

Constrained Balancing: The UK, Germany, and ESDP

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Abstract

What are the determinants of EU member states' policies towards the creation and design of European Security and Defence Policy (ESDP)? This paper argues that members' policies can be understood as instances of "constrained balancing"; i.e. as attempts to balance US power after the end of the Cold War, which were constrained by the peculiar institutions of security policy in which individual members' policies had become embedded during the Cold War. The paper constructs an analytical framework which is informed by neorealist and historical institutionalist thought and which is intended to capture the interplay of the constraints and incentives for members' policies created by the international distribution of power and institutions of security policy. For illustrative purposes, this framework is briefly applied to shed light on four different aspects of British and German ESDP policies.

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Introduction

In June 1999 the Cologne European Council declared that the EU shall enhance its capability for intervening in crises abroad. According to the Heads of State and Government the Union would acquire "the capacity for autonomous action, backed 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."¹ This declaration marked both the end and the beginning of an extended, sometimes arduous political process. It ended lengthy discussions inside EU, WEU and NATO whether Europeans should create an autonomous capacity for military action and where it should have its organizational home. By deciding to create such a capacity within the EU, member states at the same time opened a new discussion on the exact shape of this new military dimension of the EU: how should it relate to NATO, how were decisions with military impact to be made, what kinds of capabilities should the Union acquire?²

Especially the creation of European Security and Defence Policy (ESDP), as this new dimension was soon to be termed, was an extremely contentious issue with member states holding highly diverging positions. The publicly most visible proponents of such a capacity were the French and German governments. It was a joint letter of German Chancellor Helmut Kohl and French President François Mitterrand that put the issue on the agenda in 1990. Both states continued to push for closer security and defence cooperation among European states in the years to come and for anchoring this cooperation within the European Union, yet they met with considerable resistance from several countries.

The UK turned out to be the most outspoken opponent of intensifying European military cooperation and, in particular, of dealing with security and defence affairs inside the European Union. The British government pointed especially to the detrimental effect this could engender for transatlantic defence cooperation within NATO. Therefore the British government insisted that European security and defence collaboration take place within the WEU with its firmly established subordinate position *vis-à-vis* NATO. It was only in late 1998 when the UK gave up this position. In a surprise move at an informal EU summit in Pörschach (Austria), Tony Blair signaled the UK's willingness to create EU military

¹ Declaration of the European Council on Strengthening the Common European Policy on Security and Defence, Cologne European Council, 3-4 June 1999, reprinted in: From St-Malo to Nice. European Defence: Core Documents, compiled by Maartje Rutten, Chaillot Paper 47, Paris: Institute for Security Studies, 41f., 41.

² I will focus on the military aspect of ESDP and on what could be termed 'constitutional policies.' I will not include the actual deployment of military forces through ESDP because the creation and design of an institution will arguably be shaped by factors different from those that influence the application of the instruments it provides.

capabilities. This was followed up by the Franco-British summit of St. Malo, which produced a declaration calling for the creation of an autonomous EU capacity for crisis response backed up by credible military forces. This, in turn, paved the way for the EU's Cologne decisions which set up ESDP.

Why did member states pursue these policies? In this paper I will focus on Germany and Britain and develop a framework for analyzing their policies towards creation and design of ESDP. In developing this framework I want to adopt a perspective that has received only scant attention in research on ESDP. I will not look at domestic characteristics of states, characteristics of their governments, bureaucracies, militaries or individual decision-makers. Rather I want to address how two important features of international structure affected member state policies: the international distribution of power and institutions of security policy in which these states had become embedded during the Cold War.

My basic argument is that British and German policies can be conceived as a response to constraints and incentives that stem from the international distribution of power, on the one hand, and specific, institutionally stabilized, traditions of foreign policy, on the other. British and German policies towards ESDP represent a form of “constrained balancing” against preponderant US power. Both states responded to the principal change in the international distribution of power after 1989/90, which prompted them to seek autonomy from the United States. However, the way they adjusted to the changes of 1989/90 was modified, or constrained, by the respective institutions in which their security policies had become embedded over the course of the Cold War.

The bulk of this paper will be devoted to the theoretical argument which I will develop in four successive steps. First, I will in general reflect on how international structures can affect foreign and security policies. It will turn out that, in contrast to arguments implicit in many accounts in the International Relations (IR) literature, structures are unlikely to *determine* policies. Rather, they constitute constraints and incentives to which states will respond but which leave certain—albeit restricted—freedom of action for states. Secondly I will present a highly reduced view of the structure that affects states' security policies. This view is borrowed from structural realism and posits that international anarchy creates a specific set of constraints and incentives. Due to international anarchy states are induced to react to unfavorable shifts in the international distribution of power, i.e. to engage in "balancing". In a third step I will augment this view of structure and add the impact of history to it. Policies in time may lead to the emergence of international institutions which will then affect states' calculations. Once established, institutions come

with a number of benefits associated with their existence and costs related to their abandonment. Therefore states will be induced to stick to these institutions and, once institutionalized, policies will become path-dependent. Fourth, I will outline the incentive structure a state faces when its security policy has become embedded in a set of institutions *and* an unfavorable shift in the international distribution of power occurs. Such a state will be induced to pursue a form of constrained balancing: It will seek power, yet in a way that minimizes the costs to established security institutions. In the final section of this paper I will present some preliminary evidence from an analysis of British and German policies towards ESDP to demonstrate how a focus on these constraints and incentives can help us to better understand the ESDP policies of these two states.

The general approach: linking structure to action

Before I turn to spell out in more detail how the distribution of power and institutions of security policy may impact on the security policies of states, it is important to address a potential source of confusion. I assume that the structural context of a state will *affect* this state's foreign and security policy. This should not be confused with the assumption that context actually *determines* foreign and security policy. A determinate link between context and action can only be assumed under highly restrictive conditions. Arnold Wolfers (1962: 4-19) has aptly captured this in his well-known image of the burning house. Consider a group of people at a party in a house and in this house a fire breaks out. The people inside are highly likely to leave the house as fast as they can. If the house has just a single exit and the exit is not blocked by the fire it is easy to predict that everyone in the house will quickly try to reach the exit. To understand what these people do an observer could completely abstract from their individual traits and refer solely to their external context – the burning house. Now consider however a situation in which the house is not on fire but merely overheated. Once again, people are likely to react to the circumstances, but they will do so in a less predictable fashion. Some may open the windows, some may leave the house briefly, some may wander around and look for a cool room etc. These actions can only be understood if one knows about the external circumstances, but understanding individual reactions also requires knowledge of individual characteristics.

Only in extreme situations in which common basic interests are strongly affected by external circumstances will an analysis of external context suffice to fully account for individual decisions. This is easily translated to foreign policy analysis: Only in highly restrictive situations will international context fully account for foreign policy. It is much

more likely that context will affect decisions, set basic constraints and incentives without actually determining policy.

Therefore the analytical framework which I will outline below focuses on the constraints and incentives states face in the international system. It will not result in determinate predictions about foreign policies. Rather it will represent an important set of parameters to which foreign policies will have to react and thus make actual foreign policies comprehensible as responses to this set of constraints and incentives.

Neorealism as a starting point: international anarchy as a basic constraint on security policy

The analytical framework I suggest takes neorealism, or structural realism, as its starting point because this theory spells out some of the most basic constraints that states face in the international system. Kenneth Waltz's *Theory of International Politics* (1979) singles out key factors in the structure of the international system that affect behavioral choices of the primary units in this system across time and space. There is no claim that this is an exhaustive list of factors affecting foreign policies and international interactions or that these factors are dominant in any historic situation. Contrary, Waltz readily admits that there *are* other important variables and that structural features are not determinate of unit actions (e.g. Waltz 1986: 338). The key features of the international system's structure (anarchy and the international distribution of power, as will be spelled out below) *affect* every choice, yet they do not *determine* them.

Waltz's theory thus does not explain single decisions of states but identifies "the constraints and incentives they face" in the international system (Waltz 1982: 681). Neorealism rests on a rather parsimonious model of this system. It is viewed as an anarchic system, in which like units, willing to survive, pursue similar goals with different capabilities. The units that populate it are states. For the sake of the model, states are viewed as unitary entities that are capable of strategically pursuing fixed preferences.³ Their most

³ There need not be a rationality assumption for Waltz's balance of power theory to work and Waltz (1979: 118) himself expressly rejects the idea of including rationality among his theory's basic assumptions. Waltz claims that even if states did not calculate rationally (or at least – if not all states did so), a balance of power system would eventually have to emerge in any anarchic environment. This would come about by some evolutionary process of selection. Those states that adhere to the principles of a balance of power system will survive in the long run; the rest will disappear or start to emulate the strategies of their successful competitors. There can be no doubt, however, that Waltz's formulation of neorealism has a strong rationalist bend. His heavy reliance on microeconomic theory indicates an affiliation to rational man, homo oeconomicus, as his implicit concept of the ideal-type actor. Waltz also concedes that he has to make assumptions about actors' goals in order for his theory to work (units need to aim at survival) (Waltz 1979: 121) and the specification of actors' goals as basic assumption of a theory would make no sense if there was no implicit assumption about actors' behavior being influenced by a hierarchy of goals. It comes as no surprise, then, that most successive texts relying on Waltz's theory claim rationality to be a core assumption of neorealist theory (e. g. Elman 1996b: 43, Grieco 1995: 27). Even Legro and

basic interest is that they are willing to survive. Under anarchy, however, their survival is precarious. There is no authority in the system that would be entitled to enforce norms and rules and thus to legitimately protect one state from being harmed by another. Therefore states have to take care of their security themselves.

