strength to matter in the international community, that they want to live in a world where international law and institutions

research, but a detailed analysis is beyond the scope of this study. For an evolutionary history of the strategy and the Document, see Bailes (2005).

predominate, that they want to forbid unilateral military action by powerful nations, and that they advocate all nations having equal rights that are protected by accepted international norms of behavior – the Europeans are merely making a philosophical virtue of a very practical necessity. While attempting to limit through diplomacy what is a glaring weakness in their own power portfolio, European Gaullists are attempting one thing more – to balance the United States in a non-traditional manner, by harnessing overwhelming American power in multilateral institutions in such a way as to have a significant say in how such power is used. ...The rise of European Gaullism, the desire to create a countervailing pole defined by its very un-American nature, is a logical structural response to such a world. The possible rise of a coherent Paris-Berlin-Moscow alliance designed to permanently challenge American power in the wake of the Iraq crisis should be seen as a fledgling effort to tie the Gaullist impulse into a more unified political formation.²⁹⁹

Within the terms of neorealist debate, a critical weakness of the Waltzian perspective would seem to be its inability to demonstrate a real drive by the West European powers to build up their military capabilities for balancing. Yet, outside treaty reform, Waltzians can point to some potentially significant signs of serious changes in this area: the formation of the Franco-German-Spanish EADS military aerospace company, the EU commitment to the Galileo project, the plan for an independent European heavy-lift aircraft, deepened Anglo-French co-operation in naval construction. While all these initiatives are potentially important, in May 2003, France, Italy and Germany reinforced them by calling for an increase in expenditure to increase the Union's military capabilities. This initiative was also enhanced by a number of provisions in the Reform Treaty that called for 'structured co-operation within the Union framework' and the creation of a 'European Armaments Research and Military Capabilities Agency'. Sangiovanni (2003:193-194), while arguing that ESDP was bad for Europe, noted that:

...these initiatives to bolster ESDP were not launched despite the Iraq crisis but in reaction to it. What is happening is that certain European governments – notably Paris, and to some extent Berlin – are seeking to use the Iraq dispute to build momentum for integrating European defence. A similar tactic worked quite well in the wake of the 1999 allied campaign in Kosovo, where American military dominance was repeatedly cited as proof that Europe needed an autonomous military force. It is too early to say whether such tactics will work again. What does seem clear is that – despite the Iraq debacle – ESDP is not off the European agenda.

²⁹⁹ See also Kagan (2004:10-11) who argues in a similar vein.

Waltzians can point to ‘enhanced co-operation’ as key evidence that the EU is being used as a ‘cover’ for certain powers within it to form an effective alliance bloc. Under the Amsterdam treaty, the EU allowed for the possibility of ‘enhanced co-operation’, and the European Convention sought to strengthen this, by proposing that a vanguard of more militarily advanced countries could continue to reform SDP through a backdoor – ‘structured co-operation’.³⁰⁰ Erkki Tuomioja (2003:23), Finland’s foreign minister, noted at the time that while the Member States at Amsterdam recognised the possibility of enhanced co-operation as a last resort when the Union could not agree to act as a whole within a reasonable timeframe, ‘the Convention’s proposal starts from a very different premise – that a smaller group has to act as a vanguard without trying or even wanting to involve the Union as a whole. ...Suspicious minds may well wonder whether the proposal has less to do with defence than with the ambition of a core group of countries to retain a role as guardians of the true European fate’.

The French were perhaps the most vocal advocates of SDP reform as a response to the crisis or more specifically a response to Washington’s response to the crisis. The call by Paris for the inclusion of a solidarity and mutual assistance clause in the draft constitution went further than a mere common front against terrorism. The French representative on the defence-working group called for the inclusion of a solidarity and mutual assistance clause and argued for the clause to be incorporated into the overall framework of European security and defence. France argued that the clause was essential given the internal security environment the member states now found themselves in and that, in any case, the clause would not duplicate NATO’s article V and would only apply to threats from non-state actors.³⁰¹ Yet within a Waltzian perspective it could be read as a first step towards making the EU rather than NATO the primary security community of the states concerned, a necessary basis for the formation of a stable balancing coalition.

³⁰⁰ Article 28 E of the Lisbon Treaty.

³⁰¹ European Voice, 12-18 December 2002, pp. 8.

During the constitutional convention, with the Iraq crisis in full swing, the West European powers became convinced that the Union needed to reform SDP. Although the Member States were spilt along pro-war and anti-war lines and hostility had reached fever pitch, for Waltzians, the key point would be that efforts at strengthening the SDP did continue. After the recriminations of the 'chocolate summit',³⁰² the member states led by Paris and Berlin, but with Britain now shifting its position on future reforms, commenced in earnest the arduous task of giving the Union SDP military capabilities that it was hoped would lead to greater autonomy. The first draft, seen in the light of the ongoing crisis, was a knee-jerk reaction that would only have served to split the Member States and prevent a functional ESDP. Without British involvement, which was never going to happen as long as the draft threatened NATO's Article 5, reform would have proved senseless. Paris, however, was now openly advocating a return to multi-polarity with the Union as one centre of gravity, with Paris, of course, at the hub of that core. London, despite its support for America, also calculated that reform was necessary. The difference, for Waltzians, between London and Paris, was phraseology, with the former talking of influencing and the latter balancing. However, the character of the reforms eventually agreed could easily be interpreted as balancing. As Sangiovanni (2003) noted, reforms were not initiated despite the Iraq crisis but in reaction to it.

This reaction, as we noted earlier, forced Germany to shift its hitherto pro-American inclination to firmly favouring the Paris/Berlin partnership. For the Americans, any outcome that resembled the Tervuren summit goals was too integrative and risked the Anglo-US special relationship — a concern that also worried London. Sir David Manning, Britain's ambassador to the US, reported back to the Foreign Office, 'The chocolate summit reflected the worst fears of US hardliners about the dangers of ESDP [EU security and defence policy] going off in a NATO-incompatible direction' (Marsden 2003). Those

³⁰² In April 2003, France, Germany, Belgium and Luxembourg held a summit in Tervuren, near Brussels, calling for the creation of a nucleus collective capability for planning and conducting operations for the EU. The Americans were furious about this move to forge an independent military capability, nicknaming the participants, the 'chocolate makers'.

concerns centred on whether reforms permitted deeper co-operation and possible military action by a hard core of states without the involvement of the Union as a whole. In other words, a vanguard of committed member states could proceed with SDI. This only heightened US fears of an emerging military rivalry with Europe. London, although clinging to the so-called special relationship and adverse to reforms that would encroach on NATO, sought out common ground to accommodate reforms. The upshot of these suggested the possibility of a multi-speed Europe in SDP as member states with the will and capabilities could now form a strong European alliance outside NATO or at least a hard core European caucus within NATO.

For Waltzians, what was agreed, if viewed in its totality, represented the desire of some of the member states to start the process of a return to multi-polarity. Certainly previous reform had alarmed the Americans and suspicions of French motives were prevalent among Washington's policy makers. However, the reforms that were now suggested, with the backdrop of Iraq, alarmed the Bush Administration greatly. For those reforms challenged the basic concept of NATO that 'security is for Washington', not a European alignment. A coalition would in effect mean a European caucus at the centre of NATO, if NATO survived. According to Waltzians, the demise of NATO would be preferable to such an eventuality.

Dimension Three

The third dimension allows for Congruence testing by focusing on policy outcomes and goals: what were the goals of the main actors when contracting to proceed with ESDPR and how do they correspond to the hypothesised goals of Waltz? In accordance with congruence procedure, the question can be put thus: can SDPR in this period be understood as being analogous with Waltz's predicted outcome?

The decisions taken on SDP reform against the background of the US attack on Iraq can thus be given a Waltzian gloss in line with Waltz's hypotheses that overwhelming power repels and leads others to try to balance against it (Waltz 2000:27). Certainly, the

proposed reforms would have shifted more control of SDP to the Member States, but this was only accomplishable through the institutions of the Union, which meant that those said institutions also required strengthening. Control of SDP did remain intergovernmental but this does not contradict a Waltzian statist perspective. From his angle, the most striking feature of the flow of events after the 2003 attack on Iraq has been the will in Western Europe to rebuild unity, overcoming the internal split and to further deepen the project of balancing. The steps towards uniting military-industrial activity, jointly developing new military capabilities and developing the scope for 'enhanced co-operation', all point in this direction, as does the 3-power diplomatic effort within an EU framework towards Iran. Above all, this may be regarded as the central thrust of the new Lisbon Treaty and, for Waltzians, this could even herald the birth of a strategic alliance. This would suggest classic balance of power politics driven by structural imperatives.

Mearsheimerian Neorealism

Dimension One

The question arising under dimension one is: for Mearsheimer, what new empirical challenges did the transition present for these actors and how do they relate to his theoretical hypothesis?

Within Mearsheimer's regionalised perspective, intra-European dynamics would not have been profoundly reshaped by the Anglo-American attack on Iraq. These dynamics would still have been driven by the fissures within Europe and by the interests of all the European powers in preserving the US's role there as an off-shore balancer and moderator of conflicts.

After all, the principal reason that American troops did not come home is because US and European leaders believed that their presence helps keep the European states from engaging in security competition with each other. Some argue that there has been no serious security competition in Europe, not because of the presence of the American pacifier, but because war has been burned out of the region. ... However, if that were true, there would be no good reason to keep US troops in Europe; they could go home. But they have not left because policymakers worry that trouble will break out if the United States leaves Europe. This logic was clearly reflected in the speeches of Bill Clinton and Madeleine Albright during the 1990s (Mearsheimer 2006:116).

However irrational Mearsheimer (2006: 113-120) may consider the US attack on Iraq to have been (and he and Walt have argued that it was the result of the capture of US policy towards the Middle East by an Israel lobby),³⁰³ it did not pose a basic power challenge to the European powers that would prompt them to balance against the US. Instead, tensions between France, Germany and Britain would persist and remain central. Against this background, Mearsheimer could stress the continuing tensions between France and Germany through the Nice Treaty and into 2002 and could view the Franco-German link against the Iraq war as rather accidental and superficial, because the motives of Schröder and Chirac were very different. In Schröder's case, there was both the domestic electoral consideration given the SPD's pacifist constituency's importance in a very tight election, but also the question of Germany's goal of asserting its strategic autonomy as a great power in its new post-Cold War situation. Schröder's repudiation of the war, with or without UNSC mandate, was linked to a strong rhetoric to the effect that from now on German foreign policy was to be made in Germany. Chirac, on the other hand, while exploiting this Schröder stance, was above all concerned to demonstrate France's great power status as a UNSC member and his diplomacy at the UNSC up to the launch of the war could be seen as his assertion of this status, with the entire French diplomatic effort there thus marking a contrast with Germany's low profile.

In addition, Mearsheimer could stress the shallowness of French and German opposition to the war. Neither power took any single step to materially block the Anglo-American war drive. There was no attempt to deny the US the use of its base facilities in Germany; no attempt to block over-flight rights over France and Germany in the logistic efforts for the war, or to block the use of other transit facilities. Both powers had taken such measures against the US at the time of the Yom Kippur War in 1973 and again at the time of the US airstrikes against Libya in the 1980s. But they took no such steps this time:

³⁰³ John J. Mearsheimer and Stephen M. Walt (2007), *The Israel Lobby and U.S. Foreign Policy*.

a striking challenge to the Waltzian thesis on balancing. Moravcsik articulates this point clearly:

‘...the vigorous rhetoric of some European governments was balanced by more tempered action. Many NATO members backed the United States outright. Setting aside a few regrettable episodes, such as the brief attempt to delay NATO defensive assistance to Turkey (easily overcome in a few days), it is misleading to portray France and Germany as having attempted to balance American power. Neither state took material action against Washington, nor even proposed multilateral condemnation of the U.S. position, as has happened many times in decades past. (Indeed, Germany and other countries informally aided the war effort.) Paris and Berlin simply withheld multilateral legitimacy and bilateral assistance for what they considered a rushed war, and encouraged others to do likewise (Moravcsik 2003:78).

Furthermore, as soon as the US had taken Baghdad, both powers sought to make their peace with Washington, at least to the extent of granting UNSC legitimacy to the occupation of Iraq. Condoleezza Rice’s comment after the war that the US would ‘forgive Russia, ignore Germany and punish France’ underlined the idea that the US did not view the threesome as a solid, balancing bloc.

Importantly, from a Mearsheimerian perspective, if Germany went unilateralist and renationalised its foreign policy, the ensuing regional imbalance would leave Germany (the most powerful European state) with no option (in theory) but to seek regional hegemony; America for its part, although frustrated by German policy, could nevertheless calculate positive dividends from the tensions between Berlin, Paris and London. Germany, without the great power status of the other two (nuclear weapons and UNSC), could always be expected ultimately to turn to Washington, not least given the very strong link between the latter and Poland, Germany’s major, and often awkward, Eastern neighbour. Thus for Mearsheimer the context for this phase of ESDP negotiations was not American behaviour pushing for a balancing response: it was continuing deep division within Europe, which was, if anything, exacerbated by disagreements over Iraq and which was not producing a dramatically strengthened new Franco-German bloc, as Waltz would assume.

Dimension Two

The question arising under dimension two is: how does the reaction of the key actors to the context in 'dimension one' compare with what Mearsheimer would anticipate as the main process, which the context would set in train?

From a Mearsheimian point of view, what was interesting about the IGC is not only how the disagreeing governments split along lines already drawn during the Iraq War, but also the failure of the French efforts to gain a new EU member state security commitment to each other. This was surely the acid test of any balancing alliance project: at a minimum the main powers concerned must offer mutual security guarantees, rather than remaining within a NATO framework in which the United States provides the entire security anchor. Not only could that not be achieved: even the French idea of primary solidarity on terrorism was watered down. Neither was there any agreement on another central issue even for an ESDP confined to Petersberg tasks – the establishment of an effective EU planning unit for military operations. Such planning resources remained either with NATO or in the hands of national governments. In such circumstances, a Mearsheimian claim that the Lisbon Treaty negotiations did not overcome the deep internal divisions within Europe despite progress on minor and superficial issues, carries some weight.³⁰⁴

Dimension Three

The third dimension allows for Congruence testing by focusing on policy outcomes and goals: What were the goals of the main actors when contracting to proceed with ESDPR and how do they correspond to the goals hypothesised by Mearsheimer?

In accordance with congruence procedure, the question can be put thus: does Mearsheimer's independent variable (regional imbalance) lead to his predicted dependent variable, being regional balancing by London and Paris to prevent the rise of Germany as regional hegemon with the US as offshore balancer?

³⁰⁴ This could also be understood in Wohlforthian terms.

The reform of SDP during this period, the superficial evidence suggests, had nothing to do with any attempt to materially balance against German power. The Mearsheimian image of deep internal fissures within Europe pacified only or mainly by the US role as pacifier, seems scarcely adequate for capturing the significant efforts of the EU states to launch the Constitutional Project. Given that the Mearsheimian image would lead us in particular to expect strong tensions between Paris and Berlin, this hardly conforms with their co-operation in the launching of this project. It also seems difficult to account for this co-operation by pointing to the US role in Europe as a stabiliser, with its military presence (some 100,000 US troops stationed in Western Europe), particularly since Washington has undeniably been concerned about some aspects of the ESDP project and was also apparently far from unhappy when divisions in Europe over Iraq made foreign policy co-operation on key issues very difficult.

At the same time, however, he could argue that the outcome would have certainly locked Germany more firmly into the institutional structure of the Union, thereby limiting Berlin's ability to pursue an independent SDP or to make a bid for regional hegemony. Reforms also, as Mearsheimer would predict, still left the US in a strong position as an off-shore balancer, able to arbitrate on what kinds of power projection by EU forces it would accept. Given the self-interested nature of states and inherent structural pressures, it was highly unlikely that this outcome was chance. Regional imbalances traceable from the collapse of the Warsaw Pact continued to be an issue reinforced and compounded by international crises, with Iraq as the latest. In particular, a Mearsheimian could argue that tensions between Germany and some East Central European states, notably Poland, became more marked in this period. This was very visible over Iraq but it also surfaced on energy questions and issues of relations with Russia.³⁰⁵ In that context, Mearsheimer could argue that there was congruence between his independent and dependent variable.

³⁰⁵ On China, Mearsheimer (2005a:47) claims that: 'China cannot rise peacefully, and if it continues its dramatic economic growth over the next few decades, the United States and China are likely to engage in an intense security competition with considerable potential for war. Most of China's

Wohlforthian Neorealism

Dimension One

The question arising under dimension one is: for Wohlforth, what new empirical challenges did the transition present for these actors and how do they relate to his theoretical hypothesis?

For Wohlforth (2005), the entire course of transatlantic politics since 9/11 confirms his thesis that there has been no sign of genuine balancing on the part of any European powers against the hegemonic position of the US in Europe. The Bush administration demonstrated that it could brush aside institutional constraints, whether from within the UNSC or within NATO, and pursue an aggressive, unilateralist policy in a zone of vital security interest to Europe. Three days after the Blix report, a rally of member states boosted Washington's claims that it had broad international support on the Iraq crisis. In a clear snub to Franco/German opposition to war, the leaders of Britain, the Czech Republic, Denmark, Hungary, Italy, Spain, Poland, and Portugal signed a statement of support for the American position, on the ground that they were bound by resolution 1441. 'We in Europe have a relationship with the US, which has stood the test of time. Through this bond, we have managed to guarantee peace and freedom on our continent. The transatlantic relationship must not become a casualty of the current Iraqi regime's persistent attempts to threaten world security' (The Times (30/01/03)). The obvious conclusion, from a Wohlforthian perspective, was that this was bandwagoning by those states that understood the reality of the power relationship.

As to the behaviour of France and Germany in refusing to endorse the US invasion of Iraq, Wohlforth has argued strenuously that this did not constitute genuine balancing at all. There was no effort to materially block the US invasion, far less to give material support to the Iraqi state to resist it. Neither has Wohlforth accepted that there was

neighbors, including India, Japan, Singapore, South Korea, Russia, and Vietnam, will likely join with the United States to contain China's power'. For a line of reasoning suggesting that the world is now nonpolar see: Haass Richard N. (2008: 44-57) 'The Age of Nonpolarity'.

something that could be described as ‘soft-balancing’ – a concept he is very sceptical about in any case. Instead he argues that the opponents of the Iraq attack were engaged in minor symbolic politics (catering to domestic public opinion) as well as the sort of normal diplomatic friction which arises when any great power acts decisively in the international arena (Wohlforth, 2005).

Far from being a response to U.S. hegemonic dominance, the EU’s attempts to increase its military capability are seen by European analysts and decision makers as necessary to deal with the prospect of the United States’ decreased presence in Europe and reduced willingness to solve Balkans-style problems for its European allies. For example, in explaining the origins of the ESDP, the director of the European Union’s Institute for Security Studies, Nicole Gnesotto, notes that “because American involvement in crises that were not vital for America was no longer guaranteed...the Europeans had to organize themselves to assume their share of responsibility in crisis management and, in doing so, maintain or even enhance the United States’ interest within the Alliance.” For many of the key member governments, notably the United Kingdom, the corrosive effects of European military weakness on the transatlantic alliance provided the key impetus for enhancing EU capabilities (Wohlforth, 2005:95).

Yet in the same 2005 article, Wohlforth also makes a remarkable and rather major modification of his unipolar perspective. He seeks to incorporate data which otherwise remains untouched by his unipolar perspective, data which point to efforts by the European powers to engage in joint action for regional security in the face of transnational challenges. He mentions organised crime, terrorism, drug trafficking and refugee flows and adds: ‘Major powers frequently face incentives to enhance their capabilities—often through collaboration with other regional states—in response to these local or regional concerns.’ And he further adds the following rather uncharacteristic conclusion: ‘These efforts may result in shifts in relative power—and perhaps in reduced U.S. freedom of action—even if constraining U.S. hegemony is not an important driver of them’ (Wohlforth 2005:79). This surely constitutes a major qualification to his general theory of unipolarity, for he is suggesting that these collaborative efforts by major regional powers may produce shifts in relative power between the regional bloc and the United States.

This qualification enables Wohlforth to incorporate much of the explanatory insight offered by the Keohane-Moravcsik school, which stresses just such collaborative

efforts to cope with transnational challenges. Most analysts thus concur, according to Wohlforth:

...that EU defense cooperation can go forward only if it is seen as complementary to the alliance with the United States. That is, some degree of U.S. support is a necessary condition of the ESDP's further progress. Indeed, the forces that the Europeans are actually seeking to create complement, rather than compete with, U.S. capabilities because they provide additional units for dealing with Balkans-style contingencies or peacekeeping missions abroad' (Brookes and Wohlforth 2005:91-92).

But the question which arises is whether this amendment to his own perspective is not at the expense of his theory's internal coherence. His argument seems to be that although shifting relative power against the US does occur, it should not count as balancing because it is prompted by transnational challenges rather than by unipolarity. But how can we know what has prompted this effort which results in a degree of balancing? Surely the answer lies in Walt's emphasis on threat perceptions in the perceptions and intentions of state leaderships. Yet Wohlforth has hitherto always stood with Waltz in insisting, against Walt, that we should base our analysis on real configurations of material capabilities among states rather than on considerations of perceptions of threats. He has also stood with Waltz against the Keohane-Moravcsik school in insisting on the overwhelming centrality of states as actors.

We are thus inclined to defend Wohlforth's theoretical integrity against his efforts to call upon the aid of either Walt's or Keohane-Moravcsik's insights in his battles with both Waltz and Mearsheimer. We can thus acknowledge the force of his evidence that Washington was rather successful in building a coalition of the European willing, without a UN mandate and also his claim that driving to power balance Washington in the material field was both folly and was seen to be such even by France and Germany. Iraq confirmed that the unipolar power was unassailable and any attempt at balancing would be futile. In structural terms, Wohlforth also thought the probability of a successful European alliance based around a hard core of member states was improbable. In his view, for such an alliance to happen (this echoes Mearsheimer's regional bias, but not his polarity thesis), the Member States would need to suspend the balance of power locally in order to create a

balance of power globally. For the contracting parties this would prove too difficult. 'A world with a European pole, would be one in which the French and British had merged their conventional and nuclear capabilities and do not mind if the Germans control them' (Wohlforth 1999:31). The challenge for the Member States, as in the previous phases, was to reform SDP to remain relevant to the unipolar power by sharing the now global burden of security.

Dimension Two

The question arising under dimension two is: how does the reaction of the key actors to the context in dimension one compare with what Wohlforth would anticipate as the main process, which the context would set in train?

Afghanistan had demonstrated to the Member States their utility function to the US – that allies were politically helpful but militarily problematic (Cox 2002:272). Iraq was no different. For the Member States, the war, for all its complexities, boiled down to two fundamentals: their particular view of American power in the post-Cold War international system and internal competition for influence within EU and international institutions. The Iraq war, however, did not cause these complexities, but merely served to highlight what was already an underlying current in geopolitical thinking. The French call for the inclusion of a solidarity and mutual assistance clause in the draft constitution was never likely to be acceptable to Britain or the US, lest they encroached on NATO's Article V security guarantee. The British were certainly suspicious and spelled out their negotiating position as one of strong support for SDP reform, but let it be known that they would not support all the proposals on ESDP as set out in the draft constitution. 'We believe that a flexible, inclusive approach and effective links to NATO are essential to the success of ESDP.' (FT 10/09/03:5). London's position was a reaction, not to the utility of the clause, because it was apparent that lack of military assets would hinder any proposed action under the clause, but to its potential to undermine the Atlantic Alliance in the future.

