

(Not) Going Along to Get Along:

Subgroup Cooperation in European Foreign Policy

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The rise of ‘variable-speed integration’ in the European Union, in which those members who wish to pursue deeper integration are permitted to do so within the Union’s structure, provoked a large firestorm of debate when it first emerged. It continues to be a contentious topic today, despite its increasing use in EU institutions, and in the Common Foreign and Security Policy institutions in particular. States vehemently take sides over whether more subgroup cooperation is good for Union cooperation or whether it will instead water down the Union and create an incoherent system.² What is more, provisions for subgroup cooperation have appeared in other European institutions as well, such as the North Atlantic Treaty Organization (NATO). When NATO first presented a strategic concept that allowed for subgroup cooperation on issues of European security “where the Alliance as a whole is not engaged,”³ critics charged that such arrangements would decrease the credibility of the Alliance as a whole by exposing divisions among the members.⁴

What opponents of subgroup cooperation failed to note, though, is that by creating structures which increase an organization’s flexibility, states can actually *increase* their ability to avoid individually undesirable outcomes while simultaneously preserving their own ability to pursue joint gains (though whole-group cooperation) and individual gains (through subgroup cooperation). Provisions for subgroup cooperation beyond the extent of some base institution preserve the parties’ gains from the base institution by allowing cooperation to continue even in the face of disagreement among the parties. Subgroup cooperation provisions also allow states

¹ Later versions of this paper may be available at <http://www-personal.umich.edu/~lpowner>. The ideas developed in this paper benefited from early discussions with Sarah Croco, Barb Koremenos, Jim Morrow, and Joel Simmons. Ashley Leeds, Michael Brewster-Hawes, participants in the University of Michigan’s Nameless Internal Seminar, and MPSA and APSA panel attendees also gave useful feedback.

² See, for example, Laurent and Maresceau (1998:1-23 but especially 5-8, 17-18) and also Forster and Wallace (1998).

³ The expression is ubiquitous in Alliance and EU declarations; see, e.g., North Atlantic Treaty Organization (2002).

⁴ See the discussion in Kaplan (2004:118-121).

who are preference outliers on any issue to take advantage of the cooperation structures established by the institution in pursuit of their own goals. In the absence of such provisions, these actions would have occurred on a unilateral or *ad hoc* basis outside of the institution. Finally, carefully crafted provisions – either decision rules to authorize such subgroups or general restrictions or authorizations in the founding treaties about when subgroups may occur – can provide states with a better opportunity to avoid undesirable outcomes, such as those that occur from partners' *ad hoc* or unilateral actions.

This paper explores these three effects of subgroup cooperation provisions in the European Union (EU), specifically provisions related to the Common Foreign and Security Policy (CFSP), and in NATO. Very carefully designed elements of flexibility in these organizations allow the institution to continue to operate over a broader range of issues, a broader range of preference distributions, and an increasing set of participants. Explanations of institutional design precede a further discussion of the logic outlined here. Two brief case sketches follow: the Treaty of Amsterdam and post-Amsterdam developments in the EU's CFSP, and NATO's efforts to develop and implement its Combined Joint Task Force (CJTF) concept.

Institutional Design and Institutional Objectives

Cooperation occurs when states coordinate their policies to achieve a mutual benefit or capture joint gains which they otherwise could not attain through unilateral action. (Keohane 1984) Institutions to support such policy coordination, then, should be designed to maximize the amount of gains (from all sources) that the members capture.

Downs, Rocke, and Barsoom (1998) sketch a brief model of cooperation in which states value gains from multilateral cooperation now but also place some value on future payoffs. The

players face a tradeoff, though. They could adopt a cooperative policy of some level that includes all or most of the actors in the system; this policy would be at the most conservative end of the ‘core,’ or set of policies which cannot be outvoted under the selected supermajority rule.⁵ Such an outcome could potentially produce substantial gains, depending on how extreme the conservatives are, provided that the number of participants is sufficiently large that even small liberalizations by enough conservative states sums to a reasonable amount and is expected to persist over time.

For the more liberally minded members of this system, though, the value of this outcome could pale in comparison to an agreement among a smaller set of states that establishes a substantially deeper (more liberal) level of cooperation. Rational states would select an optimal membership set to maximize their expected value from cooperation, where the expected value is a discounted sum of the per-period gains over time. Per-period gains, however, are the result of a particular membership set and a particular selected level of cooperation. This suggests that if the liberal states are sufficiently more liberal than the rest, and particular when a small group of states is substantially more cooperation-minded than the majority of the membership, that a smaller group may benefit more from establishing a separate institution than from pursuing its interests in a broader multilateral environment.

In the case of the EU, the assumption that the design of the Common Foreign and Security Policy (CFSP) institutions is a result of members’ foreign policy preferences when they joined the organization is somewhat faulty; states’ motivations for joining the EU are not that they wish to participate in and benefit from its collective foreign policy. States join the EU for economic reasons. The preferences they bring to the foreign policy ‘pillar’ are generally forged

⁵ Downs et al. (1998:401); under the assumptions of the published model, the treaty level begins around the median actor’s ideal point and eventually evolves until it is no more liberal than the most conservative member of the core prefers.

elsewhere and often are largely unrelated to their preferences for further economic integration. A preference for deeper⁶ or more extensive cooperation on foreign policy is usually a result of preferences for deeper European (political) union, as in the Benelux countries. Opposition to foreign policy cooperation is quite possible in the presence of a preference for deeper economic cooperation (e.g., Denmark) and also in the presence of a preference against any additional economic cooperation beyond the common market (e.g., the United Kingdom). Since EU foreign policy institutions are negotiated among those who are already members of the organization for other reasons, the option of selectively inviting only pro-cooperation members to participate in the initial design of the institution was not possible.⁷ The resulting institution created by the Treaty of Maastricht (Treaty on European Union), which required a consensus among the heads of government and ratification by all twelve national parliaments, is thus constrained by what the most conservative members were willing to accept.⁸

As one might expect, this was not a satisfying outcome for states preferring deeper or more extensive cooperation in foreign policy as it only went a small way toward reforming the existing mechanisms of ‘European Political Cooperation.’⁹ With another round of enlargement looming on the horizon, to the neutral states of Austria, Finland, and Sweden, the logic of Downs et al. (1998) suggests that pro-foreign policy cooperation states should never have consented to

⁶ I distinguish between *deeper* cooperation, meaning cooperation where states cede or pool more sovereignty or establish a more ‘liberal’ level of cooperation, and *more extensive* cooperation, implying cooperation or coordination on a broader range of policy even if the depth of cooperation remains relatively shallow.

⁷ In other words, because the creation of CFSP was an addition to an existing institution, Downs et al. (1998)’s strategy of sequential admission is inapplicable to the creation of the institution. Since states join the institution for reasons other than foreign policy, the sequential logic is also not particularly helpful in explaining institutional evolution in foreign policy.

⁸ This is consistent with the logic of Downs et al. (1998), where the most conservative states at the time were Denmark, the United Kingdom, and Ireland. Ireland has historically had a policy of neutrality; it is not a member of NATO. Most UK politicians, and particularly those of the Conservative Party in power at the time, strongly supported their country’s Atlanticist (pro-NATO) policy positions. Denmark has long opposed any encroachment on its sovereignty, particularly anything that would remove its ability to veto policy outcomes with which it disagreed or at the least to allow it to opt out of these policies.

