

## Chapter 4

### **The International Politics of Forum Choice: Foreign Policy Behavior In and Out of Institutions\***

The previous chapter explored the determinants of cooperation through an institution, and in particular through the European Union's Common Foreign and Security Policy (CFSP). As Chapter 1 suggested, however, the choice to cooperate is not the only foreign policy option states have. A number of other outcomes are possible: the status quo (do nothing), unilateral action, cooperation outside institutions, or cooperation through a different institution. Compounding the problem, these options (other than 'do nothing') are not mutually exclusive.

How, then, do states decide which option – or options – they will select? This chapter explores the international politics of policy choice by studying characteristics of institutions, issues, and states. In particular, it examines how these characteristics influence which kinds of foreign policy outcomes emerge – status quo, unilateral action, institutional cooperation, and extra-institutional cooperation – using a subset of Chapter 3's random events dataset. As in Chapter 3, the focus here continues to be at the level of international outcomes, rather than the level of actions or preferences of individual states.<sup>1</sup> In addition to studying patterns of event outcomes in several institutions, I also examine these international outcomes in the context of non-exclusivity: which institutions or outcomes occur in which combinations for which issues?

This chapter first establishes claims from the literature on cooperation, and foreign policy cooperation in particular, that help to explain the range of outcomes we observe in foreign policy. It emphasizes the role of characteristics of institutions, such as their membership, and

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\* This chapter has been reformatted from dissertation margins, etc., to conserve paper. No additional changes have been made besides the addition of this note.

<sup>1</sup> Chapter 5 addresses state-level hypotheses in a case study of the Albanian collapse of 1997.

characteristics of states, such as security policy preferences, that may influence perceptions about consensus and capacity. The first section also suggests hypotheses to this effect. The second section follows the general line of existing literature on cooperation and tests only hypotheses that address when states should choose to cooperate through institutions. This narrow focus speaks clearly to our current understandings of cooperation. It also, however, establishes baseline expectations for comparison with models that treat the full range of foreign policy outcomes jointly.

The third section examines patterns of substitutability and complementarity in foreign policy outcomes. When does unilateral activity occur alone, and when does it occur alongside other forms of behavior? Which institutions are complements and which substitutes? This section contends that existing arguments about ‘forum shopping’ fail to predict international outcomes well because they treat outcomes as mutually exclusive and they neglect both non-cooperative and extra-institutional options. The consensus-capacity framework treats foreign policy as a series of decisions and relates all of these options to one another. The empirical models in this section thus treat the full set of foreign policy options as interconnected rather than mutually exclusive.

The final section compares the third section’s multiple-outcome analysis with the institutional-cooperation-only models of the second section. This comparison provides a clear picture of the effect of ignoring other foreign policy choices in the study of cooperation. It ends by assessing the contributions of this chapter’s analysis to the consensus-capacity framework.

## **Explaining Foreign Policy Behavior**

In this section, I hypothesize that the consensus and capacity framework leads us to focus on three sets of variables to explain international cooperation: characteristics of the institutions, characteristics of states that are considering cooperation, and interactions of the two. These characteristics influence whether cooperation is attractive for states in any given situation. I address each set of variables in turn.

### ***Institutions and Cooperation***

Organizations and groupings differ in four ways that influence their attractiveness as cooperation fora: the number and preferences of their members, the existence of tools and resources, the enforceability of agreements, and finally, the organization's jurisdiction. Number and preferences of members and jurisdiction affect the organization's ability to reach consensus on an agreement; concerns about enforceability and the organization's resource pool influence the organization's capacity to execute the agreement successfully. I illustrate the importance of these factors by first comparing the advantages and disadvantages of large and small institutions in terms of membership, resources, and enforceability. I then address why jurisdiction is important.

### ***Enforceability and the Number and Preferences of Member States***

The number and preferences of members both influence an organization's attractiveness for cooperation since both affect the organization's ability to achieve consensus. Large organizations, like the United Nations or the OSCE, have problems on this front. As the number of states increases, the number of preference points also generally increases, which potentially

hinders the organization's ability to agree on a single course of action.<sup>2</sup> Since international organizations generally operate under either consensus or unanimity decision rules, reaching an agreement will become more difficult as the number of members increases. The presence of even one extreme preference outlier can be fatal to cooperation if the institution's decision rules allow that actor to exercise a veto. Large organizations implicitly acknowledge this problem in their institutional design and in their activity by trading unanimity decision rules for consensus ones, allowing abstention, and producing non-binding agreements.<sup>3</sup>

Larger groups also have difficulty providing public goods, of which foreign policy is a classic example.<sup>4</sup> Under typical conditions states have strong incentives to free-ride on others' contributions, and monitoring and enforcement instruments are weak. Lack of enforcement is a vicious cycle. If actors believe that other actors will not contribute, and that the public good is not likely to be successfully provided as a result, then they themselves have no incentive to contribute, and then the public good is even *less* likely to be provided or to succeed. Consequently, international public goods such as international security or environmental protection are often underprovided.

Compared to smaller groups, large organizations engage in high-intensity actions much less often. Instead, they frequently use low-level resolution-making, such as 'Hallmark diplomacy'<sup>5</sup> (the issuing of congratulatory, sympathetic, or condemning statements or resolutions) or other weak courses of action. This kind of activity carries very low costs, and participants normally have very little incentive to defect. Even if states did have incentives to do

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<sup>2</sup> The UN's decision-making institutions reflect this dynamic. If the 192-member UN required unanimity or consensus among all of its members to adopt any kind of text, action would be slow indeed. Instead, the most rapidly moving and sensitive issues go to a subset of the membership, the Security Council.

<sup>3</sup> These two characteristics, the veto and the abstention, are in large part why the predictions of the median voter theorem do not hold in international organizations.

<sup>4</sup> (Olson 1982).

<sup>5</sup> Sarah Croco coined this term for the practice.

so, the effect on participating states' expected utility from the declaration is small. The probability of a declaration alone achieving the desired outcome is very small, and the utility from the kinds of watered-down language that compromise among large groups usually produces, means that the effect of most kinds of defection would be minimal.<sup>6</sup> Because of their large and diverse membership, and their non-majoritarian decision rules, these organizations must settle for a 'lowest common denominator' response. Put another way, larger institutions usually sacrifice depth of cooperation and instead privilege breadth of membership.<sup>7</sup>

Smaller organizations do not often share these problems. Typically, smaller institutions are "clubs," formed of states that have like interests on issues under the organization's jurisdiction.<sup>8</sup> The deliberate selection of members on the basis of their preferences enhances the group's ability to reach consensus. The smaller number of preference points that must be accommodated in any decision also contributes by limiting the quantity of potentially divergent preference points where concessions might be required. Smaller organizations may also have more success at enforcing agreements. Monitoring costs are proportionately less, and both reputation effects and a credible threat of punishment in a future round are more likely within a smaller group that interacts repeatedly.<sup>9</sup> Informal agreements and agreements at less than the treaty level can be buttressed by the threat of peer sanctioning for deviation, even if the agreement itself contains no official sanctioning procedure.<sup>10</sup> Though none of the institutions considered here have the ability to pass legally binding foreign policy agreements, agreements

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<sup>6</sup> I conceptualize defecting from a declaration or statement as issuing a statement or taking an action that differ from the common policy agreed in the collective statement.

<sup>7</sup> Gilligan (2004) presents an alternative perspective on the number of members and the outcomes of cooperation; in particular he argues that the 'broader-deeper' tradeoff does not formally exist..

<sup>8</sup> (Drezner 2003).

<sup>9</sup> E.g. (Axelrod 1984).

<sup>10</sup> Germany extended diplomatic recognition to Croatia earlier than an EU agreement had specified, and faced a substantial amount of peer displeasure as a result. (Ginsberg 2001, 7)

that are socially or politically enforceable should have a higher probability of success – after all, if states do not do as they agreed, the action cannot possibly succeed.

One of the potential drawbacks of a small organization, however, is the pool of resources that group of states possesses. Coordinated foreign policy action - as opposed to joint declarations or statements - requires the pooling of resources. Depending on their membership, smaller institutions are more likely to have access to shallower pools of resources.<sup>11</sup> All other things equal, organizations with deeper resource pools should have the capacity to support more cooperation and should therefore be more attractive as fora.

Hypotheses 1, 2 and 3 about organization size, member preferences, and resources follow from the discussion above.