Similarly, Britain also rejected any extension of QMV in the CFSP. As noted, the Member States split along lines already established over the ongoing Iraq crisis. In particular, the British feared France and Germany would seek to promote deeper defence co-operation by way of creating an independent EU military planning unit separate from NATO. The French in turn feared that British alignment with Washington over the Iraqi debacle would mean London might be prepared to put at risk the cornerstone of Anglo-French ambitions in ESDP — the St Malo agreement. London also signalled its determination to prevent, if not in words, the creation of a ‘mutual defence pact’ between the contracting parties. For the British and Americans, this was a direct threat to NATO and, as such, was unacceptable. ‘We will not agree to anything which is contradictory to, or would replace, the security guarantee established through NATO’ (Straw 2003a: 38).

Wohlforth is thus forced to ask: why did European leaders sometimes use balancing language when describing new EU military forces? His answer is telling and allows a weak liberal interpretation of what force may be at work. Sometimes, he argues, ‘politicians do use balancing language to describe their aims for EU military strengthening, in part because increasing EU military capabilities involves financial and other costs that many member states seem very reluctant to bear. To the extent that this force is portrayed as a means of checking U.S. power, some of this hesitance may be reduced, if only because adopting a more independent EU foreign policy is popular among the public in Europe’ (Wohlforth 2005:93). Nevertheless, Wohlforth does surely have problems with some of the evidence which Waltzians can muster: EADS, Galileo, the heavy-lift aircraft project and indeed the stronger co-ordination of military force in an EU framework along with a project for a much more articulated effort at EU policy-making in the security and foreign policy field.

Dimension Three

The third dimension allows for congruence testing by focusing on policy outcomes and goals: what were the goals of the main actors when contracting to proceed with ESDPR and how do they correspond to the hypothesised goals of Wohlforth?

Here we can certainly agree with Wohlforth that any Waltzian claims of full-fledged European balancing against the US remain far into the future. We can also add a further point, greatly enhancing the plausibility of Wohlforth's overall perspective: the nature and perhaps above all the form of the US move on European missile defence with Poland and the Czech Republic. On any calculation this is a major development within European power politics. The deployment of missile defence capabilities in East Central Europe rather dramatically transforms the European strategic landscape because it raises the possibility of preventive strikes by the US against missile targets to both the South East and East of NATO Europe. These installations will be under exclusive US control. Thus, Western Europe's strategic relationships with zones to its East and South East will be dependent to an important extent on Washington decisions on *its relationships* with these zones. Furthermore, this initiative by the Bush administration was taken entirely outside both the EU and NATO itself. As a result, insofar as the anti-missile deployments are fully carried through as agreed with Poland and the Czech Republic at the NATO summit of April 2008, this will surely signify something very much closer to Wohlforth's perspective of US unipolar hegemony in Europe than the perspective of either Waltz or Mearsheimer. For nothing in the Lisbon Treaty project suggests a commitment by the West European powers to take their own strategic security back into their own collective hands rather than those of the US.

Waltian Neorealism

Dimension One

The question arising under dimension one is: for Walt, what new empirical challenges did the transition present for these actors and how do they relate to his theoretical hypothesis?

By bringing together Walt's theory and policy outcomes we can conclude that the logic of the doctrine of pre-emption now resulted in other states perceiving America with greater suspicion and fear, thus precipitating other states to balance. Even the Iranian and North Korean nuclear programs, Walt (2005) argues, are merely 'prudent and predictable' reactions to the dominance of an aggressively hostile superpower. In an earlier article, he wrote, 'American military planners continue to craft policies designed to sustain a considerable advantage, and one would be hard pressed to find a prominent U.S. politician who would openly endorse anything less than the continuation of the nation's dominance. If the United States is now a 'hyperpower'....its present policy seems designed to maintain that position as long as possible' (Walt 2002:10). This included defensive war, with Walt borrowing the words of Prussian leader Otto von Bismarck, that 'preventive war is committing suicide for fear of death' (Walt: 2004). He also argues that what logically follows from this is the habitual balance of power reaction.

In a world of independent states, the most powerful country will always appear at least somewhat threatening to others, who cannot be entirely sure it will use its power wisely and well. As a result, other states usually try to find ways to keep the power of the dominant state in check, often through formal or informal alliances. This tendency will be muted if the strongest state acts in a benevolent fashion and its goals are broadly compatible with the interests of other major powers, but it never vanishes entirely. The tendency for states to "balance" the strongest power explains why France, Russia, and China joined forces to undercut U.S. policy toward Iraq and Serbia, and it underlies the principal motivation for the recent Sino-Russian Friendship Treaty. It also explains why European states want to strengthen and deepen the European Union, why President Hugo Chavez of Venezuela advocates global resistance to U.S. hegemony, and why President Putin of Russia has expressed hope that India will become a great power and help recreate a "multipolar world." The desire to check U.S. influence is also evident in the recent vote ousting the United States from the United Nations Committee on Human Rights, as well as the hostile demonstrations that routinely accompany "Group of Eight" economic summits (Walt 2002:19).

The Americans during the crisis or, more specifically, by creating the crisis, had demonstrated to the other European powers that Washington's foreign policy could indeed threaten their respective interests vis-à-vis the Middle East, though to varying degrees and in different ways for the various European powers. France had very important stakes in the Arab world including in Iraq itself but also in the Magreb and in Lebanon. Germany had very different concerns: a politically very sensitive and important relationship with Israel

and a very substantial commercial interest in Iran. London, on the other hand, while never having a similar Israel lobby to that in the US, had few direct interests in the region beyond its financial and commercial (including major arms sales) relations with the Arab Gulf states excluding Iraq. Such divergent interests in the Middle East, especially between the British and French positions, could indeed go far towards explaining the splits between West European states in their responses to the US drive towards war against Iraq. But it could also explain why all the West European powers, not excluding the British, would want to demonstrate to the world one set of stances while demonstrating to the Americans another. In the first case, this meant presenting to the world the claim that Europe was autonomous and not necessarily slavishly aligned to the US – an approach demonstrated to some extent on Iran as well as by Franco-German distancing from the invasion of Iraq. In the second case, this involved taking steps at the UN and over such issues as extraordinary renditions, to show the Americans that whatever their reservations on US policy towards the Middle East they were on the same side as the US against Arab and Islamic radicalism. This allows us to accept the idea that European public opinion played a part in Paris and Berlin's opposition to the coming war.

Walt has, as we have seen, insisted against other neorealists that other great powers would balance not against American power per se but rather against what they perceived to be American behaviour threatening to their interests. At the same time, he has sided with Wohlforth in viewing the US in the post-Cold War world as having primacy. The question, which therefore arises, is, whether American behaviour under the G.W. Bush administration has been perceived by the main European powers as threatening their security interests?

Walt's answer to this question has been many-sided and distinctive. On one side, he has argued that the Bush war drive in the Greater Middle East has jeopardised important European state interests. But he has also, along with Mearsheimer and indeed Waltz, argued that this drive has also jeopardised important *American* interests. He has further argued, along with Mearsheimer (2007), that this US drive in the Middle East has

been caused by something that American Realist grand theory has generally discounted:³⁰⁶ namely domestic US politics, along with Israeli influence within US politics. This analysis does not offer a very clear strategic framework within which we can generate predictions on the main resulting political dynamics and responses within Europe, affecting the ESDP. But we might suggest the following. In the first place, the Walt-Mearsheimer claims about the power of the Israel lobby would suggest that this is rather a deep-seated problem in American politics and one that would not be reduced by a shift towards the Democratic Party. But secondly, the analysis suggests that American strategy towards the Greater Middle East would not be interpreted as a US drive specifically targeting the European great powers with the aim of shifting relative power against them in favour of US primacy. Thus, European responses would not necessarily be geared towards balancing but would rather be geared towards neutralising the negative consequences for Western Europe of the US drive in the Middle East. Such a neutralisation could be geared towards developing an independent EU policy towards the region and towards political Islam along with an effort to strengthen the collective influence of the EU in its 'near abroad' including the Middle East by developing the ESDP. Moreover, Walt's analysis does not entail a prediction of balancing and could allow for a great deal of co-operative activity on the part of the European powers with the US in various areas.

American power for Walt inherently fosters fear and even resistance when its power is perceived to be misused. 'Because the United States is so strong and its impact on others so pervasive, it inevitably attracts suspicion from other states and finds it difficult to elicit their full and enthusiastic cooperation' (Walt: 2002:21). The challenge for the Member States during this period was to assess the level of threat American unilateralism posed and to adapt their SDP accordingly. The intergovernmental nature of the CFSP always meant, in the present circumstances, that a lowest common denominator position was bound to be the outcome, but in the long-term, for Walt, the reaction would precipitate

³⁰⁶ With the notable exception of Christopher Layne (2006).

a response that would allow the Member States to act collectively to meet threats — threat neutralisation, in other words.

Dimension Two

The question arising under dimension two is: how does the reaction of the key actors to the context in ‘dimension one’ compare with what Walt would anticipate as the main process, which the context would set in train?

By the middle January, Chirac and Schröder were clearly signalling that they were willing to let Blix carry on inspections for some months. Washington, working within UN processes, had hoped for international backing, but was stunned by what was reported as a ‘diplomatic version of an ambush’ (Washington Post 21/01/03). The UK, as expected, was the only veto holding supporter of the American position, which was now warning the UN that its relevance in world affairs could only be maintained if it backed a US invasion.³⁰⁷ For UN Member States, moral objections aside, backing a US invasion on command from Washington would only weaken Security Council authority, making it a tool of American foreign policy and threatening their national interests.

Chirac thus publicly declared that he thought it necessary to give the weapons inspectors more time to search for WMD (The Guardian 4/2/2003). Germany, no longer in danger of being isolated on the issue, reaffirmed its original position, and indicated that it would not support a UN resolution in support of military action. Washington, however, viewed the weapons inspectors’ mission differently from the troika. Whereas Germany, France, and Russia interpreted their mission to include the search for banned weapons, America’s position was that the inspectors were not there to search for weapons that had been hidden, as that would take years, but to determine whether Baghdad was willing to fully co-operate. In other words, the US simply wanted Iraq to hand-over the weapons

³⁰⁷ The irony for the UK was that, having promoted Franco-Germany co-operation since the Elysee Treaty, that formalised their post-war reconciliation, they were now being left behind as London bandwagoned with Washington in the post-Cold War / 9/11 international system. Furthermore, London risked its post-St Malo relationship with Paris and the whole CFSP/CESDP project.

Washington was publicly convinced they were hiding. As America and Britain continued their military build-up, few thought military action could be avoided. With France and Germany now convinced that an invasion of Iraq would put in jeopardy the foundations of the international system and, their place within it, they intensified their co-operation against an US-led invasion; as a result, relations with Washington soured quickly. Things were not helped when, on 22 January 2003, France and Germany, through their NATO ambassadors, opposed the timing of a request from Washington to advance military planning to defend Turkey in case of attack from Iraq (The Washington Post 08/02/2003).

Rumsfeld, the US defence secretary acted angrily to the snub, and dismissed France and Germany. 'You're thinking of Europe as Germany and France. I don't. I think that's old Europe. ...If you look at the entire NATO Europe today, the centre of gravity is shifting to the east.' (NYT 23/01/03). Rumsfeld's retort set the tone of the American response to the growing division with Paris and Berlin.³⁰⁸ The message was clear from Washington — support us or become irrelevant. France and Germany had no intention of becoming irrelevant or of backing a US invasion of Iraq. While it became increasingly clear that America was going to press ahead with regime change, Paris and Berlin could in reality do little to stop the American threat. But they could strengthen and expand their co-operation in SDP as a response to American unilateralism in the upcoming EU constitutional forum. The rift with London was always going to cause bigger problems in the context of the Union's SDP reform process, because it seemed that London did not share the same concerns of the other two Member States as to the nature of the threat American foreign policy posed or, if they did, the strategy to deal with it threatened their collective ability to balance against the US if relations continued to deteriorate. Iraq, and American unilateralism, however, was not the only variable to threaten the transatlantic relationship. Other general factors were:

³⁰⁸ Although American behaviour can easily be understood as a threat to Paris and Berlin, economically or politically, it can also be mooted in Waltzian terms.

1. The unipolar structure of the post-Cold War international system and the rise of America as a hyperpower.
2. The overt unilateralist foreign policy of the Bush administration — pre-dating 9/11 and galvanised by it.
3. The eagerness of Blair (often against the Parliamentary Labour Party) to use force in concert with America to solve international crisis.
4. France's traditional Gaullist approach to foreign policy.
5. Germany's desire to be taken seriously in international affairs — forgoing its automatic support of Washington in the process.
6. The development of a more coherent CFSP and movement towards greater SDP co-operation.
7. Widely different interpretations of threats, and international law.
8. Divergent approaches to conflict resolution and respect for international institutions.
9. Washington's growing aversion to volatility in the oil markets that threaten economic growth.³⁰⁹

The breakdown in relations, Thomson (2003:207) argues:

has its roots in the different strategic appraisals of the US and Europe – or more specifically, Germany, France and several smaller European countries. These differences stem from divergences in views of vital security interests, threats to those interests and the role of military force in security policy. These divergences had their beginnings on 9 November 1989, when the Berlin Wall came down, and became clearer after the terrorist attacks on 11 September 2001. The Iraq crisis made them inescapably clear.

The EU did issue a joint declaration calling on Iraq to offer full and unequivocal support to the weapons inspectors (FT 28/01/2003).³¹⁰ At the same time, the EU, also,

³⁰⁹ While it might be considered simplistically fashionable to assume the war was about Iraqi oil, it is nevertheless worth noting that 'the Iraqi reserves could cover current US imports for almost a century' (Time 17/02/03). For a history of the relationship between America and Iraq and the American interest in Iraq, see Dunne (2003).

³¹⁰ The EU Member States were split as follows: in support of the US were the UK, Italy, Spain, Netherlands and Denmark; opposed were France Germany, Greece, Austria, Belgium and Luxembourg; neutral were Ireland, Portugal, Sweden and Finland.

importantly for France and Germany, welcomed the inspectors' 'intention to continue and intensify their operations' (European Report 28/01/03). At an EU institutional level, Javier Solana, the EU foreign policy representative, supported the French and German position in calling for more time to be given to the inspectors. On 27 January 2003, hours after the EU's joint declaration, Blix presented the first formal report to the UN Security Council. In it he criticised but did not damn Iraq. In short, he gave a mixed assessment on Iraqi co-operation. Britain took the view that the report demonstrated Iraqi co-operation was a charade, that Baghdad was in material breach of UN resolutions, and that war was more likely (The Times 28/01/03). Germany and France held true to their pre-report position, holding that it demonstrated the need for more time for the inspectors. Moscow's reading of the report determined that diplomacy was the best available option at the time and that there was no evidence to justify a war as Iraq posed no threat. Moscow thus remained emphatic that the UN Security Council, not Washington, must be the vehicle for conflict resolution (The Times 28/01/03). While the report fell short of what Washington and Britain had hoped for, it was prudent at this stage of the military build-up to go along with the requested short extension of weapons inspections. Also, London and Washington could be seen to be working within UN processes and doing everything possible to allow Iraq to disarm peacefully. Thus, the reality was that each side construed the report to favour their own predetermined position, which from a Waltian perspective only added to the sense of growing frustration on all sides that fed back in into a sense of a growing threat from the American hegemon.³¹¹

The day before the key session of the UNSC a Franco-British summit brought Blair and Chirac together. It was widely reported at the time that despite the anti-war argument from Paris, the French national interest would dictate that Chirac would not only back war, but inevitably take part. This was indeed the hope of London before the summit,

³¹¹ It is worth noting that Germany would not vote for war in the Security Council, but had no power to veto while France, although backing the Germany position and having a veto, did not at this stage explicitly say that it would use its veto.

but no such outcome was forthcoming. Chirac, angry about having not being consulted about the letter signed the week before, held fast. Blair insisted that everyone should wait and hear Powell's address to the UNSC the following day and Blix's next report on 14 February before they made up their minds (The Times 05/02/03). Of course, the reality that the British and Americans had already decided to go to war was not lost on the French, Germans or Russians. Within a Waltian perspective, the threat that this presented to the other European powers was evident: if France and Russia used their veto on the UNSC to stop a resolution backing war, the UN would be crippled, war would not be prevented and what power they held as permanent members of the UNSC would be exposed as hollow.

Powell's delivery of evidence to the UNSC on 5 February 2003 was expected to be a bombshell, but did not amount to much and changed nothing.³¹² France called for a large increase in the numbers of inspectors. Germany concurred and concluded the UNSC should continue to seek a peaceful solution to the crisis and remain the centre of decision-making on the question of war. Russia backed Germany's insistence on both points and concluded that Powell's evidence showed nothing substantially new. Washington was disappointed by the reaction, but was helped when ten CEEC released a statement on 5 February 2003 in support of Washington. If Baghdad did not comply with the existing United Nations resolutions, Albania, Bulgaria, Croatia, Estonia, Latvia, Lithuania, Macedonia, Romania, Slovakia and Slovenia, were willing to assist America to enforce the disarmament (International Herald Tribune 06/02/03). Rumsfeld, on the following day, while visiting Italy, took this, publicly anyway, as a sign that: 'The patience of the world is near its end' (BBC News Online 07/02/03). In fact, if not for the diplomatic niceties of international affairs, the annoyance of Berlin may have been vocally expressed, as Rumsfeld fuelled the by now hostile debate between himself and Berlin with a fresh remark, comparing Germany to Libya and Cuba because of its failure to back

³¹² Powell's claim that the UN inspectors caught Iraq moving and hiding illicit materials was subsequently denied by Blix in his 14/02/03 report to the UNSC.

Washington.³¹³ Berlin was not about to be baited and Fischer dismissed Rumsfeld's quip as a personal statement which was not the view of Washington (BBC Online 08/02/03). However, Washington, whatever the outcome of inspections, was determined on regime change in Baghdad. Bush, worried about the lack of support in the UNSC claimed that, 'the game is over' (US Today 10/02/03). French Prime Minister Jean-Pierre Raffarin retorted that 'It's not a game. It's not over' (Le Monde 11/02/03). For France, Germany and Russia, the coming war had nothing to do with American national security or the war on terrorism, but more to do with American empire building, at the cost of their own influence in world affairs. Knowing that they could not influence American foreign policy or pre-war Iraqi policy by opposing Washington, the question that arises is why Paris, Berlin and Moscow took this position? Not discounting economic interests and threat to their international standing, the simple and most cogent analysis would assume that they surrendered short-term influence for long-term gain, on the calculated risk that the outcome of the invasion would show up military shortcomings during the inevitable occupation. Straw, in an effort to drum up support for war likened the threat to 1930s and the rise of Hitler:

If we fail to back our words with deeds, we follow one of the most catastrophic precedents in history. The descent into war in the 1930s is a searing reminder of the dangers of turning a blind eye whilst international law is subverted by the law of the jungle. ...If the security council were to demonstrate that it was incapable of tackling the new threats of WMD and terrorism, it would risk doing as much damage to the UN as that suffered by the League of Nations when it failed to face up to the challenges of the 1930s. ... The British government is not prepared to take this risk (Straw 11/02/03).

London, in other words, as over Kosovo, wanted UNSC backing desperately, but as with Kosovo, was nevertheless willing to go to war without it. Washington, as expected, would act on its own perceived interests, irrespective of the reaction or threat perception of other states.

³¹³ The clash had deeper origins when, during his election campaign, Schroder likened Bush to Roman Emperor Augustus and Hitler.

The Lisbon reforms can be seen as a direct consequence of the Iraq crisis and interstate relations in the lead up to war, that threatened first the cohesion of the Union and, more importantly for Walt, the national interests of the Member States. France advocated a multi-polar world with a strong European presence as one centre of gravity. But Paris did not view, or at least did not want, this arrangement to be regarded as divisive to good relations with the US. For America, Paris's multi-polarity thesis smacked of old fashioned balancing and was consequently viewed less benignly in Washington than the French would have liked.

In 2003, it became an item of received wisdom on both sides of the Atlantic that France's policy towards the US was geared to 'balancing' American power. ... the problem is that the notion of 'balancing or 'counter-weighting' in US international relations theory is perceived as motivated by hostile or aggressive intentions. France's policy during the 2003 Iraq crisis was usually presented in the US in this light. However, if 'balancing' has any clear meaning in French discourse, it appears to signify the creation of more equality within a community of values. It implies the sharing of leadership rather than disputes over leadership (Howorth 2003:1850).

In this context, it can be also understood as a form of threat neutralisation — sharing responsibility to prevent one state from becoming too imperious. Britain also understood the need to neutralise such American propensity, but hoped to achieve this goal through different tactics. London also believed in a strong Europe, but in order for it to influence America, the EU needed to take on part of what it called 'America's global burden'. Paris was not averse to this, but London wanted to do this (as Wohlforth would argue) under the tutelage of American hegemony. In other words, the disagreement was about means not ends. France wanted to neutralise threats from a position of strength outside American hegemony; Britain wanted to do the same from a position of strength under American hegemony. Hence, for different reasons, they reached the same conclusion, that the EU needed a stronger military component. Consequently SDP reform, while it may seem compromised, will probably survive as will the transatlantic relationship, but only if America refrains from action that puts its hegemony at risk. Risse (2003:3) argues that: '*Hegemonic* power rests on the willingness of the superpower to sustain an international order, on its preparedness to commit itself to the rules of that

order, and on the smaller states' acceptance of the order as legitimate'. Washington, while trying to pursue its foreign policy goals, has increasingly put at risk the willingness of its European allies to blindly accept American leadership.

Dimension Three

The third dimension allows for congruence testing by focusing on policy outcomes and goals: what were the goals of the main actors when contracting to proceed with ESDPR and how do they correspond to the goals hypothesised by Walt?

A Waltian perspective, with its stress on the centrality of US policy towards the Greater Middle East in this period, would incorporate in its analysis of European developments the effects of the very serious setbacks which this US policy since 9/11 has faced in this area: the enormous problems of the occupation of Iraq, the simultaneous enhancement of Iranian power and influence, the mounting problems of the US and NATO in Afghanistan, the effective defeat of the Israeli attack on Lebanon in the summer of 2006 and the deepening Israeli-Palestinian conflict. We should add the growing opposition to these policies, especially the occupation of Iraq within the US itself. All these developments gave an opening for a more independent and assertive European role on the problems of the region. They also gave the West Europeans a more general chance to raise their collective profile as an international actor in power politics. The European draft constitution leading to Lisbon gave the Member States the opportunity to reform the Union's SDP to meet those changes. The Member States, regardless of structural incentives, struggled to pave the way for further progress to be made towards greater SDP co-operation to meet future threats. The EU initiatives centred on the troika (Britain, France and Germany) over Iran further strengthened EU foreign and security policy co-operation.

Keohane-Moravcsik and Complex Interdependence

Dimension One

The question arising under dimension one is: for Keohane and Moravcsik, what new empirical challenges did the transition present for these actors and how do they relate to their theoretical hypothesis?