In Waltz's view, then, any anarchic system creates strong incentives for its units to pursue self-help strategies. In the international political realm the resource that enables actors to pursue self-help strategies successfully is "power". Waltz defines power in terms of capabilities. To determine a state's power, its combined "economic, military, and other capabilities" (Waltz 1979: 131) have to be taken into account. Thus in the context of this conception of the international system, power is a tool of states. It has to be understood, in Hart's (1976) useful distinction, not as the "control over outcomes" a state can exercise, but as the "control over resources" at its disposal to achieve security. It is their control over resources that enables actors to ward off potential attacks from others and thus to achieve their minimal goal in an anarchic system (see also Waltz 1979: 191 f.). Power, of course, is a relative concept. What matters is not the control over resources by itself, but to control more resources than a potential opponent. If the distribution of power changes—for reasons exogenous to the system—the anarchic structure of the international system will clearly induce rational actors to react to this imbalance and to regain the power they lost relative to others. A policy concurring with these incentives can be called "balancing" because, from a systemic perspective, it contributes to redressing power imbalances.

Balancing in this sense means that states will attempt to regain power and thus to gain control over a larger share of the resources in the system. But: which resources and what kind of control? Neorealist analyses of international politics primarily use military, economic and geographic indicators to measure power (Baumann et al. 2001: 44). These resources are regarded as "highly fungible" (Baumann et al. 2001: 43) and thus as enabling states to ensure their security in the international system. The second term in the definition of power as "control over resources" usually receives much less attention. As a matter of fact, most scholars tend to equate *control* over resources with the *possession* of resources. But the mere possession of resources does not imply that a state can use them to foster its security. A

Moravcsik (1999), who heavily criticize that so many subsequent texts have relaxed the basic assumptions of paradigmatic realist texts like Waltz's Theory and introduced additional assumptions alien to realism, regard actor rationality as one of the two core assumption of realism and, moreover, as the "least controversial" one (Legro/Moravcsik 1999: 12). For a discussion of rationality in structural realism defending Waltz's view, see Resende-Santos (1996: 209, n. 56).

state must be able to make autonomous use of them.⁴ The more the use of resources is bound by norms or by rules which give other actors voice opportunities over their use the less a state can employ them freely as a means to ensure its security. This is not to say that states cannot violate international norms and rules or that international institutions can force compliant behavior on states. Yet, although non-compliance always is possible in an anarchic environment, it still places costs on states. These costs, in turn, constrain a state's freedom of action. Consequently, freedom from such constraints, i.e. the ability to make autonomous use of one's resources enhances a state's power. Hence autonomy is an ingredient of power (rather than only a consequence of it).

Taken together a change in the distribution of power in an anarchic system would provide strong incentives for balancing. Those states whose relative power had been negatively affected by this change are induced to strive for power. Power, in turn, is constituted by two elements, (1) the possession of resources that can ensure a state's security, i.e. military, economic and geographic resources; and (2) autonomy in using these resources.

From incentives to action

These balancing incentives will substantially affect policy choices. However, the incentive structure is not one that would compel actors to follow single policy options. To better understand its character, I will briefly look at four typical kinds of action that could result from these incentives. We will see that context disposes actors towards some options but that there is no simple 1:1 ratio between incentives and policy options. There may be several policies that would satisfy one goal; and there may also be single policies that create contradictive outcomes with respect to different incentives. Thus the incentive structure will not necessarily result in a fully ordered ranking of policy options. Rather, it demarcates a space of policy options, from which actual policy options will be chosen.

Let us look at the contours of this space more closely. What kind of actions would be rational for a state facing these incentives? We have seen that from a structural realist viewpoint states will react to changes in the distribution of power by increasing their power relative to a state that has gained superiority. Since power is constituted by both resources and autonomy in making use of them, there are two obvious strategies for balancing: increase your capabilities and increase your autonomy. But given the fact that power is a relative concept, there are two other general strategies that are just as effective: decrease

⁴ Fareed Zakaria (1998) addresses a similar problem. He asserts that actual power depends on the resources that a nation's government can actually control. He focuses on the internal side of the issue, though, i.e. on the question to what extent the state can extract resources from domestic society.

others' capabilities and decrease others' autonomy.⁵ I will address these four options briefly in turn.

Increasing one's own capabilities is the classic form of balancing and the most obvious way of increasing one's power. Most capabilities can be increased in a rather straightforward way: buying weapons, upgrading existing weapons' systems, putting more people under arms; finding ways to increase a state's GDP; increasing a state's territory through conquest; and pooling one's capabilities with those of allies (the classic form of 'external balancing').

Increasing autonomy is another obvious way of balancing. Every action that reduces the impact of international rules or voice opportunities of other actors will qualify here. These may range from increasing one's voting weight in international organizations to leaving international organizations or regimes altogether or not accepting new obligations.

Decreasing others' capabilities may seem less straightforward nowadays, but is nonetheless a quite effective way of increasing one's own power. War is the most obvious attempt to follow this strategy, because it impacts on all relevant resources of one's opponent, be they military, economic or geographic, albeit at potentially high costs for oneself. A different way to decrease others' capabilities would be to establish cooperation that is more beneficial to oneself than to the other side in terms of welfare gains.

Finally, decreasing others' autonomy largely corresponds to what Baumann, Rittberger and Wagner (2001) term "influence-seeking", i.e. the attempt to obtain voice opportunities over others' actions. This can be achieved by bringing other states into international organizations in which oneself has a say. However, even if other states become restricted by international rules in which oneself has no say, this might not increase one's influence on these states, but it nonetheless reduces their autonomy and thus increases one's own power.

This brief inventory of ideal-type balancing strategies already demonstrates that structural realism suggests many more strategies than only military build-ups and the forging of alliances as the bulk of the current research on balancing suggests.⁶ However, not all of the balancing strategies that could be listed here are easy to classify. As a matter of fact, only a very limited number of strategies affect only one aspect of a state's power in a straightforward manner and are thus easily placed in one of the categories above. Most

⁵ Surprisingly enough, these strategies are seldom discussed together. Waltz (1979) focuses almost completely on the first set of strategies stressing particularly the increase in capabilities and only briefly discussing autonomy issues. Baumann, Rittberger and Wagner (2001) focus on both sides of the autonomy issue (autonomy-seeking and influence-seeking) but largely ignore the capabilities issue. Mearsheimer (1994, 2001) reflects on both autonomy and capabilities, yet in different publications.

⁶ For overviews over recent approaches to balancing see Vasquez/Elman (2003) and Paul et al. (2004).

strategies will affect different aspects and many of them will do so in a rather ambiguous fashion. Consider just one example: a state buying new weapons systems for its armed forces. This state will increase its power by increasing its military capabilities. If it buys the weapons at home it will, furthermore, cause the production of an additional economic surplus and thus increase both its GDP and its power. On the other hand, however, the resources that the state invests to cause this economic surplus must be extracted from the domestic economy in the first place. To calculate the net effect of the investment, therefore, opportunity costs have to be taken into account. If the money had not been used to buy weapons—would it have been spent less productively? Or would it have been used to produce an even greater economic surplus? If so, could the difference in economic surplus even have outweighed the increase in state power that was created through the upgrading of the weaponry?

Plenty of research has been done on this single issue (e.g. Schäfer 1996, see also Glaser 1996: 150 ff.) and it aptly illustrates the complications one soon encounters when seeking to answer seemingly easy questions like 'does buying weapons really increase a state's power?' This research indicates that estimating the net effect of defence spending for a state's power would make necessary at least two difficult decisions: (a) determining the efficient level of defence spending (how much spending is necessary to redress the international imbalance of power?) (b) weighing military versus economic capabilities (does the increase in military capabilities outweigh the loss in economic welfare for the state's power base?).

This illustrates for only one of the options the difficulties that choices under seemingly clear incentives may produce. Neither real-world actors nor researchers can be expected to exactly calculate an optimal solution in such circumstances. And keep in mind that we are still considering an ideal-type state that is subject to only a very simple set of pressures derived from the structure of the international system.

Is a model whose representation of the international incentive structure produces such confusing and apparently indeterminate results useless? I would argue that it is not, because it provides us with a tool to detect the major concerns of rational decision-makers in deciding on their preferred policy choice. The implication is that decision-makers will face the same difficulties in decision situations as we do when pondering the different options. The empirical investigation will help us to learn how they dealt with these difficulties. Furthermore it would be wrong to think that the framework is completely indeterminate just because it does not come up with an easy decision rule that helps us to predict a single determinate policy outcome for any given situation. Rather, it demonstrates that the

incentives stemming from the anarchic structure of the international system narrow down the range of rational alternatives for action, although they do not force a single option on the state. A rational state will not simply shrug off changes in the international distribution of power. It will prefer, in such a situation, strategies that have an unequivocal positive impact on its control over resources; it will discard options that have an unambiguous negative impact on its power; and, if it has to consider a trade-off between several aspects of its power, it will weigh different options, not be willing to accept losses without substantial gains, and ultimately come up with a solution that may be contested internally and whose exact shape will be difficult, if not impossible, to determine in advance.

Summary

Thus far, I have relied on neorealism to identify the basic constraints and incentives states face in the international system. These are key incentives for security policy because they directly concern the security and survival of the state. Neorealism suggests that the major constraints and incentives in the international political realm stem from the anarchic structure of the system and the variable distribution of capabilities among states. In periods of a stable balance of power there are strong incentives to stick to the status quo. If, however, the balance is disturbed, there will be strong incentives for states to respond. States whose power is negatively affected face strong incentives to regain power both by increasing their capabilities and their autonomy in using them and by decreasing others' capabilities and autonomy. This entails an important insight for the analysis of British and German ESDP policies. The end of the Cold War will have created strong incentives for both states to engage in balancing; i.e. to seek autonomy and additional capabilities.