⁹ For a detailed discussion, see Smith 2004: Ch 7.

commit themselves to review and revise the Treaty on European Union's CFSP provisions. The addition of more states with decidedly conservative positions on foreign policy integration would only move the collective outcome further away from their high-cooperation ideal points.¹⁰ While only states whose addition to the organization produces immediate benefits should be admitted (Downs et al. 1998:403), allowing the enlarged group to select the new level of cooperation should reduce the liberal states' long-run utility from cooperation.¹¹

In a recent piece, Michael Gilligan (2004) addresses why this 'breadth versus depth' tradeoff – the assertion that increased membership will result in a shallower agreement as preferences diverge – may be an artifact of assumptions that modelers make about how organizations work. In particular, once analysts relax the assumption that all members of an agreement must adopt the same policy *outcome*, the tradeoff disappears. An example might be to say that earlier analysts considered trade institutions as establishing, e.g., a uniform 5% tariff rate

¹⁰ Downs et al. (1998:408) make the point that “[a]s the variance of [the preference distribution] grows and especially as the distribution becomes more ‘skewed’ with a disproportionate number of very conservative states, the advantage of the sequential construction strategy grows because it ‘dampens’ the negative impact on the treaty level of adding conservative states.” As noted above, though, states are not joining for reasons of foreign policy; in the context of the economic union, this logic makes sense. With the existence of a unanimity/consensus rule, rational liberal states who gain substantial utility from foreign policy cooperation should have refused to consent to renegotiation in expectation of the new conservative members exerting a similar veto over further efforts to liberalize.

Downs et al. (1998:405) do note, however, that “the impact of relatively conservative states on the absolute depth of cooperation in the multilateral is likely to be nonexistent as long as [the new conservatives] continue to liberalize.” Some evidence exists to support this point. While Ireland had not relaxed its formal neutrality in twenty years of European Political Cooperation (the predecessor to CFSP), it had shown a willingness to begin discussing issues of security in the new CFSP, which constituted a major change in behavior on its part. In the uncertain political environment of the Cold War's immediate aftermath, EU member states may also have had reason to believe that Austria and Finland, whose neutrality largely resulted from their unique geopolitical positions between the superpowers, would liberalize their preferences for foreign policy. Swedish neutrality was constitutional, though, and had no explicit Cold War basis that would lead casual observers to predict change.

¹¹ Unless, of course, the benefits from these states joining, particularly in the short term between their accession and the scheduled treaty review in 1996-1997, were large enough to offset the reduced gains from a lower level of cooperation in the post-revision period. Given the preference distribution and the initial level of cooperation, this seems highly unlikely. Interestingly, however, all three acceding states made public and repeated declarations of their intentions to participate fully in the CFSP, including its security dimensions. This is notable because it suggests that policy makers were aware of the concerns discussed here and wished to mitigate them if possible.

across all members.¹² Instead, the more common approach is to establish a uniform (often minimal) level of *reductions* – a 5% reduction allows liberal states, whose tariffs are already likely to be low, to make them even lower, while more conservative states are taking an equal rate of reduction but from a higher base. The conservative states still have a higher level of protection than the liberal states, but both groups have achieved a collectively more liberal outcome.

Taking this argument two steps further produces the logic of subgroup cooperation. First, rather than requiring all members of the organization to adopt a single policy like a reduction rate, some organizations create staggered reductions or multiple tiers of reductions. Each member state then pledges a minimum amount of liberalization that it is willing to perform. We then see a collectively more liberal outcome, where the amount of added liberalization from the new treaty varies on a sliding scale so that more conservative members liberalize but usually not as much as liberal members liberalize. As a second step, then, subgroup cooperation is simply a sliding scale arrangement where liberal states (or more cooperation-minded states on that particular issue) select an increased level of integration and more conservative states pick a low or zero level of increased integration.

The implications of this for whole-group cooperation are twofold. One, depending on the particulars of the institution in question, conservative states can benefit from allowing subgroups to move forward. For example, the formation of a free trade area or a group of states that lowers its internal and external barriers can benefit non-members because non-subgroup members also benefit from the reduction in external barriers and sometimes benefit from the reduction of internal barriers (though often indirectly, through things like the increase in total world income).

¹² If we imagine that all states in a preferential trade agreement, for example, had to adopt the tariff level of the median state, then we would in theory see some states in a tariff-reducing agreement *increase* their tariffs to reach the common level.

In the context of European institutions, the creation of European Monetary Union (EMU) benefits non-Euro-using states by allowing their firms access to the larger single-currency area with still only one exchange transaction. To the extent that the single currency smoothes economic fluctuations in the Eurozone, non-Eurozone members and other external trading partners also benefit. In security issues, EU member states which opt not to participate in the formation of 'rapid response' military brigades still receive the benefits of the public good of European security. As the issue on which the organization's members liberalize increases towards being a pure public good, the value of subgroup cooperation (and hence its likelihood of appearing in an agreement) should increase: The non-excludability of public goods gives non-participants reason to consent to the subgroup's cooperation.¹³

Second, and in contrast to the previous incentive towards subgroup cooperation, allowing multi-speed integration or liberalization risks decreasing group cohesion. In the case of a heavily political project like the EU, this is opponents' primary fear: that those who are frequently or regularly outliers, and who would generally not participate in subgroup activity, would come to find themselves as laggards or in a type of second-tier membership.¹⁴ Creating a sense of second-class citizenship in an organization that purports to unify Europe both politically and economically would then be a counter-productive tactic. Better to liberalize slowly with all states, these opponents would say, rather than risk increasing the already-apparent divisions in the group; fracturing the organization would be more costly than delaying deeper integration until the whole group progresses. This logic leads to an argument that the more 'political' an

¹³ Boyer (1992) presents an alternative view of international security as a public good which focuses on states having a form of "comparative advantage" (6) in producing various elements of international security. He finds a roughly similar logic for allowing groups to cooperate on selected issues, though his argument revolves around the concept of issue linkage and gains from 'trade' in security goods like foreign aid, armaments, and defense.

¹⁴ See, for example, Shea (1990).

organization's mission, the less likely the organization should be to adopt subgroup cooperation provisions.

The field of European security leads to contradictory predictions from these two lines of argument. European security cooperation is the quintessential political project, designed to cement and be a public declaration of the participation of the United States in the postwar European order.¹⁵ Security is also, though, the textbook case of a public good. During the Cold War, all parties to the various (western) European security and foreign policy institutions agreed that keeping the Soviet Union out of Western Europe was a good goal for all members to pursue. While provision of collective security through NATO was rife with the usual kinds of free rider concerns that any public good experiences, member states were at least reasonably successful at producing the public good. The frequent and intense debates over 'burden sharing' are a sign of the public good quality of European security; moreover, the increasing frequency and intensity of these debates during the later years of the Cold War suggest that divergent preferences over how much of what type of security to provide began earlier than we might expect. At the end of the Cold War, states began to express concerns over localized – and particularly border-region – security threats. While European security still remained a public good in general, its non-excludability appears to have decreased as the overall collective threat decreased. Excludable security threats arose that prompted increasing divergence in preferences for the level and type of European security that the institutions provided.

Competing Logics

The logic of public goods and the logic of politics make contradictory predictions, then, about when and why states might have incentives to create subgroup cooperation mechanisms

¹⁵ Shea (1990).

within organizations. A third set of explanations focuses more generally on the incentives states have to design institutions as they do. These explanations descend from the Rational Design of International Institutions project¹⁶ and focus on the interaction of particular state incentives with particular institutional features. In particular, the portions of the project of interest for this question are ones addressing flexibility, centralization, control, number, distribution problems, and uncertainty about the state of the world.

