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Collaboration or Coordination Games in CFSP

Why Does the European Foreign Policy Lack Coherence?

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« Convaincre les hommes de parler entre eux, c'est le plus qu'on puisse faire pour la paix ».

Jean Monnet, *Mémoires*, 715-6.

Abstract

During the past decade, the debate on European foreign policy often inclined towards a criticism of its coherence and effectiveness, especially in its security and defence dimensions. Using rational choice institutionalism and functional regime theories, the central research problem that this thesis sets out to explore is the character of cooperation within Common Foreign and Security Policy (CFSP). The paper argues that CFSP can be considered a collaboration game, in relation with one of coordination. From this perspective, centralised institutions are needed. Crisis management empirically illustrates that collective action requires supranational institutions. Moreover, the EU crisis management responses to the conflicts in Bosnia and Macedonia confirm that cooperation in CFSP is facilitated by the communitarisation of security and defence issues.

Additionally, the paper demonstrates why in its current intergovernmental setting, the CFSP is far from complying with the Amsterdam's Treaty prerequisite of coherence. By reviewing the benefits principals draw from delegating certain functions to agents, such as agenda-setting, monitoring, implementation, and representation, this thesis shows that CFSP benefits from a transfer of competencies to a supranational institution.

Key words: CFSP, collaboration game, regimes, coherence, delegation of authority, collective action, rational choice.

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1   Introduction

1.1   Outline of the Problem

During the past decade, the literature on International Relations and European Studies has paid increasing attention to the emergence of a European foreign policy system. In doing so, the discussion often tended towards a criticism of the effectiveness of the European Union (EU)'s Common Foreign and Security Policy (CFSP) and of its capacity to meet the expectations of both third countries and European publics. And according to Gordon, this inability "to develop into a unified and effective foreign and security policy actor" (1997: 75) is connected to the Member States' (MSs) reluctance "to allow delegation of sovereignty to centralised institutions" (1997: 100). Thus, it has frequently been suggested "brusselising" (Allen, 2001:54) the CFSP in order to increase its effectiveness.

1.2   Purpose and Research Questions

In this study I will attempt to argue, from a rational choice institutionalism perspective, that the CFSP constitutes a collaboration regime, compared with coordination ones. In subsidiary, I will also try to explain why a MSs-led CFSP is not coherent or effective[1].

Building on a rationalist theory of cooperation, foreign policy cooperation is regarded to be beneficial to the MSs involved. Most importantly, CFSP is seen to increase MSs´ influence on the world stage: "A strong European role in the regional and international system is something like a 'common good' from which each member state profits if it produces results in the interest of every state of the EC/EU"(Zielonka, 1998: 62.). Though every member state, particularly the larger ones, may influence the international environment on its own, the pooling of resources makes the collectivity of MSs more influential than all individual foreign policies together. In a similar fashion, foreign policy cooperation is seen

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[1] This does not necessarily make an EU-led CFSP would be more effective or coherent, but it might imply it.

to further the pursuit of common policies already agreed on. Many institutional features of CFSP can be explained by the distinct characteristics of foreign policy cooperation, specifically the need to respond promptly to a rapidly changing international environment. As a consequence, agreements such as common positions tend to be predominantly incomplete, restricted to general principles without spelling out any details. This is the reason for which Qualified Majority Voting (QMV), by enabling MSs to take fast decisions, is considered a crucial step towards a more efficient CFSP.

The overall goal of this thesis is to put forward that a MSs-led CFSP has few chances of being coherent/consistent (Nuttal, 2000:25)[2]. The departure assumption is that by acting unitarily and with a common purpose, the EU becomes more efficient and effective[3]. Furthermore coherence/consistency is not a legal requirement. Still the articles under Title V of the TEU must be considered as legally binding, although not enforceable.

By using two simple collective action problems, in game theoretical format, the collaboration and the coordination games, I will try to show that not only there are coherence incentives for delegating CFSP competences, but that it is also a feasible process.