For Keohane and Moravcsik, the world has been divided between a zone of 'complex interdependence' and a largely un-institutionalised zone where power politics may still thrive, notably in the South and in North-South relations. There could be significant differences between how the US and the EU responded to perceived threats to their interests in the South. Yet these theorists would tend to stress the strong common commitments to preserving the integrity and security of the sphere of complex interdependence. In spite of the rift over the Iraq war, '...underlying U.S. and European interests remain strikingly convergent. It is a cliché but nonetheless accurate to assert that the Western relationship rests on shared values: democracy, human rights, open markets, and a measure of social justice. No countries are more likely to agree on basic policy and to have the power to do something about it' (Moravcsik 2003:77).³¹⁴ Moreover, Keohane (2002:16) argues that, 'ties of interests and fundamental values are reinforced, in transatlantic relations, by common institutions' (World Bank, IMF, World Trade Organisation (WTO), OSCE, NATO and UN). In addition, he reasons that a split is most unlikely given the complex nature of the interrelation between the two centres of power. 'Indeed, the need of both sides for each other – to foster prosperity, maintain the quality of

³¹⁴ Moreover, the EU and the US share the largest two-way trade and investment relationship in the world. 'In 2006 the EU and the US combined economies accounted for nearly 60 % of global GDP, 33 % of world trade in goods and 42 % of world trade in services. The EU and the US are each other's main trading partners. Trade flows across the Atlantic amount to around €1.7 billion every day. The two economies are interdependent to a high degree. Close to a quarter of all EU-US trade consists of transactions within firms based on their investments on either side of the Atlantic. The transatlantic relationship also defines the shape of the global economy as a whole as either the EU or the US is also the largest trade and investment partner for almost all other countries in the global economy. Total FDI stocks held in each others countries reach approximately €1.89 trillion. The overall 'transatlantic workforce' is estimated at 12 to 14 million people, of which roughly half are Americans who owe their jobs directly or indirectly to EU companies' (European Commission 2007). See also note 332 page 343 for a yearly breakdown of trade figures (2002-2007).

the natural environment, and to prevent dangerous chaos in other areas of the world – is one source of reassurance that a European-American rupture will be prevented’ (Keohane 2002:17). Furthermore, even though Walt, with his analytical stress on the role of the Israel lobby, takes account of sub-state actors, such actors do not occupy a central role in his core theory. But they are much more salient in Keohane and above all in Moravcsik’s theorisation of state preference formation in foreign policy. This enables this school of thought to foreground the role of public opinion and of anti-war sentiment in European political developments in the period we are investigating.

In this context, the manoeuvres at the UNSC and in the wider diplomacy of the great powers during and after the attack on Iraq should be viewed as part of a struggle by political leaders to respond to and win over public opinion. For these reasons, Britain and the US wanted to push a resolution through the UNSC to reinforce the legality of the coming invasion scheduled for mid-March. On 24 February, America, Britain and Spain submitted a proposed resolution declaring that Iraq had failed to take the final opportunity afforded by Resolution 1441 and that it was now time to use force. Russia insisted that few shared the conclusion of the new resolution, also noting that its conclusion was at odds with the assessments of the inspectors (Reuters 25/02/03). Paris and Berlin issued a statement opposed to what they called ‘a shift towards the logic of war’ (AP 25/02/03). As the institutional battle continued, the Americans were furious with the French, whom they now considered the ringleader of the anti-war majority on the UNSC. Washington issued a warning to Paris that it would consider a French veto as ‘very unfriendly’. Howard Leach, the US ambassador to France, stated, ‘I hope there won’t be a veto because a veto would be very unfriendly and we would not look favourably on that’ (Reuters 25/02/03). In any event, the resolution was left on the table for two weeks, according to Straw, to allow time to ‘concentrate minds’ (Straw 2003). This meant more time to consider the political and economic consequences of opposing American foreign policy, which most considered would break the UN and lead to long-term foreign policy divergence between the erstwhile Atlantic allies.

For the Keohane-Moravcsik school this confrontation was significant because, within the zone of complex interdependence, non-state actors and public opinion matter, and Chirac's diplomatic posture chimed very strongly with such opinion both in Europe and in the wider world outside the United States. While the Bush administration had domestic public opinion on its side, such opinion in Europe, including in the UK, was overwhelmingly hostile to an attack at this time on Iraq.³¹⁵ In a speech to the American Enterprise Institute, Bush (27/02/03) emphasised the nature and necessity of pre-emptive military action and its origins:

We meet here during a crucial period in the history of our nation, and of the civilised world. Part of that history was written by others; the rest will be written by us. On a September morning, threats that had gathered for years, in secret and far away, led to murder in our country on a massive scale. As a result, we must look at security in a new way, because our country is a battlefield in the first war of the 21st century. We learned a lesson: The dangers of our time must be confronted actively and forcefully, before we see them again in our skies and in our cities.^{316 317}

The day after Bush's speech, Iraq decided to begin to destroy its Al Samoud 2 missiles that the inspectors assessed as breaching UN resolutions following the first Gulf War. Paris interpreted this 'an important step in the process of the peaceful disarmament of Iraq' (De Villepin, AP 28/02/03). For Washington the rationale for war remained. If the Iraqis were seen to be co-operating with the UN, the stratagem of weapons inspections would become a liability. In a diplomatic blunder, Ari Fleischer, the White House spokesman, let it be known what most had suspected for sometime: it did not matter if

³¹⁵ European public opinion was united against a military attack on Iraq. In January 2003 the majority of citizens were against a pre-emptive strike and even a second UN resolution would not have changed the minds of many Europeans. In Germany, 89 % were opposed to war without UN support, 61 % even with UN support. A similar picture can be found in France (87 %/ 73 %), Spain (87 %/ 87%), and Great Britain (80 %/ 61%) (EOS Gallup poll, January 2003, published by the BBC). <http://news.bbc.co.uk/2/hi/europe/2747175.stm>

³¹⁶ The doctrine of pre-emption was not, according to Roberts (2003:46), entirely initiated by the Bush administration. 'There were elements of continuity with the policy that had been evolving during the Clinton administration'.

³¹⁷ New or not, Mearsheimer (2002:16) reasons that the Bush Administration should follow Teddy Roosevelt's advice – speak softly and carry a big stick. 'It does not make sense to shout from the rooftops that America is committed to striking out of the blue against any group or states it considers evil. Such a policy alienates allies, tips off adversaries, promotes nuclear proliferation and generally makes states less willing to cooperate with the United States'.

Saddam was dismantling the missiles and that to avoid war he must also step down from power.³¹⁸ Kaplan (2003:2) noted that:

Even British Prime Minister Tony Blair, who has cast his lot with Bush at some political risk, felt compelled to dissociate himself from this statement, for it reinforced the widespread suspicion that Bush considers the inspections a ruse, that war is inevitable, and that there's nothing anyone, least of all Saddam Hussein, can do to forestall it.

The rationale was, however, not shared by the other members of the UNSC, as Paris became the focus of Washington's anger when, on 5 March, French, German and Russian foreign ministers gathered to discuss their respective positions over the coming war. Russia suggested it was prepared to use its veto and unlikely to abstain if the February 24 resolution was put to a vote and France concurred (AP 05/03/03). Washington, although used to the French aversion to American foreign policy domination, was nevertheless startled by the lengths to which they had gone to block an American invasion of Iraq. Upping the pressure, Bush declared that Washington would seek a UNSC vote within days, but warned that if this was not forthcoming he would attack regardless. Bush insisted that, 'When it comes to our security, we really don't need anybody's permission. If we need to act we will act and we don't need United Nations approval to do so' (Washington Post 06/03/03).

For the Keohane-Moravcsik school, this battle in the field of symbolic politics and normative legitimation was of great importance. When Blix made what was to be his final report on 7 March, no one seriously considered it would have had any impact on Washington's plans to attack Iraq to enforce regime change. Blix's mixed report, true to type, left the major powers divided. He did, however, report that Iraq had accelerated its co-operation and inspectors needed more time. Fischer greeted the report enthusiastically stating that, 'Peaceful disarmament is possible and there is a real alternative to war'. De Villepin defiantly declared that, 'France will not allow a resolution to pass that authorises

³¹⁸ Washington and London had threatened to go to war if Iraq did not destroy the missiles. This simultaneously made the issue a litmus test of Iraq's readiness to co-operate on disarmament, and a double edged sword for Bush and Blair if Saddam agreed.

the automatic use of force'. Powell dismissed Blix's report as 'a catalogue of non-compliance' (Reuters 07/03/03). As the US became increasingly isolated in the UNSC and as fierce public opposition to war in Britain reached fever pitch, Washington accepted a British idea to win backing for the February 24 resolution. London suggested that they change the text of the resolution giving Iraq more time to disarm until mid-March. The idea was short lived when Blix concluded that, even with full co-operation, it would take months for Iraq to disarm (Reuters 07/03/03). Germany and France saw the idea as a last ditch attempt by London to afford the invasion legal status by way of UN mandate. London and Washington pitched much the same idea again five days later when it became clear that the February 24 resolution would fail to get the backing of the UNSC. Fischer reported that there was room for a little more diplomacy and Washington was preparing a compromise resolution, with the possibility that negotiation could lead to the inclusion of disarmament benchmarks for Iraq to follow to avoid war (Agence France Presse 12/03/03). Five days later, after intense lobbying by Washington and London, it became clear that their position was untenable in the UNSC and they decided not to call for a vote on the resolution.³¹⁹ Two days later the invasion of Iraq began. American foreign policy had, in the view of some, left the future of UN in doubt.³²⁰ It had left the West European powers split, but Chirac and Schroder as leaders of the bulk of European public opinion. It had also left the trans-Atlantic relationship in tatters.³²¹ Allin (2004:650) concludes that:

³¹⁹ This was very important for Britain, as a no vote would have made the war illegal, as Resolution 1441 could no longer be relied upon by London.

³²⁰ Berdal (2003:11) has argued, however, that talk about the UN demise, is just that. The effort by Britain and America to secure UNSC approval for the use of force is evidence of its importance. 'Not only that, but both the US and the UK, in justifying the resort to force and explaining the need for military action, have continued to rely heavily on UN Security Council resolutions, a fact that only reinforces the sense that neither country felt they could dispense with some kind of UN sanction for its chosen course of action'.

³²¹ While the individual units of the EU remained split over Iraq, it did not affect the workings of the supranational efforts of the Union to demonstrate cohesion in European security affairs when, on 31 March, the EU launched its first military mission in Macedonia, taking over peacekeeping duties from Nato. Also in December 2004 the EU took over Nato's peacekeeping mission in Bosnia and Herzegovina, further demonstrating that Union cohesion and co-operation in SDP could continue regardless of problems over Iraq or the way that the Member States perceived American power.

it is not particularly relevant to determine whether the current fierce transatlantic estrangement is structural or political—that is, whether it is the inevitable consequence of the end of the Cold War and the shock of September 11, or the tragic and avoidable consequence of bad statecraft. The short answer is that there are elements of both, but that bad statecraft—particularly from the Bush administration—has been decisive in turning a serious problem into an unmitigated disaster.³²²

Nonetheless, from a LVP none of the Atlantic powers would have had strong motives for encouraging the break-up of Atlantic unity, since all would have overwhelming welfare interests in maintaining the coherence of the zone of complex interdependence and its institutionalised character (this is also true for neofunctionalism). Accordingly, for this school, there is no contradiction between the tough battle over public opinion and within the institutions and a strong interest on all sides in trying to limit and repair the breach. The practical consequences of complex interdependence meant that differences would occur, but the pull of the system in which they operated would draw the member states quickly back into co-operative relations. For Keohane and Moravcsik, the same, to a certain extent, can be said of relations between the EU/Member States and America: differences will occur, but the pull of the liberal international capitalist system will, ultimately, certainly prohibit conflict, and even expensive long-term poor relations between the two centres of trade. Moreover, in concluding their research, McGuire and Smith (2008:280-281) argue that:

...there is evidence to support the argument that the 'Euro-American system'³²³ is one in which economic, political and security issues occur at a number of interesting levels, and in which both the EU and the US are effectively part of each other's policymaking processes. ...the system has generated an increase dense set of institutions, many of which have become dominate by the EU-US relationship as the EU has expanded to become in some ways synonymous with the 'Euro-America system'. ...the system is not one of 'either/or'. It is not one that can be turned on or off by policymakers either in the EU or in the US. Its extended history, its institutional density, the shared experiences of transatlantic elites, and the sheer self-interest embodied in the world's closest economic and security relationship mean that it is robust and resilient.

³²² For a defence of the British government's decision to go to war, see Bluth (2004) who, in the final analysis, concludes that, 'If the reconstruction of Iraq and the establishment of a stable democracy succeed, then the decisions of 2003 will be vindicated' (p.829). At time of writing that has not happened.

³²³ For them, the 'EU-US system' is, for the most part, identical with the 'Euro-American system' (McGuire and Smith 2008:36-66).

In that context, it is also important to note that Washington knows the value of the transatlantic relationship, not just as a means to secure American hegemony and prevent the rise of a peer competitor as Mearsheimer would argue, but as a means to promote a shared vision of a peaceful liberal democratic international society. The Bush administration also seemed to recognise that within complex interdependence it cannot achieve its policy goals without European co-operation. Even in the unilateralist rhetoric of the 2002 NSS, this was acknowledged:

There is little of lasting consequence that the US can accomplish in the world without the sustained cooperation of its allies and friends in Canada and Europe. Europe is also the seat of two of the strongest and most able international institutions in the world: the North Atlantic Treaty Organization, which has, since its inception, been the fulcrum of transatlantic and inter-European security, and the European Union, our partner in opening world trade (NSS 2002:25).

This does not mean that competition for influence in world affairs will not occur and that each cannot have different visions concerning the operational functionality of the international system. What it does mean is that each is indispensable to the other's continued prosperity and security. The real dangers for SDP co-operation, from a LVP, are internal disagreements among Member States about the nature of American power and the use of force. Certainly opposition from Washington may slow the process down, but it is also paradoxically one of the causal variables driving it forward.

This then would be the strategic context in which the European Member States approached discussions on the future of ESDP. The challenge for them, and indeed the Americans, was to reform European security and defence institutions to allow for different approaches and management of international events and not, as some would argue, to build alliances or supranational bodies to take over the functioning of states. On the character of the EU Moravcsik (FT 27/1/2006) writes: ‘

Its unique genius is that it locks in policy co-ordination while respecting powerful rhetoric and symbols that attach to national identity. Now it is a mature constitutional order, one that no longer needs to legitimate itself by seeking ‘ever closer union.’ More appropriate is the phrase in the preamble to the draft constitution: “unity in diversity.” On this basis, Europeans could now develop a new discourse of national interest, pragmatic co-operation and constitutional stability – a discourse that views Europe as it really is.

Importantly, from our LVP, such reforms would leave SDP firmly in the hands of states. Policy innovation would thus remain intergovernmental, but institutions would evolve to allow for co-operation once SDP strategies converged.

Dimension Two

The question arising under dimension two is: how does the reaction of the key actors to the context in dimension one compare to what Keohane and Moravcsik would anticipate as the main process, which the context would set in train?

As noted, even before Washington prematurely declared an end to military operations, Belgium, France, Germany, and Luxembourg, at the mini-defence summit³²⁴ (29/04/03), mooted the idea of a two speed European Security and Defence Union (ESDU), to the consternation of most pro-war Europeans. But for Moravcsik, the Member States already had at their disposal the indispensable instruments necessary for them to play a major role in international affairs. For him, winning a war is far easier than winning peace. ‘And when it comes to the essential instruments for carrying out this task—trade, aid, peacekeeping, monitoring and multilateral legitimation—there is also one superpower. That is the “quiet superpower”—Europe’ (Moravcsik 2003d). He thus cautioned Germany and France to keep this in mind.

However, as evidenced at the mini-defence summit, the Iraq crisis had convinced Paris and Germany that it needed to strengthen the EU’s autonomy if the Western powers were ever going to be able address international crises with purpose. The split within EU ranks during the Iraq conflict now made the need for some sort of accelerated SDP reform even greater. The EU could not expect to manage crises if its military component was not strengthened. This was not going to be an easy task. The damage done by the Iraq crisis was telling, but not catastrophic. The member states had more in common than separated

³²⁴ The so-called ‘chocolate summit’.

them and none of what had happened actually threatened their own security vis-à-vis one another.

The mini-summit was just one example of how reaction to American power can split the cohesion of the Union, but from a Keohane-Moravcsik perspective it was more akin to how states would be expected to operate under complex interdependence. The war was the catalyst and the summit served to enforce that polarisation.

But given the context in which the initiative was launched – with Europe split into two hostile camps – the timing was unbelievably foolish. Tervuren jiggled the knife in the wound between New Europe and Old Europe. It made everyone mistrust everyone else's motives. And, worst of all, it caused delight among the Pentagon hawks. Their ambition is to maintain the wound between New and Old Europe, to practice a policy of divide and rule, and Tervuren achieved exactly that purpose (Grant 2003:2).

At the same time, as noted, the West European powers carried forward their attempt to create a written constitution and, when that failed, a Reform Treaty for its member states to rally around. 'In fact, one is hard-pressed to find a leading European prime minister, president, or foreign minister who has not advanced a detailed scheme for reform of the European constitutional order' (Moravcsik 2005:4). The discord caused by the Iraqi crisis threatened to disrupt Atlantic relations and SDP co-operation if political and military structures remained the same. It certainly affected the cohesion of the Union, but the problem for Washington was that the split precipitated calls for a 'core Europe' of the willing in SDP and an EU Operational Planning Staff (Grant 2003a). If successful, the likely outcome would have excluded Britain from playing a leading role in one area of integration in which it had a comparative advantage and could also have eventually acted as a magnet for other states and thus undermined NATO. In fact, this was not a new initiative, since Germany and France had long considered a core Europe as a means to further SDP co-operation but, with the Union disunited over Iraq, the timing was seen as divisive by Washington and London (Grant 2003a). For the members of the mini-summit, the European constitution was a vehicle to create processes that they hoped would eventually lead to greater crisis management capabilities, which now increasingly meant autonomy from NATO.

To the annoyance of the Americans and British, the initial draft included a mutual assistance clause — a threat to NATO's Article 5 — and a provision 'for structured co-operation', a structural mechanism for the creation of a core Europe in SDP. The French and Germans, it seemed, were attempting to achieve their objectives from the Tervuren mini-summit, but the problem was that this would have excluded London — an outcome that would represent a very weak ESDP and not one that any of the West European powers wanted. It may have also dawned on Paris that such a split would serve those in Washington who were only too glad to see the Member States remain divided on the issue. It would also destroy the vision of a strong ESDP that all considered necessary if the Member States were to have significant influence in world affairs. For France and Germany this meant greater autonomy from Washington and for Britain greater relevance to Washington.

With Lisbon, consensus was, in the end, hard won. Yet, it would be a misreading of the situation to suggest that Iraq, or indeed bad diplomacy, were the sole causes of the difficulties that faced the reform process. Lindley-French (2002a: 789-790) identified long-standing issues that stood in the way of reforms and argued that 'strategic schizophrenia' is the cause of much of the trouble in creating SDP reform. Yet the Member States have been adept at overcoming, or 'fudging' strategic issues. Moravcsik, on the other hand, sees such difficulties as arising out of the 'politicisation' of the Union.

A better strategy, pragmatically and normatively, would be to depoliticise European constitutional evolution through an incremental, piecemeal strategy of implementing effective policies and modest institutional reforms — the 'Europe of results'... Surely a proposal to centralise European foreign policy — particularly if it were not presented as creation of a 'foreign minister', as was done previously, but (more accurately) as a bureaucratic redesign of the relationship between the Commission and Council — will not rouse masses of Europeans into the street to debate or defeat it. If support were sought in this manner, rather than by politicising the public through constitutional rhetoric, the EU's lack of salience would work for it rather than against it (Moravcsik 2008:180-181).

From a LVP, some analysts simply underestimated the co-operative nature and elite perceptions of the process. Some also failed to take into account the structural changes that had taken place since 1989 that had affected personal ideas. They also failed

to give a credible theoretical account of the process that seemed to drive states to seek SDP co-operation, whether successful or not. Certainly, the empirical and theoretical project is dogged by what Christopher Hill (1993/1998) has called the persistent ‘capabilities-expectations gap’. The gap, while being a major concern, was also an indication of the goals the Member States wished to pursue. If they were to manage external crisis, the continued divergent policies of America and Europe may mean Member States have no choice but to turn those goals into reality. During the European Convention, Paris pursued five fundamental policy goals:

1. Typically and in keeping with past policy, it wanted to keep the Union intergovernmental, in other words avoid a federalist Europe
2. It paradoxically, wanted to keep the supranational character of the Union intact
3. It wanted to increase the efficiency of decision making procedures
4. It wanted to strengthen the Union’s security and defence capabilities and
5. It wanted to make Paris the centre of a new ESDP (Lefebvre (2004:2)).

Germany, being inherently more pro-American than France, nevertheless had become concerned about the unilateralist power projection of the US and now favoured the firmly rooted Paris/Berlin partnership. In consequence, Germany having been supported by Paris over its Iraqi policy, backed the French position knowing that compromise would probably mean a solution somewhere between the two. America, as before, wanted Europe to have a strong ESDP, but was concerned about the motivations of Paris and in particular the declared goals set out by France and Germany at the Tervuren summit. Furthermore, there was a fear within the Bush administration’s neo-conservative circles that America’s ability to pursue coalition building would be put in jeopardy if SDP reforms were too integrative. ‘Indeed, the most prominent major casualty of a united European foreign policy would be the Anglo–U.S. special relationship, forcibly consigned to the scrap-heap of history’ (Hulsman and Gardiner 2004). However, as London was in agreement with Washington, the Americans were not too concerned at first, as the difficulties over the procedural instruments needed to reach agreement would prevent an outright unacceptable outcome.

Reforms, from our LVP, did not mean the integration of SDP or the next step on the road to a European superstate. Moravcsik (2003a:39) warned us that, even if the most ambitious plans are fully realised, ‘the EU would control only 2 per cent of European Nato forces—and these forces could be employed only for a narrow range of peace-keeping tasks’ [Petersberg]. The most telling factor, for Keohane and Moravcsik, was that the Member States agreed to strengthen the Union’s military component. Thus, while brinkmanship at first instance may seem to have put the whole project at risk, the likely outcome was always going to involve a compromise position, but not necessarily a lowest common denominator one. For one thing, and notwithstanding Paris’s position, the French knew the value of British participation in the ESDP project. De Villepin asserted as much and, as an attempt to calm London, admitted that there could be no European defence without Britain (The Times 27/10/03:19). The draft thus proposed that the roles of EU foreign policy chief and commissioner for external relations be merged into a European Minister for Foreign Affairs (EMFA),³²⁵ accountable to the Council of Ministers and also the Commission. The latter accountability raised the issue of supranational encroachment in to areas of high politics. London, although concerned, was anxious to make progress on security and defence co-operation, gave a cautious welcome to the draft proposal, but insisted that the EU foreign minister be accountable to the Member States, ‘i.e. the unelected Commission cannot grab foreign policy controls’ (Straw, The Guardian 10/09/03:p8). The absolute necessity of reform born out of the coming enlargement and positively reinforced by the Iraq crisis led the Convention to consider how best the institutions of the Union could react to external crises. This rationale, following the Madrid bombs, was also operational in internal security matters. Thus, the question of whether the new RRF should respond to terrorist threats and act as kind of a European Home Guard in times of internal crisis became pertinent in the IGC that followed.³²⁶ If it

³²⁵ Later changed, in the Reform Treaty, to the more neutral and less emotive ‘High Representative for the Union in Foreign Affairs and Security Policy’.

³²⁶ The Madrid Bombings took place after the European Convention submitted its final draft.

did so decide, it would clearly mean that Petersberg type tasks would have to be reconfigured to take account of the new security reality. While clearly warning about over exaggerating security issues, Moravcsik nevertheless accepts that there is some force to the idea that the EU was intended, not to encourage economic welfare per se, but to 'promote peace and security within the cold war context'.

From the launch of the Schuman Plan to the Maastricht Treaty, major decisions in the history of the EU were often pursued by those who had the threats of Soviet expansionism and German nationalism in mind. ...As a matter of international relations theory, there is reason to believe, in Europe as in the global system, that such concerns added to the incentives of particularly powerful and competitive states... (Moravcsik 2005:11).