*H1: An increase in the number of member states should decrease the rate of cooperation.*

*H2: As an organization's resource pool grows, the rate of cooperation should increase.*

*H3: Increased dispersion of member preferences should decrease the rate of cooperation.*

### Jurisdiction

The final factor that may affect the probability of cooperation is the range of issues over which it has competence. Jurisdiction may derive from formal international law (the organization's charter), or it may emerge informally from a perceived sense of the legitimacy of the organization's action on that issue. An example of jurisdiction emerging from perceived legitimacy among the membership occurs in the North Atlantic Treaty Organization (NATO). NATO was originally authorized to operate defensively on the territory of member states in case

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<sup>11</sup> The Benelux countries may wish to deploy peacekeepers somewhere, but according to their Defense Ministries' web sites, between them they have eight helicopters currently in service and two planes which will not be delivered until 2017 and 2018. On the other hand, a three-member grouping of France, Germany, and the UK would have a much larger pool of resources, including aircraft carriers and long-range transport aircraft. As the consensus and capacity framework suggests, though, such a great-power grouping is unlikely to form for anything but the highest-intensity types of cooperation; the participating states have sufficient independent capacity to execute anything else unilaterally.

of a direct attack. After the demise of the Soviet Union, however, and the abrupt abolition of a need for this type of action, NATO's members confronted the decision whether to go “out of area or out of business.” They chose to reconceptualize the institution as a broader regional security organization and began to act in peacekeeping and conflict resolution functions outside of NATO’s original region of jurisdiction.

As the NATO case illustrates, cooperation is typically not limited to *only* issues in the institution’s jurisdiction. States can and do choose to act on issues not formally in the institution’s jurisdiction.<sup>12</sup> Cooperation should be more likely in institutions that formally or informally claim jurisdiction over a particular issue or region. Because formal jurisdiction provides an explicit legal basis for activity, it should have a larger effect than informal jurisdiction. Hypotheses 4 and 4a summarize this section’s conjectures.

*H4: Issues within an institution’s jurisdiction should be more likely to receive cooperation than issues on which it has no jurisdiction.*

*H4a: The effect of formal jurisdiction on the rate of cooperation should be stronger than the effect of informal jurisdiction.*

### ***Characteristics of States and Cooperation***

Apart from the characteristics of the institutions, two key sets of member state characteristics can also influence the organization’s propensity for cooperation. The first set affects cooperation through institutional leadership structures, which allow the state holding the leadership position an opportunity to express its preferences more fully than it might otherwise. These state preferences are a function of historical and situational ties to other states that may be the targets of potential responses. The second set of factors affects cooperation through the set of

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<sup>12</sup> Few international organizations have explicit prohibitions on their areas of activity; the most prominent one of which I am aware excludes the EU’s economic decision-making structures from acting on any issues with national defense or security implications (e.g., no regulation of defense industries).

‘outside options,’ or non-cooperation response choices, available to states. When member states have viable outside options, then cooperation at a point other than the state’s ideal point becomes much less attractive. I address each of these sets of factors in turn.

### *State Preferences and the Role of Leadership Structures*

First, a range of situational or historical factors can affect state preferences, either by influencing the location of the state’s ideal point, or by causing it to hold its preferences more strongly than one might otherwise expect. Among the situational factors, geographic proximity is central. States have incentives to be more attentive to their neighbors since instability spreads easily. Both refugees and rebels often cross borders, creating both domestic and international challenges for the neighboring state. Other concerns such as contagious diseases (SARS, avian flu, etc.), illicit narcotics, and some forms of economic disruption also flow easily over borders.

Among historical factors, colonial relationships are quite important. France, the UK, and Portugal all have associations of their former colonies, and these associations often act to exert influence on other members. The British Commonwealth has suspended members with flagrant human rights violations on several occasions and has sent investigative missions in other cases. These post-colonial ties can also shape trade, as the so-called “Banana War” between the US and EU attests.<sup>13</sup> France and the UK continue to maintain military bases in a number of their former colonies, which makes them both more attentive to issues there and also better able to execute a higher-intensity response. Therefore, all else equal, European states should be more attentive to affairs in their former colonies than in states with which none of them have historical ties.

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<sup>13</sup> The “Banana War” explicitly questioned the legality under WTO rules of the EU’s preferential pricing schemes for banana-producing former colonies of EU members, versus its less preferential schemes for “dollar-denominated” bananas from areas formerly under US influence. (Alter and Meunier 2006).



A state's traditional orientation in foreign and security policy is also a major determinant of its preferences. Over the course of the post-war period, a number of European states have developed longstanding patterns of preferences in security and defense policy; indeed, several states have enshrined their preferences in their national constitutions.<sup>14</sup> Four distinct profiles exist here, ranging from Atlanticist to European, neutral, and post-Communist. These profiles or "identities" shape state preferences both over policy content and also over which forum (if any) is appropriate for cooperation on security and conflict issues.<sup>15</sup> As a result, we would expect that when a state holding an institution's leadership position has a relatively extreme preference security policy (i.e., the state is a preference outlier), the institution is less likely to cooperate. The state holding the agenda power probably does not have preferences that are similar to the majority's. This should be particularly true for issues with security and defense implications, but it should hold more generally.

One caveat applies to expectations about the influence of state characteristics on cooperative outcomes in institutions. Because the absence of cooperation can result from various factors, we are generally unable to determine, using qualitative or quantitative means, which particular state "caused" the failure of cooperation. Indeed, as Chapter 2 established, the absence of cooperation can emerge from a failed attempt at cooperation, from a decision not to pursue cooperation after a discussion, or from self-censoring caused by knowing that one's partners in an institution will never agree to such a proposal. As a result, our only opportunity to examine where the preferences of a specific state matter is through organizations that contain some type

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<sup>14</sup> Ireland, Finland, Sweden and Austria have legally entrenched neutrality provisions, though the form and precise content of those statements vary.

<sup>15</sup> Atlanticists, for example, prefer the use of NATO over any other available institution. No identity contains a general preference for cooperation; indeed, a key difference between them is which institution is the preferred venue. I elaborate on these categories below in the empirical tests.

of rotating internal leadership structure. When a state holds the chair of an organization, institutional rules such as agenda powers or control over draft text allow that state to express its own preferences more fully than it might at other times. Hypotheses 5 and 6 summarize expectations about historical and situational characteristics of states, leadership, and cooperation.

*In institutions with leadership structures, and ceteris paribus,*

*H5: Leadership by a state with strong historical or situational ties to the target state will increase the probability of cooperation.*

*H6: Leadership by a preference-outlying state will decrease the probability of cooperation. This should be especially true if the outlier also has high capacity.*

### Outside Options and Foreign Policy Cooperation

The second state characteristic that influences choices to cooperate is whether the states in question have sufficient capacity to act independently. Outside options always exist in foreign policy cooperation. Indeed, unilateral state action is the default expected action – this ability is a key component of the Westphalian definition of statehood.<sup>16</sup> States also retain the opportunity to engage in ad hoc cooperation outside of existing institutions or to form new institutions.<sup>17</sup> The persistent availability of these choices – even when/where institutional options for cooperation exist – can decrease the attractiveness of cooperation, at least for states that have sufficient capacity to achieve their ideal points through unilateral or ad hoc behaviors. As the attractiveness and feasibility of these outside choices grows, states will increasingly have incentives to hold out for their ideal points in cooperative behavior.

Conversely, as the capacity and consensus framework suggests, capacity limitations may prevent states from taking some action strategies that they might otherwise prefer. All states have sufficient diplomatic capacity to issue declarations and statements, though national predilections

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<sup>16</sup> (Krasner 1999).

<sup>17</sup> (Jupille and Snidal 2006).

for doing so vary.<sup>18</sup> In many cases, though, higher-order responses such as military intervention, the granting or withholding of aid, or even the expulsion of diplomats may not be possible. Weak or smaller states lack the budgets, militaries, or diplomatic leverage to execute them.<sup>19</sup> As states' national capabilities decrease, their propensity for non-cooperative responses should also decrease as these outside response tools become unavailable to them. The hypotheses below summarize this section's arguments.

*H7: States with greater capacity are more likely to engage in unilateral action.*<sup>20</sup>

*H8: States with greater capacity are more likely to participate in ad hoc (extra-institutional) cooperation.*<sup>21</sup>

### **Testing Hypotheses About Foreign Policy Choice**

This section tests the hypotheses presented above about foreign policy behavior choices. This chapter's data are a subset of the random international events dataset introduced in Chapter 3. In particular, I analyze the sixty most salient events in the dataset. Using only events that received a substantial amount of coverage in the international press maximizes the probability that these events will be of sufficient interest to states that we obtain some form of meaningful variation in reactions.<sup>22</sup> Reactions include official statements, informal statements from authorized figures (spokesmen, secretaries general, etc.), formally adopted actions, and informal missions and delegations. In addition to the data on EU foreign policy behavior presented in Chapter 3, I also test these hypotheses on the behavior of three other European foreign policy

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<sup>18</sup> The cause is not entirely clear; at a minimum national political culture (or the institutional culture of the government) exerts influence.

<sup>19</sup> Most pairs of weaker states lack reciprocal embassies. For example, Finland accredits 104 ambassadors, meaning that some ninety states lack representation there and thus cannot have their diplomats expelled.