In subsidiary, European Security and Defence Policy, through its components: military and civil crisis management[4], and conflict prevention will provide concrete illustrations for the theoretical claims throughout the study[5]. The decision-making process in EU crisis management will be modelled according to two prototypical cooperation problems, collaboration and coordination games, which both assume symmetrical interests of the actors involved. The narrower focus on crisis management can be explained not just by means of its visibility in European foreign policy, but also by the formal placement at the core of the process of strengthening the CFSP, following the Cologne European Council in 1999.

1.3   Research Design, Methodology and Sources

This research project begins with an introduction to the theoretical concepts, through outlining a rationalist framework of analysis. I will try to briefly explain how institutions offer a solution to overcoming cooperation problems.

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[2] In th French and German texts of TEU "consistency" (Art. 3 TEU) has been translated "coherence" and "Kohärenz". But although the terms have different legal implications, from a political and functional point of view, the difference is less important.
[3] This is a more intuitive assumption than well founded. (Missiroli, 2001).
[4] Also known as the Peteresberg tasks.
[5] Throughout the study, CFSP, ESDP, CFSDP and crisis management will be used interchangeably, for purposes of generalization. CFSP encompasses ESDP, which comprises crisis management and conflict prevention. CFSDP is a reference to CFSP, with an emphasis on its security/defence and military aspects.

Furthermore I will discuss what functions have been attributed to international institutions in order to surmount collective action problems. As a main argument, the scholars dealing with this theory hold that problematic social situations such as collaboration and coordination games are different in their combination of collective action problems. And this, in turn, has an impact on the functions entrusted to the international institutions.

Additionally, I will use rational choice theory in order to discuss the incentives states might have to delegate sovereignty to supranational[6] institutions. The hypothesis is that actors (the MSs) act rationally on a cost-benefit basis. Actors' cost-benefit calculations relate here to short-term interests of increasing/loosing relative powers within the EU and direct policy-related interests versus the need for an efficient and coherent organisational structure for the EU.

In the next sections, I will try to show how CFSP fits the definition of regimes. The third chapter will focus on coherence in foreign policy as the "umbrella" incentive for delegation of authority in CFSP. Furthermore, crisis management is introduced in the discussion, as an illustration of collective action problem.

The fourth chapter is extensively concerned with the most important functions to be delegated and the most salient incentives for this to happen, in European foreign policy, with an emphasis on crisis management, when actors are thought to act under time pressure.

In the fifth part, crisis management is approached from two perspectives. Analysing how crisis management fits the matrix of a collaboration game, rather than a coordination one, opens the way to further understanding of incentives to communitarise CFSP. It will be shown through two study cases[7] that, as provider of public goods, crisis management is compatible with the criteria of collective action. The last part is dedicated to conclusions and further research questions.

The empirical material consists of both primary and secondary resources. Due to the theoretical nature of this study, I focused on secondary materials as main sources. In matters of regime theories, rational choice institutionalism and delegation theories I had recourse to Krasner, Keohane, Moravcsik and Pollack. Nevertheless, in order to apply theoretical concepts, reports of the EU institutions and academic organisations on different CFSP actions helped me in the analysis. Additionally, speeches of EU and MSs officials, as well as different conferences proceedings were examined in order to assess the game theoretical criteria and the solutions to collective action problems, as well as the reasons for delegating authority by agents to principals. The EU legislation, in terms of treaties and common decisions were also reviewed.

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[6] The term "supranational" will be given priority in the study over "centralised" (i.e institutions), because of its specific European content. "Centralised" might be considered to broad for our intention. Nevertheless, it is used in reference to game theory models in tradition with the theoretical account of Stein or Snidal.

[7] CFSP operations in Bonsia and Macedonia.

The goal of this thesis is to demonstrate that, from a rational perspective, CFSP is a collaboration game and the incentives to delegate sovereignty to supranational institutions in CFSP speak for themselves. As it will be showed, communitarisation of CFSP is already in process. Thus, we have enough arguments to counter positions that claim the impossibility of a communitarised CFSP[8] ((Bretherton/Vogler, 1999:194).

1.4   Delimitations and Academic Relevance

The discussion about CFSP is often ambiguous and leaves place for confusion about what is being discussed (economic aid and trade policies, crisis reactions, and military interventions). The working definition of European foreign policy employed here is that of the collection of the international activities of the European Union alone, including just outputs relating to the CFSP[9]. I focus on the diplomatic, security and defence aspect of CFSP, specifically on the scope of the EU's external policy ambitions, and the structures in place to formulate and implement these policies, rather than the economic ones, since CFSP was designed to improve those.