Modifying the neorealist argument: history matters

Overall the neorealist argument suggests that change in the international distribution of power will lead states to adapt their foreign and security policies accordingly. It is, however, far from self-evident that actors will adjust smoothly to these changes. Social actors often do not react immediately to variation in their wider context. Rather, there are strong forces for continuity even in the face of altered circumstances. I will argue that this is not due to some inexplicable inertia inherent in the actors, which causes them to react to a changing environment only with some unspecified time lag. Rather there are systematic incentives for these actors to stick to an established policy path. These incentives stem from institutions, in

which their policies have become embedded over time. In effect, past policies continue to influence present-day decisions through their institutionalization.

Overall then history will matter. If past policies are stabilized through institutions they will not easily be discarded, even if changes in the international distribution of power would seem to require this. In what follows I will explore how institutions may become a source of continuity in the face of change. I will utilize arguments from new institutional economics and from historical institutionalism in comparative sociology and comparative politics and translate them to the international realm and foreign policy analysis.

Institutions and international relations

Following the bulk of new institutionalist research I define institutions as immaterial, shared standards of behavior and interaction (e.g. North 1990: 3 f.). Why and how do institutions affect actors' behavior? From a rationalist perspective, institutions constitute a peculiar set of constraints and incentives for actors. They may constrain actors by implying that certain actions—not obeying the rules—are likely to be punished. More importantly, however, they induce actors to follow certain courses of action because it is beneficial for them to stick to the rules. Effective institutions result in coordinated behavior which lowers transaction costs and reduces uncertainty—an effect that must be highly valued by rational actors because it allows them to make more reliable calculations about the future.

These institutional constraints and incentives—basically consisting of the imperative to follow established rules—may, however, come into conflict with other incentives like those stemming from the international distribution of power. Especially in times of change, i.e. in situations in which the distribution of power is altered, such conflicts may occur. How will states react if changes in the international distribution of power require from them to realign their security policies but there are established routines that require from them to stick to their established alignments?

The question whether the incentives from institutions or those from the international distribution of power will prevail in such a situation has dominated much of the debate between neorealism and institutionalism in International Relations (for an overview, see Baldwin 1993). However, it seems to me that the question has been framed in a way that has hindered the debate to come up with fruitful results. Throughout it was perceived as an either-or question: either states will stick to institutional commitments or they won't. In effect neorealist texts tended to claim that institutions will not matter whereas texts based on institutionalist theory claimed them to prevail (Keohane 1993: 272; as an example see the juxtaposition of both approaches in Hellmann/Wolf 1993). Attempts from both camps to

find some middle ground took the form of formulating scope conditions: Under certain conditions states would focus on absolute gains and thus be inclined to form and maintain international institutions; under others states would strive for relative gains and thus tend to disregard them (Grieco 1988; Keohane 1989: 15, 18; Keohane 1993: 274-283).

I would argue that the either-or frame of the debate (to which the idea of scope conditions stayed faithful as well) unnecessarily restricted the range of options discussed. States will not have to calculate whether they should stay true to institutions or simply ignore them. Rather there is a third important option: adjusting institutions. Moreover, if institutions are correctly claimed to be the fabric of social interaction, one might even argue that in persistent social relations discarding institutions without replacement is not even possible. In international politics, if you persistently ignore the rules of the game you don't drop out of the game. Rather, you start a new one.

Consistently ignoring institutional rules thus is tantamount to setting up new institutions or at least altering existing ones. Framing the issue this way makes it possible to tap into insights from historical institutionalism and new institutional economics which have played a somewhat marginal role in IR theorizing. In contrast to institutionalism in IR, these lines of thought do not so much focus on the question whether institutions will be created in the first place and matter at all. Their existence and importance is taken for granted. Rather research deals with questions like which institutional framework will prevail in a state or in an economy or whether always the most efficient framework will emerge. Both new institutional economics and historical institutionalism argue that once institutions are in place there are powerful forces that will stabilize them even under changing circumstances.

Which are these forces? The bottom line of all rationalist theorizing in this vein is that institutions tend to remain stable because it is both unattractive and difficult for actors to modify them. Two arguments about why this is so stand out in particular. First, it has been argued that institutions are subject to "increasing returns", i.e. once established they become self-reinforcing because their continued existence is more beneficial than setting up new institutions even if the existing institutions may appear to produce inefficient results. Secondly, political institutions in particular are often designed intentionally to make their modification especially difficult, which adds to their long-term stability. Taken together, these arguments suggest that political institutions entail strong incentives for actors to stick to established policy paths although long-term change is not completely ruled out.

Increasing returns: institutions as self-reinforcing mechanisms

Douglass C. North has established the argument that institutions are subject to positive feedback effects and thus self-reinforcing mechanisms. He relied on general accounts of such mechanisms in economics as introduced by authors like W. Brian Arthur. Arthur argued that in a market there may exist situations of "increasing returns" in which market mechanisms are fundamentally altered. In such situations the market will not necessarily produce efficient solutions, as expected by neoclassical economics. Rather, single products may gain a dominant position because consumers will be inclined to stick to them even if they may be inferior to other products in the long run.

Many processes of technological innovation and standardization are subject to such self-reinforcing mechanisms. The classical example is the QWERTY keyboard.⁷ When the typewriter was invented a decision had to be made as to the ordering of the keys on the keyboard. The keyboard had to be designed in a way that prevented malfunctions. In particular, it had to be avoided that two keys next to each other were pressed too quickly after each other causing the typebars to get stuck. There were multiple "best" solutions to achieve this, one of them the QWERTY ordering. More or less randomly this one evolved into the standard for British and US typewriters (with other standards for other regions of the world). Later on this keyboard design was transferred to computer keyboards although now there was no danger of neighboring keys getting stuck when pressed too quickly. In this sense the ordering of the keys on computer keyboards is path dependent. It depends on a decision made much earlier. This decision at a critical juncture, moreover, had a random component and the resulting path-dependent decision is inefficient since it unnecessarily decreases typing speed on computers. Economists have widely discussed QWERTY and several other instances of technical standards which emerged along these lines. They range from the VHS standard for videocassette recorders over the direction in which a clock's hands move around the dial (for both examples see Arthur 1994b) to the battle between AC and DC electricity standards (David/Bunn 1988).

However, not all technologies set off such self-reinforcing processes once they are introduced. W. Brian Arthur has investigated which characteristics of a technological

⁷ See David (1985) for the classic account why the QWERTY ordering evolved into a standard for typewriters in the late 19th century although there were competing and technically superior solutions available already at that time. Since I use the argument for illustrative purposes only I transfer it here to the computer age in order to circumvent the technical details of 19th century typewriter history. David's argument that the QWERTY ordering was not an optimal solution has been challenged by Liebowitz and Margolis (1990), yet there is little evidence today that QWERTY can be regarded an optimal solution (Mahoney 2000: 542). Since my application of the path dependence argument will focus on the reproductive phase and not on critical junctures, this debate will not be crucial for my argument.

innovation make it prone to positive feedback effects. He compiled a list of four "generic sources" from which the mechanisms described above usually derive (Arthur 1988: 10).⁸

- (1) Large setup costs: If setup costs for a given technology are large, it obviously pays to stick to an option once that road has been taken. If a quick switch was made, the large investment would have been in vain and the new option chosen is likely to require a large investment as well.
- (2) Learning effects: If a technology is complex, learning how to operate it will be a major investment as well. Once one has become knowledgeable it pays to stick to that technology instead of switching to a new one and having to do the learning all over again.
- (3) Coordination effects: "These occur when the benefits an individual receives from a particular activity increase as others adopt the same option." (Pierson 2004: 24) The more people, for instance, use a certain computer operating system the better for every single user because this will result in a more varied supply of computer software based on that system etc.
- (4) Adaptive expectations: If people know about the effects above they will try to avoid backing the wrong horse. If they ended up having adopted the "wrong" technology, i.e. the one not chosen by the majority of users, they will be excluded from beneficial learning and coordination effects while at the same time switching to the "winner" technology will be quite expensive. Therefore individuals will try to calculate who is going to win the race and support the prospective winner. These expectations to which individuals adapt their decisions therefore reinforce the above effects.

It is easy to see how under these conditions users will stick to a technology for which they have invested a large amount of money, time in learning how to use it, and which has additional benefits connected with its dominant position in the market.

Douglass North (1990) has shown that institutions display all the characteristics of those technologies that produce path dependence and concluded that institutional development will be marked by path dependence too.

First, institutions have large initial *setup costs*. Setting up an institution obviously involves investing time and material resources in communication and other activities for creating, formulating and sometimes formalizing rules. Once the institution has been

⁸ See also the summaries in Pierson (2004: 24) and North (1990: 94). For extensive, and also more technical, discussion of increasing returns in the economy, see the essays in Arthur (1994a).

created these costs can be considered "sunk" and will not enter in actors' calculations of costs and benefits anymore. In IR theory, Robert Keohane has argued that this is a prime reason why international institutions are more difficult to create than to maintain (Keohane 1984: 100 ff.).

Setup costs are not constant across all institutions (nor are they across all technologies). Rather, different institutions come with different setup costs. As a consequence, the resilience to change that is implied by these costs will vary from institution to institution. Arguably, formalized institutions are likely to carry higher setup costs than less formalized ones. The communicative effort in nailing down the rules will be much higher and there are various additional costs associated with the process of formalizing rules that are absent in the case of informal rules. Nonetheless, setting up an institution will never be an easy or cheap task.