Three of the project's five dependent variables are of interest in discussions of subgroup cooperation; I focus here on the effect of provisions for subgroup cooperation on the value of these dependent variables.¹⁷ First and foremost, provisions for subgroup cooperation are a form of adaptive *flexibility*, to use the project's terminology. Adaptive flexibility mechanisms allow the group to preserve overall cooperation within the institution's framework, even in the face of shocks or adverse distributions of preferences. Other common forms of adaptive flexibility include escape clauses, opt-out clauses or reservations, and decision rules short of unanimity. One might think of subgroup cooperation as 'opt-out clauses in reverse.' Where an opt-out provision allows a small number of states who disagree with a collective advance in liberalization or other collective policy change to decline to participate in it, subgroup cooperation provisions allow a small number of states who prefer to liberalize or cooperate more deeply or extensively than the rest of the group to do so.¹⁸

Provisions that authorize subgroup cooperation within the context of an existing institution effectively increase the *centralization* of policymaking on that issue. The most

¹⁶ The primary description of this project and its major 'conjectures' is in Koremenos, Lipson, and Snidal (2001), though a number of others contributed to the development and exploration of the ideas via their participation in the drafting of articles/chapters for the resulting special issue of *International Organization*. For convenience, I sometimes reference this in the text as 'the project.'

¹⁷ Explanatory variables, as well as predictions about what levels of the explanatory variables would encourage adoption of subgroup cooperation mechanisms, follow below.

¹⁸ For a discussion of the different possible combinations of these policies debated in the European Union, see Stubb 1997.

common forms of centralization practiced by international institutions include the collection and dissemination of information, but some institutions provide centralized services for dispute resolution, policy coordination, behavior monitoring, or other needs. The key element of centralization is a delegation of some authority or behavior to the institution itself or to the group of states in the institution, some “single focal entity” (Koremenos et al. 2001:771) which then makes decisions or performs tasks on behalf of the individual members. The establishment of a common policy is a form of centralization, albeit a weak one; the group decides on behalf of the members.

In the case of subgroup cooperation, though, a curious set of developments occurs. Provisions for subgroup cooperation provide for the centralization of behavior (and of the management of behavior) that might otherwise occur outside of the organization. If the provisions include some arrangement for collective authorization of subgroup activity, bargaining over the nature and form of subgroup cooperation will occur in the institution’s central forum as the subgroup members work to obtain group authorization for their preferences. Subgroup members who otherwise might have pursued their own policies independently obtain a forum in which to coordinate their activities. Finally, subgroup cooperation frequently takes advantage of the main institution’s coordination or administrative capacities, so that subgroup activity is organized or at least administered through central facilities.¹⁹ The end result is a centralization of decentralized cooperation.

¹⁹ This is more the case in fields where coordination and administration require extensive support facilities. Security cooperation requires substantial investments in communications equipment and in harmonizing plans and operating procedures; central organizations of which all subgroup members are a part often have such capabilities. In the case of trade, this need is much less pronounced; regional trade or environmental agreements are capable of the investment levels needed to create their own dispute resolution or information exchange bodies though they may choose to avail themselves of centralized services if some exist. A sub-hypothesis which emerges from this observation is that as the costs of subgroup coordination rise, subgroup coordination should be more likely to occur through the central body than in an entirely independent manner.

As the discussion of centralization suggests, provisions which require collective authorization of subgroup cooperation have the ability to increase states' *control* over policy outcomes. *Control* in the Rational Design sense refers to the processes and mechanisms by which collective decisions occur (Koremenos et al. 2001:772). In particular, the interest is in how well states can avoid or block outcomes they deem detrimental to their interests. A decision rule requiring unanimity or consensus to authorize subgroup activity provides states with the ability to block outcomes – even outcomes in which they do not participate – from occurring should they feel these outcomes will affect them negatively.²⁰ Even a weaker agreement containing some restrictions on the conditions under which subgroup activity may occur rather than an authorization requirement represents increased control, since the restrictions are presumably on unilateral or small-group behavior outcomes that states preferred in general to avoid.²¹

Explaining the Emergence of Subgroup Cooperation Provisions

Having established the effect of subgroup cooperation provisions on key dependent variables, the obvious question becomes, under what conditions will states adopt (or feel pressure to adopt) subgroup cooperation provisions? Three of the Rational Design project's independent variables, along with an additional independent variable in a similar vein, provide a

²⁰ This, of course, does not prevent potential subgroup members whose request is blocked from continuing as they planned without reliance on institutional support. As the previous note suggested, though, the high costs of coordination in security affairs reduce the chances that this will occur, or at least that it will occur effectively enough to jeopardize a reluctant state's security substantially.

²¹ Here we might consider the provisions in the General Agreement on Tariffs and Trade that permits the formation of preferential free trade areas *provided* that the FTA includes "substantially all" goods traded between the countries *and* that the overall level of protection afterwards is no higher than the average level of pre-agreement protection. This provides states with protection against specialized trade areas that work to the benefit of primarily one of the participating states and not the other, and also against the formation of regional enclaves with free trade internally and substantial barriers externally. GATT only required states to register FTAs with its secretariat and had no ability to enforce these provisions, but casual evidence suggests that states did at least go through the forms of complying with the substantive provisions as well as the procedural (registration) ones.

series of “conjectures” (Koremenos et al. 2001) that shed some light on this issue and also help to suggest particular features that subgroup cooperation should have in the field of European security. This section explores the effects of number and distribution problems, and of uncertainty about the state of the world and jurisdiction, on states’ interests in adopting provisions for subgroup cooperation.

Increases in number, and particularly increases in number in conjunction with distribution problems, can enhance states’ desire to adopt flexibility measures such as subgroup cooperation.²² Koremenos et al. (2001: 777) define the independent variable *number* as “the actors that are potentially relevant to joint welfare because their actions affect others or others’ actions affect them....[It is] an exogenous feature of the issue context.” In the case of a pre-existing institution, number is often the set of states who are part of the institution (the value of the dependent variable *membership* as determined in a previous round). It may also include states which are applying to join the institution or states with which the institution interacts on germane policy issues. For the purposes of European security, number involves both the membership of the institutions themselves and also the Soviet Union, and later its successor and former client states.

Increases in number alone may be sufficient for the emergence of subgroup cooperation provisions. A small peacekeeping mission, for example, would not require a large enough group to warrant contributions from all members of a large organization; the transaction costs of coordinating a group of that nature would militate against arrangements of token contributions from a large number of states and towards moderate contributions from a small number of

²² Like the authors of the Rational Design project, I also assume throughout this discussion that states are risk averse.

states.²³ In this case, states confront a tradeoff between coordination costs and contribution costs; if contribution costs are offset by collective assessments towards providing the public good, subgroup structures will be more efficient for providing the good than will whole-group action. Cooperation on water pollution affects all states, but if the Black Sea is polluted and is polluting into the Eastern Mediterranean, the involvement of global-body members Japan and/or Belize is both unlikely and an inefficient use of those states' resources since the externality imposes only minimal costs on them. The states bordering the Black Sea are the most likely to want to cooperate here. If states anticipate situations like these occurring frequently, where coordination or similar costs make whole-group action undesirable or inefficient, they should be more likely to adopt subgroup cooperation provisions.