In the context of the new post-Cold War international system, there is no reason to assume that such concerns do not continue to inform why member states sought to restructure their collective crisis management capabilities. A number of reforms, for Keohane and Moravcsik, stood out as the absolute minimum if the member states were to be able to react to crises or retain influence with the US. Among these, and certainly already apparent before Iraq, were reform of decision making structures and synergy between the Union's HR and external relations commissioner. Looked at from a purely practical perspective, reform was needed to afford the West European powers more authority on the international stage, to respond to crisis and prevent the kind of split between the Member States that was evident during the Iraqi crisis. From a LVP, the EU's regional rationale for SDP reform was to:

- restore the importance of EU institutions to member states and the international community
- repair the damage to the cohesion of the Union from the Iraq war
- increase the Union's presence on the world stage
- allow for procedural flexibility in an enlarged Union to prevent inertia in SDP

The transatlantic rationale at this stage became more pronounced as it became apparent that the American and European views of the world would continue to differ and

that Washington was prepared to use its overwhelming power without recourse to the UN or at least to its important European allies. The rationale evolved to:

- demonstrate to the Americans and less integrationist member states that the process of SDP reform would continue to move forward
- strengthen the autonomy and presence of the Union to influence America within Nato (the UK's rationale)
- strengthen the autonomy of the Union to create a multi-polar world and influence American foreign policy from a position of strength (France's rationale)
- give the EU the choice to take action with or without recourse to Nato assets and improve the procedural capabilities of the Union to tackle crisis through coalitions of the willing where America would not, or could not, act; growing aversion to American unilateralism (the collective rationale)

The overriding issue for all three Member States was that the cohesion of the Union should not be put at risk again when international crises arose. Britain, perhaps surprisingly, felt this the most strongly and was thus in the end most willing to compromise — a development that worried the Americans (Howorth 2007:135-177). London had tried to influence events as the most loyal ally to Washington, but that tactic seemed to have failed and Britain was left with the possibility of the 'Bush doctrine' remaining as America's first solution to international crisis. This, regardless of London's support for the invasion of Iraq, is not the most fundamental aspect of British foreign policy. Certainly Blair was willing to use force, but the doctrine of pre-emptive strikes was not one London was willing to accept blindly. The British have a long tradition of effective diplomacy, which London sought to continue in concert with the other Member States, individually and through the institutions of the EU (i.e. the Middle East, Iran and North Korea).

Regardless of their conflicting approaches to the Iraqi crisis, the Member States engaged in the process of agreeing SDPR. Spurred on by the greater need to reform institutions to allow for better policy co-ordination, they went through the often agonising process of negotiating co-operative outcomes. It is evident that Iraq was one causal variable and that states were the final arbitrators of the eventual form that the reforms took. Reforms could only take place with the consent of the Member States, ‘...a “coalition of the willing” approach that makes current efforts to create joint European military forces as intergovernmental commitments as consistent with NATO as with the EU’ (Moravcsik 2005a:367). What is less obvious, however, is the extent Keohane’s and Moravcsik’s other causal variables, inherent in their complex interdependence thesis, were operational within the process. However, a brief reminder of what the Member States agreed at the IGC provides us with an insight in to what affected their strategic thinking and the dynamic of reforms.

The Member States were alarmed by the fact that the cohesion of the Union had been threatened by the crisis. The creation of the post of HRUFASP was thus established to allow for better policy co-ordination and compliance, and to allow the member states to speak with one voice on SDP issues. The post remained under the control of the member states through the Council of Ministers, but the need to adapt to the new security environment meant that the Member States required more flexibility in their approach to handling crises. This meant that member states which wished to utilise the SDP institutions could do so under certain circumstances without putting the cohesion of the Union at risk. For this and the whole policy direction to be successful, the Member States required the Union to have its own crisis management tools. To this end the creation of EDA represented a high mark in institutional development as means to manage pathological flows of destabilising events. The four main aims of the EDA, the Member States hoped, would furnish the Union with enhanced defence capacities for crisis management. But the EDA also remained under the authority of the Council of Ministers, and was strictly

intergovernmental in character. Furthermore, the fact that reforms reflected the concerns of the US demonstrated the asymmetrical nature of interdependence.

Dimension Three

The third dimension allows for Congruence testing by focusing on policy outcomes and goals: What were the goals of the main actors when contracting to proceed with ESDPR and how do they correspond to the hypothesised goals of Keohane and Moravcsik? Can we from the empirical evidence, as presented in dimension one and two, trace a causal link from Keohane and Moravcsik's independent variable (destabilising events) to their predicted outcome (crisis management institutions)?

The Iraq crisis had the potential to disrupt, if not wipe out, the Anglo-French gains made at St Malo. The crisis, however, reinforced their neoliberal rationale that SDPR was needed if the Member States were to realise absolute gains from SDP co-operation. Washington's deliberate policy of working outside NATO, with ad hoc bilateral coalitions, endangered the cohesion of the alliance and strained the interstate relations between the Member States. While unilateralism or ad hoc coalitions were a policy choice for the Americans, for the Member States multilateral organisations were the only effective means to handle international crises. But even before the Convention presented its final draft, it was clear that the EU would for the time being remain an exercise in state building. Hill (2002:78) argued that while the development of European foreign policy presence in the world is to be welcomed:

What cannot be said for it, however, even with the striking new interest in a defence dimension, is that it confers the capacity to act in the world, as the US or Israel can act – that is, with plausible threats of military action, but more importantly through the decisive exercise of a collective will. The system may be refined endlessly, and the Treaties (or a Constitution) may resound to exhortations about solidarity and international commitment, but only the creation of a legitimate executive with the authority to commit the peoples of Europe to war or even to a clear line on subjects like the Middle East, will make much impact on the problem of (in) action.

The outcome of the Lisbon Treaty proved Hill right, but it would have been remarkable, and quite unexpected, if the Member States had transferred SDP sovereignty

to the supranational EU. Nevertheless, it increases the possible opportunities for a hard core of like-minded states to forge ahead with SDP co-operation. With the possible undermining of NATO and the Americans concentrating most of their efforts on the war on terrorism, the West European powers understood the crisis as yet another wakeup call, demonstrating the need for both effective crisis management tools and a reform of ESDP institutions to prevent the problem issues that arose during the Iraqi crisis from splitting the cohesion of the Union in the future.

A number of developments and commitments are identifiable and important and are likely to be implemented, regardless of whether or not ratification of the Lisbon Treaty takes place. The EDA has already started its work mandated by decisions already taken at Thessaloniki (European Council 2003). The commitment to form battle groups already represents de facto structured co-operation.³²⁷ The post of HRUFASP can be generated by the simple appointment of one person to the posts of High Representative for the CFSP and the External Relations Commissioner. After the Madrid terrorist attacks, the Union more or less by declaration had adopted the 'solidarity clause'.³²⁸ 'The European Council welcomes the political commitment of the member states and of the acceding States, taken as of now, to act jointly against terrorist acts, in the spirit of the Solidarity Clause'.³²⁹ These commitments, regardless of ratification, demonstrated the forward momentum of the process, despite third party concerns.

³²⁷ 'The idea of developing such a concept was floated at the Franco-British summit at Le Touquet (4 February 2003) and was made more explicit in the 24 November meeting, in London. At that meeting, the two countries referred to the need for joint tactical groups – of about 1,500 soldiers each – to be created so as to strengthen the EU rapid reaction capability to support United Nations' operations. The experience of Operation Artemis in Democratic Republic of Congo (DRC) – the first EU-led military operation launched in June 2003 at the request of the UN Security Council – is a typical scenario for which the battle groups may be deployed. The Franco-British proposal - referred to as 'Battle Groups' by the British or 'Tactical Groups' by the French - was endorsed by Germany in February 2004, and, on February 10, was submitted to the Political and Security Committee, which, in turn, asked for a Military Committee's opinion on the technical aspects of the concept (February 18)'. European Security review, No. 22, April 2003. <http://www.forum-europe.com/publication/ESR22BattleGroup.pdf>.

³²⁸ Now Article 188 R of the Lisbon Treaty.

³²⁹ Declaration on Combating Terrorism, The European Council, Brussels, 25 March 2004.

Indeed, Washington was less than pleased with London for agreeing to the creation of an EU headquarters and accepting the concept of structured co-operation. To Washington it appeared that London had yielded to French and German policy preferences. The outcome of the process, however, was closer to London's and Washington's preferences for EU military capabilities tied to NATO, than that of the vision of an autonomous structure sought at the 'chocolate summit' that so angered Washington. The absolute necessity of reforms, cemented by the internal disagreements over Iraq and the threat of terrorism, required the Member States to respond tactically. Petersberg type tasks were reconfigured along with the Union's decision making and military structure to tackle contemporary threats and future crisis. From Keohane and Moravcsik's perspective the empirical dimensions evidenced congruence – a causal link from their independent variable (destabilising events) to their predicted outcome (crisis management institutions).

Haasian Neofunctionalism

Dimension One

The question arising under dimension one is: for Haas, what new empirical challenges did the transition present for these actors and how do they relate to his theoretical hypothesis?

Lindberg (1963: 10), applying Haas's concept of spillover, writes: '...spill-over refers to a situation in which a given action, related to a specific goal, creates a situation in which the original goal can be assured only by taking further actions, which in turn create a further condition and a need for more action, and so forth'. In this simple, linear form, it is difficult to apply the concept of spillover to the process of ESDP construction and in the period we are now examining the process looks more like one involving two steps forward and one step back. This is so given that the high hopes for a more integrated and effective ESDP at the time of the Nice Treaty was followed by a deep split within the EU on geopolitics – over the war in Iraq, and the subsequent defeat of the Constitutional Treaty project.

Yet we have argued that in a broader, longer-term sense, the concept of spillover can still be applied by neofunctionalists to the ESDP construction effort. Neofunctionalists (Haas 1958, 1961, Sandholtz and Zysman 1989, Burley and Mattli 1993 and Stone Sweet and Sandholtz 1997, 1998 and 1999) would stress that economic interdependence would push the EU's organisations (primarily the Commission and the Court of Justice) to work innovatively to make possible further integration, while raising the costs of intergovernmental inaction. The spillover mechanism derives from the functional necessity for political solidarity within the EU to maintain the coherence and stability of EMU and to extend the new expansion of EU business interests beyond the frontiers of the EU into its periphery, above all in the East. Within this wider perspective thus neofunctionalists would argue that divisions within the EU – and especially within Euro-zone – would remain superficial, given the strong interest of sub-national business actors in mitigating them.³³⁰ Neofunctionalists would thus further reason that there would be strong internal pressures, to relaunch and strengthen ESDP despite the setbacks; and finally they would expect EU business interests to seek to reduce transatlantic tensions within the context of a primary goal of strengthening the cohesion of the EU/Euro-zone.

Within this perspective, the neofunctionalists can offer an attractive and somewhat persuasive account of the challenges in the period we are now examining. The Iraq war split is one such challenge, but Haasians do not have to conceptualise that challenge as a genuinely power political confrontation between the West European powers and the United States. They can thus avoid the puzzles facing neorealists trying to explain both the split and the absence of any hard balancing by the EU powers against the Americans in its wake. They can instead accept the continued role of inter-state tensions in international politics, but at the same time argue that the functional necessities of large scale economic

³³⁰ Haas has even envisaged that integration could occur without the presence of business actors. Sector integration, 'begets its own impetus toward extension to the entire economy even in the absence of specific group demands and their attendant ideologies' (Haas 1958:297).

linkages – in other words ‘economic globalisation’ – automatically mitigate such conflicts and keep them within acceptable limits.³³¹

Moreover, neofunctionalists would also stress the efforts to enhance the ESDP in this period which may cause difficulty for liberal institutionalists: the fact that the effort to build up the instruments of ESDP has not, since the EU enlargement into East Central Europe, had any very clearly specified set of external problems to address. While the liberal institutionalists see EU institutional development as a response to international and transnational flows deriving from interdependence, for the neo-functionalists, institutional development in this field can derive at least as much from the internal functional logics within the EU — the need to enhance internal political solidarity. Furthermore, they can draw on the general functional requirement of enhancing the global political influence of the EU to protect and further the economic interests of EU business actors.

A further major challenge within this perspective is that of coping with the consequences of EU enlargement in this period. This enlargement would be viewed by Haasians as a step requiring institutional reforms to streamline their decision-making arrangements to prevent procedural stalemate. Such reorganisation would predictably involve a deepening of the mechanisms for integration within the EU, including the foreign policy co-ordination and ESDP dimensions. The failure of the Nice summit to resolve these issues would be expected by neofunctionalists to generate sufficient pressure for another IGC, and the failure of the constitutional project would thus lead to a further

³³¹ ‘Globalisation’ and ‘internationalisation of economies’ are terms which are commonly used to emphasise the interdependence of present day economies and the undeniable and increasing importance of international economic relations. While each of these terms of course covers a very wide range of world economic relations, they also include one of the oldest methods of exchanging things between countries: international trade’ [exports and imports] (Eurostat 2007). Growth in external trade, between the US and the EU, illustrates the growing interdependence of both economies. Exports to the EU from the United States (Million Euro) 2002 152,346, 2003 133,384, 2004 138,982, 2005 149,914, 2006 169,958, 2007 180,867. Exports to the United States from the EU (Million Euro) 2002 242,122, 2003 221,014, 2004 234,615, 2005 251,531, 2006 268,006, 2007 261,413 (Eurostat 2009:20). The EU and the US have thus the largest bilateral trade relationship in the world.

IGC to gain popular acceptance ending with agreement at Lisbon. Taking Tranholm-Mikkelsen's (1991) concept of 'cultivated spillover' (which is inherent within neofunctionalism) Haasians would thus argue that security and defence institutions would push for further functional linkage and thus deeper and wider integration. While for Haas, the starting point for the spillover dynamic (the process being expansive and permanent) is in the initial handing over of some SDP or crisis management tasks to supranational actors (Haas 2004: xxi).

Dimension Two

The question arising under dimension two is: how does the reaction of the key actors compare to what neofunctionalists would anticipate as their response to the new context?

Neofunctionalists would expect, first of all, very strong pressures from sub-national business actors in both France and Germany. These actors would expect these states to step back from their split with the US over Iraq and to seek to repair the split on this issue within the EU itself. For this prediction, they can offer a great deal of evidence. Neither France nor Germany sought to deepen the split with the US on Iraq: on the contrary, they sought to overcome it as quickly as possible (without being prepared to go back upon the stance they had taken, not least because broad public opinion within their countries strongly supported their stance on the Iraq invasion). While a Waltzian perspective would have implied a deepening of the split, that did not happen; while a Wohlforthian perspective might have expected the split to have been overcome through tough US punishment of its subordinate but disloyal allies, this also did not seem to happen. A Waltian view, that the US invasion could have been perceived by the West Europeans as a threat, would similarly not lead us to as deep a reconciliation as has occurred. Furthermore, as noted earlier, the enlargement of the EU Eastwards was taking place in parallel to the Iraqi crisis, which is not so easily explained within the other perspectives as it is by neofunctionalists. For one thing, why should France and Germany wish to incorporate a set of states with close ties to the US in a Waltzian or Waltian

perspective? Also, from a Mearsheimian perspective it hardly seems credible that France would accept an Eastward enlargement which could be expected to ultimately enhance German power on the continent. However, from a neofunctionalist perspective, consolidating the economic expansion by West European businesses into East Central Europe would be a vital necessity. They could then easily theorise that this enlargement would generate strong spillover pressures for institutional reform, including ESDP, to cope with the new decision-making challenges. In fact all this has, indeed occurred.

However, the route towards greater supranational co-ordination of external policy and of the European security and defence policy reforms has been almost the opposite of the mechanism traditionally championed by neofunctionalists: it has not been led by the Commission, linking up with domestic, sub-national pressure groups. It has rather involved a foreign policy co-ordinator located, in the first place, within the European Council bureaucracy, under direct member state collective control by taking ownership of foreign policy-relevant instruments located within the Commission. But this anomaly, one could argue, is not a basic challenge to neofunctionalist theory. The important point is that the end result is at least a potential strengthening of the supranational institutions of the EU in the external policy field, as neofunctionalists would predict. For Sweet and Sandholtz (1997:314):

Intergovernmentalism is rigid: integration proceeds, but nothing essential in European politics ever changes. In contrast, we expect that integration produces new political arenas; that the politics in these arenas will qualitatively differ from purely intergovernmental politics; and that this difference will have an impact downstream, on subsequent policy processes and outcomes. In Moravcsik's view, supranational organizations, like the Commission, are virtually always 'perfectly reactive agents', responding only to the 'delegation' of tasks pursuant to the 'pooling' of state sovereignty. In contrast, we expect supranational bodies to work to enhance their own autonomy and influence within the European polity, so as to promote the interests of transnational society and the construction of supranational governance.

Finally, one of the most remarkable features of the negotiating process, during this phase, is the very fact that all the member states of the EU have been brought along with the projects for deepening integration in the external policy field. This is hardly something that many of the other theories would have expected. The neorealists tend to see deep

geopolitical divisions of different kinds across Europe; the liberal institutionalists, at least of a Moravcsikian sort, should give strong weight to the role of public opinions in liberal democratic politics and in that field there have indeed been deep splits and rather powerful hostilities to aspects of the integration projects of this period. Yet the neofunctionalists, with their stress on the role of business groups and with their idea of a largely common set of business interests across countries, can explain this united effort quite well.

Dimension Three

The third dimension allows for Congruence testing by focusing on policy outcomes and goals: What were the goals of the main actors when contracting to proceed with ESDPR and how do they correspond to the goals hypothesised by Haas?

The Constitutional Treaty was a step forward in the process of ESDP construction, despite the fact that the concepts of intergovernmentalism and unanimity tended to prevail. The integrative value of the policy reforms is nevertheless telling for a number of reasons. First, the potential for a two speed Europe in security and defence was a very real possibility. Secondly, something akin to a mutual defence pact was now proposed – a strong assertion of political solidarity of the kind neofunctionalists would expect. Thirdly, for the first time, there was tangible commitment to all four commitments needed for the development of SDI proper. The process, though slow, seemed to be moving towards an integrative outcome. Taking into consideration the 2003 European security strategy and the progress made on decision-making principles in the new Lisbon Treaty, the EU now had at its disposal a command structure that, although located in Nato headquarters, is semi-independent, representing a moderate commitment to the creation of an EU command structure. The creation of a multilateral standing military force came a step closer with the introduction of Battle Groups and permanent structured co-operation. The creation of an EDA was now for the first time treaty specific and represented a major shift in Member States strategic thinking and the start of a moderate commitment to a common European armaments policy. Overall, Member States' commitment to the construction of

ESDP was significantly strengthened within the terms of the Reform Treaty. That Iraq served to re-launch ESDP on a firmer footing is not in question (Menon 2004). But the neofunctionalists can explain, at least as well as any other theory, why Iraq would lead in this integrative direction rather than in other disintegrative directions.

The directional flow of policy control is however more surprising. While it does seem to be the case that policy control is on the move, it is not as one would expect to see moving from one actor to another. The US remains in a very strong position while the Member States and the EU simultaneously obtain more policy control. But differences between the US and the Member States were confounded, not by what needed to be done, but how to do it. The commitments in the Constitutional Treaty were important and they have been in large measure replicated in the Lisbon Treaty. If viewed as part of an organic process of reform beginning in the early 1990s, they can be seen as a rather dramatic advance over what had occurred in the early and middle 1990s. Of course, neorealists may dismiss these advances as lacking real power political substance. Crowe (2003:545), for example, has warned: 'no amount of institution-mongering, messing around with qualified majority voting, constructive abstention or reinforced cooperation will in the end have any noticeable practical effect unless EU arrangements reflect power realities'. Yet this kind of tough cynicism about the EU, much favoured in the Anglo-Saxon world, may yet be proved dangerously one-sided. 'Institution-mongering' may not 'reflect' realities: it may create them. We have seen this on many occasions in the past, not least with the launch of the Euro. Thus, such cynicism may, if neofunctionalist theory is correct, turn out in the end to be rather naive. From a neofunctionalist perspective, although policy competence remained intergovernmental, spillover is evident; there is thus support of correlation between Haas's independent variable and his dependent variable.

Chapter Seven

Conclusions

The aim of this thesis has been a double one. We have wanted to use the case of ESDP to throw new light on the adequacy of a range of theories in the field of international relations: mainly a range of neorealist theories but also neoliberal and neofunctionalist theories. We have sought to test the explanatory adequacy of these theories on a single case, that of the sources and evolution of ESDP. But at the same time, we have sought to contribute to research on ESDP itself by attempting to explore in a fairly rigorous way how various international relations theories approach the analytical puzzles which ESDP construction has thrown up. At the same time, our study has had circumscribed aims both in relation to theory and in relation to ESDP. We have not attempted to produce a comprehensive, analytical explanation of the sources and evolution of the ESDP. Neither have we attempted to engage in a comprehensive, critical literature review of all the main schools of thought on European integration to test the adequacy of their explanatory logics for handling ESDP. Neither liberal-idealist accounts nor the recently very dynamic literature drawing upon constructivist perspectives have been explored. We have instead attempted to systematically test the explanatory adequacy of a partial set of schools of thought offering alternative ways of explaining ESDP. Our empirical research on ESDP has left out a great deal of material which any historian of the specifics of its evolution would wish to include: our data on ESDP has been selected as a function of the maps of real world significance posited by the theories which we have reviewed. We can illustrate this with a single example. Both liberal idealist and constructivist perspectives would give great weight to claims of a strong link between ESDP construction and value commitments in the public opinions of Europe: concerns, for example, over humanitarian crises, peace building and human rights, concerns linked rather closely to the Petersberg tasks which have lain at the heart of the declared operational goals of ESDP. Yet, notwithstanding Moravcsik's two-level game model, we have not in actuality empirically researched this

aspect of ESDP construction in any great length, since none of the schools of thought we have explored place central theoretical-explanatory significance on this dimension of political life.

Review of Methodology

The theories we have chosen all belong within a broadly positivist tradition of social science research. By this we mean that they offer themselves as social science explanations subject to tests of being falsified by, or at least weakened by, empirical evidence. They also view their theories as being validated theoretically by their abilities to make predictions about the future. The Popperian falsificationist criterion may seem too strong for the core assumptions of some of the theories – notably neorealist theory, whose core may be difficult to refute decisively with empirical data – but by drawing out hypotheses from their core theories we have sought to generate claims consistent with their core assumptions which can be tested empirically in the ESDP case. These hypotheses have been empirically testable precisely because they take the form of predictions about what should happen in a case like ESDP. Insofar as these deduced hypotheses seem to lack compelling empirical support, we can at least suggest that the theories face Lakatosian problems of failing to work as progressive research programmes: failing to generate new explanations of new facts, instead requiring amendments or qualifications to protect their core assumptions from attack. In this way, we have hoped that our study will have relevance not only to analytical work on ESDP but also to theoretical reflection on the schools of thought in international relations which we have addressed.

Such approaches are not immune from criticism and indeed many may disapprove of the way we manipulated the core assumptions of neoliberalism and LI to allow for the abstracting of common testable variables.³³² But this approach is just one

³³² More so, because Moravcsik (1997) distinguishes his theory, from Keohane's 'institutional liberalism' and 'utopianism'.

more way to analysis SDPR that can be used as a prelude to further research.³³³ The need to simplify theory further stems from the one conflictual dichotomy that plagues research into the general process of EU integration: the divide between security and economics. The reasons vary, from ease of research, to the assumption that one purpose motivates all the states in the system. A brief history of IR casts doubt on the assumption that either security or economic concerns dominate the strategic reasoning of states. States are no doubt motivated by both and each at different times may be more important than the other, but both are operational and are interdependent. The traditional distinction between high and low politics is, in other words, no longer helpful, specifically when attempting to theories EU integration per se. ‘The interdependence of modern economies and the increased importance of transnational factors mean that an active and effective foreign policy cannot be limited to the more traditional aspects of international relations’ (European Commission 1997:28). Unfortunately, neorealists and neoliberals only allow for one or other drivers, thus constructing theory that is doomed to only offer us one half of the story. The manipulation of the general liberal approaches to account for SDP reform to a small degree alleviates this tendency.