The *coordination effects* of political institutions are much more difficult to establish across the board. From North's standpoint it makes perfect sense to argue that institutions in general produce coordination effects because he focuses exclusively on the institutions of domestic economies. These indeed produce strong coordination effects. The more actors subscribe to a certain set of economic rules the more contracts can be made under these rules which obviously is beneficial for all participants. The argument is not so easy to translate to the political realm in general and to international relations and foreign and security policy in particular. Here there exist certainly institutions for which coordination effects are more pronounced than for others. There is one type of situation, in which institutions will produce strong coordination effects, namely situations which game theorists have aptly labeled "coordination games" (Snidal 1985) or "dilemmas of common aversions" (Stein 1982). In these situations actors want to coordinate their behavior and the institution helps them to select one of several possible behavioral options. Problems of standardization are typical instances of coordination games. Here actors have a common interest in selecting a common standard because this will facilitate transactions between them. Institutional rules serve to commit them to one among several possible standards (driving on the right or the left lane; using the metric or the Imperial system). Institutionalist research has demonstrated that, once a solution to a coordination problem has been selected, this solution becomes self-reinforcing because it is in all actors' interest to stick to the selected option (to drive on the right side of the road, for instance) (Stein 1982: 314; Hasenclever et al. 1997: 48).⁹ The more

⁹ The obstacles to picking the option in the first place may be quite formidable, especially if the different available options have different distributional consequences (Snidal 1985, Zürn 1992).

actors adopt the standard, the more profitable investment in this standard becomes for everyone—the institution produces coordination effects which stabilize it.

But institutions that regulate other types of situations will not necessarily produce comparable coordination effects. In "dilemmas of common interests" (Stein 1982) actors need to mutually adjust their behavior in order to jointly supply a common good. Actors need to collaborate and not just coordinate their policies. Here institutions will not necessarily produce coordination effects which result in positive feedback. This is evident, for instance, in Prisoners' Dilemma (PD) situations. Institutions which regulate such situations do not stabilize themselves when more and more actors adopt the rules. One might even argue that the more actors adopt the rules, the greater the incentives for free-riding become.¹⁰ In any case, there are no significant coordination effects which would contribute to the stability of such an institution.

Taken together, coordination effects will occur in certain political institutions. But their significance varies and has to be established for each institution individually. Especially institutions in coordination games will produce such effects and thus generate positive feedbacks which will stabilize them.

The remaining two characteristics have much more straightforward implications. Both are intimately connected to the *raison d'être* of institutions. From a rational-choice perspective, actors create institutions to acquire more reliable expectations about others' actions and to be able to base their own decisions on these expectations. This implies that *learning effects* will be of particular importance in the context of institutions. The more adjusted actors become to a particular institutional environment, the more easily they will be able to judge how others will act and also to find ways for taking full advantage of these rules for themselves. Both implications will be beneficial for them and thus contribute to their sticking to these institutions. Since learning is a process in time, learning effects will become more pronounced the longer an institution has been in place.

Finally, the effect of *adaptive expectations* is also directly linked to the goal with which actors had created an institution in the first place. If actors form institutions to stabilize expectations because they regard stable expectations as beneficial for themselves, they will appreciate the existence of a reliable institution and have strong incentives to continue

¹⁰ This argument centers on the second-order problem of cooperation which is involved in maintaining PD institutions (see Zangl 1999: 68-76). In order to cooperate in a PD situation actors need to establish mechanisms for monitoring behavior and often also for sanctioning defection. Monitoring and sanctioning are both not only necessary but also costly. Providing for monitoring and sanctioning involves a (secondary) PD game itself, since every actor has strong incentives for free-riding and leaving both tasks to others. The larger the group of participants the stronger these incentives become (Olson 1965). This, in turn, increases incentives for free-riding with respect to the first-order problem in question (e.g. climate protection) because cheating is likely to go unnoticed or without sanctions.

basing their own decisions on that institution. Signals by other actors that they intend to stick to an institution will contribute to this stabilizing effect of adaptive expectations. Also, the more reliable an institution has proven in the past, the more pronounced the stabilizing effect of adaptive expectations will become.

Taken together, then, the effects of institutions are by and large comparable to those of certain technologies which result in path dependence. There are some variations among institutions in this respect (as there are among technologies). Setup costs of institutions will vary and there will be institutions which entail stronger and some with weaker coordination effects. Adaptive expectations will become stronger when actors signal their intention to stick to an institution. Finally, both learning effects and the effect of adaptive expectations will be strongest for institutions which have been in place for some time. Aside from individual variations, all these effects provide that institutions in general, and especially institutions interlinked in an "institutional matrix", produce "massive increasing returns" (North 1990: 95). In other words: once a set of institutions has been established, it pays to stick to them—even in situations in which it would be rational to set up a different set of institutions had there not already existed one. Hence institutions produce path dependence, albeit to different degrees.

Vested interests and lock-in by design: the peculiar character of political institutions

Increasing returns are not the only cause why political institutions tend to prove resilient when their context changes. Increasing returns explain why institutional change may be *unattractive* for cost-calculating actors. However, actors may find institutional change not only unattractive, it may also prove *difficult*. Even if context changes so dramatically that change may become attractive and actors may be willing to invest the resources for setting up new institutions or adjusting existent ones, additional difficulties may arise. These are due to the peculiar character of political institutions, as it has been highlighted especially by historical institutionalist research: political institutions are firmly linked to political conflict. This has two important implications when considering the prospects for institutional change.

First, actors privileged by an institution may resist pressures for change. The predominant functionalist perspective on institutions in rationalist IR theory sometimes tends to obscure that institutions may distribute resources unevenly among actors and privilege some actors over others.¹¹ Some actors may have a stake in an existing institution even if for other actors the institution appears increasingly dysfunctional. These privileged

¹¹ For a broader critique of the blindness of rational choice institutionalism to issues of power, see Moe (2005).

actors may therefore set out to rescue the institution and actively counteract pressures for change (Moe 2005: 227) either by openly defending the institution or, if they are powerful enough, by suppressing challenges to the institution altogether (Bachrach/Baratz 1962). While such actors may stand in the way of institutional change for both formal and informal institutions, their influence will be greatest when formal institutions are concerned. Formal institutions may give them instruments for actively preventing a reformulation of existing rules even when they are a minority.

This points to a second obstacle for change in formal political institutions. These institutions may be intentionally designed to resist change. Such institutional obstacles to change are a quite common feature of formal political institutions. Often their modification requires super-majorities or even unanimity among actors. Some constitutions even prohibit their own modification. This "status quo bias of political institutions" (Pierson 2004: 42) is not a somewhat curious peculiarity of political institutions but often the result of rational design. If formal institutions are the outcome of political conflict, there will be substantial incentives to design institutions in a way that makes them resistant to change. First, powerful actors can utilize institutional rules to influence outcomes in their interest in the long run. If they manage to establish favorable rules they will take care to ensure the permanence of those rules by raising the obstacles for future rule changes.¹² Governments may, for instance, use international institutions to tie the hands of potential domestic rivals or successors. Thus governments of newly established democracies, for instance, have tied their states to international human rights regimes in order to prevent subsequent governments from returning to authoritarian rule and thus to lock-in democratic institutions at home (Moravcsik 2000). In a similar vein, it has also been argued that institutions for nuclear cooperation between Argentina and Brazil were created in the early 1990s in order to make it more difficult for subsequent governments and the military to reverse policy changes (Sotomayor Velazquez 2004: 50-52). In such instances it is rational for state governments to build strong obstacles for change into the institutions and thus make future institutional changes exceedingly difficult.

Leaders may, secondly, design resilient institutions not only in order to tie the hands of their successors; but also to tie their own hands. Thus they can make their commitments credible which makes it easier for them to win partners and broker solutions in their

¹² Terry Moe (1990) describes this process for domestic institutions. Domestic authorities are faced with the possibility that their policies may be reversed by their successors. To manage this "political uncertainty" they can use their power to set up institutional rules which bind their successors and make these rules difficult to overturn.

interest.¹³ IR theory has focused especially on how domestic institutions may contribute to this mechanism. Certain domestic institutions of liberal democracies, e.g. public accountability, the longwinded character of democratic policy-making or the rule of law, make it highly unlikely that leaders will suddenly reverse their international promises and pursue institutional change at the international level. Therefore these domestic institutions contribute to international institutional stability and make international commitments by democratic states more credible than commitments by other states (Cowhey 1993, Gaubatz 1996, Leeds 1999).

Taken together, if we acknowledge that political institutions are embedded in political conflict, we discover additional causes for institutional resilience. Especially formal political institutions are likely to have resilience built in by design. Creators of such institutions may want to bind their successors to certain institutional patterns, or they may wish to demonstrate their own credibility by tying their own hands through establishing persistent political institutions.

Summary: history matters through institutions

Overall, we have seen that actors face strong incentives to stick to a policy once this policy has become embedded in political institutions. Durable policy changes would imply that existing institutions were modified or new institutions were set up. This, in turn, will be unattractive for actors and, especially in the case of formal political institutions, may also prove difficult. It is unattractive due to the sunk costs in institutions or the increasing returns they produce once they have been established. This effect will be especially pronounced for institutions with large set-up costs and significant coordination effects and for institutions to which actors have over long time adapted due to learning effects and the effects of adaptive expectations. It may be difficult because especially formal political institutions are often set up in a way that poses high formal obstacles to institutional change.