Distribution problems occur where the parties disagree about the most preferable solution for a situation or problem. As preferences diverge, achieving agreement often becomes more difficult. Thinking in terms of simple probability, assume that preferences are distributed unimodally around some policy which is the 'true' collective preference on an issue. As the number of draws from the preference distribution (i.e., the number of actors involved) increases, the chance of obtaining at least one outlier grows. Under a unanimity or consensus voting rule, this suggests that cooperation will become less frequent or at least less likely. Outliers may find that their reversion value, the utility of the noncooperative outcome that would emerge if the outlier blocked a decision, exceeds the utility of acquiescing to a cooperative outcome too distant from their own ideal point. With a unanimity or consensus rule, then, the outlier would prefer to block cooperation and deny joint gains to others, rather than accept a less preferable outcome.²⁴

²³ EU practice in Operation Concordia in the Former Yugoslav Republic of Macedonia belies this; 357 troops from 13 EU members and 14 other states results in an average of 13 troops per contributing state. See Howorth 2005: 192.

²⁴ This logic provides support for claims of why non-unanimity decision rules constitute a form of flexibility.

As the variance of the preference distribution, i.e., the severity of the distribution problem, increases, both the probability of drawing an outlier *and* of that outlier being far enough from the modal preference to prefer blocking agreement increase. This is effectively an interaction between number and distribution problem which reduces the likelihood of cooperation substantially – *unless* states implement some form of flexibility into the agreement. Flexibility provisions allow institutions to persist despite divergences in preferences. Since preferences on particular issues are generally short-run concerns, adaptive flexibility choices are more likely to be useful to states in this situation than transformative flexibility options. Renegotiation becomes particularly costly as both the number of actors increases and also as the extent of the issue space to be bridged (the severity of the distribution problem) increases, and other forms of transformative flexibility face the same situation.

Among the available adaptive flexibility mechanisms, then, subgroup cooperation provisions are likely to be the best available solution to problems of both increasing number and increasing divergence in preference. Decision rules other than consensus or unanimity are increasingly unattractive because as the number of participants grows, the number of combinations which would leave any individual state in an outvoted minority grows as well. Risk aversion leads to a preference for high supermajority or unanimous/consensus voting rules, especially in very sensitive issues like security and foreign policy where the costs of being outvoted are potentially quite high. These types of decision rules, while increasing institutional flexibility, also have the side effect of decreasing individual states' control over undesirable outcomes.

Opt-out clauses also become undesirable as the number of participants grows and as their preferences diverge. Large numbers of participants opting out may leave the institution able, in

theory, to adopt a cooperative policy but unable in practice to execute it. This is particularly likely as the issue approaches being a pure public good where contributions from all or nearly all are necessary to provide the good. Opting out is a form of 'legal' free riding when the issue is a public good, but the cost of providing the good for everyone does not diminish as the number of participants (contributors) shrinks. Parties facing large numbers, distribution problems, and frequent use of opt-outs incur the transaction costs of supporting the institution and bargaining over a common policy, but they do not receive the gains from cooperation that made policy coordination initially attractive.

Under these circumstances of large numbers and (potentially) high variance in preferences, subgroup cooperation provisions are among the most attractive possible flexibility provisions to select. First, allowing subgroups to cooperate on particular issues preserves the group's gains from cooperation on broader issues of interest to all. Since the institution itself is preserved from issue to issue, the subgroup of states interested in Black Sea pollution can act on that issue, availing itself of the central institution's monitoring or coordination facilities as needed, but the rest of the group can limit its cooperation to the broader issue of oceanic pollution. Allowing the Black Sea group to pursue its preferences on that issue does not detract from the provision of the main public good, and in fact may well enhance it if efforts to clean up the Black Sea in turn reduce future needs to clean up the Mediterranean or the Atlantic.

Likewise, the second reason that states will find subgroup cooperation attractive is that these provisions allow them to pursue their own particular gains at lower costs on issues where they are (moderate) outliers. In effect, subgroup cooperation provisions allow states to add a second (or third or fourth) issue to the primary issue already addressed by the institution. Returning to our preference distribution example from above, consider a situation where on issue

x – global oceanic pollution or European security, for example – the preference distribution is unimodal and the median is at 0.75 on the interval $[0, 1]$. We would expect a collective policy outcome at or around 0.75 on issue x , depending on the voting rule,²⁵ so that for any state A , the utility of cooperating on issue x is A 's utility from 0.75. For simplicity, assume that state A achieves its ideal point there.

Imagine now an issue y , with preferences also distributed $[0, 1]$. This issue might be Black Sea pollution or instability in a bordering region like Albania. On this issue, the majority of states involved have an ideal point of 0 or some other very low value, so that cooperation on this issue is for them likely to be more costly than beneficial.²⁶ This produces a spike or lump in the preference distribution at the low end of the scale. For a small group of states, though, cooperation is likely to be very beneficial; their ideal points are higher and clustered around, say, 0.6. With provisions for subgroup cooperation, a state in this high-preference cluster can capture gains from cooperation on issue y *and* issue x ; states in the low-preference cluster can remain unaffected and in most cases would incur no or low costs.²⁷

State A 's utility function from subgroup cooperation then becomes the sum of its utilities from issues x and y , weighted by how much it cares about each issue. So long as A derives some net benefit from issue y , even in discounted terms from avoidance of future costs, A benefits more from a situation allowing subgroup cooperation than without it. More to the point, imagine now that A is a member of the subgroup with higher preferences on issue y . A 's costs of cooperating on issue y are reduced by the presence of institutional support and also by the

²⁵ I assume for simplicity that the median voter is pivotal under majority rules. In any case, the analysis is analogous for decision rules other than simple majority but short of unanimity. The analysis is slightly more complicated though generally similar under unanimity rules.

²⁶ Unless the costs are very low, as the discussion below suggests.

²⁷ The institution might hire another analyst to handle issues of interest to subgroups or incur costs for hosting another set of (or slightly longer) meetings; these costs would be distributed in whatever manner the institution's base costs are already shared. As number increases, each state's share of the additional cost shrinks, making subgroup cooperation provisions even more attractive in the face of large numbers.

possibility of burden-sharing with its preference-sharing partners. Since *A* places a substantial weight on issue *y*, its utility from an agreement would increase substantially from provisions that allow it to take advantage of existing structures and resources in pursuit of its own goals on *y* or any other issues in which it is a moderate outlier.²⁸

For many institutions, all states could plausibly expect to be in state *A*'s position at some point, where they are members of a minority with distinct interests on a related issue. This gives them an incentive in bargaining to create subgroup cooperation provisions, in hopes that they themselves can use them to their benefit. More generally, the more likely a state believes that it will find itself a moderate outlier on one or more issues within the institution's jurisdiction, the more beneficial the state will find opportunities for subgroup cooperation. This is increasingly likely as the number of states involved grows and as the distribution problem (variance in preferences) grows.

The logics above combine to produce three hypotheses about number, distribution problems, and subgroup cooperation as a flexibility provision.

H1a: As *number* increases, the probability of adopting subgroup cooperation provisions increases.

H1b: As the severity of the *distribution problem* increases, the probability of adopting subgroup cooperation provisions increases.

H1c: The interaction of increasing *number* and increasingly severe *distribution problems* should substantially increase the probability of adopting subgroup cooperation provisions, even more than over other forms of adaptive flexibility.