At the same time, in order to make our attempt at empirical testing as tightly focused as possible, we made two sets of further distinctions. First we distinguished between three distinctive aspects of our deduced hypotheses: how each of them defined the context facing the theory-relevant/ESDP-relevant actors; secondly, how each of them define the relevant actors and the processes of their interaction over ESDP reform – process tracing; and finally, how each of them predicted the outcome of the process of interaction for reform. The second set of distinctions that we made was between different phases or main events of ESDP reform. We thus divided our general ESDP case into a set of sub-cases distinguished from each other temporally as major events in the origins and

³³³ On theory synthesis, as a method for empirically testing multi-theoretical proposition about real problems in world politics, see Moravcsik (2003b) *Theory Synthesis in International Relations: Real Not Metaphysical*.

evolution of ESDP since the start of the 1990s. This division into a set of sub-cases has enabled us to engage in a more fined-tuned form of empirical testing than could have been gained by treating the whole course of events since the Maastricht Treaty as a single, undifferentiated whole. In this way we hoped to enrich what we have called our 'congruence testing'. In this final chapter we will seek to draw conclusions as to the adequacy of the various theories from the application of this methodology for empirical theory testing.

Theory Revisited

Differences have always been apparent in the transatlantic relationship.³³⁴ Gordon (2003:1) noted that: 'What is striking today is that some serious observers are starting to conclude that the fundamental cultural and structural basis for a transatlantic alliance is eroding'. Whatever the merits of the above observations, it is quite clear that a number of drivers are operating within the system, motivating the West European powers to construct an ESDP that no one theory could hopefully wish to capture. But it would be possible to foresee changes which might have occurred in European foreign and defence relations since 1989 that would have proved false the predictions of one or another of the theories of ESDP which we have examined. A collapse of Franco-German cooperation and the formation of a new security alliance between France and the US excluding Germany would, for example, have been a fatal blow to Waltzian predictions; a Franco-German break from NATO and their formation of a new, rearming Europeanist military bloc would have discredited both Mearsheimer's and Wohlforth's claims to explanatory capacity. A failure of the West European states to have attempted to respond to challenges from the Balkans in a collective fashion would have weakened the credibility of the Keohane-Moravcsik approach and the disintegration of all attempts at foreign policy co-ordination amongst the member states would have seriously weakened neofunctionalist prognoses. Yet unsurprisingly no such 'killer' evidence has been available to eliminate any of the theories

³³⁴ The Troubled Partnership (Kissinger 1965), Allies in Crisis (Sherwood 1990).

we have explored. Instead, all the schools of thought we have examined have been able to assemble more or less impressive support from the data to advance or at least protect their core predictive claims.

We unquestionably evidenced the gradual build-up of EU competencies and capabilities, extending SDP into the supranational sphere of influence of EU structures, albeit controlled intergovernmentally. The reform process also evidenced the organic growth of an EU 'strategic culture' that current theory has failed to address satisfactorily.³³⁵ Yet we also observe states, thus far, are unwilling to sign off on commitments that would turn decision making over to the supranational institutions of the EU. The absolute gains that further SDPR promises are desired, but the negative impact on sovereignty means that the member states of the EU are not yet prepared to pay the price. Yet the reform process moves forward creating a new kind of international actor, however characterised. Understanding how and why that new actor developed is salient to our theoretical appreciation of international relations. We have thus attempted to detail the empirical evidence of SDP reform to allow for the analysis of apparently contradictory approaches to the study of European SDPR. As is commonly stated, each theory offers essential but incomplete insight into sources of Europe integration per se. Thus, the diverse causal variables that drive SDPR required us to extract testable hypotheses from core theories, which might not even be pleasing to our theorists. Nevertheless, in assessing the explanatory power of their theories we are required to make analytical judgements of the persuasiveness of each theory – judgements which are themselves open to challenge.

In 1992, we saw that the member states drifted slowly into SDP co-operation through marginal commitments to the new Union's CFSP. By Amsterdam, the West European powers had added crisis management capabilities to their wish list of foreign policy tools. By Nice, Member States had made moderate commitments in pursuit of SDP co-operation. They moved beyond the vapid EPC, began a ponderous process of

³³⁵ According to Cornish and Edwards (2001:602), the concept of a strategic culture is a means to start processes that will generate the political momentum to acquire military capabilities.

developing a true CESDP. By Lisbon, the repackaged Constitutional treaty sought to reform ESDP to afford the EU an unambiguously independent military identity outside NATO. Yet, for all these apparent immensely important changes, students of European politics and IR are still left searching for the answer: why have the member states of the EU sought to develop a CESDP that includes the possible use of military force vis-à-vis other actors outside their regional system? What are the drivers pushing the Member States to reform SDP time and again? This study has attempted to answer these questions by, in the first instance, adopting a positive approach to theory testing, which seemingly confirms all theories. This is to be expected because, indeed, all the theories can assemble 'their facts' both for outcomes and for process (causal mechanisms), leaving us to make, here, an evaluation as to which theory or theories offer us a more consistent insight into the process and outcome of SDPR.

Thus, in assessing our theories, we can group them into two broad categories: the neorealist theories all direct us to look for explanations of ESDP in the power relations between the main Euro-Atlantic states. In doing so they in effect tell us that ESDP has not been driven by what the leaders of these states claim to be the drivers. They also tell us that the relations between the main Euro-Atlantic states are inherently prone to conflict and governed by power-political factors. This would apply even in the case of Walt, since his stress upon threat perceptions rather than material power balances should be seen as a stress upon the importance of an intervening variable rather than as a denial of the underlying dynamics of power political rivalries among Western states. Thus, all these neorealist variants fall into the category of great power conflict perspectives on ESDP. On the other side, both the Keohane-Moravcsik school and the neofunctionalists lay stress on a basically co-operative relationship amongst the Euro-Atlantic states and further claim that what the ESDP project has been about has been broadly what its leaders have said that it is about: collectively coping with challenges in the external environment of the EU requiring the construction of instruments and institutional arrangements for handling Petersberg tasks. As we review the theories, we will keep these broad distinctions in mind.

Neorealist Hypotheses

The neorealist hypothesis would explain SDP reform as a response to variations of power distribution and threats in the international system leading to balancing, bandwagoning or buck-passing. They all give great weight to both power politics and the centrality of material capabilities in such power politics. Two of the theories we have examined have suggested that the collapse of the Soviet bloc would unleash dramatically new power political dynamics within the European region: those of Waltz and Mearsheimer. Wohlforth, on the other hand, has suggested a great continuity and stability of power political relations within the Euro-Atlantic world. Walt's approach alone amongst them would have suggested variability within the whole period we have been examining, with a break between the first Bush and the Clinton administrations on the one hand, and the George W Bush administrations on the other.

Given the stresses of both Waltz and Mearsheimer on both material capabilities and on a new period of turbulence and upheaval in the Euro-Atlantic zone, we should surely have expected some significant signs of re-armament and even arms-racing on the part of the major West European powers. For Waltz such a prediction is surely implied in his prediction of a European rebalancing against the United States. And even if his theory could argue that such rebalancing in the material field could be achieved to a great extent 'externally' via the formation of an incipient European alliance formation process, the immense scale of US armaments expansion in the 1990s and its acceleration under George W Bush should surely have led a Waltzian towards a prediction of some significant expansion of the arms budgets of the main European states during this whole period. Yet this has simply not occurred.³³⁶ Mearsheimer's theory would also surely have led us to expect some significant expansion of European arms spending as his presumed new rupture amongst great powers in the European theatre unfolded. Yet again, no such evidence has appeared. The Waltian perspective, in which the Bush White House should

³³⁶ Lindely-French (2002a: 810) remarked, 'Make no mistake, for the past twelve years Europe has been engaged in a process of disarmament, under the rubric of the peace dividend...'

have been perceived as a significant threat by its allies, has similarly not been confirmed by defence spending evidence. Only Wohlforth's prognosis of a stable, sustainable unipolar US-led order in Europe would seem to fit with the evidence of arms spending: a substantial American increase in such spending ensuring the continued primacy of US power while the West European powers were happy to both bandwagon with that power and free ride on it.

We may thus, in the first instance, deduce that the major drawback for neorealists is that they remain fragmented. Our neorealists offer students of IR a choice of independent and dependent variables, but the result muddles the theoretical debate both within the camp and for students of the debate. These different variables, outlined in table one, demonstrated the conundrum that has become the neorealist paradigm. All neorealists, depending on the condition of the system would expect to see balancing — soft or otherwise — bandwagoning or buck-passing. In this context reforms can thus be described as a chain of events, united by a single dynamic driver — power disequilibrium. Nevertheless, each of our neorealist schools has been able to point towards real tendencies in SDPR that seem to give some weight to their predictions. We will give a brief overview of each.

Waltzian Neorealism

The Waltzians, as we have seen, interpret the ESDP project within the framework of an effort by the main West European powers to balance against the US. The evidence presented here, however, does not verify this interpretation in any clear or decisive way. The most that a Waltzian could claim is that elements within the ESDP project could be read as embryonic steps towards a slow unfolding of such balancing activity: as Waltz (2000:30) puts it, 'in our perspective, the new balance is emerging slowly; in historical perspectives, it will come in the blink of an eye'. Yet this is less convincing with the passing of time. An almost twenty year period seems an extraordinarily long period for progress from conception to an embryonic stage.

In the first phase of the ESDP project, involving the Maastricht Treaty, the latter's mention of moving towards a 'Common Defence' could be read as a strong Waltzian balancing signal, yet the actual steps taken at Maastricht fall woefully short of advancing in the direction of a positive attempt at Waltzian balancing. Actually, the evidence suggested that reforms were designed more to keep the Americans involved in European affairs than to balance. As noted, by this time the United States was still considered a stabilising force in European politics and, as yet, Washington's foreign policy remained for the most part compatible with its European allies and thus its new found status as the sole superpower was not a problem for the West European powers. At the same time, as exposed during the Gulf War, America was not concerned about a possible European alliance against it, as Waltz would assume, but rather considered their lack of cohesion and military assets a distinct disadvantage leading, in the end, to America supporting SDPR, for fear that these deficiencies could become a liability to US interests in the future.

The West European powers thus decided to opt for the WEU as their institutional vehicle for the new Union's security identity — an identity that was firmly rooted within the Atlantic Alliance. Britain's evident determination during this period to block any move to weaken the integrity of an American-led NATO could be explained by Waltzians as a steep learning curve, with London slow to grasp the logic of balancing American power. They can also point towards evident American concerns in this period that France and Germany might be cooperating to weaken American leadership in NATO. But the point surely is not that Washington sought to frustrate moves that might encroach on NATO's primacy, but that the Member States would tolerate US actions to shore up that primacy, given the self-help environment states are supposed to operate in. Moreover, while the mention of 'Common Defence' does flag the Waltzian balancing warning, reforms as they stood were more bombast than real. Besides, if the Member States were serious about balancing, reforms at the very least would have loosened the bonds that held the NATO alliance together. Thus beyond some phraseology within Maastricht there is little in this

period to suggest a strong impulse towards balancing on the part of the West European powers.

The second period of reform is yet more of a problem for the Waltzian hypotheses. SDPR in this period moved explicitly in the direction of Petersberg Tasks – procedural diversity to allow for decision-making at an intergovernmental level to protect vital economic interests by peace enforcement and peace building once CEE integration took place³³⁷ rather than primary security alliance formation. While Waltzians would have to suggest that the Petersberg focus must be seen as a ruse for a balancing goal, the simpler and most direct explanation is that the Bosnian crisis was what prompted peace-keeping, crisis-management reforms: the Member States seeking to co-operate over Bosnia to give them a collective leverage to handle that crisis, and steps that were also approved by Washington at the NAC meeting on 11 January 1994. Moreover, the failure of the Member States to fully incorporate the WEU into the EU meant in real terms that the institutional innovation was always subordinate to NATO. While Waltzians may argue that this in fact evidences US control of the process, brought about by fear of a rebalancing of the Atlantic Alliance, surely the continual failure of the West European powers to balance is the telling factor within the Waltzian approach. That subordination is even more evident in the decisions on NATO enlargement, the other big defence related milestone: that enlargement surely evidenced Washington's domination of European security and a definition of a European Security identity firmly subordinated within the new NATO, in the form of an American version of ESDI. The focus of the Amsterdam negotiations on establishing a High Representative to make EU external policy more cohesive could also be cited by Waltzians as a step forward in their perspective. Yet it could surely be more realistically assimilated to a stronger co-ordination for nothing more than Petersberg tasks.

³³⁷ Implicit in this assumption is the goal of the member states and the US — the protection of economic interests (FDI inflows from EU business actors) and the spread of market economics to CEEC.

The Waltzian prognosis would seem to gain its strongest backing from developments in the third period which we examined: that from the St Malo declaration through to the Nice Treaty via Cologne and Helsinki. The West European powers became particularly attentive to American supremacy as Washington appraised growing economic strength and European independence as a possible threat to its leadership. The crisis in Kosovo, for many, was evidence of Washington's intention to remodel NATO as the world's policeman. There was the seemingly decisive shift of British policy towards building the EU itself as a military-political bloc. There was the stress on autonomous capacity, the construction of an apparatus for discussing security strategy, the bringing together of the military staffs of member states within the EU. There was also evident disquiet within the United States over these developments. Furthermore, we can add in decisions to develop an EU based heavy-lift aircraft for power projection and to develop the Galileo system giving the EU an autonomous capacity for battle-field surveillance and, no less significant, the creation in July 2000 of EADS, uniting as it did Germany, French and Spanish military aircraft, missile, space rocket, and satellite production — a rather dramatic piece of defence industry integration.

This particular period of the reform process thus had many of the ingredients Waltzians would expect of a process of alliance formation, assembled in a remarkably short space of time through what could be described as a burst of activity. All these were important events in the history of understanding SDPR. Yet the outcome of these developments still fell well short, in the end, of basic steps towards a European military-political bloc. In the first place, French and other voices raised for EU states to give each other basic common security guarantees were rejected. Instead such security guarantees remained firmly confined to NATO which thus retained its formal status as Europe's primary security institution. Secondly, voices advocating genuinely autonomous EU military planning and power projection were rejected: joint planning was to remain within NATO and the EU would take military action only where NATO as a whole was not engaged and, more importantly, only within the remit of the Petersberg Tasks. The

evidence of this can be found in London's growing anxiety over the EU's operational weakness, which led them to conclude that if the military asymmetry continued, it would endanger the Atlantic partnership. SDP reform was thus about a 'more balanced' relationship, as a means to salvage the Alliance via the institutions of the Union. At the same time, following their failure to take part in EMU, SDP acquired real added value—an area where London believed it had a comparative advantage. The semantics of the Nice Treaty (autonomous action) can thus be read as London's rapprochement to Union institutions as a means to exert influence within the NATO Alliance and carve out some autonomy within that same framework through the security and defence institution of the Union. Furthermore, the Headline Goals and new institutions adopted at Helsinki that gave the Union its operational capacity were specifically geared for crisis management rather than defence purposes, as Waltian alliance mechanisms would expect.

What we saw in effect were the possible beginnings of a delicate internal balancing act within NATO to give the Member States more credibility as a collective military force without ending the role of the US and NATO as the guardian of Europe's most basic dimensions of military security. Even Waltz (2000: 18) came to conclude that SDPRs can be understood as an attempt by the Europeans to buttress their security within the confines of NATO. At the same time, he took the opportunity to argue that NATO's survival was consistent with the basic tenets of neorealism. Liberal institutionalists, he argues, 'paid scant attention to organizations designed to buttress the security of states until, contrary to expectations inferred from realist theories, NATO not only survived the end of the Cold War but went on to add new members and to promise to embrace still more. Far from invalidating realist theory or casting doubt on it, however, the recent history of NATO illustrates the subordination of international institutions to national purposes'. We may even accept this, but the point, is of course, that core SDP reforms lay not in overt balancing but in the agreement to improve the Union's military capabilities to carry out Petersberg type missions.

The last period under analysis also suggests that Waltzian variables cannot explain SDP reform. If the 1998-2000 period could be read as 'two steps forward, one step back' for European balancing against the United States, the period of the Bush Presidency surely marked another two steps back for this perspective. The decision by Washington to work outside NATO by building ad hoc bilateral coalitions with states was to have a profound effect on the member states, including the ones who joined in those arrangements. Moreover, that the Anglo-American attack on Iraq produced a deep split within the EU itself is certainly a deep anomaly for Waltzian theory. Although the reforms could be said to be symptomatic of unbalanced power, the evidence of Waltzian alliance formation does not stand up to scrutiny for a number of reasons. First, London swung back decisively into the closest of alliances with Washington. Secondly, Washington gained at least temporary support from both Spain and Italy and much deeper levels of support from some new East Central European entrants into the EU. Thirdly, it is hard to detect any actions on the part of those European states that expressed their opposition to the attack on Iraq which could be characterised as balancing in a Waltzian sense: at the very least, true balancing would require a greater increase in defence budgets, but this did not happen. Although we judged the outcome of the reforms in this phase to be more integrative in operational terms, they gave the Member States greater institutional capacity to deal with external crises only. The general view touted in the media (*Financial Times* 15/11/2000 and *Daily Telegraph* 16/11/2000) that reforms were the result of the aspirations of those who hoped to see the Union develop into a counterweight to the US may not be without some substance, but they do not tell the whole story (Howorth 2007:38-52). For the projected Lisbon Treaty's provisions on ESDP seem more focused upon stronger co-ordination for Petersberg force projection than on any project that could be characterised as that of Europeanist alliance formation to balance against the US: no new primary mutual security commitments at an EU level and no greater autonomy from NATO in strategic planning and policy-making. What reforms actually offered the Member States was the real prospect of a two-speed Europe with a hint of supranationalism. If they so agreed, Member States could act

without the unanimity principles blocking them, but again this was reserved for crisis management tasks only. In no way were reforms established as procedural mechanisms for Member States to form a European caucus to challenge American leadership within NATO. For one thing, the British would not have conceded such an arrangement and the Americans would certainly have pulled out all the diplomatic stops to prevent such reforms. On a more practical interpretation, far from allowing progress, this would cripple the Union's ability to drive forward reforms if it led to a split into two camps. Besides, the United States' ability to take unilateral steps on such profoundly important issues of 'missile defence' with Poland and the Czech Republic outside the framework even of NATO surely underlines the extent to which the main European powers have continued to accept US leadership on fundamental issues in European SDP. Moreover, earlier decisions on issues which would be given significance by Waltzians, such as plans for a European heavy-lift aircraft and for the Galileo satellite system, have not been followed through energetically by the key West European states as they continue to debate the budget requirements to bring the projects to successful conclusions. Waltzians would nevertheless stress that reforms can be seen as a reaction to the structural nature of the new international system — states joining forces to achieve security — in other words, simple alliance formation.

The overall picture which emerges from our study of the Waltzian perspective gives us two difficulties with that perspective, in addition to the one which we have already stressed concerning the failure of an unequivocally balancing bloc to emerge in nearly over twenty years. The first difficulty is that we do not find a consistent logic towards balancing emerging through ESDP, however slowly. Instead we find possible signs of it in some periods, followed by signs of significant moves either backwards or in other directions in other periods. At the very least, this surely demonstrates that even if there is some real-world tendency towards balancing through Franco-German led initiatives in and around ESDP that tendency is very far from being the governing tendency in the course of events or even the main tendency. There are surely at the very

least other drivers operating at the same time, drivers which Waltzian theory simply does not recognise.

The second problem with the Waltzian perspective is that much of the evidence which it can interpret as supporting its balancing logic is in fact evidence of a desire on the part of France and Germany and other member states to enhance their capacity for collective action through the EU in the foreign policy and defence policy fields. This is certainly a significant political development and one which may be interpreted in power political terms. But it is a development that can be interpreted outside a strictly Waltzian neorealist framework of balancing. It could, for example, be a scheme for adjusting the relationship between Western Europe and the United States within a general framework of continued West European acceptance of overall US leadership in the field of European security. And it could even be consistent with the claims of Wohlforthians about a unipolar world in which the European powers can nevertheless take advantage of the absence of Soviet power to play a larger role in power projection on the EU's periphery. In doing so they may simultaneously be seen to be seeking to enhance their influence over the US while fundamentally still bandwagoning with US power.³³⁸

Mearsheimerian Neorealism

Mearsheimer's interpretation of the ESDP project gives it less political significance or solidity than any of the other interpretations we have examined. He views Europe's post-war international politics as a structurally unstable field in which stability is maintained not through the existence of international institutions, whether the EU or NATO, but through the role of the United States as a stabilising off-shore balancer. It could be argued that Mearsheimer's theoretical concepts are not entirely consistent internally. Thus he has claimed that 'Europe remains bipolar in the wake of the Cold War, Russia and the United States as the region's principal rivals' (Mearsheimer 2001:380). Yet to present the US as

³³⁸ For a discussion on how liberal theories of international relations offer a better systemic explanation of state interaction than structural theory see, Moravcsik (2008a) 'The New Liberalism'.

the principal European power West of Russia is scarcely consistent with the concept of the US lying off-shore and being unable, because of the blocking power of water, to exercise a dominant role in either the European theatre as a whole or indeed in its West European half. As Christopher Layne (1995) has argued, an off-shore balancer would be one which allowed the European powers to take control of their own individual security interests and allowed them to balance against each other, intervening only to prevent that balance being disturbed by one power or another. In the face of such criticism, Mearsheimer himself has explained the continued substantial US military presence in Europe as a consequence of bureaucratic inertia rather than the consequence of US hegemonic ambitions on the European continent. As he puts it: ‘... because the United States has no appetite for conquest and domination outside of the Western Hemisphere; offshore balancers do not provoke balancing coalitions against themselves. Indeed, their main mission is to balance against dangerous rivals’ (Mearsheimer 2001:391).³³⁹ By ‘dangerous rivals’ he must mean a European hegemon bent on challenging American hegemony in the Western hemisphere. As he explained in his famous article in 1990: ‘without a common Soviet threat and without the American night watchman, Western European states will begin viewing each other with greater fear and suspicion... Consequently, they will worry about the imbalances in gains as well as the loss of autonomy that result from co-operation’ (Mearsheimer 1990:47). This vision of the US as a ‘night-watchman’ power in Europe is surely very different from a vision of Europe divided between two poles, one led by the US as a West European hegemon, and the other led by Russia. It is this ‘night-watchman’ image of the US as off-shore balancer which we have used as the basis of our Mearsheimian interpretation of ESDP.

Within these confines, SDP has thus not been about balancing American power, as Waltz would argue. It has been an epiphenomenon in a regional field of power politics in which we have faced the potential rise of Germany as regional hegemon, set against the

³³⁹ The main reason, according to Mearsheimer (2001: 114-128), why states do not seek global hegemony is the ‘stopping power of water’.

continuing strength of two nuclear powers – France and Britain – and another power, Russia, which after a catastrophic relative decline in the 1990s may be seen as enjoying a renaissance in the more recent past due in part to its large oil reserves and high oil cost. So, when we look to Mearsheimer for theoretical explanations of SDPR, we look for them in a regional system that is bipolar with America acting as night-watchman — offshore balancer. In other words, SDP is about preventing the potential rise of Germany as regional hegemon, which of course would mean Berlin acquiring nuclear weapons; and this is of course what Mearsheimer would predict from his brand of the neorealist paradigm. At stake, is the dynamic for powerful states to maximise their relative power, with regional hegemony as their ultimate goal, mitigated by American readiness to thwart all such ambitions. Mearsheimer would thus predict that Paris, possibly abetted by London, would act to block Germany seeking regional hegemony by forming a balancing coalition against it. Meanwhile, America manoeuvres this way and that to ensure that neither Paris nor Berlin emerges dominant.