Also, when referring to "brusselisation" one should understand "a gradual transfer[10] of foreign policy-making authority away from the national capitals to Brussels (Allen, Id.). Delegation is part of the wider process of communitarisation or low-politicisation of the European foreign and security policy. And furthermore, this process brings about collective action.

Limits are also set from time and space considerations. A more extensive study could include a thorough comparison of crisis management operations of the EU and an evaluation of their efficiency. This study allowed only for a brief review of crisis management in general, with only two short cases.

Moreover, I assume that if collective action is possible under certain circumstances in crisis management, it should also be possible in the wider framework of CFSP/CFSDP. Crisis management has dominated CFSP and is its most visible part (Wagner, 2003:583). Thus a generalisation of assumptions applicable to this policy should be a valid thing to do.

With this thesis, I join the number of studies that have applied institutionalism to the research in the EU. Building on insights from works of authors such as Pollack, Moravcsik, I try to give a rational account of the communitarisation of the European foreign and security policy, and specifically to prove certain assumptions about delegating authority in CFSP. This paper has the ambition of positively contributing to the theoretical debate in the study of European foreign

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[8] See Wagner, 2003.
[9] Also referred to as Pillar II, in the text.
[10] Or delegation.

policy. However, the distinctiveness resides in the assumption and the proposed model of CFSP as a collaboration game, rather than a coordination one.

2 Theoretical Approach and Concepts

2.1 Choice of theory

The problem of international cooperation is essentially one of collective action, applied to the particular circumstances of the international system, in this case the European Union. The formation of international regimes, such as the CFSP, raises the same general issues that surround the development of political institutions for resolving collective action problems in various spheres of human activity.

The transformation of the European Community (EC) into a single foreign policy actor through the formation and implementation of a common foreign and security policy has been a continuous goal of the MSs. Nevertheless, the CFSP has not been communitarised. With the help of rational institutionalist theories of cooperation, this thesis tries to explain why the CFSP in its present form is not coherent and efficient. Using Principal-Agent arguments, in collective action problems, I will provide evidence that CFSP can be a collaboration game.

Thanks to its meta-theoretical nature, the application of rational choice to politics brought about theories that concomitantly complement and oppose each other. The rational choice/game theoretic explanation is used both on the systemic and domestic levels. On the systemic level, the problems of cooperation under anarchy, military disputes, wars, etc. are of particular concern. On the domestic level, the foreign policy choices are thought to profit best from rational choice. At last, by providing a common language for challenging scientific schools, the rationalist perspective is influential in theoretical debates concerning the nature of established political equilibria, the role of institutions and past policy choices.

2.2 Rational Choice Institutionalism

Institutions and their role in explaining political outcomes received growing attention in the past years. The "new institutionalism" research has been pursued from many of perspectives, including rational choice institutionalism, historical institutionalism, and sociological institutionalism (Peters, 1994). New institutionalists argue that institutions configure choices, provide incentives, distribute power, and even define identities and roles. The institutionalism described beneath has important implications for our understanding of international relations.

Rational choice institutionalism, which falls in the broader category of social choice theory, attempts to explain collective choices by rational actors. It attempts to explain both the consequences of different institutions for political outcomes and the selection of particular institutional arrangements (Downs/Rocke/Barsoom). Institutions, from this viewpoint, consist of "recognised roles coupled with underlying norms and a set of rules or conventions defining appropriate behaviour for, and, governing relations among occupants of these roles" (Elgström/ Jönsson, 2005). Rational institutionalists regard institutions as themselves being rationally chosen by actors who view the rules as facilitating the pursuit of their goals.

Generally speaking, delegation of authority by one or more principals to one or more agents (supranational institution or regulatory agency) is a particular case of the more general problem of institutional choice: why does a group of actors collectively choose a one specific set of institutions rather than another to govern their ensuing interactions? The basic approach of rational choice theory to the question of institutional choice is functionalist. This means that rational choice theory explains institutional choices in terms of the functions a certain institution is expected to perform and the effects on policy outcomes it is expected to generate, subject to the uncertainty intrinsic to any institutional design.