H1a and H1b parallel 'conjectures' offered by Koremenos et al. (2001) about flexibility, number, and distribution problems; H1c is generally consistent with these conjectures as well though it is

²⁸ Moderately outlying preferences are necessary to ensure that the state has some potential cooperation partners with similar preferences. States that anticipate being frequent and extreme outliers probably will not find much benefit in an agreement at all, and they would be less likely to benefit from subgroup cooperation provisions simply because they would be a subgroup of 1. The ideal point of the median or pivotal voter, which is the location of a subgroup cooperative outcome, is probably still quite distant from the outlier's ideal point, even if it is absolutely nearer than the status quo or the entire-group cooperative outcome. Cooperation provisions that facilitate group action and increase group control would be restrictive on the outlier state, and so that state would achieve a more preferable outcome from unilateral action outside the context of the institution.

not explicitly one that they mention. An increase in the number of participants also encourages the adoption of subgroup cooperation for its centralization effects. The logic for this was presented above, though I present no explicit hypotheses here; this discussion too is consistent with one of Koremenos et al. (2001)'s conjectures about centralization.

Additional Influences

The discussion above hints at two additional factors that could influence a state's perceived likelihood of being an outlier on issues: uncertainty about the state of the world and the range of issues included in the institution's jurisdiction. *Uncertainty about the state of the world* is an independent variable from the Rational Design project, addressing uncertainty about the consequences of an agreement, a policy choice, or an institutional action or decision.²⁹ States who are uncertain about the distribution of benefits of an agreement, for example, will prefer agreements that let them pursue their independent interests (to increase personal gains) without jeopardizing whatever portion of the collective gains they may be receiving.

Jurisdiction is a variable modeled on the project's distinction between *membership*, a dependent variable, and *number*, an independent variable. Number is often partially determined by the value of the membership variable in a previous round of negotiations. Likewise, *jurisdiction* in this round is often a product of factors affecting the institution's *scope* (a dependent variable) in a previous round of negotiations. An institution's jurisdiction is the set of issues in which it has competence to act or to coordinate policy. Jurisdiction may be narrow, as in the case of a cartel like OPEC or the International Coffee Agreement, or it may be very broad, as in the United Nations. An institution with many different possible issues under its jurisdiction

²⁹ Uncertainty about the state of the world essentially captures all types of uncertainty not captured by two other independent variables, uncertainty about behavior and uncertainty about (the other actor's current) preferences.

has a vastly larger set of potential preference distributions than a narrow jurisdiction institution.

A state that is uncertain what issues will emerge in a particular institution, or what its preferences will be on those issues and how they will interact with the institution's decision rules, will prefer increased flexibility to allow it to opt out or opt in as particular issues of more or less value to it emerge.

This discussion already suggests that uncertainty about the state of the world interacts with jurisdiction for a particularly large effect on the attractiveness of subgroup cooperation provisions. In particular, under situations of both broad jurisdiction and substantial uncertainty about the state of the world, states will prefer both provisions that allow them to opt in and out of particular policies (i.e., highly flexible institutional arrangements), and also provisions that allow them to exercise more control over outcomes. Because neither issues nor preference distributions are predictable under these circumstances, risk-averse states prefer to preserve the ability to block less-desirable outcomes. Trade and security issues differ substantially on this point; a brief example serves to clarify.

States in the GATT were uncertain about how gains would be distributed and how particular policy changes would affect domestic industries. They took advantage of regular bargaining rounds to adjust the distribution of gains; this, however, is a long-run solution to the problem. The short-run solution was an element of adaptive flexibility, allowing states to opt out temporarily by imposing safeguard measures under demonstrated hardship and specified conditions. The costs to any one state from another state imposing such safeguards are likely to be low, even if the safeguards are misused. Rather than requiring particular authorization for each use of safeguard provisions, states put a general set of rules into the agreement and left

enforcement for bilateral action should anyone be particularly hurt by misuse.³⁰ Provisions for subgroup cooperation on trade, namely permission to form preferential trade areas within GATT, had a similar logic though somewhat larger (though less likely) potential consequences of misuse. The narrow jurisdiction of the institution – trade in goods – and the low (expected) consequences of misuse for any one actor made even risk averse states willing to accept this.

Unlike the GATT's general safeguard provisions, flexibility provisions in security span issues with a much more diffuse impact. The consequences of other actors taking action less beneficial to any one state's position, though, could be much larger. State security and survival are, after all, at risk. Turkey would probably be unwilling to opt out of a coordinated policy, for example, that proposed to enhance European security by forcibly unifying Cyprus. More than any other traditional form of adaptive flexibility like opt-outs, escape clauses, or majoritarian voting rules, subgroup cooperation provisions allow states to preserve their ability to block unfavorable policy outcomes. An escape clause or opt-out allows a state to avoid participating in a particular collective policy, but neither provide the state with the ability to prevent others from taking action on a collective policy that it deems damaging to its vital interests. In the post-Cold War world, the range of issues involved in European security grew from merely deterring the Soviet Union to deterring Russia, settling the Balkans, preventing terrorism, and stopping illegal immigration. Under these conditions, the divergent interests of members combined with an unpredictable set of issues to produce a situation where members both wanted to preserve collective gains and pursue individual gains but also wanted to protect their individual interests.

³⁰ Since the GATT's original membership was a set of developed states who had extensive trade across a wide range of sectors, the possible consequences on any one sector were likely to be small, no matter on what sector the trade partner imposed safeguards. Some scholars have also argued that the lack of authorization requirement was also to allow states to adopt such measures rapidly should a change in economic circumstances (or domestic politics) require it. The lack of authorization requirement was thus a measure to help leaders preserve their hold on office by easing their ability to respond.

The best available solution was to create options for subgroup cooperation that contained authorization requirements; these produced increased control along with increased flexibility.

The design of an institution, then, and particularly provisions for flexibility devices like subgroup cooperation, is a function of states' assumptions about the extent of uncertainty that they face, the issues they expect to address in that institution, and their likely position in the collective preference distribution on most foreseeable issues. As before, three hypotheses result:

H2a: As *uncertainty about the state of the world* increases, the probability of adopting subgroup cooperation provisions increases.

H2b: As the *jurisdiction* of an institution increases, the probability of adopting subgroup cooperation provisions increases.

H2c: Increasing *uncertainty about the state of the world* interacts with increasing *jurisdiction* to substantially increase the probability of adopting subgroup cooperation, even more than over other forms of adaptive flexibility.

These parallel the hypotheses on distribution and number presented above. In addition, a fourth hypothesis relates to authorization provisions:

H2d: Increasing *uncertainty about the state of the world* interacts with increasing *jurisdiction* to substantially increase the probability of adopting decision rules that include the ability to block unfavorable outcomes unilaterally; in the case of subgroup cooperation provisions, this will include authorization requirements.

H2a parallels the conjecture of Koremenos et al. (2001) that uncertainty about the state of the world will increase flexibility. While the Rational Design project does not address jurisdiction, hypotheses H2b and H2c are consistent with the logic advanced there and the hypotheses proposed above. In addition, H2c is consistent with their bivariate conjecture that as uncertainty about the state of the world increases, control to block unfavorable outcomes should increase as well. H2d also steps beyond the bivariate conjecture both by identifying an interaction of independent variables and also by specifying the type of control assertion device that states will adopt under these circumstances.³¹

³¹ As before, subgroup cooperation has some effects on centralization. Koremenos et al. (2001) conjecture that centralization should increase as uncertainty about the state of the world increases; since the centralization effects of

Examining the Evidence: *Research Design Considerations*

This paper has presented seven hypotheses related to variables proposed by the Rational Design of International Institutions project, numbered H1a through H2d above. Two additional hypotheses emerge from the other literatures presented in earlier portions of the paper:

H3: As the issue on which an organization's members cooperate increasingly is a pure public good, the probability of adopting subgroup cooperation provisions increases.