Within this perspective, ESDP is less a collective project of the main West European powers than a field of potential conflict and of manoeuvre amongst them. Indeed one of the strengths of this interpretation lies in the stress, which it alone amongst all our theories gives to the real tensions and lack of a common project-perspective of France and Germany. It is, for example, a striking fact that these two powers have failed to agree on a common, united position on European nuclear weapons, something which Mearsheimer predicted in his famous 1990 article and something which a Waltzian perspective would predict to have been resolved by now. Subsequent Franco-German tensions in the military-political field from the first phase of the Yugoslav crisis through to tensions between Paris and Berlin, very recently, over the French project for a Mediterranean Union³⁴⁰ are less

³⁴⁰ A French proposal for a Mediterranean Union was originally made as part of Sarkozy's election as an alternative to Turkish membership of the European Union. This would have formed the backbone of the new union without Berlin being involved. Germany, of course, objected and it was then agreed that the project would include all EU member states.

easily incorporated in other perspectives than in that of Mearsheimer. Yet this does not mean that Mearsheimer offers us a persuasive explanation for ESDP.

A Mearsheimian perspective on the first period we examined would suggest that the ESDP dimension of Maastricht was about putting Germany in a European straitjacket, to prevent her from nationalising SDP or seeking regional hegemony by turning its economic power and latent political power into military dominance. Yet there is no evidence that Germany at that time contemplated a *sonderweg* Eastwards: it was itself the main protagonist of political union alongside EMU. At the same time, the sort of balancing by Germany's neighbours against unification, which seemed on the cards when Mearsheimer wrote his 1990 article, quickly dissolved in 1991 and thereafter. At no time during this period did the Member States actively balance against Germany's rise in relative power. At most, it could be argued that Paris and London were keen not to pool SDP sovereignty. Indeed, France under Mitterrand chose a policy of entanglement, not balancing, to lock Germany into the new Union, eschewing a partnership with London, and seeking a deeper commitment from Germany to an eventual ESDP. London, on the other hand, while hoping to secure an Anglo-French deal to contain Germany was in the end forced to settle on a dual policy, to keep NATO in Europe and the EU out of SDP – ergo no regional balancing. If there is one set of circumstances that refuted Mearsheimer's offensive neorealism hypothesis, it is the active engagement of Germany in the process of SDP reform. Just over a year after reunification Germany, in partnership with France, made known its specific idea for EPU to include SDP reform at the coming IGC. And three months after the signing of the TEU the formal inauguration of the Franco-German army corps took place, signalling that security competition between the two was not a consideration. Germany went out of its way, in recognition of its past, to lock its offensive capabilities into the new institutions of the Union, signalling that it was not a threatening

power.³⁴¹ Mearsheimer might argue that Germany's lack of nuclear capabilities meant that Paris and London could pressurise it into accepting the Maastricht Pillar Two framework but that seems far from the empirical realities of the negotiations.

In addition, NATO's survival is something of a puzzle for Mearsheimer and his argument that the alliance was being positioned by Washington as a barrier to prevent the rise of a European peer competitor is very much less convincing than his contrary claims that alliances fall apart once their *raison d'être* is no more. At the same time, his off-shore balancing thesis presupposes that the Member States agreed to NATO reforms as a *quid pro quo* for America to continue to act as night watchman, but if this was the case by locking Germany into Union institutions SDPR at Maastricht would not have been necessary. And finally, (regardless of his 1990 article in *International Security*) the Member States were still actively, as NATO members, balancing Russian latent power, and would continue to do so.³⁴²

The second phase of reform emerged from the Union's failed attempts to manage the Bosnian war, ultimately resolved by the United States. Some have viewed the Bosnian war in Mearsheimian terms as the Clinton administration essentially pursuing goals there in line with German interests in opposition to French and British efforts, but that is not very convincing as relations quickly returned to normal thereafter. From his perspective, Amsterdam was of very minor significance—institutionalising the post of High Representative for CFSP and inaugurating the Petersberg Tasks. Yet what this perspective does not explain is why London and Paris should have been ready, after their humiliating experiences in the Bosnian war, to have engaged in the Amsterdam project in the ESDP field at all. Moreover, the Clinton administrations' apparent desire to play an absolutely central role in the Bosnian crisis is not explained by Mearsheimer's hypothesis of the US

³⁴¹ Mearsheimer (2006:123) does not believe that states can 'signal type'. 'The problem is simply that I do not see how states can actually send the necessary signal. Leaders can say that their intentions are benign, but talk is cheap, and even if they mean it today, that does not guarantee that they will think the same way tomorrow'.

³⁴² Mearsheimer in his 2001 book came to recognise this also.

as an off-shore balancer. And this weakness is greatly magnified in the case of NATO's/Washington's war against Yugoslavia over the Kosovo crisis. Such American actions, along with the US drive for NATO enlargement and the evident concerns of the Clinton administration to retain leadership over European security politics simply do not fit with Mearsheimer's off-shore balancing thesis. And in line with this, the extraordinary burst of West European activity to establish an autonomous EU capacity for military action between 1998 and 2000 is surely incomprehensible in Mearsheimian terms. True, Germany was left out of the agreement at St Malo and this could lead some to conclude that we were witnessing the first real attempt at an Anglo-French alliance to balance German power. However, Germany fully and enthusiastically participated in the whole ESDP reform process up through the Nice treaty. Furthermore, the shape of those reforms guaranteed that NATO remained the primary security and defence institution in Europe and as such it assured, that for Germany, any attempt at regional hegemony would have been nigh on impossible, notwithstanding its lack of a nuclear capability thus not a policy Germany would have supported. Besides, if Germany's lack of real clout was a nuisance during the Bosnia crisis, it now became a cause of disagreement for the other Member States and Washington, as the German constitution barred Berlin from sending troops abroad. That the other Member States and the US came to insist that the German government take legal steps to overturn this post Second World War legacy clearly demonstrated that the issue for them was not German power, but its inability to take part in military operations.

The reforms that Lisbon hopes to usher in are hardly a sign of Mearsheimer's independent variable either (regional balancing). Process tracing failed to evidence any causal link between German power and SDPR as a counter-balance to it during this period. Indeed, what we saw was not accidental or superficial as Mearsheimer would have us believe, but a determined Franco-German bloc in opposition to the US led war on Iraq. Claims that Lisbon outcomes, negotiated during the Constitutional convention, are minor because EU planning resources remained in NATO or national hands are somewhat off the

mark if analysed through a more functional lens of what was achieved and what could have been achieved given the very practical constraints over the Member States, given their military assets.

We can conclude our consideration of Mearsheimer's prognosis by stressing three basic problems with it. In the first place, while he has the merit of underlining continued problems in the Franco-German relationship, his interpretation offers us no explanation whatever of the degree of Franco-German co-operation, which we have seen since the start of the 1990s. Secondly, his attempt to present the US as an off-shore balancer simply fails to capture the scale and intensity of US efforts to retain and enhance its central role in the politics of European security through armed conflict. These two weaknesses feed into a third problem: Mearsheimer offers us no positive grounds at all for assessing the ESDP project. His theory simply demands that we dismiss it as having no positive political significance whatever in European international politics over the last 18 years.

Wohlforthian Neoclassical Realism

For Wohlforth, the logic of the neorealist balance of power hypothesis is not operational in the present system due to its structure. Thus, for Wohlforth, Europe's international politics has remained firmly within the framework of American hegemony since the end of the Cold War – a unipolar system that is stable and durable (Wohlforth 1999:8). As Wohlforth explains:

The current unipolarity is prone to peace. The raw power advantage of the US means that an important source of conflict in previous systems is absent: hegemonic rivalry over leadership of the international system. No other major power is in a position to follow any policy that depends for its success on prevailing against the US in a war or an extended rivalry. None is likely to take any step that might invite the focused enmity of the US. At the same time unipolarity minimizes security competition among the other great powers. As the system leader, the US has the means and motive to maintain key security institutions in order to ease local security conflicts and limit expensive competition among the other major powers (Wohlforth 1999:7).³⁴³

³⁴³ In a similar vein, Krauthammer (2004:10) asks the question: What keeps the international system from degenerating into total anarchy? 'Not the phony security of treaties, not the best of goodwill among the nicer nations. In the unipolar world we inhabit, what stability we do enjoy today is owed to the overwhelming power and deterrent threat of the US'.

The great strength of this perspective from an empirical angle lies in the fact that throughout the period we have examined, the directional flow of policy control in the field of European security politics has remained firmly in Washington's hands, exactly as Wohlforth would predict. It has been Washington which has established the security framework for East Central Europe, the power political relationships between Europe and Russia and Europe and the Middle East, and the terms of settlements in the Western Balkans. This gives the Wohlforthian perspective a decisive advantage over both Waltz and Mearsheimer and accounts for the long absence of expanded military spending by the West European states since the Soviet Bloc collapse. Thus the ESDP project should be seen in that light: whatever effectiveness it has must derive from its acceptability to the United States.

But there are problems, nevertheless. As noted, Wohlforth (2005) has stressed that EU defence co-operation can only go forward if it is seen as complementary to the alliance with the United States. In other words, some degree of American support is a precondition of ESDPR. Yet Wohlforth's general perspective offers no positive explanation for the ESDP project and thus leaves the project as a conundrum. His theory would surely lead us to suspect that ESDPR is an anomaly, it should not have happened and instead its functions should have been assumed within NATO. However, Wohlforth fills this gap with three supplementary positive explanations for ESDP.

First, he views it as a vehicle for ensuring that the West European states did not abandon military activity altogether and thus responded to repeated American demands that they make a greater contribution to sharing the burdens as well as the benefits of American hegemony in the security field. As he and Brooks put it (2005:91): 'For many of the key member governments, notably the United Kingdom, the corrosive effects of European military weakness on the transatlantic alliance provided the key impetus for enhancing EU capabilities.' A further explanation, as noted at an early stage by Wohlforth, is that, concerns amongst West European states that US policy attention might shift to

other parts of the world once Europe had lost its Cold War centrality, for the US led them collectively to attempt to fill this policy vacuum. As he and Brooks put it (2005:91): 'Far from being a response to U.S. hegemonic dominance, the EU's attempts to increase its military capability are seen by European analysts and decision makers as necessary to deal with the prospect of the United States' decreased presence in Europe and reduced willingness to solve Balkans-style problems for its European allies.'

Yet the more successful these explanations of ESDP as a supplement to US hegemony are, the more they create a further puzzle for Wohlforth: how to explain a range of evidence appearing throughout the period we have studied to the effect that European initiatives in ESDP construction have been a source of tensions with the US. Yet Wohlforth and Brooks have an answer for that problem also, at least against Waltzian claims of balancing: they say that in the context of US unipolarity subordinate powers of course wish to strengthen their bargaining leverage over the hegemon. This would apply to European ESDP construction as well. As Wohlforth and Brooks again put it (2005:105):

Distinguishing bargaining from soft balancing is also crucial because a key reason states may now seek greater capabilities is not to check U.S. power, but rather to be in a better position to bargain over the appropriate responses to security challenges from other states or actors. This is, for example, a major impetus for enhanced EU military capacity. It is an article of faith among many Europeans that the United States will take them seriously only if they are more capable militarily. This desire to influence Washington is understandable.

These explanations do seem to protect the Wohlforthian perspective from most kinds of evidence-based attacks on his empirical account of ESDP. Moreover, the relationship between Member States and the US has over the decades afforded Member States substantial benefits. According to Wohlforth (2002:25), if they attempted to balance they would not only lose these benefits, but would have to create an alliance under the watchful eye of a suspicious America. 'This is a profoundly important point, because although there may be several precedents for a coalition of balancers preventing a hegemon from emerging, there is none for a group of subordinate powers joining to topple a hegemon once it has already emerged, which is what would have to happen today'.

In relation to the first period, a Wohlforthian reading of Pillar Two's job, at the time of Maastricht, as being no more than an effort by the Member States to demonstrate usefulness to Washington, as it moved Eastward, does not fully tally with the actual reforms that were agreed. Articles J.1 and J.1 (3) were to specifically protect Member States' common interest including the incorporation of the CEEC directly into Union institutions (and directly into a relationship with the WEU) with or without consultation with the Americans. Moreover, even if this could be interpreted as a means to share more of the burden of European security and defence under American leadership, there was no link between the Union's new CFSP and NATO command. More tellingly, the Second Pillar was not an American initiative and in its initial Franco-German form it was not acceptable to Washington. These empirical realities sit uncomfortably within the main Wohlforthian explanatory perspective that ESDP should tally with US requirements. But he can somewhat protect himself with the argument about policy legitimation and, if necessary, with the argument about seeking to strengthen European bargaining power vis-à-vis the Americans.

The Amsterdam reforms can more easily be accommodated by Wohlforth's main theory. Overall policy control remained with Washington, and ESDP reform appeared as a sub-system of US hegemony. The changes could be viewed as an effort by the Member States to take up a role in managing local crises and thus to remain relevant within an enlarged NATO. But the burst of ESDP reforms running up to Nice presents the Wohlforthian brand of neorealism with greater difficulties. These reforms went quite far towards furnishing the Union with the means to take autonomous action in the security field, shifting policy control rather substantially from Washington into the collective hands of Member States. True, the reforms were legitimated in terms of acting only where the US chose for reasons of policy priorities not to get involved and take the lead. Yet the reforms, by offering an alternative to US-led power projection, looked like moves threatening to go beyond subordinate bandwagoning. There is ample evidence of very great anxiety in Washington about their scope and depth and also of intense pressure from

Washington to weaken the autonomy dimension of the reforms and to ensure that the ESDP remained firmly under Washington's control.

Wohlforth has his defensive positions to fall back on, in the face of this puzzle: above all the argument that the Member States would wish to strengthen their bargaining leverage over Washington on regional security issues. Yet there is surely something rather thin about this position: it enables Wohlforth to claim that just about anything the Europeans do with their ESDP is explicable in his terms, short of an all-out confrontationist drive by the Member States to balance against the US. Anything short of that can be explained away as no more than an effort to strengthen leverage over the US. Put differently, until there is a paradigm shift in policy, any result is likely to resemble or be interpreted as the Member States bandwagoning due to the overwhelming power of the US. In this context, SDP reforms are invariably likely to resemble a subsystem of US hegemony, until the policy preferences of the Member States converged on the realisation that an independent SDP was not only desirable, but an empirical necessity born out of real world experience. Thus by covering almost everything, Wohlforth could be accused of explaining little. We want to know why, at certain times, the West European powers would combine in an energetic drive to enhance their autonomous capacity in the field of European security. Responding by saying this was not balancing or attempting to materially constrain American power is surely not specific enough as a positive explanation.

The same problem could be noted in relation to the process leading up to the Lisbon Treaty. Wohlforth's independent variable, which can be stated as a number of different analogous concepts – unipolarity, overwhelming American power, and global hegemony – was certainly one of the more important drivers that inspired the reform process this time around, but not in a Wohlforthian sense. America's engineering of the war, with Britain's complicity, alerted the other member states to the danger, that hitherto SDPRs still left the EU relatively impotent in a crisis. That America's insistence on regime change in Iraq influenced the Member States to reform SDP is perhaps not in question, but

it did not lead to Wohlforth's dependent variable. Bandwagoning, our congruence testing affirmed, is surely not an adequate concept for grasping this phase of reform. If it is vigorously implemented, it could provide the Member States with greater autonomous capacity in the military-political field than at any time since the Second World War. It also lays the basis for a European version of a 'coalition of the willing' through the enhanced co-operation procedure, one which could be used to circumvent resistance on the part of some more pro-American member states to a more assertive Europe in the field of international power projection.

Wohlforth, like all neorealists, cites the inherent dangers for states in anarchy, yet he argues that this cannot be consulted as a complete narrative of IR. His brand of neorealism thus provides the study of the international system with an appreciation of a definite structure influencing state behaviour. But his independent variable is incapable of accounting for the empirical outcome of European SDPR. Wohlforth (1995:4) noted that structural realism deals poorly with change, but this can also be said of his brand of neo-classical realism. Wohlforth has recognised that his concepts of unipolarity and bandwagoning are in themselves insufficient to illuminate SDP reform: at most they could be described as understanding minor aspects of the ESDP project. Wohlforth's additional explanations look more like ways of covering his core theory than predictive guides to the conditions under which the main EU states will seek to strengthen their leverage vis a vis the United States: in other words, to modify the terms of American hegemony in the European arena.

Waltian Neorealism

Walt agrees with Wohlforth that the United States has what he calls 'primacy' in Europe: an overwhelmingly strong hegemonic position in Europe's international politics and more specifically its SDP. But while for Wohlforth this reconciles all the fundamental issues for explaining a phenomenon such as ESDP, for Walt it does not. He brings into play a whole host of what may be called lower-level variables, closer to the details of the empirical

realities of diplomatic behaviour, and argues that such variables are necessary in order to explain the actual course of inter-state politics and thus a development such as the ESDP project. Among these are the roles of perceptions amongst state elites and their constant efforts to expand their political influence, regardless of how stable fundamental security politics realities are. Thus, while Wohlforth's conception of US unipolar hegemony in Europe is a rather static concept, rather in the spirit of Waltzian 'defensive realism', Walt sees the US as constantly seeking to extend its influence over European events despite its already achieved hegemony: an image closer to Mearsheimer's concept of 'offensive realism' with its stress on a state's never-ending quest for ever greater power.

At the same time, Walt stresses the importance of grasping how the leaders of other states under US hegemony perceive this incessant American quest to expand its influence. Do they perceive that quest as benign? Or do they perceive it as in some sense threatening? If the answer to that question is yes, then Walt would want to make further distinctions concerning the status of the threat which US behaviour is perceived to constitute. Is it a fundamental security threat of the traditional neorealist variety, with its focus on an endless struggle between states for their very survival? It may not be: states such as those of Western Europe may feel basically secure under US hegemony but may nevertheless see American behaviour as constituting a threat to their partial interests somewhere or indeed as a threat to their influence. Was SDP reform an attempt at regaining some of that influence?

Similarly, the US may be fully satisfied that no European power or group of powers is seeking to balance against the US in a basic material sense and seek to throw off US hegemony. Yet at the same time, the leadership of the US may perceive European powers as seeking to diminish US influence in the European area or to expand their own influence at US expense. Walt (1998a) does conclude that, 'the United States remains Europe's ideal ally, not least because we are an ocean away and do not threaten to dominate it. Although our allies resent our highhandedness and seek to rein in our impulsive excesses, for the most part they have been letting us have our way'. But this is

not always so, and there therefore is a political struggle for influence that may be empirically intense, but is qualitatively on a far lower plane than the usual neorealist focus on the politics of the existential survival of states — what Walt calls ‘soft balancing’.

This Waltian approach thus gives us a healthier and richer variety of conceptual tools for exploring the politics of ESDP construction. We can illustrate this through the contrast between the Wohlforthian view of ‘soft balancing’ and Walt’s use of the same concept. Wohlforth insists that soft balancing, if it is to be a coherent concept, must be organically linked to the concept of balancing in the area of fundamental security politics. For him, without that link there is no anchorage of soft balancing in the core theory of realism, but this is not a problem for Walt. He sees soft balancing as a tactic that can be deployed in the everyday politics of the struggle for influence and for secondary interests amongst great powers. Thus a group of European powers can both accept US hegemony in the field of core security and engage in vigorous ‘soft balancing’ to restrain the US on some particular issue or to enhance European influence against the US in some way. He thus sees ESDP construction as having evolved into a project for soft balancing on the part of its European supporters. As he puts it:

Although the original motivation for this policy was not anti-American, Europe’s ability to chart its own course in world politics – and to take positions at odds with US preferences – will be enhanced if it becomes less dependent on US protection and able to defend its own interests on its own. A more unified European defense force would also increase Europe’s bargaining power within existing transatlantic institutions, which is why US officials have always been ambivalent about European efforts to build autonomous capabilities (Walt 2005:129).

Thus, while other neorealists, focusing on relative material power resources see the end of the Cold War as constituting a massive enhancement of US relative power, Walt’s perspective offers a quite different take on the impact of the Soviet Bloc collapse on US West European relations: when the Member States faced a real, existential threat from the East they were ready to accept an extraordinary degree of US influence within Europe and US interference on all sorts of European developments. But with the existential threat gone, they want to diminish that excessive US influence within Europe and indeed wish to rise together to extend their own international influence by developing

their own common military-political instruments. Yet they simultaneously accept continued US hegemony over Western Europe. From this angle ESDP reform can be seen as an attempt at regaining some of that influence. Walt's theory has another advantage over what we may call the power static 'hardcore neorealists': since perceptions and battles for influence matter, so too do institutional arrangements. Whether the hardcore neorealists are right in that institutions are irrelevant to the struggle for survival, they are surely relevant to the daily struggles for influence.

With this approach, Walt is surely better able than the other neorealists to grapple with the twists and turns of the story of the politics of the ESDP project. The evidence implies that SDPR at Maastricht had little to do with America being perceived as a threat by the Member States. The overwhelming concern for the member states was German reunification and the risks of an over mighty Germany freed from the tight constraints it had faced in the Cold War. Germany's concern was that unification should proceed without antagonising its allies and it thus went out of its way to 'signal-type'. Berlin thus moved to lock its latent power into Union institutions lest they be thought a threat. Paris, once it became clear unification would proceed, accepted this.

The second and third period of reform was related to the Bosnian and Kosovan crises. America's response to these, the evidence suggests, was of concern to the Member States, though to varying degrees because the US managed to shape the entire course of events in the Western Balkans, often with little concern for the sensitivities of states like Britain and France, while marginalising the West Europeans. Within a Waltian perspective this could be more than enough to prompt the West European states to seek to enhance their collective capacities as a quick effective retort to Washington. To that end, the Member States at Amsterdam and Nice sought to redress this imbalance by attempting to acquire greater control of European SDP, by the incorporation of the Petersberg tasks and the WEU, creating more effective decision-making procedures, new military bodies and the Headline Goals. This could assist the Member States in tackling the three problems they had just faced in the Western Balkans: an American failure to act at all; America

acting unilaterally marginalizing the West Europeans, weakening their influence and perhaps sacrificing some of their interests; and their own lack of capacity to act in the event of future local crises. At the same time this Waltian perspective also allows us to grasp why the US, though happy for a greater European material effort, would be unhappy to see a parallel attempt by the Member States to enhance their own influence on international events, perhaps in ways that would weaken US influence.

The final stage of reform is somewhat more complicated, due to the split within the Union in response to the Iraq crisis. But the Reform Treaty certainly appeared to evidence a collective concern or meeting of minds about the path the Union should take. What is harder to evaluate is the causal variable. No doubt, both France and Germany were of the opinion that America, allied with Britain, was creating significant problems for them in the future in and from the Middle East. Our process tracing disclosed clear evidence that Paris and Berlin sought to build a European coalition within the alliance, but the outcome of this inclination was tempered by London's successful diplomatic efforts to keep the Union's military planning unit situated firmly within NATO's headquarters. Indeed, the much debated symbolic inclusion of a solidarity clause (a perceived threat to NATO's Article IV) was more or less neutered by the provision that all obligations in that area were to be consistent with NATO commitments. But again, it would be wrong to argue that the solidarity clause was in the first instance an attempt at alliance building; the clear rationale was to give the Union a visible and definable role in relation to international terrorism. The inclusion of an EDA was another sign that the Member States were at last serious about equipping the Union's new SDP with independent military assets and, of course, it made perfect sense to integrate their respective industries on an absolute gains assessment. The possibility of permanent structured co-operation represented probably the greatest sign yet that a hardcore of like-minded member states might integrate their SDP in the future, creating a two-speed EU in this field. Yet to conclude that this period of the reform process was about building a specific military alliance against America is simply not borne out by the evidence. The SDP reforms evidence a Union that sought to buttress its crisis

management tools without recourse to NATO assets. There is thus a case to be made that what we witnessed was a case of Waltian 'soft balancing'. But paradoxically, the very strength of Walt's perspective, above all his break from the anchorage in the core theory of the hardcore neorealists, is also surely his weakness. By cutting himself off from the core, his explanatory strategy may be considered to be adrift, floating between the hardcore neorealist and the other pole provided by the Keohane-Moravcsik school and the neofunctionalists, where the existence of fundamental security threats and dilemmas within the Atlantic world is simply denied.