<sup>20</sup> As an additional implication, this should be particularly true for actions as opposed to statements, but all forms of activity should be more likely and they should not be conditional on collective activity. Data limitations, however, prevent the testing of this implication in this dissertation.

<sup>21</sup> These hypotheses speak to the behavior of individual states and so is tested in Chapter 5.

<sup>22</sup> Early efforts to collect data on EU responses indicated a high probability that a random sample of events would produce a sample with few or no successful cases of cooperation in some of the institutions. The distribution of observed successes in even this high-salience sample suggests that this intuition was correct.

institutions: NATO, the Council of Europe (CE), and the Organization for Security and Cooperation in Europe (OSCE, formerly the Conference/CSCE).

As Table 4-1 shows, responses varied widely for the sixty events represented here. Panel A shows that as Realists would expect, unilateral action remains the most common way for states to conduct foreign policy. That said, the EU responded to nearly half the total sample of events, and to a majority of events to which its foreign policy mechanism was eligible to respond (28 of 54, 51.9%). The EU's 28 instances of cooperation are more than three times greater than the next most frequent responder, NATO. Overall, institutions responded 56 times to the 60 events in this sample. Even when we restrict the set of events to the greater European region (Table 4-1, Panel B), where NATO and the other institutions are on more secure jurisdictional footing, the EU responds to half of the events, whereas the CE responds to about 62% and NATO and the OSCE only respond to 25%. Unilateral behavior is always more frequent than EU responses, both within the region and elsewhere.

The patterns in Table 4-1 are not a function of all the institutions responding to the same events. Table 4-2 shows the distribution of responses, separated by total responses (unilateral, ad hoc, and from each institution), and institutional actions only.

**Table 4-1. Behavior Across Outcomes.**

<i>A. All Events, All Regions</i>				<i>B. Events in Greater European Region<sup>a</sup></i>			
Institution	Activity	No Activity	Total	Institution	Activity	No Activity	Total
EU	28	27	55 <sup>b</sup>	EU	6	5	11 <sup>b</sup>
NATO	8	52	60	NATO	5	11	16
OSCE	4	56	60	OSCE	4	12	16
CE	6	54	60	CE	5	11	16
Other Inst <sup>c</sup>	10	50	60	Other Inst <sup>c</sup>	2	14	16
<b>Subtotal</b>	<b>56</b>	<b>239</b>		<b>Subtotal</b>	<b>22</b>	<b>53</b>	
Unilateral	39	21	60	Unilateral	12	4	16
Ad-hoc	7	53	60	Ad-hoc	3	13	16
<b>Total Activity</b>	<b>102</b>	<b>313</b>		<b>Total Activity</b>	<b>37</b>	<b>70</b>	

**Notes:** One observation is a qualifying international event from a random sample; entries indicate whether that reaction occurred on that issue. <sup>a</sup> "Greater European Region" includes EU Europe, non-EU Europe, and the former Soviet Union. <sup>b</sup> EU norms prohibit addressing events inside the EU itself

through its foreign policy mechanisms. <sup>c</sup> “Other institutions” includes reactions by other bodies in which European states form a notable body of members: the OECD, the UN, and the G-7/8.

**Table 4-2. Total Amounts of Cooperation Per Event.**

<i>A. All Forms of Response</i>			<i>B. Institutional Responses Only</i>		
<i>Total responses</i>	<i>Freq.</i>	<i>Pct.</i>	<i>Total responses</i>	<i>Freq.</i>	<i>Pct.</i>
0	14	23.3	0	28	46.7
1	14	23.3	1	23	38.3
2	21	35.0	2	4	6.7
3	5	8.3	3	3	5.0
4	3	5.0	4	2	3.3
5	1	1.7			
6	1	1.7			
7	1	1.7			

**Note:** Maximum of 7 in Panel A represents possible responses of unilateral action, ad hoc cooperation, four European institutions (EU, NATO, OSCE, CE), and non-European institutions. Maximum of 4 in Panel B represents only the four European institutions.

The modal event receives two responses (Panel A); twenty-one cases are in this category. Closer inspection of the data suggests that the most likely combinations are the EU and unilateral. Only one event, Russian efforts to negotiate a ceasefire and peacekeeping arrangement in Kosovo, received all seven forms of responses.<sup>23</sup> Panel B shows that the modal event – and very nearly the median event – did not receive a response from any institution. Among institutions, response from a single institution is by far the most common form of response. Only nine events received a response from more than one institution. Two events – creation of Albania’s national reconciliation government and Russia’s efforts to end the Kosovo crisis– received reactions from all four institutions; these two events alone represent half the observed total of OSCE activity.

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<sup>23</sup> The return of Kosovar Serbs to their homes after the peace settlement received responses from all but the OSCE; the creation of a government of national reconciliation in Albania in early 1997 received no responses from non-European organizations and saw no ad hoc activity.

## *Characteristics of Institutions*

This section tests the influence of four sets of institutional characteristics on cooperation: members and resources, dispersion of member preferences, and jurisdiction.

### *Members and Resources*

Hypothesis 1 suggested that institutions with more members should produce less cooperation; Hypothesis 2 suggested that institutions with greater capabilities should produce more cooperation. Unfortunately, capabilities and number of members variables are endogenous, both theoretically and by construction. As the number of members increases, by definition the amount of potentially available capabilities must increase as well. As a result, these independent variables cannot appear in the same equation.

I use two indicators of capabilities - logged GDP from the World Development Indicators and the Correlates of War Composite Capabilities Index – in separate models.<sup>24</sup> The models include activity by the EU, NATO, Council of Europe, and Conference/Organization for Security and Cooperation in Europe, over the period 1994-2003.<sup>25</sup> Since the unit of analysis is the institution-year (with a maximum  $n$  of 40), these values are summed for all members of an institution and lagged one year to reflect the minimum capabilities available to the group at the start of the year.<sup>26</sup>

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<sup>24</sup> (Bennett and Stam, 2000); (Singer, 1987); (World Bank, 2006). Efforts to obtain measures of diplomatic capacity such as number of representations abroad and/or number of diplomats were unsuccessful.

<sup>25</sup> See Chapter 2 for justification of this time period and set of institutions. Because the COW data end in 2001, models with the lagged composite capabilities indicator drop each institution's 2003 observation.

<sup>26</sup> Using an organization's budget allocation as an indicator of capacity would be problematic for at least two reasons. First, most of the organizations in this study have minimal budgets for their day to day operations (and sometimes for continuing programs. Individual programs and efforts that occur during a year are funded by either special GDP-based levies on all states (e.g., the EU, some NATO activity), or by the participating states (e.g., OSCE, some NATO activity). Using their annual budgets would miss the component of seconded national capacity that the national contributions represent. Second, using the organization's end-of-budget-year total expenditures would be inappropriate not least because of a strong element of endogeneity. Total annual spending would then include contributions to fund the events and activities that comprise the dependent variable.

**Table 4-3. Poisson Models of Cooperation by Year, Measured as Count.**

	Model A			Model B			Model C		
	Coeff	SE	<i>p</i>	Coeff	SE	<i>p</i>	Coeff	SE	<i>p</i>
<i>No. of Members</i>	-0.050	0.015	0.001	--	--	--	--	--	--
<i>COW Capabilities, lagged</i>	--	--	--	-7.361	1.69	0.000	--	--	--
<i>Log GDP, lagged</i>	--	--	--	--	--	--	-0.002	0.001	0.000
<i>Constant</i>	1.469	0.662	0.014	1.834	0.459	0.000	1.684	0.659	0.006
Log Pseudolikelihood	-55.097			-45.010			-55.049		
Wald $\chi^2$ (p-value)	10.65 (0.001)			18.99 (0.000)			13.75 (0.000)		
<i>N</i>	40			36			40		
Poisson goodness of fit $\chi^2$ (p-value)	51.09 (0.076)			29.39 (0.241)			51.00 (0.077)		
<b>Notes:</b> Poisson models of number of instances of cooperation observed per year in EU, NATO, OSCE, and CE; standard errors clustered by institution to adjust for other unobservable institution-specific characteristics.									

Tables 4-3 and 4-4 below examine Hypotheses 1 and 2 using two different measures of the dependent variable, cooperation output. The Poisson event count models in Table 4-3 consider the *number of instances of cooperation* per year in a given institution, over the set of events in the sample. The OLS regression models in Table 4-4 correct for the unequal number of cooperation opportunities per year in the sample by using as the dependent variable the *percentage of events receiving a response* out of the total number of events in the sample for that year. All Poisson and OLS models present robust standard errors clustered on the institution to capture unmodeled features that would plausibly influence cooperation rates (frequency and timing of meetings, etc.).