H4: As political saliency of the issue on which the group cooperates increases, the probability of adopting subgroup cooperation provisions decreases.

Only one of the nine hypotheses, H4, predicts a decreased probability of subgroup cooperation provisions emerging.

The case sketches presented here, of NATO's decision to create the CJTF mechanism and the EU's revisions of its CFSP at and after the Treaty of Amsterdam, are unable to examine all of these hypotheses in detail. They are intended only to support the plausibility of the mechanisms described here and to demonstrate how such subgroup cooperation provisions might appear and function in practice. Since cases are selected on the basis of the outcome, i.e., the creation of subgroup cooperation mechanisms, and these outcomes have both a wide range of effects and causes on variables of interest, the cases should not be seen as definitive tests or indeed as tests of any type.³² They are merely illustrative.

Selecting two cases from the same issue area does provide a number of benefits. First, the actors are largely the same in both institutions, and their substantive jurisdictions are roughly parallel by the end of the period considered.³³ This allows us to hold constant major features of

subgroup cooperation provisions are fairly minimal compared to their flexibility and control benefits, I will not address that conjecture here beyond noting that it is consistent with this proposed logic.

³² Indeed, as tests they are indeterminate: The number of independent variables (approximately seven) exceeds the number of cases (two, or at most four).

³³ It is worth noting that the two institutions begin the period of analysis with very different jurisdictions, even though the causes of their converging scope are beyond this paper.

preference distributions and observe the effects of different institutional rules. Second, the institutions are subject to the same shocks during the same time period. This helps to control for the effect of otherwise exogenous shocks on institutions and policies. Since both NATO and the EU confront the same problems with largely the same members and same member preferences, we can be sure that differences in institutional configuration can account for a large portion of the variance.³⁴

*NATO's Decision to Establish the CJTF*³⁵

In the aftermath of the Cold War, NATO's purpose seemed unclear; even advocates feared that it had to go 'out of area or out of business.' While the collapse of Yugoslavia was not entirely unexpected, the magnitude and extent of the atrocities in the region were. This crisis provided Europe with a non-traditional security threat just beyond its own borders. As the atrocities spread, US reluctance to intervene (and European eagerness to try the new CFSP mechanisms) left the EU taking the lead in addressing the situation.³⁶

The results were spectacular – and disastrous. The EU's inability to muster military power to coerce the parties' adherence to ceasefires left it with no effective tools to obtain compliance. What national military forces were on the ground were ill-coordinated. At one point, no fewer than four national contingents – each with its own headquarters structure – were deployed in Bosnia. Coordination on policy occurred entirely through the five-power 'Contact Group,' composed of the United States, Russia, United Kingdom, France, and Germany. Both the CFSP deliberations on the issue and also discussions in the full North Atlantic Council were

³⁴ The obvious retort here addresses the absence of the United States from the EU; for the cases examined here, this is surprisingly less relevant than one might expect from knowledge of other cases in these institutions.

³⁵ This section draws on Peterson and Bomberg (1999: 228-246), Asmus (2002), Terriff (2003), Kaplan (2004:119-125), and several essays in Foster and Wilson (1997).

³⁶ Kaplan (2004:119-120)

too cumbersome to facilitate action; neither group was able to achieve a consensus on a plan of action, though the EU did manage to agree on a number of ‘common positions’ and declarations.

In theory, the EU could have coordinated its activity through the Western European Union (WEU), a lesser-known mutual defense body among ten EU member states. The WEU lacked the structural and communication capacities to handle such a mission, though. The only European security body with the necessary skills and equipment to coordinate active peacekeeping or peace enforcement was NATO, but NATO was hampered by US reluctance to participate. The net result was ad hoc activity outside of (all) formal institutional structures. The United States was dissatisfied with the results because European attempts at military intervention were both uncoordinated and not large enough to be credible, and so they tended to make the situation worse rather than better. States participating in the intervention were frustrated by their incapacity to achieve their goals; they lacked the ability to transport equipment rapidly, to monitor and patrol airspace, and to interact politically on a credible basis with the belligerents. Italy and other EU member states were upset that Britain, France and Germany abandoned the CFSP mechanisms in favor of the Contact Group, yet they lacked the capacity or capabilities to force their own inclusion in the group.³⁷

By the later days of the Bosnian conflict, all actors involved realized that this situation was not an effective way to manage crises. Ad hoc activity under wide preference divergence produced suboptimal outcomes. European actors would have preferred to have had access to command, control, communications, and intelligence (C3I) equipment; this is expensive to acquire, though, and would have duplicated equipment and facilities already available to most of them through NATO. The United States would have preferred not to have to intervene itself, as it

³⁷ To be fair, Italy was also disgruntled at its exclusion from the Contact Group; as the regional power and most directly affected member state, it felt it should have been included. Near the end of its 1996 EU Presidency, it was finally allowed to participate. See Gegout (2002).

eventually did; the Clinton Administration showed signs of being entirely willing to allow the Europeans to take the lead while it focused on the domestic economy.

The solution was unveiled at NATO's 1994 Brussels summit. The term 'Combined Joint Task Force,' CJTF, signifies in military-speak that these bodies would use multiple military service branches ('joint') from several different countries ('combined') to operate together for a limited set of specified aims ('task force'). CJTFs would be authorized by the North Atlantic Council to act on behalf of the organization "when the Alliance as a whole is not engaged."³⁸ More, CJTFs would have access to any Alliance equipment, resources, and structures that they requested. This effectively allowed European-run operations to access NATO-controlled but largely US-owned headquarters, C3I equipment, and transport aircraft. The goal, as Alliance leaders repeatedly stressed, was to create operational structures that were "separable but not separate."³⁹ NATO was not being duplicated, nor was it losing assets. It was increasing its flexibility to allow valuable or critical assets to be used by coalitions of willing members for limited, agreed-on purposes outside the Alliance's primary remit of territorial protection.⁴⁰

Table 1. CJTF Evidence Summary

Variable	Change Direction	Evidence
Public goods quality of security	Decreasing	Detachment of US from existent security threats; distinct geographically specific nature of new threats; absence of ideological threat
Uncertainty re: state of the world	High, increasing	Collapse of the Soviet Union, Yugoslavia, not entirely predicted; ethnic cleansing unexpected.
Jurisdiction	Increasing	'Out of area or out of business' pressures on NATO; rise of soft security threats and prominence of security (as opposed to defense) issues
Number of actors	Increasingly high	Breakup of the Soviet Union and Yugoslavia dramatically increase the number of relevant states in Europe; trend seems likely to continue
Distribution problems	High	Directly related to decreasing public goods quality; geographically specific threats created divergent interests

³⁸ North Atlantic Treaty Organization (January 1994).

³⁹ This language appears as early as June 1994. See North Atlantic Treaty Organization (June 1994).

⁴⁰ Asmus (2002:34-35).