The Strengths and Weaknesses of the Neorealist Paradigm

Neorealist accounts of EU integration place at the centre of their explanatory efforts features of political reality typically discounted or even ignored by other schools of thought. First and foremost is their insistence on the ontological primacy of state security concerns in international politics and the inescapable, system-driven corollary of power political struggles between states. This approach has been shared by all the neorealist scholars whose work we have investigated. Art (1996) acknowledged that the search for early political and economic integration could be accounted for by the French/American policy of trying to pacify a possibly resurgent Germany after World War Two. After the Cold War, Art concluded that the same rationale applied to EMU and SDP, namely, fear of a reunited Germany and a renationalisation of her foreign policy.

This starting point leads such theorists to view phenomena such as the ESDP project from the angle of power relations among relevant great powers, by no means necessarily or even mainly just those with membership of the EU itself. It produces a second, distinctive quality of neorealist writing on European integration: its insistence on placing the United States, though not an EU member, as a central actor in the politics in and around the development of the EU, which of course they would argue was self-evident since the Marshall project to rebuild Europe both materially and politically. A third significantly distinctive feature of this neorealist trend is what we may call its statist

elitism: public opinion, sub-state actors and movements of ideas amongst electorates play no significant roles in their explanatory strategies. Instead, state elites typically manipulate public opinion by legitimating their power political moves as having motives and goals which may appeal to public opinion but may in fact be far removed from the operational motives and goals of the state elites themselves. Finally, the members of this school are far less pre-occupied with the details of EU institution-building than most other students of EU integration for the simple reason that they do not expect EU institutions to have significant autonomous effectivity on any matters such as security, which are central concerns of states. At the same time, issues like the merger of arms industries or the bilateral launching of specific military-industrial projects, all of which may lie outside the framework of EU institutions, may be viewed as very significant by neorealist scholars.

Neorealists consider that all these distinctive features of their approach are *heuristically valuable* for a study of the ESDP project. We should, as they would have it, thus explore fundamental issues in power politics, focusing on the great powers, with the US and its relations with the main European powers at the centre of our analysis, and we should not be too narrowly focused upon purely institutional details at the EU level. At the same time, these scholars give us a yardstick for measuring the material significance of advances in ESDP and one which is functional: that of ultimate military capacity to fight high intensity wars at a great power level – the ontological essence of politics for neorealists. This too is a valuable reality check on ESDP. If we compare ESDP capacity today with the reality in this field in the early 1990s, the transformation is surely impressive: the key military and institutional changes and innovations, the transfer of WEU functions to the EU, the establishment of the HRUFASP, a stronger Council president, the RRF, Petersberg Tasks, tactical rapid reaction groups, structured co-operation and the European armament agency, have all turned EU Europe from being a purely civilian power into a substantial military player. This may be true, but it is still meagre when measured against the basic neorealist yardstick: no Waltzian would claim that the EU is anywhere near engaging in fully-fledged balancing against the US today.

While the neorealists, as we have examined, are deeply divided amongst themselves as to where the power-political fissures driving security policy in Europe actually lie, our congruence testing has surely revealed that each identified driver of each theorist does seem to have some presence in the unfolding reality of the ESDP reform process. The Waltzian stress on a tension between the Europeans as a whole and the US is surely at least one element in the forces that have driven and shaped the ESDP project. Yet so too, surely, is Mearsheimer's stress on intra-European tensions and suspicions a pointer to a real tendency which has surfaced repeatedly, not only between Britain and its continental partners but also between the two central players in ESDP – France and Germany. Wohlforth's stress on the continued hegemonic centrality of the US in the politics of European security is surely also a valuable insight. Walt too, with his stress on threat perceptions as a guide to the actual practice of power politics, surely helps us to gain traction on shifts in the story of ESDP.

Yet acknowledging the heuristic value of the emphases of neorealist scholars does not mean we can accept their positive explanatory strategies for interpreting the dynamics of ESDP construction. There seems to be a gulf of indeterminacy between their claimed big driver of power politics and the specific shifts in ESDP construction. Their big drivers typically imply massive and often dramatic power upheavals which simply do not seem to be appearing in empirical reality. After giving Waltz's wrenching transatlantic split almost as long to appear as the time-span between the first and the Second World War, it simply has not surfaced in a clear cut way at all. Robert Cooper has captured this well with his observation that, 'There is no member state for which EDSP is central to its security policy'.³⁴⁴

The kinds of tensions and suspicions within Europe which Mearsheimer's vision requires surely fit extremely uncomfortably with a merger of central French and German military industries in the fields of aircraft, missiles and satellites. Wohlforth's vision also

³⁴⁴ Quoted in Nicole Gnesotto, ed., *EU Security and Defence Policy: The First Five Years (1999–2004)*, (Paris: European Union Institute for Security Studies, 2005), p189.

would surely suggest a much more dramatic exercise of US dominance over its supposedly completely subordinate French and German allies than we have witnessed following their open rejection of the Iraq war. In short, there seem to be forces at work which bind together both the European states and transatlantic relations in ways that generate a far more co-operative and stable set of relationships than are portrayed in the various pictures offered by the neorealists. But what those binding forces may be remains a mystery within the theorising of the hardcore neorealists.

Walt has sought to escape this problem by leaving the core claims of the static neorealist concerning existential struggles for power, in the very deep background and then proceeding to turn neorealist analysis into a study of battles for *influence*. The effect of this approach is that it leaves the central neorealist concepts of 'power politics' intact but nevertheless leaves us methodically bemused. It is more consistent with other attempts to make neorealism more analytically flexible (as noted, proponents of the theory of hegemonic stability and the voice-opportunity thesis).³⁴⁵ Indeed, we can assume that for Walt such flexibility is not altogether out of the question, as he acknowledges that different '... competing perspectives capture important aspects of world politics. Our understanding would be impoverished were our thinking confined to only one of them. The 'complete diplomat' of the future should remain cognizant of realism's emphasis on the inescapable role of power, keep liberalism's awareness of domestic forces in mind, and occasionally reflect on constructivism's vision of change' (Walt 1998 :44).

We can analyse how states attempt to increase their influence and shape outcomes in international organisations to their benefit. Where a state finds its security less of an issue in policy making it will gravitate towards increasing its influence within institutions. Yet if this approach may seem to liberate the hardcore neorealists from constraints, the question arises as to whether this liberation has not in fact been, perhaps unconsciously, a betrayal of the entire neorealist tradition. For by placing the proponents of the approach de

³⁴⁵ See Keohane, *After Hegemony* (1984:p195-216) and Grieco (1995).

facto on the terrain of those like Keohane-Moravcsik and the neofunctionalists who say that, in the Atlantic world, security relations between the big powers are fundamentally stable and not in contention, neorealists have abandoned their core assumptions. We turn now to the proponents of these perspectives.

The Keohane-Moravcsik Account of ESDPR

Both Keohane and Moravcsik take as their starting point the absence of a deep geopolitical split within the Atlantic world and they also reject a vision which says that such splits are prevented by US military-political domination of Europe. Even if they use a concept of hegemony, the substance of this concept is radically different from that of the neorealists: it is rather a concept of cumulative asymmetrical interdependencies across a range of issue areas. This forms the core of their theoretical perspective for analysing the ESDP project, which is a radically different one from the neorealists, which we have examined above. Both Keohane and Moravcsik view the West European states as operating in a stable and highly institutionalised environment of complex interdependence across the Atlantic world. In that context they have offered an image of state preference formation which also differs markedly from that of the neorealists. For them, states within complex interdependence have a strong preference for seeking to maximise their welfare gains in basically positive-sum games, rather than seeking to maximise their security within a zero-sum game. They find that in a world marked by high levels of interdependence, welfare maximisation by any single state typically requires efforts to co-ordinate policy with other states in order to tackle the consequences of inter-dependence.

This then provides the framework within which these scholars would view the emergence and development of the CFSP and ESDP. Their LVA has, at its centre of analysis, the way in which EU processes came to afford the West European powers greater control over SDP through EU institutions. They would presume that these projects were responses to pathological flows of destabilising events impacting upon the member states' welfare and leading them to seek co-ordinated and institutionalised responses to these

flows, either to cope with them defensively or to take advantage of the opportunities they present or indeed, both – the disintegration of Eastern Europe and then its integration into the EU, is but one example. Since both CFSP and ESDP explicitly focus on events outside the perimeter of the EU, they would assume that ESDP was precisely about the events outside the perimeter that EU leaders said they were about: overwhelmingly, that is, about developments to the east and South East of the EU's borders, especially in the Western Balkans.

Thus, for Keohane and Moravcsik, the collapse of Communism in the East presented the Member States with the possibility of extending their welfare gains by expanding their economic linkages and political influence Eastwards and also with the need to protect their welfare from possible negative flows of events from that region. They then stress that states are typically differentially affected by the consequences of interdependence in a particular issue area and thus some states would have a greater stake in achieving policy co-ordination than others. This would be reflected in the bargaining process on the forms of policy co-ordination: those with the greatest incentive to achieve it would be expected to be ready to pay the costs to gain the kinds of policy co-ordination they desire, a kind which would ensure that their welfare interests could be most reliably attained. This could be a central zone of political contention of essentially a bargaining kind, typical of interrelations in zones of complex interdependence.

At the same time, there are significant differences in approach between Keohane and Moravcsik. Keohane's writing has been much more deeply influenced by the sort of states-as-rational-actors rational choice theory, adopted also by many neorealists: the assumption that states have the capacity as unitary actors to govern their actions by clear maxims of matching means to ends in the most cost-effective way. In this context, Keohane would hold that SDP reforms were launched by the Member States, when they calculated it is in their best interest to do so; thus also confirming the state-centric nature of international politics and the RCI hypothesis of state rationality. Moravcsik, on the other hand, has relaxed that set of assumptions and has argued, much more like a

traditional liberal, that the policy choices made by individual states are shaped by domestic political processes and conflicts within those states' political systems. He thus sees the politics of a project like ESDP as being driven not just by the inter-state bargaining over the forms and substance of policy co-ordination but also by domestic politics within each state on how it should respond to the given inter-state bargaining process: a two-level game. At the same time, both authors differ from those who stress the supranational institution-building dimensions of the EU. They remain on the side of intergovernmentalism, while seeing the role of international institutions as that of locking in commitments made, preventing cheating and reducing the transaction costs of policy co-ordination.

Once institutions are established, however, they soon rise as political entities in their own right. The initial authority delegated to them by states to make rules, increasingly binds national governments by creating a system where norms and rules direct the collective behaviour of states (Krasner 1983). What this meant for SDP was a gradual increase in co-operative behaviour as the contracting parties sought to tackle flows of destabilising events. As the reformed security and defence institutions increase their ability to evaluate and control information, their functional utility as international problem-solvers reinforce their status as effective state crisis management tools.

Our congruence testing has shown this liberal value approach to have been a rather dominant one. It offers a quite different perspective on NATO-EU tensions from that of the neorealists: the West European states could wish for greater policy-co-ordination from Petersberg tasks to be much more closely under their control rather than that of NATO, while simultaneously being quite happy for NATO to remain the primary institution, protecting the world of complex interdependence. In other words, the EU-based instruments could be much more tightly focused on protecting and enhancing the interests of EU member states in tackling the Petersberg task issues on their periphery, where the Americans might not have quite the same welfare concerns. At the same time, all kinds of disputes on other international political issues between the US and West European states,

whether in the Middle East or elsewhere, can be treated as quite distinct from the issues which have prompted the need for ESDP construction. Finally, their theory predicts a far greater degree of organic co-operation amongst the states of both the EU and the whole Atlantic world than various neorealists have suggested: a prediction which seems broadly in line with the events we have traced. We will return to them now.

The Maastricht reforms establishing Pillar 2 can be seen as responses to the challenges thrown up by the collapse of communism in Eastern Europe, which had the potential to cause flows of destabilising events requiring political intervention of a co-ordinated sort by the member states. If successful, this would ultimately enlarge the zone of complex interdependence to the CEEC, a process that required greater co-operation and unity. That these events influenced the member states to reform SDP is apparent; the extent to which individual events promoted reform is less so. Nevertheless, the failure of the Maastricht decisions to enable the EU to cope with the break-up wars in Yugoslavia and above all the civil war in Bosnia prompted the Member States to renewed efforts at reform through Amsterdam, which committed the EU to building the instruments for military action in pursuit of Petersberg Tasks of the sort that might have prevented the outbreak of the Bosnian war in the first place. At the same time, decision-making remained intergovernmental, as Keohane and Moravcsik would expect.

In addition, crisis-management on the very threshold of the EU itself was something which the EU states preferred to be directly under their collective control, rather than in the hands of the US, whose interests would not be so directly implicated in such distant local conflicts and which could not be relied upon to take account of the welfare concerns of member states, and indeed, at least for Moravcsik, of currents in domestic public opinion, which is of great importance to West European states. The Member States at Maastricht thus agreed policy reform that took into account their desire to protect their welfare without having to over rely on the United States. The weakness of those reforms, however, stemmed from, in part, the collective failure of the West European powers to draw policy-relevant conclusions from international events — the new post-Cold War

period was more complex than they allowed and a more functional cooperation was required as interdependence grew. That the operational value of Keohane and Moravcsik's dependent variable was weak was to be expected, given the benign post-Cold War security environment they believed they were operating in. The real point of reform was not to launch a structure that would threaten the status quo, but to inaugurate a system of policy co-ordination where the Member States, through the institutions of the new Union, could respond collectively to pathological flows of destabilising crisis that were bound to affect their collective welfare; that they misjudged the frequency and impact of these crises is hardly surprising.

Bosnia gave them the new reality on which to start to construct institutions that would actually allow them to respond to international crisis. The crisis informed the Member States that crisis management, not defence, was the new challenge they faced (prior to 9/11). Having taken on responsibility for managing the Bosnian crisis, only to find that diplomacy without a credible threat of force was impotent, and having the Americans take control of the peace negotiations, while not necessarily willing to take Member States' welfare concerns onboard, worried some of the more independent minded member states who had hoped that this was the birth of the EU as an international actor and independent protector of collective welfare. While neorealists would point to conflict between the Atlantic allies as support for their cause, Keohane and Moravcsik could stress that it was in fact characteristic of complex interdependence, not neorealist politics. At the same time they were thus less willing to commit national resources to EU institutions to pursue common goals that now also, for the first time, included military action — Petersberg Tasks. The loose clipping of the WEU into the EU to act as its defence component was rather timid and put the operational capability of the Union to carry out Petersberg type tasks in doubt.

Most telling, for Keohane and Moravcsik's LVP, at Amsterdam, was the clause to allow the Member States to direct the Union, via majority voting, to respond more quickly to international crises, instead of the ponderous response that they had witnessed when

trying to tackle the Bosnian crisis. The inclusion of a High Representative also demonstrated the desire of the Member States to respond to crises as a united block and avoid the possibility of a damaging split that so easily could have occurred in reaction to Germany recognising the break away republics without recourse to its European allies. The reforms were not, however, without safeguards, and national sovereignty remained for the most part intact –decision-making remained intergovernmental, as Keohane and Moravcsik would expect. For them, the key driver was intergovernmental policy co-ordination as a response to flows, and ESDPR is thus the result of a search for policy co-ordination to stabilise a periphery in conflict, and nothing to do with geopolitics.

When the Kosovo crisis erupted, the manifest inadequacies of the Amsterdam reforms became all the more apparent, while the risk of placing their welfare entirely in the hands of America was also fraught with uncertainties and risks. The growing realisation that the Atlantic relationship was becoming one of two parts, where the Americans fought the wars and the Europeans maintained the peace, led the Member States to conclude that if this dichotomy of tasks was to work, they needed input or, more precisely, influence with Washington to direct events. This would enable them not only to carry out their prescribed peacekeeping tasks more efficiently, but to protect their welfare interests that the Americans might not always be sympathetic to. Hence the dynamic drive to strengthen ESDP capacity and co-ordination through the spate of reforms from St Malo to Nice.

The Member States at Nice made treaty specific covenants to furnish the Union with the capacity for autonomous action, reinforced by credible military forces, decision-making modalities and a readiness to act independently of the US in order to protect collective welfare. At the same time the Union, on behalf of the Member States, subsumed the Petersberg tasks, including the functions of the WEU to create the Union's new CESDP. Kosovo's potential to destabilise the Union's periphery and disrupt its economic security was thus one driver that compelled the Member States to fast track the St Malo agreement into treaty specific SDP reform – the real and urgent need to manage crises on

the Union's periphery.³⁴⁶ In other words, we observed Keohane and Moravcsik's dependent variable born out of the Member States' Balkan experience.

The Iraq crisis had the potential to undo the new Anglo-French SDP convergence; however, the opposite appeared to occur. A particular strength of the Keohane-Moravcsik perspective is that it can suggest a degree of disconnection between the ideological/political splits over Iraq and the continuing strong pressures on the Member States to unite to continue to cope with problems threatening their welfare on the periphery of the EU. The logic of complex interdependence limits the damage of the Iraq split, while the continuing challenges in South East Europe and on other parts of the EU's periphery prompt new efforts to strengthen ESDP, hence the Constitution project and the Lisbon Treaty.

The new reforms were to provide the Member States with a new intergovernmental institution that was to be headed by the HRUFASP, to give the Member States a collective and more visible voice on international issues and crisis. On a more practical note, the creation of the EDA was meant to equip the EU with proper military assets in terms of crisis management assets in the context of the newly constituted Petersberg tasks. These tasks could now be undertaken by 'coalitions of the willing', as the Member States had also agreed a more flexible approach based on particular strengths and obligations. This flexibility was not, however, a triumph over the intergovernmental nature of the SDP project, as unanimity remained the guiding doctrine in SDP matters, although the creation of 'permanent structured co-operation' would have operated to lesson the constraining affects of the unanimity maxim.³⁴⁷ Specific treaty reform evidenced over time discloses a number of important factors about the LVA to understanding SDP reform, particularly about institutions. For Keohane and Moravcsik, international challenges and crises with significant welfare implications for the EU have spurred institutional

³⁴⁶ Of course, the Americans also proceed on the same premises, i.e. prevent disruption to the world economy and spread liberal democracy (market capitalism).

³⁴⁷ These reforms, while allowing certain states to move forward, may cause difficulties for the Keohane-Moravcsik perspective.

development and are thus the primary factors in the evolution of ESDP, as the Member States attempt to cope with these events in ways that minimise absolute costs and maximise absolute gains.

One difficulty for Keohane-Moravcsik is that their dependent variable – ESDP itself – has been weak from 1989-2000, and effectively incapable of meeting the challenges it faced. However, that in itself is not fatal. Keohane and Moravcsik's independent variable can be judged to have been operational throughout all the periods we have examined and their approach would not predict the sudden appearance of full functional institutions capable of managing complex and dangerous crises; indeed, they champion the intergovernmental nature of the reforms. Wagner (2003:585) points to the particularly exacting nature of the policy co-ordination challenge facing Member States in this field:

Despite all efforts to establish early warning systems, international crises are typically put on the agenda of the General Affairs Council at rather short notice. Moreover, the effectiveness of common policies very much depends on a swift response. Just as sudden crises appear on foreign ministers' agendas, they may develop in an unexpected way which makes rapid adjustment necessary. This extraordinary time pressure distinguishes foreign policy from many other issue areas.

Another difficulty for the Keohane and Moravcsik hypothesis stems from the continued existence of NATO and from the evident tensions between the US and some of the main European powers on NATO-ESDP relations. This is, surely, a weakness in the LVP. They seem to leave very little space for any significant forms of geopolitical rivalry, in a competition for influence of the sort which Walt has highlighted. There is a simplicity in their analysis which overlooks the kinds of anomalies that speak of unexplained political tensions: for example, why have the Member States created an ERRF while agreeing to develop the same structure in NATO to carry out more or less the same tasks: surely that kind of anomaly suggests a kind of strategic manoeuvring and politicised dissimulation which their theory gives little scope for? Smith (2004:20), for example, questions the assumptions of careful cost-benefit analysis that seem to lie at the bottom of Keohane-Moravcsik explanations of ESDP: 'it is not as simple a process in defence and

security policy as it is in economic policy, where the rational calculations are based on economic gains and losses'. Power projection, even for Petersberg tasks, implies spheres of influence and these in turn raise questions about whose sphere it is: that of the US or that of a European caucus? Even amongst European states, could there not be a question as to whether the zone to the East may fall under predominant German influence, while the French state may hanker after using ESDP institutions in ways that might strengthen a French sphere of influence, stretching from the Southern shores of the Mediterranean southwards into the Maghreb? Such issues tend to vanish from the neat answers of this school of thought, so sanitised against geopolitics. Orjane (2002:7) alludes to this issue in the following remarks: 'The problem is caution in renouncing the basic assumption that security and defence is something qualitatively different from other policy fields. Liberals have traditionally posited a clear borderline between low and high politics, notions that, in turn, are more or less taken for granted as well.'

There is, perhaps, another weakness in the Keohane-Moravcsik approach. It appears at the present time, in what seems to be a very significant aspect of the Lisbon reform project: the idea that some states might be able to forge ahead with ESDP, via the enhanced co-operation procedure, presents a number of new difficulties for the Keohane-Moravcsik approach. The idea of an EU 'coalition of the willing' sits uneasily with their stress on a fairly undifferentiated zone of complex interdependence and their stress on the central role of international institutions to formalise and make transparent state commitments. The essence of Moravcsik's theorising asserts that:

European integration was a series of rational adaptations by national leaders to constraints and opportunities stemming from the evolution of an interdependent world economy, the relative power of states in the international system, and the potential for international institutions to bolster the credibility of interstate commitments (Moravcsik 1998:472).

If a coalition of the willing were to emerge within the EU it would surely centre on the richer states of Western Europe. Yet this could not easily be explained by the Keohane-Moravcsik perspective, which alerts us to the dangers and complexities of drawing down on testable variables. Yet, for them, the primary development in the EU in the last 14 years

has been the emergence of intergovernmental security and defence institutions in response to international crisis. The structure for them is neither supranational nor advancing in that direction. Supranationally, Keohane and Moravcsik consider SDP reforms relatively weak, due to the number of independent actions that can still be taken by states. Logically, for them, SDP reform is not about building supranational institutions per se, but akin to institutional building that reinforces the state's ability through the intergovernmental institutions of the Union to protect welfare concerns — a kind of Milwardian rescue of the nation state. From their understanding of the reform process, SDPRs can be reduced to another form of intergovernmental co-operation and the bulk of the evidence in the process-tracing study confirms this. An examination of the role of the Member States across policy reform confirms the intergovernmental nature of the bargaining process, and their independent variable. Their LVA is of great help in linking interstate co-operation to the external environment states find themselves in; it thus offers us new insights into integration that hitherto other theories have failed to address. Moreover, as Moravcsik claims:

Theorists such as Kenneth Waltz, Robert Gilpin, and Paul Kennedy limit realism to the analysis of unchanging patterns of state behavior or the cyclical rise and decline of great powers and their success in making war. Liberal theory, by contrast, forges a direct causal link between economic, political, and social change and state behavior in world politics. Hence, over the modern period, the principles of international order have been decreasingly linked to dynastic legitimacy and increasingly tied to factors drawn directly from the three variants of liberal theory: national self determination and social citizenship, the increasing complexity of economic integration, and democratic governance (Moravcsik 2003:31).