The motivations that lead principals to delegate functions and grant authority to agents on the political scene have been vastly explored. Essentially, delegation is a question of institutional design and "the question of institutional choice is functionalist" (Pollack, 1997: 102). The selection or creation of institutions is linked with their anticipated effects. In most cases, choice is motivated by the desire to *lower or minimize transaction costs*. Delegation may also provide a means to *overcome problems of collective action,* where actors anticipate benefits from long-term co-operation (Axelrod, 1984; Oye, 1986; Axelrod/Keohane, 1986); *to deal with the problem of incomplete contracting* (Williamson, 1985); *to enhance the credibility of MSs' commitments* (Moravcsik, 1998: 73) by pooling and delegating sovereignty; to "lock in" distributional benefits; *to resolve the problem of policy-making instability*. Systems of majoritarian decision-making, according to Riker (1980), are likely to be disturbed by instability, since policy choices are likely to "cycle" among multiple possible equilibria. Therefore, delegation of agenda-setting powers to an agent in other settings may similarly prevent endless "cycling" (Pollack, 1997:104).

Whereas functionalist regime theory, later discussed, may explain why states want to cooperate and why they decide to set up and maintain international institutions, rational institutionalism addresses the question of why states opt for specific institutional designs such as supranational institutions or voting procedures such as QMV.

2.3 Regime Theory

Regime theory has dominated the contemporary debate on creating cooperative networks and building communities beyond the state. Defining international regimes has been a problematic job and scholars do not agree on only one definition. Almost all discussions about international regimes, even those seeking to clarify or modify the concept, proceed from the so-called *consensus definition,* first proposed by Krasner (1983:1): "International regimes are defined as principles, norms, rules, and decision-making procedures around which actors expectations converge in a given issue-area".

This definition has two noncontroversial implications: primo, international regimes are a special case of international institutions; secondo, the international regimes and the international organisations are neither synonym nor sharing the same scope. (Keohane, 1988: 384). According to the explanatory variables used, regime theories were classified in interest based, or neoliberalism, power based or realism, and knowledge based or cognitivism. They also differ in the attention they give to institutionalism, or the assumption that international institutions matter in world politics (Krasner, 1983).

This study adopts the interest based approach of grasping international regimes, because it provides the instruments and concepts needed to explain, from a game theory perspective, why the CFSP is a collaboration game and why there are incentives for communitarising the CFSP.

Students of international regime theory have been suggesting that the self-interest of states is the driving force behind the creation and existence of international regimes. According to Krasner, egoistic self-interest is the greatest incentive for states to cooperate. Stein (1983) argues that sovereign states have a rational self- interest and calculated need to abandon independent decision-making in favour of joint decision-making. According to him, regimes arise if states are confronted with dilemmas of common interests or common aversions. When regimes are created to deal with dilemmas of common interests, they require collaboration. Otherwise, regimes only facilitate coordination. However, in both cases, jointly reached are preferable to decisions made independently.

Regimes *institutionalise rules and norms* in order to increase the *prospects of cooperation*. They delineate what constitutes defection and impose punishments for defection. Furthermore, regimes can *increase the shadow of the future* (Axelrod/Keohane, 1986:232; Axelrod, 1984). They amplify the significance of reputation by generating the belief that interaction will continue for the predictable future, thus allowing for the employment of complex strategies. Additionally, regimes can *modify the cardinal payoffs of a game* to make conflict more or less probable. By *providing information[11]* to members *regimes facilitate*

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[11] About the behaviour of others through monitoring

cooperation and *reduce transaction costs*[12]. Thus institutionalising cooperation, regimes act to reduce the cost of future agreements.

With a view to increase the likelihood of cooperation regimes use a large range of instruments to adjust a situation. Nevertheless, regimes rarely, if ever, oblige MSs to comply, mainly because they lack the coercive power to do so. Regimes in fact indicate that it is in their self-interest to cooperate.

2.4 Collaboration and Coordination Games

International cooperation problems are always expected to consist of some combination of compliance and distribution problems. Thus institutions assist states in overcoming the second-order problems of compliance and distribution. Despite common interests, states may fail to cooperate lest being exploited.