Table 1 summarizes the values of key variables in the early 1990s (c. 1993). All variables have the static values expected by the theory to produce incentives towards subgroup cooperation; moreover, the majority are taking on even more extreme values in directions that would create further pressure towards subgroup structures. The value of the one variable identified here but not presented in the table, political salience, is unclear. With the collapse of the Soviet Union, Alliance solidarity was not as critical as it had been. What such developments might signal for the Alliance's future development, though, was perceived to be a serious matter. 'Separable but not separate' structures were, in the minds of some, the first step towards the United States withdrawing from Europe.

Aftermath and Outcomes: The first formal use of a CJTF was in the second phase of Bosnian peacekeeping and reconstruction. Following the conclusion of the Dayton Accords Implementation Force ('IFOR') and the withdrawal of most US troops, NATO organized a CJTF mission under a complex leadership arrangement involving the Deputy Supreme Allied Commander – Europe (NATO's most senior European military officer), the WEU, and its own Partnership for Peace mechanisms. The efforts at creating 'separable but not separate' structures bogged down, however, in a disagreement over how much control NATO as a whole retained over CJTF operations. The United States understood CJTF arrangements to require (or at least permit) continued monitoring and coordination with the central body; after all, its equipment was being used. Indeed, a NATO Ministerial Meeting Communiqué describes the CJTF effort as a way to "make [NATO's] collective assets available, on the basis of consultations in the North Atlantic Council, for WEU operations."⁴¹ France, on the other hand, was not formally part of the NATO integrated military structure. It perceived CJTFs as authorized once by the North Atlantic Council and then free to operate under their own authority and leadership – where France would,

⁴¹ North Atlantic Treaty Organization (Dec 1994).

of course, have a much larger role, since the most likely platform for a CJTF operation would be an EU-organized, WEU-led action.⁴² The initial provisions for subgroup cooperation lacked clarity about its critical consequences for centralization and control. This led to rather rapid disillusionment with, and abandonment of, CJTFs in favor of a different forum for subgroup activity.

The Treaty of Amsterdam and the Common Foreign and Security Policy

The Treaty on European Union's initial provisions for CFSP were hesitant, limited, and cumbersome. While it permits qualified majority voting for the implementation of joint actions on any facet of foreign and security policy, the joint actions themselves and any common positions must be adopted by unanimity.⁴³ During this initial period of 1993-1998, the EU managed to adopt 66 'common positions' and 81 'joint actions'; nearly half the joint actions address the Yugoslav crises.⁴⁴

A scheduled review of the initial provisions began in 1996 under vastly changed circumstances. The initial provisions were designed in 1990-1991, during a period of great uncertainty about the nature of security challenges that would emerge after the Cold War; they rapidly proved inadequate for the tasks demanded of them.⁴⁵ 1995 saw the expansion of the Union from 12 to 15 with the accession of three neutral states, Austria, Sweden, and Finland, and by late 1996 a number of Central European states had already declared their intent to apply for membership. Some of these states bordered on the Balkans and on regions even less stable than

⁴² See particularly the discussion in Kaplan (2004:122-23).

⁴³ The Treaty on European Union is also known as the Treaty of Maastricht, after where it was signed. In practice, no QMV votes have occurred during the Maastricht period or since. (Smith 2004: 217)

⁴⁴ European Union (1999: 20, 22). Forster and Wallace (2000: 484) cite "fewer than forty joint actions" between Maastricht's entry into force in November 1993 and "the end of 1996."

⁴⁵ This period also sees high politicization of the need for unanimity in EU cooperation. European integration was still to proceed "in lock-step," meaning that all states had to participate in all cooperation. This almost certainly accounts for the absence of consideration for subgroup cooperation provisions at this stage of negotiations.

that; the Baltic states bordered Russia. The 1996-1997 Intergovernmental Conference (treaty reform body) thus had to contend with a number of problems. It faced continued uncertainty about what security issues it would have to address. The Union also had persistent and deep-rooted differences in preferences that now spanned not just the France-UK divide but a neutral dimension as well, and which risked becoming even worse as the number of members expanded potentially to the Baltics and even Turkey. Finally, the Union itself lacked the capacities to undertake military actions, though with access to WEU and probably NATO capabilities it would be capable of managing such actions.

Member states debated adding formal provisions for subgroup cooperation; they accepted these provisions in the economic and ‘Justice and Home Affairs’ pillars, but ultimately opted not to adopt them in the CFSP.⁴⁶ Such subgroup cooperation in foreign policy would have allowed those member states who wanted cooperation on defense and security matters, including the use of military force on the Union’s behalf, to do so. Instead, the solution the member states adopted at Amsterdam was to include provisions that the Union “will avail itself” of the WEU’s capacities as needed, particularly to conduct Petersberg task missions on the Union’s behalf.⁴⁷ This extends the Maastricht provisions by a step. It moves from a notion where the EU ‘subcontracted’ its security and defense policy to the WEU members, to a clear notion of an EU that retained overall political control, while WEU members (and any other interested states, through the WEU’s complex tiered membership structure) executed the common policy. Rather

⁴⁶ While they were included in the final draft of the treaty, Stubb (1997) suggests that they may have been intended solely as a bargaining chip. The member states apparently decided against formal subgroup provisions on the basis of other alternatives for non-participation such as constructive abstention voting rules, the possibility of delegation for the implementation of joint actions, and the WEU linkage mechanism described here.

⁴⁷ Article J.7, Sections 1 and 3 (formerly J.4.2). Compare to the provisions in the Treaty on European Union article J.4.2, which notes that the WEU is “an integral part of the development of the Union” and allows the Union to “request” the WEU “to elaborate and implement decisions and actions of the Union which have defence implications.” [The ‘Petersberg’ tasks are “humanitarian and rescue tasks, peace-keeping tasks and tasks of combat forces in crisis management, including peacemaking” (European Union 1997 [Amsterdam], J.7.2)]

than creating provisions for *ad hoc* or semi-permanent subgroup activity, negotiators opted to formalize the use of an existing subgroup in what was formally a separate institution with close structural ties (and overlapping membership) with the EU. Furthermore, the need for unanimous decisions in the EU to task the WEU with an action allowed the neutral states and the Atlanticist states to avoid threats to their interests by increasing their control.

Structurally, this scenario took advantage of existing links between the WEU and NATO, and particularly ones that enabled the WEU to function as a CJTF. This allowed for operations beyond the scope of what the EU could handle through its own resources, but did not require NATO consent if the EU were capable of executing a policy on its own. Since any policy issue large enough that the WEU could not manage it alone or with minimal recourse to NATO assets was likely to be a very large and substantial matter, the chances that the United States would prefer to remain uninvolved were low. This meant that major crises would still be handled (presumably) through NATO and assuaged the fears of Atlanticist members that the EU wished to supplant NATO. Finally, allowing the WEU to be the body executing defense policy was acceptable to the neutral states; membership in the WEU would have entailed a mutual defense commitment, which they otherwise eschewed. Their observer status at the WEU, though, coupled with provisions in the Treaty gave them the ability to choose, if they liked, to participate in any defense and security policy operations with full decision-making rights.

Table 2 shows a summary of evidence on key variables relating to the 1997 Treaty of Amsterdam. The key change between this and the 1994 NATO decision described above is in the nature of security as a public good. While the same types of geographically specific security threats persisted, members of the EU increasingly desired to develop a viable and coherent external political identity to parallel their internal political unification. Foreign and security

policy, as opposed to security itself, was perceived as a public good whose benefits accrued to all members through enhanced international prestige and influence. This countervailing influence appears to have been the primary force behind the Treaty's limited-subgroup solution. The combination of a policy that required the consent of the whole group, but which did not require the *participation* of the whole group, provided the EU's members with a convenient way to achieve their conflicting goals.