Hence institutions are barriers for policy change. These barriers will make change difficult, yet not impossible. Moreover, the resilience of institutions will vary. Table 1 summarizes the different dimensions of institutional resilience and outlines an

¹³ The classic account of this "credible commitments" rationale was developed by Douglass North and Barry Weingast (1989). They argued that the British Crown at the time of the Glorious Revolution was forced to credibly guarantee property rights. Otherwise access to necessary loans would have become exceedingly difficult since trust that government would honor its commitments for paying back credits had vanished due to a practice of arbitrary government before. Hence new politico-economic institutions were designed in a way that tied the hands of the Crown thus making their commitment to respect private property credible. This produced the intended results. The deliberately resilient institutions created trust that the executive would not revert to expropriatory policies again, which in turn gave government access "to unprecedented levels of funds" (North/Weingast 1989: 805).

approximation at which kind of institution will prove most resilient in which dimension. This should not be read as a firm and definite typology but as an illustration, which may guide (yet not replace) the examination of individual institutions in specific cases. Combining the mechanisms discussed above, we arrive at a spectrum of institutions in terms of their resilience against change. On the one extreme, there are formal political institutions with strong coordination effects and formally institutionalized obstacles to rule change. They will be most resistant to change, especially if they have been established for a long time. At the other extreme, there are young informal, institutions with weak coordination effects, which will be most susceptible to change.

	strong resilience	weak resilience
formalized obstacles for change (existent/non-existent)	formal institutions	informal institutions
set-up costs (high/low)		
coordination effects (strong/weak)	coordination game	no coordination game
learning effects (strong/weak)	old institutions	young institutions
adaptive expectations (strong/weak)		

Table 1: Variation in institutional resilience

ESDP policies: the incentive structure

The general incentive structure for security policies

I have so far developed two basic aspects of the incentive structure that states face in the security realm independently from each other: the implications of the distribution of power and consequences of the institutional setting. To explain a state's security policy we must understand how these two aspects combine and how states will react to changes in this combined incentive structure.

The most straightforward situations (for decision-makers and researchers alike) will be those in which both sets of constraints and incentives reinforce each other. These will be situations in which the distribution of power induces states to follow policies which are in line with their institutional environment. In these instances the range of policy options which are attractive and unattractive for the states concerned will be fairly uncontroversial. Yet states may also come under conflicting pressures. These are particularly likely when the

distribution of power shifts in a direction that contradicts the current institutional setting. In such a situation a state faces strong pressures to adjust its security policy and to bring it in line with the new distribution of power. But at the same time there are high costs associated with leaving the established policy path. These costs may vary, depending on the particularities of the institutional setting and they will crucially affect whether a state will follow the incentives for balancing and how it will do so. In short: in responding to shifts in the international distribution of power states will be sensitive to institutional costs. An analysis of balancing, therefore, must look not only at power shifts but also at how balancing incentives may be constrained by a state's institutional environment and how states attempt to modify this environment in order to satisfy the pressures for balancing.

That institutions are forces for continuity and constrain how actors react to changes in their environment does not make them immutable barriers for change. They will come under pressure when they are no longer in line with other incentive structures. In response to shifts in other incentive structures they may well be modified or new institutions may be created by interested actors. However, this institutional change will be difficult and costly. Change will be incremental and start at the margins of the institutional setting, i.e. in those institutions for which adaptive costs are lowest.

How does all this add up from the point of view of a state deciding over the course of its security policy? The existence of institutions significantly complicates the translation of incentives into action. We have already seen above that even under very parsimonious assumptions about the incentives facing states it is difficult to derive a determinate ordering of preferences over policies. Now that we have added the significance of history through the existence of institutions this situation becomes even more complex. Actors will not only have to judge the costs and benefits an option implies for their capabilities and autonomy relative to other actors. Furthermore they need to take into account the costs that would result from deviating from existing institutions and setting up new ones.

Although it may appear extremely difficult to calculate a single best policy option or a complete ordering of preferences under these conditions, this view of the incentive structure nonetheless enables us to formulate some expectations about which kind of options states are likely to choose and which options they are likely to discard.

Their most preferred choice will be options that can satisfy both pressures, i.e. options that will lead to an increase in power without harming existing institutions and without the need to set up new ones. This will, at best, be a very narrow range of options, however, because power is enhanced by increasing autonomy, whereas institutions tend to curtail actors' autonomy. If institutional costs cannot be avoided, states will prefer those

options for which these costs are lowest. We have seen above that several factors impact on the costs and difficulties for institutional change: setup costs, the significance of coordination and learning effects and of adaptive expectations as well as formal obstacles for rule change. The lower the costs and difficulties associated with institutional change and creation the more willing states will be to modify an existing institution or create a new one.

There are several implications of this view that separate the framework introduced here from both neorealist and institutionalist perspectives of international relations. In contrast to neorealism it implies that, once institutions exist (and it is not the existence of institutions which is denied by neorealism but their significance for international politics) rational actors in an anarchic environment cannot be expected to rapidly adjust their behavior to changes in the international distribution of power. There may even be extreme situations where actors are embedded in a highly institutionalized environment in which even marginal institutions come with large setup costs, important coordination and learning effects, in which adaptive expectations are important and formal obstacles for institutional change high. In such situations the effects of path dependence may be so strong that imbalances may persist.¹⁴ Balances thus will not necessarily recur. G. John Ikenberry (1998), for instance, has argued that the liberal hegemonic order institutionalized after World War II by the United States has been so much stabilized by the effects of path dependence that it will remain unaltered after the end of the Cold War.

In contrast to rational choice institutionalism in IR theory, however, the persistence of institutions cannot be taken for granted. First, there are institutions which are more susceptible to change or dissolution than others. Second, once institutions in the margins have been changed, there may occur a recursive dynamic for the policies of individual states. Changes in marginal institutions (i.e. in those least resistant to change) may affect the overall incentive structure and thus further increase incentives for increasing autonomy and capabilities. These may, over time, become so strong that they outweigh even the costs of changing or discarding initially more resilient institutions. Thus balancing may ultimately prevail even when strong institutions stand in its way at first; albeit on a more complicated path than envisaged by straightforward neorealist accounts.

Overall, the framework suggests that if balancing occurs it will take a peculiar form. It will start at the margins, i.e. where resistance is least pronounced and may then continue from there depending on the features of the institutional setting.

¹⁴ This is what Douglass North (1990) has argued for economic markets.

The incentive structure for ESDP policies

It is now easy to transfer this abstract theoretical argument to the ESDP policies of EU member states. According to the analytical framework the end of bipolarity in 1989/90 significantly altered the incentive structure for EU member states. They faced strong incentives to engage in balancing due to the emergence of a unipolar distribution of power. However, their security policies were embedded in different sets of institutions. These institutions may partly contradict the balancing incentives (e.g. institutions that link a state to the US) or reinforce them (e.g. institutions that support an autonomous power-seeking security policy). Moreover institutions contradicting the balancing incentives may come with different degrees of resilience. Overall the analytical framework suggests that different EU member states will have to respond to different sets of international constraints and incentives. Those states, like Britain, whose security policy had become embedded in strong transatlantic institutions, will have the weakest incentives to engage in balancing. Their institutional environment will come under pressure however and may be altered over time. Such changes will start at marginal institutions. Yet marginal changes may set off a recursive dynamic that, step by step, makes even a modification of stronger institutions possible over time. On the other hand states whose security institutions support an autonomy-seeking security policy, like France, will have the strongest incentives to pursue balancing strategies.

Evidence: British and German ESDP policies as constrained balancing

To fully appreciate the utility of this analytical framework it is necessary to carry out detailed case studies of German and British policies towards ESDP. These case studies would, first, have to examine the incentive structure for each state at the end of the Cold War. This requires a look at the changes in the international distribution of power and especially at the institutional environment for each state and the resilience of each institution. Second, the studies would have to trace how this incentive structure affected the policies pursued by the UK and Germany. Overall such case studies could establish whether Britain and Germany actually engaged in constrained balancing.

Such a detailed analysis, especially of institutional resilience, employing the criteria developed above is well beyond the scope of this paper. The primary goal of this paper has been theoretical, i.e. to develop a frame for analyzing ESDP policies grounded in structural theories of IR and Comparative Politics. In what follows I will not engage in detailed empirical analysis but take out some aspects of British and German policies towards ESDP and briefly suggest ways in which the analytical framework developed above could help us understand these policies. My task in this section, therefore, is to discuss how different

aspects of British and German policies could be understood as responses to the rise of the US to lone great power status—responses that took into account the specific institutional constraints each country faced. I will discuss this with respect to four issues.

- (1) The general approach which the UK and Germany have taken towards the creation of autonomous EU military capabilities. Here the framework can help us understand why both states' approaches first diverged so sharply. Although they faced similar incentives to engage in balancing Britain was subject to much stronger institutional constraints than Germany.
- (2) The particular development of British ESDP policy. Here the framework contrasts sharply with usual explanations. These tend to conceive of the 1998 change in British policy as a sudden U turn attributable to characteristics of Tony Blair and his Labour government. Instead the framework directs our attention to underlying institutional changes between 1990 and 1998 which relaxed the constraints on UK power-seeking and thus paved the way for a change in British policy.
- (3) The policy discourse in the UK and Germany. If the international incentive structure affects foreign policies it must somehow become reflected in the foreign policy decision-making process. Thus the framework would suggest that conflict in foreign policy decision-making may actually reflect the presence of conflicting international incentives; and the absence of conflict in decision-making may reflect the presence of a straightforward set of international constraints and incentives.
- (4) British and German policies towards the design of ESDP. The framework will help to understand not only whether Germany and Britain advocate the creation of EU military capabilities; but also how these should be designed from their points of view. The framework sheds light on similarities in underlying goals of both states (e.g. the goal to create autonomous operational planning capabilities) which are otherwise easily overlooked.