**Table 4-4. OLS Models of Cooperation per Year, Measured as Percent.**

	Model A			Model B			Model C		
	Coeff.	SE	<i>P</i>	Coeff.	SE	<i>p</i>	Coeff.	SE	<i>p</i>
<i>No. of Members</i>	-0.009	0.006	0.104	--	--	--	--	--	--
<i>COW Capabilities, lagged</i>	--	--	--	-1.405	0.669	0.064	--	--	--
<i>Log GDP, lagged</i>	--	--	--	--	--	--	0.0005	0.000	0.000
<i>Constant</i>	0.499	0.263	0.077	0.586	0.234	0.044	0.5417	0.090	0.073
R <sup>2</sup>	0.292			0.368			0.294		
<i>N</i>	40			36			40		
<b>Notes:</b> OLS regression models of OSCE, CE, EU and NATO cooperation behavior; responses to eligible									

events measured as annual percentage.

Poisson models of cooperation counts present a negative and significant coefficient for the number of members in an institution: Larger institutions produce less cooperation. Both measures of capacity also exhibit highly significant effects, but their signs contradict the theory's predictions. To some extent, as I discussed above, this may be a result of construction: With an additive indicator, capabilities must increase as the number of members increase. This mathematical element is compounded further, though, by the nature of membership variation across these institutions. The European states with the most capabilities – France, Germany, the United Kingdom, and perhaps Italy and Spain – are members of all four institutions. Variation in capabilities, then, comes from combinations of smaller states whose capabilities add to some (relatively high) constant base.<sup>27</sup> The combination of minimal variation across institutions caused by the core membership and the additive structure of the indicator create a situation where the number of members and their pooled capabilities co-vary and are likely capturing the same concepts rather than different ones.

The regression results in Table 4-4 paint a similar picture, with the dependent variable in these models being the percentage of events in the sample to which an institution responded in a given year. In a one-tailed test, the number of members in an institution falls just below conventional levels of statistical significance ( $p < 0.104$ ). Its substantive significance is less clear; each additional member decreases the percentage of events receiving a response by just less than 1%. The GDP and military capabilities variables, on the other hand, are both statistically and substantively significant in bivariate models, but they are again incorrectly

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<sup>27</sup> Russia is the only state with significant capabilities that is not a member of all four institutions. It is a member of the C/OSCE for the whole period and joins the Council of Europe in 1996. These two institutions have the largest number of members by a substantial amount (the EU has 15, NATO has 19, the CE has 45 and the OSCE 49), and so the indicator conflates Russia's capabilities with the substantial number of additional members.



signed. The most likely reason for this continues to be the additive nature of the capabilities measures.<sup>28</sup>

### Preference Dispersion

Hypothesis 3 argues that as the dispersion of preferences increases, cooperation should be less likely. Dispersion of preferences here is one aspect of measuring the severity of distribution problems.<sup>29</sup> Preferences may differ and still be fairly closely clustered in space; under these circumstances, cooperation is typically possible. As preferences diverge, however, actors' utility for the more distant points drops substantially, and finding an agreement that is acceptable to all becomes more difficult.

Attempting to collect reliable data on how fifty-odd states would have preferred to respond to sixty different events would be an overwhelming and time-inefficient task. Even if we could obtain multiple interview sources for each state on each event, verifying their accuracy and placing the preferences relative to one another would be difficult.<sup>30</sup> In general, we cannot measure preferences directly; we can only use post-revelation evidence (actions, statements) to estimate pre-revelation 'true' preferences.

Because capturing information on specific (and often un-revealed) preferences for this many governments and events is infeasible, I rely here on a general estimate of government preferences as revealed through the government's election campaign promises. Such measures are appropriate for two reasons. First, the preferences are revealed prior to the initiation of the

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<sup>28</sup> Given the structure of membership in the four institutions – that Russia (and its capabilities) belongs to both large institutions – how this might be rectified is unclear.

<sup>29</sup> The salience of the issue to each actor is the second. As this would require state-level data, I leave it to further research.

<sup>30</sup> (Dorussen, Lenz and Blavoukos 2005). *European Union Politics* (6,3) is a special issue devoted entirely to evaluating the use of expert interviews. See also (Thomson, Stokman and Koenig 2006) for an example of the use of expert interviews to generate large-N datasets.

event itself, meaning that to the greatest extent possible these capture underlying preferences which are then applied to the event of interest when it occurs.<sup>31</sup> Second, ideological proximity may indicate a sense of shared goals and similar set of foreign policy objectives. Even though no theoretical consensus exists about whether parties of the left or right should be more interested in international cooperation, a focus on dispersion of preferences rather than their absolute location makes this criticism is less relevant.<sup>32</sup> As this second component suggests, measures of government preferences via party manifesto coding are not without weaknesses.<sup>33</sup> For the purposes of this dissertation, however, most major critiques do not apply.

The use of manifesto data, and in particular the Comparative Manifesto Project data,<sup>34</sup> creates an unfortunate restriction on testing hypotheses about international cooperation. Manifesto data are only available for highly developed countries and a subset of Central and Eastern European countries. The only European foreign policy organization for which all member countries have Manifesto data is the European Union. As a result, we cannot compare the effects of preference dispersion across institutions with different numbers or compositions of members; we can only study it in the context of the European Union.

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<sup>31</sup> On manifestos separating preferences from behavior, see (Marks, et al. 2007). Few events in the dataset occur in a manner where the event's occurrence (or expectation of it) precedes elections so that the event might affect parties' platforms. These are essentially limited to the two 2003 Iraq observations and the two 1997 Albanian observations, and observations related to the ongoing conflict in the Middle East.

<sup>32</sup> See Chapter 3 for a further discussion of this issue.

<sup>33</sup> The Manifesto Project's left-right government measure codes the election manifesto of each political party to establish a percentage of manifesto statements that are left-oriented and a percentage right-oriented. These are subtracted to obtain a single indicator of party placement. The ideology of a government, then, is a sum of the component parties weighted by each party's share of the parliamentary majority. A number of scholars have raised objections to this approach, arguing that the measure captures salience of issues rather than ideology (i.e., that missing elements are nonrandom); that the items composing the left and right indicators themselves are incomplete and inaccurate (Aspinwall 2007); or that the proper weighting should be seats in the cabinet rather than the legislature. All of these are valid criticisms of the Manifesto ideology measure; Volkens (2007) provides an extensive discussion of all of these critiques. My use of the standard deviation – a measure of relative position rather than absolute position – mitigates their effect somewhat.

<sup>34</sup> (Budge, et al. 2001); (Klingemann, et al. 2006).

**Table 4-5. Probit Models of EU Cooperation and Preference Dispersion.**

	Coeff.	SE	<i>p</i>
<i>Preference dispersion</i>	-0.078	0.104	0.220
<i>Saliency (logged)</i>	1.906	0.631	0.002
<i>Gr European region</i>	0.896	0.461	0.417
<i>Constant</i>	-10.197	4.104	0.007
LR $\chi^2$ (p-value)	0.1671		
Log likelihood	-31.745		
<i>N</i>	55		

Table 4-5 shows the results of a probit model examining the probability of any EU reaction as a function of preference dispersion, the event’s saliency, and its geographic location. Preference dispersion is measured as the standard deviation of EU member government preferences on the Manifesto Project’s left-right scale, calculated monthly. Saliency, or “the extent to which an issue is temporally compelling to policymakers,”<sup>35</sup> parallels its usage in Chapter 3; it is the logged word count of the original *Keesing’s* article. Finally, geographic region is a dummy variable indicating whether the event occurs in the greater European region (non-EU Europe and the former Soviet Union). The model shows, as expected, that saliency has a strong and positive effect on cooperation; events which receive more coverage in *Keesing’s* are notably more likely to receive a response from the EU. Surprisingly, events in the EU’s geographic region are not more likely to receive a response, though this may be because most of the European events in the sample are also highly salient.<sup>36</sup> Dispersion of preferences, on the other hand, is not significant in a one-tailed test ( $p < 0.182$ ). In the presence of this restricted set of controls, and on this study’s limited sample, the spread of ideological positions among EU member states does not appear to influence cooperation behavior.

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<sup>35</sup> (Busby 2007, 252).

<sup>36</sup> The European events in the truncated 60-observation sample used in this chapter are related to Albania, Bosnia, Kosovo, Gibraltar, and Northern Ireland. A longstanding norm prevents the EU from acting on issues inside or between its member states through the foreign policy mechanism, however, and as a result the Gibraltar and Northern Ireland observations are dropped from the sample for EU models only. The remaining events on Albania, Bosnia, and Kosovo are all of very high saliency. All models for institutions other than the EU include these observations.

The EU is an unusual institution for several reasons, not least of which are the breadth and depth of its foreign policy cooperation and the fairly homogenous set of states that compose it. These two elements restrict our ability to generalize from the EU to the other institutions examined here. NATO's cooperation is very deep but very limited in scope, the OSCE has member states that vary in their commitment to democratic principles, and the Council of Europe has a diverse membership with a weak institutional structure. Hopefully, future developments in data collection will allow testing of these hypotheses on a broader set of states and institutions..