Table 2 . Treaty of Amsterdam Evidence

Variable	Change Direction	Evidence
Public goods quality of security	Decreasing outside the Union; increasing inside	Geographically specific threats continue to loom, but foreign policy cooperation increasingly seen to be a key component of creating a viable union with an effective external identity.
Uncertainty re: state of the world	Increasing but stabilizing	Collapse of the Soviet Union, Yugoslavia, not entirely predicted; ethnic cleansing unexpected.
Jurisdiction	Increasing, but increasingly defined	While Treaty still claims that CFSP can operate on any matter of foreign or security policy, inclusion of an article specifying the Union's particular external interests begins to clarify scope.
Number of actors	Increasing slowly	State disintegration had largely stopped, but the impending accession of up to 13 more states raised concerns of creating a sufficiently flexible structure to accommodate the increased diversity after accession.
Distribution problems	Increasingly high	Security policy orientations of current members diverging with accession of 3 more neutrals; foreseeable future includes accession of states bordering the Baltics/Russia and the Caucasus, and Turkey.

The norm of 'lock-step' integration was weakening (see fn. 45) was weakening – witness Denmark's opt-out from the entire defense component of CFSP in 1997, and the three members who opted out of the Euro in 1993 – but the presence of the WEU as an associated institution allowed the EU to achieve its first issue-specific opt-out arrangement. States opted out of not the entire foreign policy cooperation process, as they did with the Euro, but instead participated in the process for all policy and opted out of cooperation on particular issues which did not fit their interests. In the face of this continued though weakened politicization of cooperation, this limited solution was better than full subgroup cooperation provisions, which were debated but rejected.

Aftermath and Outcomes. The new provisions sounded promising, but they were never tested. Developments in world affairs soon overtook the EU's defense policy structures, which did not enter into force until January 1999. By mid-1999, the EU's leaders had signed the Treaty of Nice, which revised the CFSP again and allowed for further subgroup cooperation, and had also witnessed or participated in NATO's 1998-1999 bombing campaigns in the Kosovo conflict. European inability to act in the former Yugoslavia had again spurred major change in both preferences and institutions; after a poor showing in the bombing campaigns, the United Kingdom committed to further defense cooperation via the EU in November 1998.

*Developments After Amsterdam*⁴⁸

The Franco-British declaration on further defense cooperation sparked a flurry of activity, and combined with the NATO-led bombing campaign in Serbia to provoke a radical shift in EU security and defense cooperation in 1999. At the June meeting of the European Council⁴⁹ in Cologne, the members declared, "the Union must have the capacity for autonomous action, backed up by credible military forces, the means to decide to use them, and a readiness to do so, in order to respond to international crises without prejudice to actions by NATO."⁵⁰

Six months later, at the December 1999 Helsinki meeting, the European Council announced its 'Headline Goal' of a 60,000-member force, deployable within 90 days, sustainable for at least a year, and capable of the full range of Petersberg tasks.⁵¹ In March 2000, they also announced a set of civilian crisis management forces.⁵² These two bodies became known as the

⁴⁸ This section draws heavily on earlier work conducted in Brussels. See Powner (2000a) and Powner (2000b).

⁴⁹ The European Council is a meeting of the heads of state and government of all EU member countries, joined by the President of the European Commission. It occurs at least twice a year (June and December), and frequently meets in March and October as well.

⁵⁰ European Union. Presidency Conclusions. (June 1999).

⁵¹ European Union. Presidency Conclusions. (Dec 1999)

⁵² European Union. General Secretariat. (2002: 7).

European Security and Defense Policy (ESDP). Over the next several months, member states met at a 'capabilities commitment conference' to make their voluntary contributions. Since the Petersberg tasks involve humanitarian operations, search and rescue, and peacekeeping, some of the neutral states did contribute to non-combat components of the military unit. Their primary contributions, though, were to the civilian unit, which includes civil engineers, medical units, and police and fire companies.

Like the NATO CJTF or the emergent NATO Response Force, the Headline Goal has emerged to be a formalized, centralized structure for managing coalitions of the willing under the aegis of a parent organization. The force envisioned by the Headline Goal does exist on paper and is even theoretically operational as of January 2003. In the case of a true crisis where it was activated, however, planners would have to wait until each member state government determined if it was going to participate; member-states can select from CFSP and ESDP activities 'à la carte.' In large part, this represents a fundamental uncertainty about the kinds of crises to which such a force would respond. Analysts and senior policymakers at the time were generally uncertain about the scope of future European security problems, with most being fairly sure that the Balkans would settle down reasonably soon. When asked to name a crisis to which the proposed Rapid Reaction Force would be able to respond, though, a number of them were unable to name any.⁵³ Most of the items interviewees mentioned were more tasks of heavy police or light military troops in the aftermath of natural disasters, which would probably be addressed by the civilian response unit rather than the military one.⁵⁴ Still, the centralization and regularization

⁵³ Personal interviews, Brussels, February and March 2000. Interviews with approximately a dozen senior EU and NATO officials and policymakers were conducted under assurances of confidentiality because the issue was still quite prominent at the time.

⁵⁴ One did mention the possibility of French farmers rioting in the streets to preserve their benefits under the EU's Common Agricultural Policy. The author remains unsure to what extent the interviewee was serious.

of multilateral civilian response has proceeded well, and has been used several times both inside and outside of the EU itself.

Further developments in the EU's founding treaties, as well as other extra-treaty developments involving the status of the WEU, suggest that political supervision for the Rapid Reaction Force would come from a combination of all EU member states, meeting in the European Council or the foreign minister level General Affairs Council, and also through a separate WEU-organized council of states who are participating in that operation. Non-participants still wish to exert overall political control of the operation, though developments suggest that they are willing to cede operational control to participants.

Conclusions

Subgroup cooperation provisions increasingly permit states to preserve security cooperation under a wide range of preference distributions. Subgroup cooperation is not new, nor is it a feature only of European security. Structured coalitions of the willing have pursued policy liberalization or further cooperation in areas as diverse as trade, as in the GATT's provisions for free trade areas, and human rights and the environment, through optional protocols for monitoring or further expansion of cooperation. Participating states thus gain benefits from whole-group production of the public good and also from small-group production of more particular benefits. Member states can often gain from allowing subgroup cooperation, even without participation in the subgroup. Increasing flexibility of this nature increases *centralization*

by bringing otherwise uncoordinated or unilateral behaviors under the institution's umbrella, and this can also have the effect of increasing other actors' *control* over policy outcomes.⁵⁵

For the set of institutions under primary consideration here, namely the major organizations involved in European security, high uncertainty about the state of the world and broad jurisdiction interact with substantial distribution problems to produce high flexibility and in particular extensive subgroup cooperation provisions. The members are uncertain what issues will arise, given the very broad jurisdiction of the institutions. Based on experience, however, they are fairly sure that their preferences over handling whatever situations do arise will differ, which suggests a strong role for distribution problems in this argument. States have, in most cases, taken steps to protect their interests from subgroup actions that may be harmful; this often occurs through authorization provisions requiring whole-group consent (under consensus or unanimity rules). Such flexibility measures as this enhance both group welfare and individual welfare, while at the same time enhancing individual control.

⁵⁵ Provided that the details of institutional design are sufficiently clear on this point, as was not the case with NATO. In the case of the EU, the extent of control exerted by the center remains to be seen; this is particularly true in military responses.

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