General approach towards ESDP: initial divergence

First, the analytical framework offers an explanation for the general attitude of the British and the German government towards the idea of an independent EU military capability. Both states started with highly divergent positions—Britain opposing any military capability for the European Union, Germany supporting the idea of a common European defence

policy—but after almost ten years they ended up both supporting ESDP. The framework offers a straightforward explanation for this pattern. British and German positions ultimately converged because they were both subject to the same incentives resulting from the international distribution of power. For both states the end of the Cold War implied a loss of power relative to the US. After the break-down of the Soviet Union US power was no longer kept in check and the US no longer depended on its Western European allies in a global stand-off. The shift in the international distribution of power therefore strongly disadvantaged Western European states (amongst others) and resulted in strong incentives for them to increase their capabilities and their autonomy *vis-à-vis* the US.

ESDP is an almost ideal way to respond to these pressures. It does not only allow participating states to enhance their capabilities and autonomy relative to the US. It is also much less costly than unilateral attempts to gain power. To be sure ESDP does not result in completely autonomous capabilities for participating states. But in comparison to crisis management capabilities as realized in NATO or in the WEU, ESDP provides a significant increase in autonomy. This holds especially for bigger states like the UK and Germany, which—through ESDP—no longer depend on the collaboration of a single far superior state but can cooperate with equivalent or less powerful partners. A greater degree of autonomy could only be achieved by becoming self-sufficient in this area and thus at unrealistically high costs.

For Britain, however these strong incentives were countered by opposing incentives stemming from the institutional structure in which Britain's security policy had become embedded during the Cold War. Britain's security policy had become enmeshed in a "special relationship" with the US. This special relationship can be represented as a set of strong institutions which stabilized British dependence on the US in the security realm. These links were especially strong with respect to nuclear issues and intelligence cooperation.¹⁵ In contrast to the UK, German links with the US were far less "special". To be sure, Germany is linked institutionally to the US. But these links are mostly embedded in multilateral institutions and the resulting relation between Germany and the US is, in institutional terms, far less close than Anglo-American relations. There is no single area in which US-German cooperation would have evolved in a similarly strong set of institutions as those that bind the UK to the US in the nuclear and intelligence realm.

Germany has, however, quite special institutional links in the security realm with France (e.g. Laird 1989). During the Cold War an intricate web of Franco-German security

¹⁵ On Anglo-American intelligence links, see for instance Richelson/Ball (1985), Grant (2000), and Krieger (2005); on US-UK nuclear relations, Gowing (1986), and Butler/Bromley (2001).

institutions has developed, based on the 1963 Elysée Treaty, on both the political and the military level. Political institutions include formal Franco-German summits and the Franco-German Defence and Security Council which both are convened twice a year. At the heart of military cooperation is the Franco-German Brigade which was agreed in 1987 and set up in 1989. Moreover there is a lively exchange of military and administrative personnel on all levels. It is certainly no exaggeration to say that there is something like a "special relationship" between France and Germany. What distinguishes this relationship from the Anglo-American special relationship is that there is no pronounced dependence of one partner on the other.

Looking at the institutional set-up we can easily understand why Germany immediately reacted to the end of the Cold War and, starting in 1990, supported the idea of introducing a defence dimension into European integration, whereas the UK strictly opposed this idea. France can be regarded as a 'catalyst' for the German move. During the Cold War France had always taken care to keep its security and defence policy autonomous (e.g. Sauder 1995). As a result, France faced considerably less institutional constraints to follow balancing incentives after the end of the Cold War than the UK and Germany. Hence it immediately adapted its security policy to the new circumstances. Through its institutional ties with the FRG, it carried Germany with it. Therefore it was no coincidence that the first proposals for adding a security and defence dimension to European integration after 1989 were contained in two joint letters to the Presidency of the European Council by French president Mitterrand and German Chancellor Kohl in 1990 and 1991.¹⁶ The British however, with weak institutional links to France and strong links to the US, at first resisted the pressures for autonomy- and capabilities-seeking.

The analytical framework suggests that the ultimate policy change of Britain in 1998 required a prior change in Britain's institutional environment, which at first had blocked a turn towards power-seeking. This is the second important implication of the framework: It helps us discover the link between changes within the set of British security institutions and ultimate changes in the British approach towards ESDP.

The development of British ESDP policy: changing institutions, changing policy

An interpretation of British policy based on the framework thus strongly contradicts commonsense explanations of British policy. Usually the policy change announced in Pörschach and codified in St. Malo is perceived as a sudden shift, attributable to Tony

¹⁶ The letters are reprinted in: Europa-Archiv, Folge 11/1990: D283, and Europa-Archiv, Folge 22/1991: D571-D574.

Blair's aim of proving his government's European credentials while at the same time staying out of EMU (e.g. Jonson 2006: 165 f.; Oakes 2000: 10). I would hold that underlying this shift were longer-term developments in the institutional setting that paved the way for the adjustment of British policy to balancing incentives. Changes were twofold: Anglo-American institutions came under pressure after the end of the Cold War, especially since "adaptive expectations" started to erode. At the same time Britain actively (and in response to the global power shift) strengthened institutions that linked the UK to its European partners, especially to France. Taken together this resulted in a strengthening of incentives favoring European autonomy to which the UK government eventually adapted through its policy shift on ESDP in 1998.

The pressure on Anglo-American institutions resulted in particular from missing US signals that the US, after it had been given greater leverage through the changes of 1989/90, intended to stick to established patterns of interaction. US ambivalence over existing institutions could be seen both in US political rhetoric and US policies. Regarding the latter, the three military operations in the Gulf (1991), Bosnia (1995) and in Kosovo/Serbia (1999) made it clear that the US did not really accord the UK a very special role in military cooperation. Only a few indicators can be listed here. Before the Gulf War, the UK was largely excluded from planning. Prime Minister John Major was informed only at 12 hours' notice about the imminent begin of the air campaign (Thomas 2000: 34 f.). During the War—and despite more than 50 years of intense and institutionalized intelligence cooperation between the UK and the US—the US hardly shared its satellite images with the UK and British troops had to work with outdated maps (Heuser 2005: 151). During the Bosnian War doctrinal differences between the UK and the US began to emerge more clearly (Thomas 2000: 38-45). Moreover transatlantic tensions mounted especially over the arms embargo against Bosnian Muslims and the UK found itself on the European side in this dispute. Europeans viewed US insistence on lifting the embargo while they (and not the US) had troops on the ground as a warning sign. From their viewpoint the conflict indicated that the US was increasingly willing to pursue its own policy agenda at the expense of its European allies (ibid.; Daalder 2000: 15-18, 31 f.).

Thus the Kosovo experience, which is often cited as the central reason for Tony Blair's policy shift, was only the final point of a longer chain of US actions which made it clear that existing institutions could no longer be safely expected to bind the US for mutual benefit. During the Kosovo War, the US dominated planning and targeting to an extent that was resented strongly by the Europeans. In contrast to prior operations, the UK now actively engaged in countering this US dominance, e.g. by allowing "US B-52 bombers based

at Fairford in England to be used only against airfields and other isolated military targets, so as to avoid collateral damage" (Thomas 2000: 48).

This problem was further aggravated by political statements from the US administration which explicitly indicated that the US was willing to alter established institutions. Deputy Secretary of State Strobe Talbott, for instance, stated after the Kosovo war that many in the US were of the opinion that a similar US effort in a European crisis would be "neither politically nor militarily sustainable" in the future.¹⁷ In effect such statements, which had already been made after the war in Bosnia, sent out the signal that the security relation between the US and its European allies had to be remodeled. Assessed from an institutionalist perspective, all these signals coming from US behavior and rhetoric weakened expectations that existing institutional links would remain intact; and reinforced the incentives for the Europeans, including the UK, to seek autonomy from the US.

However it was not only the pressure on Anglo-American institutions that affected the British institutional environment. The UK also began to cooperate more closely with its European partners in security affairs, especially by reviving the WEU and forging closer links with France. These institutional adjustments were narrowly circumscribed at first. Yet over time and in combination with eroding US-UK institutions they ultimately opened the door for a more active role of the UK in EU defence policy.

The British had already in the late 1980s started to carefully intensify cooperation with their European partners on security cooperation. This can be read as a response to the approaching end of the Cold War and had been done at first in a way which did not harm existing Anglo-American institutions, as the analytical framework leads us to expect. The UK actively participated in awakening the WEU from its hibernation in the late 1980s. It agreed to reviving the institution in 1984, continued to support a more prominent role for the WEU as long as it was not perceived as an alternative to NATO (Duke 1994: 122) and participated in the first active WEU military operation—a minesweeping operation in the Persian Gulf in 1988 during the Iran-Iraq War (Duke 1996: 171). It is interesting to note that, fully in line with the international incentive structure identified by the analytical framework, British policy at that time can be understood as a reaction to events that indicated, first, an increasing relaxation of the bipolar standoff (and thus increasing incentives for Europeans to engage in power-seeking themselves); and, secondly, a growing willingness of the US to ignore the immediate security interests of their European allies (and thus a relaxation of institutional constraints on European balancing attempts). These moderate changes in both

¹⁷ Strobe Talbott: America's Stake in a Strong Europe, remarks at a conference on the future of NATO, RUSI, London, 7 October 1999 quoted in: Thomas (2000: 46).

the bipolar confrontation and Anglo-American security institutions had become obvious, for instance, in the 1986 Reykjavik meeting of Gorbachev and Reagan, in which the US had agreed to cut strategic arms without first consulting their European allies. Such events modified the incentive structure yet, of course, without completely transforming it. Hence the UK government reacted with moderate calls for a stronger European role which aimed at leaving Anglo-American security institutions intact. This delicate situation for British security policy is neatly captured by the call of then Foreign Secretary Howe after the Reykjavik meeting to revive the WEU "as a forum for defining European defence priorities within NATO" (quoted by Duke 1994: 122).