### Jurisdiction

Hypotheses 4 and 4a spoke to the role of an institution's jurisdiction in its attractiveness for cooperation. Peculiarities of the European foreign policy system, however, complicate testing somewhat. The Treaty on European Union, which created the CFSP, explicitly gives the EU jurisdiction to respond to any event of any type, in any region.<sup>37</sup> The EU thus lacks variation on this variable.

NATO lacks variation as well, but for a different reason. NATO's formal jurisdiction is direct attacks on the territory of its member states. The only event of this type occurred during the sample period of 1994-2003, the attacks of 11 September 2001 on the United States, were not selected for the dataset; formal jurisdiction is therefore 0 for all cases in the sample. Moreover, during this period NATO constructed its own informal jurisdiction by extending its mandate to crisis management on its borders. This includes its activity in the Bosnian and Kosovo conflicts. The dataset contains only events related to these two conflicts, and two events related to the Albanian crisis of 1997, as events in NATO's informal jurisdiction. NATO's informal

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<sup>37</sup> The Treaty does specify a set of priority issues. Chapter 3 tests whether these issues receive different treatment than others and finds that some, but not all, of the Treaty-specified issues have statistically significant results. These effects, however, are strongly dependent on model specification.

jurisdiction correlates nicely with its activity simply because the activity captured here is precisely the activity NATO used to define its informal jurisdiction. Finally, in the current sample of events the OSCE acts only on events in its jurisdiction, meaning that it too lacks variation on this independent variable. The resulting perfect prediction means that multivariate analysis is not possible.

To summarize, the EU always acts in its formal jurisdiction because its formal jurisdiction is universal. NATO only acts in its informal jurisdiction because it has been successful as a deterrent and has not faced armed attack from outside its borders. The OSCE has not acted outside of its formal jurisdiction. The only institution for which adequate variation exists to study the effect of jurisdiction conditional on other factors is in the Council of Europe. Of the 60 events in the sample, six receive some reaction from the CE; three of those are in the institution's formal jurisdiction.

Model A of Table 4-6 shows a probit model of CE activity on formal jurisdiction. As expected, formal jurisdiction has a strong and significant positive effect on cooperation. A similarly salient event inside the CE's jurisdiction is 37.9% more likely to receive a response than one outside.<sup>38</sup>

**Table 4-6. Probit Model of CE Cooperation.**

	Model A			Model B		
	Coeff.	SE	<i>p</i>	Coeff.	SE	<i>p</i>
<i>Log salience</i>	1.563	0.683	0.011	2.130	0.960	0.015
<i>Formal jurisdiction</i>	1.672	0.619	0.004	2.554	0.934	0.003
<i>Informal jurisdiction</i>	--	--	--	1.919	0.938	0.021
<i>Constant</i>	-11.303	4.342	0.005	-15.627	6.409	0.008
Pseudo R <sup>2</sup>	0.319			0.462		
Log likelihood	-13.280			-10.488		
<i>N</i>	60			60		

<sup>38</sup> Predicted probabilities generated with CLARIFY ( (King, Tomz and Wittenberg 2000); (Tomz, Wittenberg and King 2001)).

Hypothesis 4a suggested that having formal jurisdiction should produce a larger effect on the probability of cooperation than informal jurisdiction. Model B of Table 4-6 adds a variable for events that occur within the institution’s self-defined informal jurisdiction. The effect of informal jurisdiction is also strongly significant and positive, with an event in the CE’s informal jurisdiction 20.6% more likely to obtain a response than one outside of it. As Hypothesis 4a predicts, the effect of formal jurisdiction appears larger than that of informal jurisdiction, but t-tests of the two coefficients cannot rule out equality ( $p < 0.394$ ).

These models represent only a partial test of the hypotheses about jurisdiction. While testing this argument against other institutions would be ideal, none of the other organizations in this study are suitable for large-n analysis, as I discussed above. Instead, Table 4-7 below shows the distribution of activity for NATO under its informal jurisdiction (Panel A), and the OSCE under its informal and formal jurisdictions (Panels B and C, respectively). As we can see, both NATO and the OSCE are more likely to act when they have jurisdiction. Chi-squared tests suggest that the distributions are unlikely to occur by chance; in the case of NATO at least this is largely by construction since NATO was defining its informal jurisdiction by its actions on the events studied here.

**Table 4-7. NATO and OSCE Cooperation by Jurisdiction.**

**a. NATO**

<i>Informal Jurisdiction</i>	<i>Response</i>		<b>Total</b>
	No	Yes	
No	50	2	<b>52</b>
Yes	2	6	<b>8</b>
<b>Total</b>	<b>52</b>	<b>8</b>	<b>60</b>

Pearson  $\chi^2(1) = 30.3772$  Pr = 0.000

**b. OSCE**

<i>Informal Jurisdiction</i>	<i>Response</i>		<b>Total</b>
	No	Yes	
No	47	0	<b>47</b>
Yes	9	4	<b>13</b>

**c. OSCE**

<i>Formal Jurisdiction</i>	<i>Response</i>		<b>Total</b>
	No	Yes	
No	52	0	<b>52</b>
Yes	4	4	<b>8</b>

<b>Total</b>	<b>56</b>	<b>4</b>	<b>60</b>
Pearson $\chi^2(1) = 15.495$ Pr = 0.000			

<b>Total</b>	<b>56</b>	<b>4</b>	<b>60</b>
Pearson $\chi^2(1) = 27.857$ Pr = 0.000			

### *Characteristics of States and Leadership*

Hypotheses 5 and 6 speak to the role of leadership within an institution in encouraging or hindering cooperation. This section primarily tests Hypothesis 6, which examines the effect of having preference-outlier states in the leadership position.<sup>39</sup>

Three of the four institutions in this study have internal leadership structures that rotate among member states. NATO lacks such a structure; its day to day leadership and public face are provided by the Secretary-General. Of the three remaining, the EU's presidency is most powerful. The state holding the presidency has the ability to set the agenda, to draft all texts and preside at all working group and other meetings, and to speak to the press as the 'face of the Union' between meetings. The OSCE and CE, in contrast, have much weaker presidencies<sup>40</sup>; both presidencies usually require authorization from the group to make statements to the press, and have little control over the text drafting process or meeting agendas.

Institutional positions such as leadership matter because these roles potentially allow for the amplification of any extreme preferences the leader may have. The presidency's agenda and drafting powers allow the state holding it to express its preferences more fully than it can when it does not hold the presidency.<sup>41</sup> Data limitations restrict the current analysis to the EU and CE.<sup>42</sup>

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<sup>39</sup> Events in the subsample of data used here have insufficient variation on historical ties to allow testing of Hypothesis 5. Of the 60 events, about one-third of the target countries have at least nominal ties to the United Kingdom. One has ties to France, and depending on the extent of historical ties allowed, one has ties to Portugal and up to two have ties to Spain.

<sup>40</sup> I use the term 'presidencies' generically to convey the sense of leadership. In the CE, the foreign minister of the country holding the leadership position is officially the "Chair of the Council of Ministers"; the OSCE's title for the same position is the "Chairman-in-Office."

<sup>41</sup> Spain, for example, chose to prioritize relations with Latin America during its 1995 presidency of the European Union.

The notable differences between the two organizations and the roles of their presidencies mean that pooling the observations for a single analysis is inappropriate. The EU's president (and the High Representative for foreign policy) may make informal statements on the Union's behalf without additional authorization; the CE's cannot, and its meetings are much less frequent than the EU's. Because of this, I analyze each institution separately.

For the purposes of this project, national security identities are a key set of preferences to study. Most European states have stable security policy profiles or identities, adhering to one of four durable patterns of behavior and expressed preferences in security policy. These identities largely align on a single dimension, the role of military power in security policy, and I summarize them as neutral, post-Communist, Atlanticist, and Europeanist. Formally neutral states see the role of military power as minimal and are generally unwilling to use it (here, neutral states include Switzerland, Ireland, Finland, Sweden, and Austria. Atlanticist states have a strong and sustained preference that favors NATO as their primary forum for security policy coordination, and they see the United States as an appropriate and often necessary actor in European security. Atlanticist states include the United Kingdom, Germany, Spain, and Denmark, as in Chapter 3, and also Iceland. Poland, the Czech Republic and Hungary join this group after their accession to NATO in March 1999.<sup>43</sup> A general consensus exists in the literature that following the collapse of the Soviet Union, many central and Eastern European states turned to NATO, and particularly to the United States, as guarantors of their security. As a

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<sup>42</sup> While the OSCE does have a presidency of sorts, no comprehensive list of its presidencies exists on its website; the Information division has not responded to requests for this data. Moreover, unlike most international organizations which rotate in alphabetical order, the OSCE's rotation order is irregular. This means that reconstructing the list on the basis of the few available data points is not possible.