In the overall framework of this study, the LVA associated with Keohane and Moravcsik has offered a very convincing and consistent account of the process and result of ESDP reform. It should be obvious to the most hard core foe of liberal approaches that the Member States have taken far-reaching decisions since Amsterdam to build institutional co-operation over SDP to manage inherent pathologies found in the international system that directly affect welfare provisions.

Haas's Neofunctionalist Account of ESDPR

Since the 1985 SEA, the neofunctionalist paradigm has undergone something of a revival. EMU, one can assume, was the final piece of the jigsaw that put neofunctionalism back at the forefront of integration theory, but that theoretical leadership was tied strongly to economic integration and doubts remained about its utility to illuminate on SDP reforms. At the same time, neofunctionalists of course could now argue that, with the obsolescence of the nation-state as an economic actor, spillover into SDP was what we were now witnessing. However, insofar as we have focused on the narrowly political science concepts deployed by neofunctionalists to capture the dynamics of EU integration – the focus on supranational actors like the Commission and the Court, linked to sub-national actors, the centrality of functional and political spillover and a ‘finality’ of a supranational authority over the policy sector – we find that neofunctionalist theory does not cope well with explaining the ESDP project. As Moravcsik (2005:351) complained: ‘Today the central debate in the EU is not about how to continue on the road to further integration, but about precisely where to stop – a debate for which neofunctionalism is ill-equipped’.

The Maastricht reforms certainly demonstrated that no transfer of policy control from the Member States to the EU took place. Weakening of the nation state simply did not happen, as our neofunctionalist hypothesis would have predicted. The supranational Commission was evidently marginalised in Pillar Two and it has not subsequently played any significant role. Instead, the inter-governmental Council Secretariat has taken centre stage and has tended to colonise Commission functions. However, Haas's independent variable is a little more complex due in part to its time lag component, i.e. functional spillover is not an instant empirical element that one would expect to see. Nevertheless, the extent to which there was evidence of sub-state actors linking up with supra-national actors to influence SDP reform is not convincing either. The concepts of functional and political spillover do not seem well-attuned to the specific institutional processes of change in the ESDP project. Some have argued that co-operation begets co-operation in the ESDP area and the more states co-operate and institutionalise their policies the less likely it is

they will act unilaterally (Winn and Lord, 2001:55). In this model, alternative courses of action open to states are limited by the pull of the institutional commitments already made, and therefore co-operation then becomes the norm. The creation of a RRF, the inclusion of the Petersberg tasks, the taking over of the functions of the WEU, enhanced QMV in CFSP decisions, permanent structured cooperation, and the creation of the post of HRUFASP all now make co-operation and spillover more likely and curtail the 'arms-length' intergovernmental character of security and defence issues. Neofunctionalists would thus stress the internal dynamic of reforms – once the Member States at Maastricht had expressed the desire to bring some control of security and defence issues under the management of the EU, it was evident that spillover would occur organically, as it became clear that previous reforms were inadequate when it came to coping with complex international events. On that basis, it is hard to fault the logic of the neofunctionalist independent variable as a useful explanatory tool, but there are problems.

Our study of institutional change in the ESDP area has not shown such a smoothly organic process driven by its own internal logic. ESDP has proceeded in fits and starts, has been marked by failures and backward steps as well as leaps forward. But above all, in our analysis, it has been driven in large part by specific responses to external events in the foreign policy environment of the EU rather than by the kinds of internal logics central to the concept of functional spillover. Without doubt, as in any process of institutional development, some elements of institutional development through learning-by-doing must have taken place, notably through the experiences of EU deployments in the Western Balkans in recent years, but only in a rather minor sense rather than being the main driver of change. Moreover, the logic of spillover is in the Popperian sense, hard to falsify: any reform that improves co-operation between the contracting parties, without clear evidence to the contrary, can be said to flow from the spillover rationale. Brighi (2000:4) has claimed that neofunctionalism seems ill suited to accounting for SDP. 'No spillover effect has occurred in the last decade. Even now that the EMU has been launched, it is unlikely that a positive spillover will take place and increase the chance for cooperation in military

issues'. Other critics have argued that there is no correlation between economic integration and political integration: neofunctionalism cannot handle big issues in the field of culture and defence (Rosamond 2000: 62). Another important point, which holds throughout all the reform periods, is that sub-state actors (groups and interests within states that seek to influence foreign policy, bureaucracy, and interest groups) are less well organised in SDP than economic policy.³⁴⁸

The neofunctionalist conception of the 'finality' of the integration process – the transfer of authority into supranational hands – also does not seem to work in this area: since defence is viewed as the essence of state sovereignty, Member States would not readily give up their decision-making function in these areas to supranational actors. Alfred van Staden (1994:153) concluded that, 'for the foreseeable future none of the EC members can be expected to commit themselves to majority decision-making or to accept the authority of a supranational body in questions of life and death'. George has made the same point, saying that although states have integrated in the 'relatively technical functional sectors, for reasons of mutual national benefit, the process would never cross the threshold into the area of high politics, of national security and defence' (George 1993). The empirical evidence seems to back these observations up.

The commitments at Amsterdam, though important, were still weak, leading many to conclude that real SDP co-operation was not a real prospect. If Nice seemed to wrong-foot the consensus makers by declaring that the EU needed to be capable of 'autonomous military action' then Lisbon should (although not implemented to date) provide for some interesting responses. New institutions and process have been created and the West European powers have committed significant military assets for the use of the Union. Nice and Lisbon meant in practical terms that the Union now has the institutions, means and process to take autonomous action. While SDI proper may not have been committed to

³⁴⁸ For an argument to the contrary, see Mearsheimer and Walt (2007) *The Israel Lobby and U.S. Foreign Policy*, where against all hitherto neorealist assumptions they attribute explanatory power to a domestic interest group in locating the source of American foreign policy in the Middle East.

fully, the commitments are such as to lead neofunctionalists to conclude that the process may be moving in that direction, although not necessarily out of neofunctionalist reasoning. The neofunctionalist approach could, however, again theorise about the forces of spillover and claim that SDP was, after all, not that different from other policy fields. However, the central role that the theory has given to the evaluation of how economic integration influenced the rise of security and defence issues leaves the neofunctionalist hypothesis with the difficult task of explaining why Amsterdam, Nice and later Lisbon did not evidence a more integrationist SDP. However, neofunctionalists, like institutionalists, see the process of integration as a long-term process. Until the operational influence of the reform is felt in the system, which in any event can take a number of years to trickle down, the fact that economic integration in the form of EMU was agreed at Maastricht means very little for SDP. From their perspective the integrative value of policy reform will only be felt when the operational effects of economic integration filter through some years later. For neofunctionalists, SDP reform is about easing the distrust that creates the security dilemma in the system. For them the increased levels of co-operation needed to complete EMU having filtered through, now impelling the emergence of an EU SDP — the spillover effect, as states felt more at ease co-operating with one another. But even this, not unreasonable, insight has less weight some sixteen years after Maastricht.

Another problem for the Haasian framework is its focus on internal functional spillover, which suggests that integration is a problem-solving exercise based on overcoming the restrictive nature or failure of initial integration by integrating further. At the same time, neofunctionalist explanations of economic integration worked well because for the most part member states could fudge the issue of where the economic reform was heading in order to reach internal political compromise, at least until the effects of spillover, so telling that clear direction was unavoidable. To apply the same *modus operandi* to SDPR, however, would prove difficult. SDP issues, especially conflict management and whether or not to send EU troops as peacemakers, require a definite process that leads to clear policy positions different from those applied to rational

economic preferences. The weakness of the neofunctionalist hypothesis is that it fails to explain why a proportionate level of SDP co-operation did not evolve to correspond to economic integration promoted at Maastricht — why was it not until the proposed constitutional reforms that movement toward greater SDP co-operation took place? Regardless of the time lag, which might or might not be a natural process, the evidence presented in this study has a hard time sustaining functionalist arguments.

Yet we could argue that it is possible to reconstruct a neofunctionalist approach by giving less weight to the sorts of political science concepts signalled by the ‘Neo’ prefix in the European integration studies of the Cold War period and by giving more weight to what we might call functionalist grand theory as it first emerged in the work of David Mitrany. Just as Haas and others adapted functionalist theory to the specific conditions of the Cold War EU rather than the inter-war conditions facing Mitrany, we may consider going back to the core functionalist theory and restructuring its secondary concepts in the political science field to bring them into line with post-Cold War EU realities. Such a reconstruction of neofunctionalism into a ‘new functionalism’ would bring it rather close to the globalisation theory which became so popular in the 1990s with its stress on the functional obsolescence of the nation state and with its strong emphasis on economic and technological determinism, and on an economic logic of transcending the nation state as expansive economic forces seek to exploit economies of scale. These aspects of globalisation theory are in fact borrowings from functionalism, and there is much to be said for reconstructing that functionalist core rather than attempting to be drawn into the interminable conceptual disputes, to which globalisation theory has given rise.

On this reading, the largest business organisations within the EU across all sectors could be seen as having a powerful stake in consolidating the Single Market through EMU, in buttressing EMU with a strong Political Union base and in seizing the opportunities for a further expansive drive into the former Communist states of East Central and South East Europe after the Soviet Bloc collapse. On this functionalist reading, we would not expect these very powerful sub-state business actors to form

separate interest groups linking up with the Commission since they would already have very great influence on their own state executives, pushing them to accept the great strides forward through EMU and enlargement.

We could also view these transforming drives to have a kind of spillover logic: from EMU to Political Union underpinning it, and also from Commission efforts to restructure the political economies of the CEEC's to a supplementary range of Petersberg tasks, involving the deployment of military force to cope with instabilities in the East. In this context, we could break down the rather crude distinctions between economics and defence and security which may have been serviceable for EU integration theory in the Cold War. The development of foreign policy and military instruments for power projection eastwards could be viewed as essential supplements to the political-economy expansion, rather than as the subordination of core national security functions of West European states to supranational authority: in the eastward Petersberg power projections of ESDP the basic national security sovereignty of the Member States were not actually at stake and their existential survival had simply not been threatened.

A reconstruction of neofunctionalism could also offer a new perspective on transatlantic relations. As with the Keohane-Moravcsik School, this neofunctionalist approach would insist that national security power politics within the Atlantic world is a thing of the past. Big business organisations would insist upon stable and close relations across the Atlantic. At the same time such business organisations based in Western Europe would want all aspects of the transformation and enlargement process in the East to be governed by EU institutions in which their influence predominates. They would similarly be concerned to strengthen the political solidarity underpinning EMU rather than leaving that dimension in the hands of NATO. This approach could also explain the recent tendency towards a distinctive 'coalition of the willing' approach to ESDP through enhanced co-operation: a sign of the desire of the business interests of Euroland and Western Europe to play a vanguard role in this area, given the still less advanced stage of transformations outside Euroland.

This approach might then account for the *sui generis* features of the very real integration effort and achievements in ESDP: the seemingly strange mixture of the centrality of state executives in this field and their real readiness to work together to build the ESDP project. At the same time, the Haasian stress that integration would focus on tasks that had to be economically significant, and connected to felt needs and expectations, would be fully confirmed. Haas's neofunctionalism on this reading can still inform, and indeed other approaches have utilised functional necessity to explain ESDPR as a response to threatened welfare, through military means if deemed necessary. Actually, Moravcsik's (2005a:337) reflection on the neofunctionalist project, states that:

Neofunctionalism may be incorrect about the preeminence of endogenous economic change, political entrepreneurs, unintended consequences, and continuous movement toward centralization in the integration process. Yet at a deeper level it is valid, indeed visionary. In the 1950s Haas correctly perceived that the EU would not become a success by pursuing the federalist strategy of public debate, elections, and other techniques for building popular democratic legitimacy. Nor would it succeed by building up an army and taking strong positions on the military-political issues of the day, as realists have always recommended. Instead, as we now know, it established itself by helping to meet concrete functional challenges within the context of the power that national governments delegated to or pooled in it. In this Haas has been proven correct. Moreover, that strategy has not only been successful but has created more popular legitimacy and geopolitical influence than more direct federalist or realist strategies might have been expected to generate. In an era in which the federalist and realist temptations have resurged, both among scholars and politicians, we would do well, even when we criticize its precise claims, to embrace the modernizing spirit of Ernst Haas's magnum opus.³⁴⁹

Final Reflections

The emergence and development of the ESDP project was, on the face of it, a major new departure in the history of European integration and one which many of the schools of thought involved in EU studies were not prepared for. This would be true both of the neofunctionalists in the Haas tradition and the intergovernmentalists of whom Moravcsik is perhaps the most rigorous and persuasive protagonist at present. The headline labels on this new departure – security, defence and foreign policy – invited the arrival of neorealist

³⁴⁹ On Haas's contribution to intellectual debate, see Ruggie, Katzenstein, Keohane and Schmitter (2004).

theorists on the EU studies scene. Our research has sought to explore, in a conceptually rigorous and empirically rich way, what light the two main traditional EU integration schools and the various main strands of contemporary neorealism cast upon the ESDP project.

Earlier in this chapter we sought to sum up what we consider, on the basis of our deduced hypotheses and our congruence testing, what the main contributions of neorealist theorists have been to our understanding of the ESDP project. We found many of their core concerns heuristically helpful. In this sense we are close to Donnelly's (2000:194) suggested re-conceptualisation of neorealism as a 'philosophical orientation' that offers insights into security related issues and offers directional devices for reflecting on fundamental security issues. In this way, its core assumptions can be utilised in the reform of SDP. Donnelly, like Waltz, sees the utility function of neorealist assumptions as a warning to states about the dangers of power per se. These assumptions can thus become conceptual constraints on powerful states interested in maintaining peace. In other words, the need for caution is no longer muddled 'with the invariance or inevitability of that which demands caution' (Donnelly 2000:193). Put another way, the dictates of the neorealism paradigm become part of the SDP process, rather than the driver of the process itself — they serve to caution, warn and direct Member States in their policy decisions.

Nevertheless, we were not convinced by those neorealists whose explanations of ESDP link it directly to core realist assumptions about states' existential struggles for survival. Neither did we find it credible either Waltz's insistence on a great and deepening transatlantic rupture on fundamental issues, or Mearsheimer's stress on a simmering, deep power-political rupture within Europe itself. While Wohlforth's insistence on continuing US hegemony seems more persuasive than the other two approaches, the mechanism which he points to as being the source of that US hegemony – US coercive domination through overwhelming projection of material capabilities – seems too blunt and crude as an explanation for transatlantic co-operation. American power is but one general driver, but if that variable were taken out of the equation, would the Member States continue to

reform SDP? I think so. We can even envisage that the absence of American power would actually make the need for ESDP reform all the more urgent, as the Member States tackled international crises without recourse to proper crisis management tools or the support of the US military. Despite their differences over the Iraq war, which were patched up rather quickly in any event, the Member States, for the most part, have developed a collective idea of an international system based on the rule of law and norms concerning what they believe to be right or wrong behaviour and we have witnessed that they are more than ready to challenge the US when these values are threatened.

Our IR theories seemed ill equipped to capture the essence of SDP reform, as it is neither a case of hegemonic dominance, nor a pure case of power politics as hardcore neorealists would have us believe. These criticisms led us to give more weight to Walt's attempt to distance his analysis of ESDP and transatlantic tensions from hardcore neorealists who stress battles for existential survival. His emphasis on much lower level competition for influence as a source, both of ESDP construction and of transatlantic tensions, seemed much better suited to explaining key aspects of ESDP. Yet we found this strength within Walt left his perspective unanchored in any core theory of the deeper driving forces in IR. Does he see incipient large-scale great power tensions in the background of ESDP's context, potentially structuring its future? He seems to give no clear answer to that question, thus leaving us in great doubt as to the overall dynamics. That question is answered definitively with a 'no' by both the intergovernmentalists like Keohane-Moravcsik and by the neofunctionalists: for them the great-power Atlantic geopolitical context is stable.

Two tacit zones of agreement amongst both many neorealists, and many traditional EU studies scholars, whether intergovernmentalist or neofunctionalist, offer us a picture of reality that supposedly fits with ESDPRs. The first is that there is a sharp, clear and deep divide between economics and politics, especially 'security' politics. For the neorealists, the autonomy of inter-state politics from economics is indeed axiomatic. For Moravcsik, this dichotomy, either/or was a central theme of his theoretically-informed

history of EU integration. Haasian neofunctionalism similarly insists that integration is driven principally by economics rather than politics in terms of its goals, if not its procedural mechanisms. The second tacit agreement widely shared across the schools of thought is that ESDP has indeed been about politics in the strong sense of high politics in the field of defence and state security (though Walt and indeed Wohlforth would tend to disagree).

Yet our research leads us to suggest that both these tacit agreements may be misleading. To take the second one first, ESDP is in a certain sense, of course, about defence and security, yet it is very important to specify *in what sense*. Surely, for the West European states, it has been about these issues in a *rather minor sense*. What Robert Cooper pointed out above, is another way of saying that ESDP is not a supranational takeover of the high politics of the member states or of their security function, as none of the Member States are dependent on ESDP for their security. It could be described as being in what we might call the *'low politics'* of defence and security, a category which is treated in some writings on the EU as a contradiction in terms, but a real and important category. The EU implementation of Petersberg tasks may be a major intervention in the high security politics of the state on the receiving end but it is not designed to engage the high security politics of the member states themselves – their survival. Put another way, military intervention for Petersberg tasks would be dubbed by the American Pentagon as *'intervention other than war.'* For this reason, we stressed, in our exploration of Keohane and Moravcsik, that ESDP could be viewed within the framework of joint welfare enhancement on the part of the member states in the external policy field. Similarly, a Petersberg task oriented ESDP could be seen as closely linked to the efforts devoted to the transformation of the political economies of the CEEC's by the Commission.

None of this means that ESDP lacks very special sensitivities not found in the economic policy field: military personnel can be killed and any kind of military intervention can lead to unintended consequences, including escalations that could be very dangerous. Therefore, state executives are indeed extremely sensitive and guardedly retentive of

powers of control whenever their military forces are involved in any kind of action abroad. Yet the low-level character of such action within the ESDP framework is very important for understanding the process of ESDP construction and its dynamics.

This leads us to the second zone of tacit agreement: the notion that economics and military politics are separated by a great gulf and each is autonomous of the other with its own logic. We would suggest that this may be an unhelpful way of viewing ESDP and its relationship with economics. Moravcsik has urged us to consider the question whether we view EU economic integration as economics for economics or economics for politics. We could equally ask the same kind of question about ESDP politics: is it politics for politics or politics for economics? Indeed, we have made a case above that the Keohane-Moravcsik interpretation of ESDP locates it in the category of politics for economics in the sense of welfare enhancement for member states. Insofar as ESDP stabilises zones beyond the EU's border through peace enforcement and peace-building, it revives economics and economic links between that zone and the EU itself. It creates the conditions for the enlargement of the zone of complex interdependence in ways favourable to member states' welfare. Of all the theoretical perspectives we have examined, we have found the Keohane-Moravcsik approach the most persuasive one for capturing the ESDP reform process. Their background assumption of a geopolitically stable Atlantic world is credible. Their stress on ESDP construction as a reactive process driven by flows of potentially harmful local crises outside EU borders seems tightly linked to the evidence we have found in our congruence testing. The goal that they posit for ESDP – absolute gains for the Member States in enhanced welfare rather than a struggle for gains relative to the US – seems well-supported by the evidence.

Our process tracing has shown the West European powers to have been progressively in favour of SDP co-operation throughout the initiation and negotiation of reforms in order to achieve their foreign policy goals — crisis management to prevent economic disruption and to further capitalist systems of governance to the near-abroad. Furthermore, process-tracing has shown that Member States have been in control of the

reform agenda. Member States policy preferences in determining the timing and integrative value of reforms have been proven to be the determining factor in the process. Chapters two and three evidenced little directional flow of SDP competencies from the US/Member States to supranational institutions. Moreover, Keohane and Moravcsik have also found a way to theorise around the state and account for SDPR without necessarily betraying their state-centric view of IR. Their state-centric perspective thus fits well with the intergovernmental nature of ESDPR's to date. Yet the question still remained: Why do the Member States continue to reform SDP? Even in states where the common concern focused on the gradual loss of sovereignty, reform was the default outcome.

This habitual result for agreeing SDP reform can be traced to one particular cause – the failure of the Member States to handle external crises that could affect their welfare requirements. In other words, the driver of each phase of ESDP reform can be traced to Member States perceptions that the mechanisms already established were insufficient for the accepted goal of policy co-ordination in this area. The Member States saw the immediate outcome of failed crisis management, being their waning influence on their own periphery and their impotence to prevent genocide in their near abroad. On a cost benefit analysis of a Keohane-Moravcsikian sort, ESDP gradually became a policy imperative.

Yet we have criticised the Keohane-Moravcsik perspective, as a rather sterile and depoliticised approach to ESDP construction, particularly in the Keohane variant of states as rational actors governed by strict cost-benefit yardsticks. This does not lend itself to capturing the highly politicised tensions that have so frequently appeared in the ESDP process, not least between some EU states and the US over EU-NATO relations. Here Walt's conceptualisation of state executives as constantly seeking to expand their influence through the range of instruments from ESDP-style mechanisms to economic diplomacy would surely enrich explanations of the ESDP process.

At the same time, taking our cue from Moravcsik, a reconstruction of neofunctionalism can also capture the ESDP dynamics in rather similar terms, provided

the 'new functionalism' dispenses with the Haasian insistence on the constant centrality of the supranational agency and on rather rigid notions of spillover mechanisms. Such a reconstruction of neofunctionalism, purging itself of the political science concepts developed by Haas, in a very different context, has yet to be done. The purpose of that reconstruction would be to enable us to explore how both sub-national and transnational business groups could and do act in politics to drive state policy formation on EU development, and how the crucial resultant integrative drives may involve a wider range of institution building at EU level than those stressed by Haas. This reconstruction would not need to result in neofunctionalism collapsing into little more than another variant of Moravcsikian intergovernmentalism. Governments could find themselves, so to speak, trapped into strengthening the Political Union base of Euroland and strengthening the functionality of ESDP by powerful interest groups on which they were dependent. It could, indeed, be argued that the Lisbon Treaty proposals to strengthen the supranational institutions of external policy making point precisely in this direction.

As George (1993) asserts, 'Digging of theoretical trenches is not a good way to further empirical research'. The aim of this thesis has been to pull various schools of thought out of their trenches, to give rigorous expression to each and to then seek to test the congruence of their explanatory perspectives with the empirical details of the ESDP project's development. We have not comprehensively explored all the currently influential theories, leaving to one side liberal idealist and constructivist approaches. At the same time, much more work remains to be done in the empirical field on ESDP. Nevertheless we have been able to draw some conclusions from our research on the adequacy and persuasiveness of the theories we have examined in their ways of treating ESDP.

We have concluded that the neorealists, Waltz, Mearsheimer and Wohlforth, have failed to give us an adequate guide to some important features of the empirical evidence. We have also concluded that Haasian variants of neofunctionalism have not successfully captured the ESDP reform process. The Keohane-Moravcsik LVA has, in our view, offered the most robust interpretation of that process, but central insights of Walt can

overcome their rather too depoliticised, tension-free account, particularly in relation to the transatlantic dimension. Finally, despite the severe deficits in its Haasian version, we have suggested there may be hope for a powerful future for neofunctionalism in this area, if its political science concepts can be reconstructed to tackle the new realities of the post-Cold War world. We may indeed come to express this new approach as 'neoclassical-functionalism'.

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