What is even more important, after the end of the Cold War the UK began to intensify its military cooperation with France. This intensified Anglo-French cooperation is in line with the balancing incentives that emerged at the end of the Cold War. Yet it was designed in a way which did not challenge Anglo-American institutions head on. Stronger operational cooperation was the first issue which was addressed by Britain and France. The issue was discussed already in January 1988 (when the bipolar global confrontation had been significantly weakened but still appeared unlikely to collapse) at a meeting of French President Mitterrand and British Prime Minister Thatcher. They identified their overseas interests as potential common ground and decided to look into possibilities for cooperating in military operations outside the NATO territory (Hilz 2005: 86). After 1989/90 this form of cooperation gained momentum. Both countries cooperated closely on the ground in Bosnia. This resulted in a "far closer working relationship between the Foreign Office and the Quai d'Orsay"¹⁸, which included regular exchanges of civil servants from the foreign ministries.¹⁹ They further institutionalized cooperation by setting up the Franco British Euro Air Group in 1995, agreed in 1996 to create a Joint Commission on Peacekeeping, to intensify cooperation between their navies in November 1996 and between their armies in November 1997.²⁰ In July 1996 the list of Franco-British cooperative arrangements in the military realm comprised a number of twinning arrangements between military units and a host of bilateral training programs. Moreover France and the UK cooperated on a long list of defence research and equipment issues.²¹ The cooperation was also extended to the nuclear realm albeit in a way that did not immediately harm Anglo-American nuclear collaboration. In 1992 the UK and France set up a Joint Nuclear Commission, which however excluded

18 David Owen: Yes to Europe, No to federalism, in: *The Economist*, 22 January 1998.

19 Interview at the UK Permanent Representation to the EU, Brussels, June 2003; see also Howorth (2002: 8).

20 UK Ministry of Defence, 2001: UK-French Bilateral Defence Cooperation, http://www.mod.uk/issues/cooperation/uk_french.htm [07.09.2005].

21 HC Deb 8 Jul 1996 c 27-28W.

operational issues, i.e. those issues on which Britain cooperated particularly closely with the US (like submarine patrolling).²²

Thus both institutional developments—strengthening the WEU and cooperating with France—were crafted in a way that did not directly challenge UK cooperation with the US. The WEU remained subordinate to NATO and cooperation with France at that time took place in a way which did not contradict UK commitments to Anglo-American cooperation. So we see that policies that can be read as balancing did in fact occur yet they were circumscribed by the UK's institutional context. These marginal changes in the institutions, however, paved the way for increasingly close cooperation among European partners. Moreover the slow erosion of the resilience of Anglo-American institutions gradually removed the barriers for this intra-European cooperation. Eventually the British-French rapprochement and the intensified cooperation within the WEU and the EU together with the relaxation of US-UK linkages paved the way for a more proactive British role in European security policy.

Such an analysis of UK policy would of course suggest that pressures for Europeanization would have mounted not only on the Blair government but on a Conservative government as well. There are indeed indications that appear to support such an argument. First of all, the rapprochement with France and the activation of the WEU in the late 1980s and 1990s were indeed policies pursued by a Conservative government. Secondly, participants in the policy process who witnessed the Major government's stance in the Amsterdam IGC hold that even a Conservative government would ultimately have come out in favor of ESDP. This may have taken a little longer, but would ultimately have been highly likely anyways. After all, already in the Major government "there was an increasing recognition that the UK had to prove its European credentials" in the area of defence.²³

The domestic political process: conflict and harmony

The link between international incentive structures, on the one hand, and foreign policy actions, on the other hand, must somehow run through the process of foreign policy decision-making. Conflicting incentives should therefore become visible as conflict in the policy process, whereas decision-making will proceed more smoothly in an environment where there is a straightforward set of coherent incentives. Therefore the analytical framework helps us understand the policy process in the UK and Germany in a novel way.

²² HC Deb 6 Mar 2000 c 500W. For more details on Franco-British nuclear cooperation, see Butcher et al. (1998: chap. 4).

²³ Interview at the UK Permanent Representation, Brussels, June 2003.

Viewed thus political conflict is rooted in the general international situation of a state. Different incentives will find different domestic advocates. This is not to say that all domestic conflict results from the international structures in which a state is embedded. However attention to these structures can add to our understanding of domestic conflict by opening the horizon of the analysis beyond immediate domestic circumstances.

The analytical framework thus suggests that the political processes in Germany and in the UK differed significantly because the two countries faced fundamentally different international situations. Whereas the international incentive structure was fairly straightforward for Germany, the UK faced a problematic situation in which two different incentive structures created fundamentally opposing demands on the state. In Britain, the contentious character of European defence resulted in significantly lower public support rates for ESDP than in both France and Germany (Wagner 2005: 15, 33). It also became visible in fierce public debates. It is important to note that the substantial arguments put forward in favor of and in opposition to the Europeanization of defence reflected the incentives identified by the analytical framework to a considerable extent. The balancing motive can be encountered in many policy statements of the British government. An EU military capability is perceived to help the UK and Europeans 'make a difference' on the international stage—which in political science terms means: to become more powerful. A few illustrations from Pörschach and its immediate aftermath must suffice here. When introducing his new policy towards EU defence at the press conference in Pörschach, for instance, Tony Blair stated: "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."²⁴ What is implied here is, of course, that Europeans should be able to make such a difference without the US, which is nothing but a rephrasal of the balancing incentives identified by structural realism. Similar points were made in the debate about the issue in the House of Lords on 10 November 1998.²⁵ Opposition against the Pörschach move immediately turned to the other side of Britain's international incentive structure to support its views. In a House of Commons debate a day later, Conservative MP Julian Brazier, for instance, referred to "the crucial role that American research and development plays in our programmes"²⁶ and pointed to the danger that a stronger defence role for the EU may endanger these Anglo-American links.

24 Press Conference of Prime Minister Tony Blair at the Informal European summit, Pörschach, 24-25 October 1998, excerpts reprinted in: From St-Malo to Nice. European Defence: Core Documents, compiled by Maartje Rutten, Chaillot Paper 47, Paris: Institute for Security Studies, 1-3.

25 HL Deb 10 Nov 1998 vol 594 c 627-630.

26 HC Deb 11 Nov 1998 vol 319 c 295.

In Germany, on the other hand, Europeanization of defence created hardly any debate and was supported widely by the public. Decision-makers did not feel any serious constraints on pursuing the goal of an autonomous military EU capability.²⁷ Public opinion supports ESDP at consistently high levels (Wagner 2005: 15, 33). There was little debate about ESDP in the media and parliamentary debates throughout proved little contentious. Here too the arguments put forward in favor of European defence reflected the international incentive structure. Immediately after the Cologne Council, for instance, Chancellor Gerhard Schröder explained the creation of ESDP by stating that a common European security and defence policy would not harm existing security institutions and at the same time "increase the European weight in NATO"²⁸. And even more directly Ludger Vollmer, Minister of State in the Foreign Office, stated that the institutional strengthening of EU security policy in Cologne "reflects that Europeans depend on American support to an extent that we ourselves do not want anymore."²⁹

Once again, this is not to say that domestic conflict is solely determined by international structures. Such a proposition would be grotesquely out of line with the general thrust of the framework, which does not even claim to determinately explain policies but only to identify highly important structural constraints and incentives for foreign policies. Nonetheless it directs attention to the fact that domestic conflicts can be strongly affected by international structures and only be fully understood when these structures are taken into account.

Designing ESDP: autonomy at low cost

Finally the analytical framework sheds light on how Germany and the UK would like ESDP to be designed. The general goal of both states to achieve autonomy and additional capabilities at the lowest possible cost has several implications for the ESDP blueprints of both states.

One important point to which the analytical framework draws attention is the fact that autonomy is such a highly valued goal that both states will support a certain amount of duplication *vis-à-vis* NATO to enable the EU to act independently from the US. While the duplication issue has several interesting aspects, one of them, namely the issue of creating an independent Operational Planning Cell for the EU, has certainly become the most prominent one. This issue rose to prominence in April 2003 when four member states,

²⁷ Interview at the Federal Chancellery, September 2003.

²⁸ Deutscher Bundestag: Plenarprotokoll 14/41, 8 June 1999, 3486. All quotes from German sources were translated by the author.

²⁹ Deutscher Bundestag: Plenarprotokoll 14/41, 8 June 1999, 3500

France, Germany, Belgium and Luxembourg, at a summit in Tervuren near Brussels made several proposals for enhancing EU defence cooperation. One of their proposals was "the creation of a nucleus collective capability for planning and conducting operations for the European Union"³⁰. The meeting received significant attention in the media because it united four of the most outspoken opponents of the 2003 Iraq War (which had ended just two weeks earlier). In the public reaction to the meeting the planning cell proposal was singled out as a provocation against NATO and the US (see Howorth 2003: 12, with citations) since it appeared to call for a duplication of NATO assets only for the sake of European autonomy from the US.