<sup>43</sup> Staff at the Atlantic Council of the United States identified these states, along with Turkey and Canada, as having Atlanticist policy orientations (using the definition provided above) through the early part of the 1990s. Canada is not an European state and so is excluded from this study. Turkey does not hold the chair of any institutions during the period of the study.



result, these states fall between the non-committal states and the Atlanticist ones on the security orientation dimension.<sup>44</sup>

The remaining category of states are the non-committal. These states have not consistently espoused a pattern of behavior consistent with a single security identity; their policy profiles have been unstable and frequently changed with each new cabinet. Here, consistency of preferences over time is key. As constructivists argue, state identities change slowly. To qualify as either Atlanticist, Europeanist, or neutral requires a sustained pattern and national consensus about the appropriate form of security policy for the state. Various Italian governments, for example, have alternately leaned towards NATO or towards the budding EU security policy structure, but this very malleability of national policy signals that the state does not self-identify its overall security policy stance as part of a national policy tradition.

**Table 4-8. Council of Europe Cooperation by Presidency Security Identity.**

<i>CE Presidency Security Identity</i>	<i>Response by CE</i>		<b>Total</b>
	No	Yes	
Neutral	7	2	<b>9</b>
Noncommittal	20	1	<b>21</b>
Post-Communist	17	0	<b>17</b>
Atlanticist	10	3	<b>13</b>
<b>Total</b>	<b>54</b>	<b>6</b>	<b>60</b>

Table 4-8 shows CE cooperation behavior on the subsample of 60 events studied in this chapter. Two striking observations emerge from this table. First, the CE produced a very small number of instances of cooperation – a total of 6 – even on 60 of the most prominent global events of the period 1994-2003. Second, five of the six instances of cooperation came under the leadership of states who are preference outliers. This bivariate analysis clearly discredits Hypothesis 6.

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<sup>44</sup> The fifth security identity, Europeanist, is generally comfortable with the use of force, but prefers the exclusion of the United States and other non-European states from European security affairs. Because the only state with a consistently Europeanist policy orientation is France, including a category for this identity would effectively dummy for France. I thus pool France with the non-committal.

**Table 4-9. Probit Model of CE Preference Outliers and Cooperation.**

	Coeff.	SE	P
<i>Preference outlier presidency</i>	1.167	0.719	0.052
<i>Gr European region</i>	1.937	0.8422	0.011
<i>Saliency (logged)</i>	2.276	1.058	0.016
<i>Constant</i>	-16.982	7.075	0.008
Pseudo R <sup>2</sup>	0.5151		
Log likelihood	-9.457		
N	60		

Table 4-9 shows a probit model of CE cooperation on saliency, geographic location, and presidency security identity. For simplicity, I pool both kinds of preference outliers – states with constitutional neutrality and those with Atlanticist leanings - since the prediction is the same for both.<sup>45</sup> These results confirm the intuition suggested by Table 4-8: Hypothesis 6 lacks support. All three independent variables are highly significant, with preference outliers notably *more* likely to preside over cooperation.

Two explanations for the unexpected sign on preference outliers exist. One possibility relates to the very small number of instances of cooperation in the sample. Even a casual glance through the CE's archives show that its level of output is substantially higher than the observations here would lead us to believe. The events in this model are a subsample of a set of randomly chosen world events, however, and European affairs form only a small part of the sample. The six instances of cooperation here were under the leadership of six different states, five of whom – Finland, Ireland, Hungary, Iceland and Germany – are preference outliers.<sup>46</sup> The combination of a relatively small sample with a very small number of successes could mean that the results are simply a statistical fluke.

A second possibility acknowledges that the outcome coding here reflects only the existence of a response and not its content or form. The CE's responses include four actions –

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<sup>45</sup> Models entering the two groups (neutral and Atlanticist) separately produce substantively similar results.

<sup>46</sup> Finland and Ireland are constitutionally neutral; Germany, Iceland, and Hungary (after its 1999 accession) are strongly pro-NATO during this period.

higher-order cooperation – and four statements,<sup>47</sup> but what did the statements say? Perhaps the preference outliers are using their powers during their presidencies to produce minimal outcomes that suit their preferences as a way to preempt efforts from the floor that may be less to their liking. This result suggests that the presidency’s drafting power, or perhaps the agenda power more generally, may be driving the result. Explaining this relationship is grounds for future research.

**Table 4-10. Cooperation by EU Presidency Security Identity.**

<i>EU Presidency Security Identity</i>	<i>Response by EU CFSP</i>		<b>Total</b>
	No	Yes	
Neutral	3	6	<b>9</b>
Noncommittal	17	15	<b>39</b>
Atlanticist	7	7	<b>14</b>
<b>Total</b>	<b>27</b>	<b>28</b>	<b>55</b>

Tables 4-10 and 4-11 show a similar pattern with the European Union.<sup>48</sup> As in Table 4-8 above, Table 4-10 shows that the non-committal states (those without distinct security identities) lead cooperation at the lowest rate, despite having the largest number of opportunities. Table 4-11 presents multivariate findings. As expected, salience is positive and highly significant; geographic region is insignificant, as we might also expect from a body that explicitly claims universal jurisdiction. Preference outlier status remains positive, but it is no longer statistically significant under a one-tailed test.

**Table 4-11. Probit Models of EU Preference Outliers and Cooperation.**

	Coeff.	SE	<i>p</i>
<i>Gr European region</i>	0.079	0.458	0.432
<i>Salience (logged)</i>	1.894	0.623	0.001
<i>Preference outlier presidency</i>	0.159	0.371	0.334
<i>Constant</i>	-11.414	3.706	0.001

<sup>47</sup> Two of the observations received both a statement and an action. The dependent variable here codes only that one of these happened.

<sup>48</sup> The number of cases for the EU is smaller than the number for the CE, NATO and OSCE because events inside or between EU member states are excluded from discussion or response under CFSP mechanisms.

Pseudo R <sup>2</sup>	0.1621
Log likelihood	-31.935
<i>N</i>	55

### **Complementarity and Substitutability in Foreign Policy**

Like many issue areas in international affairs, cooperation on foreign policy occurs in a dense institutional environment. A range of appropriate fora exists for addressing any given issue or concern. These institutional options sit alongside the ever-existing options of unilateral activity and extra-institutional cooperation. The existence of multiple possible response options gives states – particularly those with outlying preferences – incentives to choose strategically between the institutions or to involve multiple institutions in complex ways to obtain outcomes closer to their ideal points. The overall foreign policy outcome of a situation is a function of the various separate responses. Strategically-minded states can manipulate these separate responses to tap synergies between the responses and thus amplify the total effect of responding.

Responses from different institutions or states may be complements in this fashion, but they can also be substitutes. If France is already conducting an evacuation from Congo-Brazzaville, then perhaps arranging for your handful of citizens to exit with the French makes more sense than conducting your own evacuation or trying to get an international organization to coordinate it. A NATO peacekeeping mission obviates the need for the EU or UN to send one. Even declarations may have this property – a declaration from an institution may reduce the incentives for the member states to issue their own unilateral statements.

As a result of these complementary and substitutable relationships, foreign policy behavior cannot be studied as a series of independent decisions that result in single outcomes. The existing literature on foreign policy behavior fails to capture this insight. Davis's (2006) study of trade dispute settlement is a case in point. She evaluates what conditions lead the United

States to pursue a dispute through the World Trade Organization (WTO) or through the North American Free Trade Agreement (NAFTA). These two fora are clearly substitutes for one another, but Davis overlooks the decision to pursue the case at this level in the first place. Some other disputes were submitted to arbitration or settled informally. These are also substitutable responses, and the choice to pursue settlement in a formal institution is itself the product of a selection process between these substitutes. As a result, the observed pool of dispute cases in either or both of these bodies is biased. Likewise, Jupille and Snidal (2006) allow states to choose between using existing institutions, modifying existing institutions, and developing new institutions. They neglect, however, the options of doing nothing, acting alone, or cooperating *without* using an institution, and they fail to consider the possibility that states may pursue more than one of these options.<sup>49</sup>

Because foreign responses are neither mutually exclusive (with the exception of ‘do nothing’) nor independent of one another, the use of a multinomial probit model or similar large-n estimation strategy is inappropriate. Multinomial probit accommodates mutually exclusive but unordered outcomes. It falters in this particular case because of the non-exclusive outcomes. Even if each exclusive category referred to a combination of outcomes, rather than to a single outcome, the model still fails on two accounts. First, the number of categories still exceeds the model’s manageable maximum of approximately five outcomes. Approximately 17 different combinations of outcomes appear in the data, and most of those appear only a very limited number of times. Second, such a model almost certainly fails to satisfy the Independence of Irrelevant Alternatives assumption that multinomial probit requires. The institutions themselves

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<sup>49</sup> Perhaps the best example of this is the Kosovo crisis of 1999, where NATO, the EU, the UN, and the OSCE attempted to mediate simultaneously. The US, UK, France, and Russia created an informal ‘Contact Group’ to continue and coordinate their high-level unilateral efforts, all while they continued to participate in institutionally-coordinated efforts. On the Contact Group, see (Gegout 2002).

are both potential complements as well as potential substitutes. As a result, the probability of choosing the option “unilateral + EU” is not independent of the probability of choosing “unilateral + EU + CE.” This violates the model’s assumption that the probabilities of observing the possible outcomes be independent of one another.