Rational choice theory has indicated that certain types of games match typical combinations of second-order problems. Whereas problems of compliance are, generally, very important in collaboration games, problems of distribution have a dominant position in coordination games (Rittberger, 1995).

Collaboration regimes, which are relatively formalised, must have clear injunctions that specify illegitimate behaviour. Often they involve international organisations that collect and disseminate information to help parties assess compliance with the regime's central provisions. Strong, centralised mechanisms (institutions) play a significant role in collaboration games since there is a need to overcome the incentives to defect from cooperative agreements. The solution[13] to this type of problems is based on mutual performance of particular acts (Stein, 1983): states surrender some of their authority in return for the other states doing the same.

The equilibrium outcomes in collaboration games are suboptimal. As a result states need to mutually adjust their policies in order to avoid this kind of outcome. Collaboration can be promoted through extensive information on other's behaviour, which implies extensive monitoring and assessment of compliance.

In the case of collaboration games, there are strong incentives for defection. The perception is that individual states actions are less visible, and thus it is easier to cheat on cooperative agreements (Snidal, 1985). Consequently, mechanisms of monitoring and enforcement are put in place in order to prevent unilateral defection.

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[12] The transaction costs are understood here as all costs incurred in exchange, including costs of acquiring information, bargaining and enforcement as well as the opportunity cost of the time allocated to these activities (North, 1987). In a thinner sense, transaction costs represent the costs of discovering relevant agents and their preferences, of negotiating, of identifying defection or cooperation, and of bringing rewords and penalties to bear on the relevant parties (Caporaso, 1992).

[13] Or "contract" (Stein, 1983).

Figure 1. Collaboration game matrix

3,3	**1,4**
4,1	2,2

Coordination regimes work without compliance mechanisms since the cooperative solution, once found, is self-enforcing. Because cheating is not an issue, coordination regimes are less formalised and less centralised. In this case, institutions are relevant only for collecting information about actors' intentions, not about their behaviour.

In coordination games actors have a strong incentive to reach an agreement and do not have incentives to depart from it once reached. The collection of interests given by coordination games does not require a centralised multilateral institution to enforce solutions, since the temptation for opportunistic behaviour is small to non existent.

Figure 2. Coordination game matrix

4,3	**1,2**
2,1	3,4

Coordination games have several Pareto-efficient equilibria, and no dominant strategy. Therefore the best course of action depends on the other state's behaviour. Once the equilibrium is established, either by convention or agreement, the states do not defect form it. Therefore, there is no need for strong mechanism of enforcement and surveillance.

International regimes, as we can see, facilitate international cooperation, by helping states avoid Pareto-inefficient outcomes, in both collaboration and coordination situations. However their institutional solution is different. To conclude the chapter, I must mention that in this study regime and institution will be used alternatively. They are to some extent mutually comprising. Besides, the literature does not distinctly hierarchies them. Therefore it is difficult to clearly separate them, since they are overlapping at a certain point, starting with their definitions (as states above).

3 Common Foreign and Security Policy and the EU Crisis Management

3.1 CFSP- Clarifications

The demarcation of CFSP as a regime[14] has the advantages of "side-stepping somewhat sterile debates about the institutional and procedural form of CFSP-whether it is a sui generis, a modernized form of alliance or a foreign relations sub-system" (Bulmer, 1991:74). At the same time, it gives us the possibility of touching upon essential elements for the understanding of the relationship between CFSP and the national foreign policies on which is based. (Hasenclever, et all, 1996). Before pursuing with analysing CFSP as a regime and the implications of that, some clarifications are needed.

First and foremost, CFSP remains essentially intergovernmental. The absolute preservation of sovereignty manifests itself in the unanimity decision-making procedure. Secondly, the principle of shared sovereignty in the CFSP was created though the changes in the TEU (Treaty on the European Union). In order to make CFSP decision-making more efficient, it opened up the possibility of qualified majority voting in the Council and of constructive abstentions on CFSP resolutions.

Furthermore, a new principle was introduced into the CFSP with Amsterdam and Nice. This principle brought a new Europeanised rationality to the CFSP: by the naming of the Council's Secretary General as the High Representative (HR) of the CFSP, the enlargement of his services, and recently the standing presence of the newly established Political and Security Policy Committee in Brussels.