The UK protested this proposal instantly³¹ and the issue was commonly perceived as pitting Germany (with France) and the UK directly against each other because the UK would not allow the EU to become truly independent from the US. The analytical framework presented here, however, suggests that there was not so much a difference in general goals—both states faced strong incentives to create operational autonomy for the EU even if this implied some duplication of NATO assets. Rather the difference lay in the institutions with which this general goal had to be made compatible. The UK had to more strongly attempt to make such operational autonomy compatible with its institutionalized links to the US.

There is indeed empirical evidence to support this view. German behavior is easily explained by the analytical framework. Germany would be expected to support an independent European HQ because this would increase autonomy from the US and not harm any firmly established institutional links. Moreover France was a strong advocate of this idea and the close German-French links should further induce Germany to follow this lead. And indeed Germany, jointly with France, pressed for the establishment of a European planning cell. In January 2003 the Franco-German Defence and Security Council proposed the creation of a European Security and Defence Union and a strengthening of EU command capabilities.³² The proposals put forward at the Tervuren summit four months later can be viewed as an extension of these proposals.

The UK's vocal resistance to the idea in 2003 would appear surprising from the viewpoint of the analytical framework. Looking more closely at the issue, however, it is easy

30 Meeting of the Heads of State and Government of Germany, France, Luxembourg and Belgium on European defence, reprinted in: From Copenhagen to Brussels — European Defence: Core Documents, Volume IV, compiled by Antonio Missiroli, Chaillot Paper 67, Paris: Institute for Security Studies, 76-80, 79.

31 George Wright: EU Military Summit Angers Britain, The Guardian Unlimited, 29 April 2003, <http://www.guardian.co.uk/eu/story/0,,945871,00.html> [03.05.07].

32 Deutsch-Französischer Verteidigungs- und Sicherheitsrat - Erklärung von Paris, 22 January 2003, <http://www.deutschland-und-frankreich.de/Deutsch-Franzosischer,367.html> [03.05.07]

to recognize that much political rhetoric was involved in the 2003 British resistance to the idea of an EU Planning Cell. As the framework suggests this resistance was mainly due to a perception at that time that open support for an EU Planning Cell could harm firmly established and mutually beneficial Anglo-American collaboration. In 2003 the issue was mainly framed as one of Europeans withdrawing support for the idea of US-led operations. The Tervuren summit aimed more or less openly at demonstrating opposition to the US-led war in Iraq. In this context the British simply could not afford to support the planning cell idea since this could have harmed their operational coalition with the US. What enraged the UK administration was not so much the idea of an EU capability for leading military operations itself, but the timing with which the proposal had been put forward.³³ Officially the summit and the proposal were criticized as "divisive" and the government argued that it was more important to increase "defence spending on deployable capabilities".³⁴ Suspiciously, however, the idea of a planning cell itself was not explicitly ruled out. In contrast to British silence on the general desirability of such a capability, US NATO ambassador Nicholas Burns clearly stated that "Europe does not need more headquarters."³⁵

Removed from the highly problematic context of the Tervuren summit, the UK actually did support the idea of an independent European capability to lead military operations. This had already been openly addressed in 1999/2000. In the summer of 1999 Richard Hatfield of the UK MoD had initiated a discussion about the further development of EU defence institutions, including planning capabilities. Four states participated in this "Hatfield exercise". Its results were further elaborated by the EU Political Committee and the resulting "toolbox paper" was presented at the Sintra Defence Ministers meeting in July 2000. This paper lays out that for EU military operations without recourse to NATO assets member states HQ should be multinationalized and utilized as Operational HQ. But it also sees the limits of such an approach and concludes: "In the long run, some less ad hoc collective capability for operational planning and command at the strategic level could have to be developed within the EU."³⁶ Thus already in 1999 the UK had initiated a review process which resulted in the assessment—agreed by the UK—that the EU may need an autonomous capability for operational planning and strategic command. It is not surprising, then, that the UK government brokered a compromise solution with Germany and France

33 Interview at the Foreign and Commonwealth Office, July 2003.

34 George Wright: EU Military Summit Angers Britain, *The Guardian Unlimited*, 29 April 2003, <http://www.guardian.co.uk/eu/story/0,,945871,00.html> [03.05.07]

35 Philip Shishkin: Europe Breaks Ranks with NATO, *Wall Street Journal*, 3 October 2003, A16.

36 *Military Bodies in the European Union and the Planning and Conduct of EU-led Military Operations*, reprinted in: *From St-Malo to Nice European Defence: Core Documents*, compiled by Maartje Rutten, Chaillot Paper 47, Paris: Institute for Security Studies, 94-101, 99 f.

shortly after Tervuren which was later adopted by the EU and NATO. According to this agreement the EU did set up its own operational planning cell, but it was embedded into the NATO HQ at SHAPE. Additionally the operational planning capacity of the EU Military Staff (EUMS) was to be improved. Thus by and large EU planning capabilities remained closely linked to NATO albeit organizationally independent. The UK suggested a similar solution first in a food for thought paper in August 2003³⁷, i.e. less than four months after the Tervuren summit. At an informal trilateral Franco-German-British summit in Berlin Blair accepted the idea that "the EU should be endowed with a joint capacity to plan and conduct operations without recourse to NATO resources and capabilities".³⁸ The eventual solution apparently was agreed at another trilateral summit in Berlin on 28 November 2003.³⁹ The speed with which this compromise had been brokered indicates that there was no deep underlying gap between the two sides on the issue at stake but that rather questions of political framing had to be addressed. And as a matter of fact, UK Minister of State for Europe, Denis McShane, stressed in his evidence to the House of Commons Foreign Affairs Committee that the British government had always taken the position that European planning had to take place and that European planning capabilities "may have to be enhanced as European defence takes on more responsibilities".⁴⁰ The ultimate compromise solution, finally, was designed especially to address exactly those British concerns that the analytical framework suggests.

In other areas of ESDP design, in which no peculiar institutional constraints differentiate the UK and Germany, we would expect—and actually do observe—that Britain and Germany pursue very similar policies. This holds, for instance, for decision-making procedures in ESDP. Both countries have strong incentives to retain the unanimity rule in the military realm in order to stay in control of their capabilities. There are no institutional restrictions that would differentiate between the two countries. Indeed actual policies of both countries concur with this incentive structure: Both countries want to retain the unanimity rule in the military area. A brief look at their positions concerning the EU

37 ESDP: 29 August Meeting: UK Food for Thought Paper. The paper has been published with an additional annex on EU capacities for operations in the Minutes of Evidence of the House of Commons Select Committee on Foreign Affairs, 11 December 2003, <http://www.publications.parliament.uk/pa/cm200304/cmselect/cmcaff/1233/3102804.htm> [03.05.07]

38 Ian Black/Patrick Wintour: UK Backs Down on European Defence, *The Guardian Unlimited*, 23 September 2003, <http://www.guardian.co.uk/eu/story/0,,1047889,00.html> [03.05.07]

39 Ian Black/Michael White: Blair Accepts European Defence Deal, *The Guardian Unlimited*, 29 November 2003, <http://www.guardian.co.uk/eu/story/0,,1095974,00.html> [03.05.07]. The common position was announced a day later, see: *European Defence: NATO/EU Consultation, Planning and Operations*, reprinted in: *From Copenhagen to Brussels — European defence: Core documents, Volume IV*, compiled by Antonio Missiroli, Chaillot Paer 67, Paris: Institute for Security Studies, 283 f.

40 Oral evidence, taken before the Foreign Affairs Committee on Tuesday 28 October 2003, Q37, <http://www.publications.parliament.uk/pa/cm200304/cmselect/cmcaff/1233/3102806.htm> [03.05.07]

Constitution will suffice to illustrate this. The Joint Franco-German proposal for the European Convention suggested that—for launching and carrying out military operations—"unanimity should remain necessary" and only "the possibility of constructive abstention" was mentioned.⁴¹ Somewhat more bluntly the British government stated in its White Paper for the IGC that "we will insist that unanimity remain for [...] defence [...]".⁴²

Conclusion

The primary goal of this paper has been theoretical. The paper has developed an argument that links structural features of the international system and foreign policies. According to the framework, security policies are embedded in a set of constraints and incentives that derive from two major sources: the international distribution of power and the institutions in which a state's security policy has become embedded over time. Shifts in the distribution of power will induce the state to react. Unfavorable shifts in the power distribution will induce a state to balance, i.e. to gain autonomy and capabilities relative to the preponderant state(s). Its reaction, however, will be constrained by the institutions in which its security policy is embedded. Certain features of these institutions contribute to the path-dependence of policies. They may make rapid adjustments of security policy costly or difficult and thus constrain the state's balancing efforts.

The illustrations drawn from British and German policies towards ESDP have demonstrated how the framework could help to better understand these policies. The policies of both states can be regarded as instances of constrained balancing. The main thrust of both policies is directed towards increasing autonomy and capabilities relative to the US after the end of the Cold War. Their main differences can be put down to the different institutional constraints they faced. These constraints were especially pronounced for the UK due to its close and firmly institutionalized relation with the US. However, institutional links between the UK and the US came under pressure after the end of the Cold War and became somewhat relaxed, mostly because the UK could no longer safely expect the US to stick to the institutions. Over time this opened the door for a more active British role in European defence policy. Consequently the difference between the German and the British approach towards ESDP has become much less pronounced over the past few years.

41 Contribution by Mr Dominique de Villepin and Mr Joschka Fischer, members of the Convention, presenting joint Franco-German proposals for the European Convention in the field of European security and defence policy, CON 422/02.

42 A Constitutional Treaty for the EU: The British Approach to the European Union Intergovernmental Conference 2003, Cm 5934 para. 66.

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