Instead, simultaneous estimation of a set of models allows for the occurrence of multiple outcomes on any given event, and it also allows for the non-independence of observations across models.<sup>50</sup> Each model represents a different possible outcome, and the simultaneous estimation adjusts standard errors for the non-independence of the observations. Model A in Table 4-12 below estimates the influence of all available variables on each outcome,<sup>51</sup> and it adjusts for non-independence in this manner. In this model, the variable “Non-European institutions” refers to action by a body outside the sample group here: the United Nations, the Association of Southeast Asian Nations (ASEAN), the Group of 7/8 (G-7/8), etc. This controls, at least partially, for action by groups other than the bodies of interest.

**Table 4-11. Simultaneous Estimation of Probit Models, by Outcome.**

	Model A			Model B		
	Coeff.	SE	<i>p</i>	Coeff.	SE	<i>p</i>
<b>Unilateral Action</b>						
<i>Saliency (logged)</i>	0.164	0.572	0.387	0.165	0.572	0.387
<i>Greater European region</i>	0.211	0.401	0.300	0.211	0.401	0.300
<i>Any European institution</i>	0.937	0.398	0.009	0.937	0.398	0.009
<i>Any non-European institution</i>	-0.159	0.607	0.397	-0.159	0.607	0.397
<i>Constant</i>	-1.140	3.376	0.368	-1.140	3.376	0.368
Log likelihood	-34.452			-34.452		
LR $\chi^2$ (p-value)	8.79 (0.067)			8.79 (0.067)		
<b>Ad Hoc Cooperation</b>						
<i>Saliency (logged)</i>	-0.137	0.546	0.401	-0.137	0.546	0.401
<i>European region</i>	0.418	0.435	0.169	0.418	0.435	0.169
<i>Any institution</i>	-0.009	0.556	0.494	-0.009	0.556	0.494
<i>Any non-European institution</i>	1.292	0.540	0.009	1.292	0.540	0.009
<i>Constant</i>	-0.737	3.060	0.405	-0.737	3.060	0.405

<sup>50</sup> (Greene 2003).

<sup>51</sup> An event for which “do nothing” was the observed response has 0 as its dependent variable in all six equations.

Log likelihood	-18.577			-18.577		
LR $\chi^2$ (p-value)	6.07 (0.194)			6.07 (0.194)		
<b>EU Cooperation</b>						
<i>Saliency (logged)</i>	1.740	0.495	0.000	1.625	0.539	0.002
<i>European region</i>	0.112	0.416	0.394	-0.246	0.465	0.299
<i>EU Neutral presidency</i>	0.313	0.517	0.273	0.307	0.509	0.273
<i>EU Atlanticist presidency</i>	-0.222	0.450	0.311	-0.238	0.459	0.302
<i>Any non-European institution</i>	0.758	0.679	0.132	0.726	0.661	0.136
<i>Institutions other than EU</i>	--	--	--	0.700	0.614	0.127
<i>Constant</i>	-10.525	2.966	0.000	-9.859	3.215	0.001
Log likelihood (p-value)	-30.752			-30.240		
LR $\chi^2$ (-value)	14.72 (0.012)			15.75 (0.015)		
<b>NATO Cooperation</b>						
<i>Saliency (logged)</i>	1.372	0.673	0.021	0.972	0.638	0.064
<i>European region</i>	1.176	0.521	0.012	1.116	0.495	0.012
<i>Any non-European institution</i>	0.484	0.530	0.181	0.315	0.501	0.265
<i>Institutions other than NATO</i>	--	--	--	0.633	0.601	0.146
<i>Constant</i>	-10.061	4.247	0.009	-7.944	3.860	0.020
Log likelihood (p-value)	-17.531			-17.020		
LR $\chi^2$ (-value)	12.06 (0.007)			13.08 (0.011)		
<b>OSCE Cooperation</b>						
<i>Saliency (logged)</i>	-0.445	0.444	0.158	-0.445	0.444	0.158
<i>Any non-European institution</i>	0.612	0.710	0.195	0.612	0.710	0.195
<i>Constant</i>	1.070	2.580	0.339	1.070	2.580	0.339
Log likelihood (p-value)	-14.254			-14.254		
LR $\chi^2$ (-value)	0.88 (0.643)			0.88 (0.643)		
<b>CE Cooperation</b>						
<i>Saliency (logged)</i>	2.171	1.022	0.017	1.942	1.024	0.029
<i>European region</i>	-2.002	0.809	0.007	-1.355	0.806	0.047
<i>CE informal jurisdiction</i>	3.545	0.590	0.000	3.209	0.818	0.000
<i>CE neutral presidency</i>	0.828	0.728	0.128	0.702	0.770	0.181
<i>CE Atlanticist presidency</i>	1.137	0.561	0.022	1.197	0.619	0.027
<i>Any non-European institution</i>	0.927	0.582	0.056	0.658	0.553	0.117
<i>Institutions other than CE</i>	--	--	--	0.981	0.713	0.085
<i>Constant</i>	-16.369	6.453	0.006	-15.719	6.510	0.008
Log likelihood (p-value)	-8.461			-8.135		
LR $\chi^2$ (-value)	22.09 (0.003)			22.74 (0.004)		

The simultaneously estimated probit models in Table 4-12 suggest that the mechanisms driving unilateral and ad hoc responses differ from one another and from the other forms of institutional cooperation studied here. The action of *non-European* institutions (the UN, etc.) substantially increases the probability of ad hoc cooperation by European states. Unilateral action, on the other hand, is related to the activity of *European* institutions; the positive

association suggests that unilateral action serves as a complement to cooperative action for European states.<sup>52</sup> These results hold in both Models A and B, since the ‘institutions other than’ variable does not enter for these dependent variables. Saliency and region are insignificant in both models; this generally conforms to expectations, especially in the unilateral model, where the dependent variable captures action by the United Kingdom, France, Germany, or Italy.

For the institutions, saliency is regularly significant and in the expected direction. In the OSCE model, jurisdiction and region variables are not included as a result of perfect prediction, so perhaps the OSCE results emerge at least in part from omitted variable bias. Intriguingly, only saliency is significant in the EU model. The insignificance of region is perhaps expected, since the institution claims global jurisdiction. Additionally, all of the European institutions except for the Council of Europe appear indifferent to (or at least unaffected by) the action of non-European institutions; the cause of this effect is not clear.

Model A allows for weak interdependence among the outcomes, with a tie through the error term but no direct effect of one on the other. This is statistically defensible, but it almost certainly underestimates the effect of the substitutability and/or complementarity among the outcomes. Even a casual reading of cases shows that states perceive a heavy degree of complementarity between institutions, with the EU, for example, often funding initiatives of the CE and OSCE. Ignoring dependency of this nature, where one institution’s behavior explicitly influences the behavior of another, would lead to omitted variable bias.<sup>53</sup> Model B (Table 4-12 above) allows for a much stronger degree of interdependence by explicitly including in each

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<sup>52</sup> The interpretation of the positive coefficient on non-European institutional activity for ad hoc cooperation is unclear from the present codings. Without knowing which organization(s) and states responded, we cannot determine whether the positive relationship indicates action by states uninvolved with the collective response, or additional action by states who are already part of the collective response.

<sup>53</sup>(Franzese and Hayes, 2007).



institution's equation an independent variable indicating whether any of the other institutions in the study had acted on the event.

These variables are not unproblematic. In particular, since the outcome in each institution influences all other institutions, introducing these "Institutions Other Than" (IOT) variables creates a distinct case of endogeneity. The outcome in one institution affects the probability of cooperation in the second, third, etc., institutions, but in turn we want to use the outcomes in institutions 2, 3, and 4 to predict cooperation in the first. Endogeneity of this nature leads to the endogenous explanatory variables being correlated with the error terms. The typical solution to the endogeneity problem is to use an instrumental variables framework, in this case with appropriate instruments for the behavior of the other institutions, so that the instruments are not correlated with the error terms. If only a single variable were endogenous, this would likely be a viable strategy. Unfortunately, this case would require instruments for several jointly endogenous variables. Finding an instrument that is exogenous to all four institutions but still predicts the activity of one is a daunting prospect – finding four such instruments is likely impossible.

Instead, I mitigate this problem somewhat by coding the IOT variables as whether *any* of the remaining institutions acted, rather than including separate variables for whether each acted. To take the case of  $IOT_{EU}$ , for example, three sets of independent variables – those explaining whether the CE, OSCE, and NATO reacted – are involved in determining whether the value of  $IOT_{EU}$  is 1. The EU's own outcome is in each of those sets, but the number of other variables cushions the effect of the EU. Moreover, since only *one* of those components needs to be a success (produce cooperation) for  $IOT_{EU}$  to equal 1, the total effect of the EU's implicit entry on

the right hand side of its own model is smaller than if each of the institutions were a separate variable.<sup>54</sup>

Model B presents the results of a second simultaneous estimation that now includes the (endogenous) IOT variables.<sup>55</sup> Even though the IOT variables fail to attain statistical significance in their own right, several notable differences emerge between this model and Model A. For the EU, the sign on geographic region has reversed, though the coefficient itself remains insignificant; salience remains the sole significant predictor. For NATO, salience loses some significance; the same happens for action by other non-European institutions in the model of CE behavior. In the Council of Europe as well, the effect of non-European institutions becomes insignificant in the presence of the IOT control. The model for the OSCE remains unchanged and continues to perform poorly.

The models in Table 4-12 describe relationships between the predictive variables and institutional output. While the IOT variables and the seemingly unrelated probit framework allow the coefficients to reflect interdependent relationships between the outcomes, Table 4-12 does not allow us to make direct conclusions about complementary and substitutable relationships between the available outcomes. Table 4-13, on the other hand, allows us to draw these conclusions. It shows correlations between the residuals generated by Models A and B from Table 4-12 in panels A and B, respectively. These correlations capture unmodeled relationships between the different outcomes; by comparing these directly across the models, we can obtain estimates of the relationships between the outcomes. Positive correlations in this case reflect a complementary relationship between outcomes; the use of one makes the occurrence of

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<sup>54</sup> Models which included the responses of each of the ‘other than’ institutions separately collapsed as a result of collinearity and perfect prediction.

<sup>55</sup> The model for OSCE activity does not include an IOT<sub>OS</sub> variable as it predicts perfectly.

the other more likely. Likewise, negative correlations reflect substitutable relationships, where the occurrence of one outcome makes another less likely.

**Table 4-12. Residual Correlations from Seemingly Unrelated Estimations**

<b>A. Model A</b>	<i>Unilat.</i>	<i>Ad Hoc</i>	<i>EU</i>	<i>NATO</i>	<i>OSCE</i>	<i>CE</i>
<i>Unilateral</i>	1.0000					
<i>Ad Hoc</i>	0.2727	1.0000				
<i>EU</i>	-0.0838	-0.0384	1.0000			
<i>NATO</i>	0.1848	0.0661	0.0356	1.0000		
<i>OSCE</i>	0.1086	0.0164	0.1123	0.4184	1.0000	
<i>CE</i>	0.0241	0.0883	0.0232	0.4434	0.4585	1.0000
<b>B. Model B</b>	<i>Unilat.</i>	<i>Ad Hoc</i>	<i>EU</i>	<i>NATO</i>	<i>OSCE</i>	<i>CE</i>
<i>Unilateral</i>	1.0000					
<i>Ad Hoc</i>	0.2727	1.0000				
<i>EU</i>	-0.0976	-0.0373	1.0000			
<i>NATO</i>	0.1958	0.0714	-0.1522	1.0000		
<i>OSCE</i>	0.1086	0.0164	0.0377	0.3500	1.0000	
<i>CE</i>	-0.0127	0.0642	-0.0589	0.3962	0.3841	1.0000

**Notes:** Cell entries are correlations of residuals from Models A and B of Table 4-12.

Model A does not contain the ‘institutions other than’ variables. The unexplained portions of the observations are thus somewhat larger than in the Model B because the variance captured by the IOT variables remains in the residuals in Model A. As a result, most of the correlations are larger in absolute terms in Model A. Substantively, Model A suggests two important things. First, unilateral action complements ad hoc activity, though the relationship is only moderately strong. Also, a slightly weaker relationship exists between unilateral behavior and NATO action; this deserves further investigation. Second, a strong complementarity relationship exists between NATO, the OSCE, and the CE ( $r > 0.4$ ), but none of these bodies has a strong relationship to the EU. This is perhaps a function of the institutions’ substantive jurisdictions; the three institutions’ jurisdictions overlap substantially, and the EU’s jurisdiction contains a number of issues that are not part of these three bodies’ remits. This finding is perhaps more intriguing in light of the extensive formal ties and coordination structures between the EU and the OSCE and CE, which we might have expected to produce strong positive correlations

between them. The EU's residuals correlate to the OSCE's at  $r = 0.11$ , suggesting a mild complementarity, but this value is not particularly large relative to the values for the OSCE and CE.

Model B, on the other hand, contains the IOT variables in the institutions' models. The models for unilateral and ad hoc behavior have not changed, so the moderately complementary relationship of Model A persists here as well. The moderate relationship between unilateral and NATO activity has strengthened as well, though it still falls short of the relationship between unilateral and ad hoc behavior. The OSCE, CE, and NATO continue to be strongly related, though to a lesser degree now that the behavior of the other institutions is directly modeled in the simultaneous estimates. The most intriguing difference between the two models appears here in the relationship of the EU and NATO. These two institutions go from having a positive but substantively insignificant relationship in Model A ( $r = 0.0356$ , panel A) to having a moderately strong *substitute* relationship in Model B ( $r = -0.1522$ , panel B). When the models allow for more explicit interdependency between the outcomes, we see a substitution relationship emerge. This is perhaps suggestive of the 'division of labor' that the organizations sought to reach at various points during this period. While the member states never reached a formal agreement on a division of labor between the two bodies, some informal jurisdiction splitting did occur, at least on a case-by-case basis. This relationship deserves further investigation, perhaps through detailed policymaker interviews, to elucidate how the two bodies interact and whether this relationship has changed over time.

### ***A Precautionary Note About Statistical Power in Small Samples***

This chapter has explored relationships between forms of foreign policy behavior using a series of increasingly complex econometric tools on a relatively small sample of 60 cases. The limited variation contained in these cases has severely restricted the set of possible analyses and has most likely affected the findings. The OSCE is a case in point. Across the 60 events, it responds to only 4; the CE likewise responds to only 6 of 60. The resultant constraints on the dataset – particularly the limited set of contexts in which ‘success’ occurs – almost certainly weaken the model’s ability to find statistically significant relationships. These constraints are only magnified as the complexity of the model being estimated increases. Thus, some of the weak findings, particularly in the seemingly unrelated simultaneous models, are probably not so much a function of the weakness of the theory as they are a function of the weakness of the data. Further work will expand the dataset and re-test the hypotheses on more diverse data.

### **Conclusion**

This chapter has examined patterns of outcomes in foreign policy behavior, focusing on the role of variables related to capacity and consensus in determining which outcomes emerge in international events.

Indicators of consensus, or an institution’s likely ability to achieve it, include the distribution of member preferences, the number of members, the institution’s formal and informal jurisdictions, security policy orientations of institutional leadership, and the event’s overall salience. Salience is a fairly stable predictor of cooperation, with increased salience leading to increased probabilities of cooperation. The number of members has a strong and negative effect on an institution’s ability to achieve cooperation, as measured by the institution’s

annual cooperation output. Models examining distribution problems, measured as dispersion of government preferences, consistently have the correct sign though they fail to attain statistical significance; data limitations restrict this finding, however, to models of the EU only.

Indicators of capacity are fewer and less informative for two reasons. First, the institutional capacity needed to act in this study is the ability to pass a declaration. No variation exists on this variable: All of the institutions and individual states considered here have that capacity. Second, the two primary measures of capacity used here are blunt and, partly as a result of their construction, not particularly informative. Capabilities, measured as both (logged) GDP and as the Correlates of War Composite Capabilities Index, produce significant effects on an institution's annual amount of cooperative output. Because both are constructed as additive measures of member state capabilities, though, these measures by definition have to increase as the number of members increases. The negative coefficient most likely results from the positive correlation between number of members and the capabilities measures.

The analysis in this chapter leaves open a number of questions, however. The role of capacity is still unclear, particularly in explaining unilateral behavior and extra-institutional cooperation. When states have decided to use an institution, how do the kinds of general capacities examined here relate to institution-specific capacities such as particular aid programs or access to particular equipment or expertise? Do states deliberately try to maneuver around potentially obstructionist states by choosing fora that exclude, marginalize, or disenfranchise the preference outliers? Why do states choose to use multiple forms of response - and in particular several institutions - simultaneously when this imposes higher coordination costs without producing a clear benefit?

In-depth examination of a single case can help to shed light on these questions. Chapter 5 returns to the case of Albania's collapse in early 1997, when the states of Europe enacted one of their most complex and drawn-out responses ever. This case affords a range of outcomes – from unilateral statements and actions by some but not all actors, to statements and independent actions by some but not all institutions, and finally to a coordinated action. It also includes a range of potential motivating factors – geographic proximity, cultural differences, security aspects, and human rights and economic concerns. The combination of these factors makes it a rigorous and challenging test for explaining foreign policy behavior at the state level.