3.2 The CFSP Regime

Krasner's definition of regimes is very useful as it allows us to shirk discussions about CFSP's nature, as a foreign-relations sub-system, but at the same time endowing CFSP with an intersubjective dimension. This is why using an interest-

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[14]According to Krasner's definition (1983).

based regime approach provides an alternative perspective (Moravcsik, 1997). The neo-liberals see CFSP through the lens of absolute- gains: states arrive at the negotiation table with pre-established hierarchy of interests and go on to bargain these interests with those of their EU partners. (Allen, 2001, Smith, M., 2004).

The CFSP represents an international regime where mutual information between the states is explicitly stated in several CFSP regulations. On each foreign and security policy issue of general importance, a mutual briefing and coordinating must take place, in the Council (Art. 16 TEU). Trans- governmental contacts are thus institutionalised (Keohane, 1988). All the capitals in the MSs, the Council and the Commission are linked by the COREU telex system over which thousands of messages are transmitted yearly. Thus, a "coordination reflex" developed from these activities among the MSs.

The CFSP decision-making process, if we think in regime terms, is an indicator of the "principles" of regime (Krasner, 1983:2), while "norms" in the CFSP regulations consist of the form of a regular cooperation between MSs in carrying out their policies and the implementation of joint action in areas where important common interests exist between these states (Art. 11 TEU). The "rules" and "procedures" of the CFSP have to be designed in both areas in order to ensure certain coherence of the process.

Transaction costs, in the case of CFSP, refer mainly to efforts required for coordinating variations of the decision-making process (Art. 13, 14 TEU). The involvement of the institutions due to the interdependence between sectors of community cooperation and the CFSP is also regulated. And if we consider the institutional complexity of the EU, it's easy to realize how hard would be to mange this in an ad hoc process, with a reasonable deadline.

For states benefiting from regime decision-making procedures, regimes are an important source of influence (Keohane, 1993:29). Large states have a particular interest in CFSP justified by the relative loss of power experienced after WWII (Goetschel, 2000). They rather carry out and legitimise their initiatives within the CFSP framework than on individual basis[15]. However, small states also take advantage of the decision-making process. The institutionalised cooperation with stronger partners becomes as a possibility of reducing their dependence on these states. The condition is to pursue joint interests, involving an equal distribution of rights in the decision-making process. Sovereign states have a rational self-interested and calculated drive to abandon independent decision-making in favour of joint decision-making. Jointly reached outcomes are preferred to decisions made independently. Governments become joint- maximisers instead of self-maximisers (Stein, 1983).

From a contractual view, the CFSP in this way fulfils the criteria to be a successful regime for the MSs –in the sense of increasing the existing information available, lowering transaction costs, and raising the influence of the actors involved. As a result actions in the sub-areas of the CFSP regime can be explained

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[15] For example, UK trying to obtain support in the Falkland Islands crisis, the recognition of Croatia and Slovenia

as enhancing the benefit of existing rules and procedures without causing notable "additional costs" to them.

3.3   Coherence and Cooperation in CFSP

In the late spring of 2000, Commissioner Patten started a broad debate on the issue of coherence in the EU's external action. Basically, Patten analysed the role of the Commission in the emerging structure of CFSP and argued that, as long as "foreign policy remains primarily a matter for democratically elected member State governments" it was equally necessary for them to acknowledge that "mere inter-governmentalism is a recipe for weakness and mediocrity: for a European foreign policy of the lowest common denominator", especially in the light of the enlargement. He continued that there is a strong need to "harness the strengths of the European Community in the service of the European foreign policy"[16]. The Commission is fully associated to CFSP with a shared right of initiative. It would therefore be unreasonable, Patten insisted, "to divorce European foreign policy from the institutors which have been given responsibility for most of the instruments for its accomplishment"[17]. The complexity of the decision-making mechanism in the CFSP is schematically represented in Figure 7..

Coherence, when applied to European Foreign Policy, refers to coordinated behaviour, based on agreement among the EU and its MSs, to pursue a single objective and which results in a consistent foreign policy (Abellan, 2002). According to Antonio Missiroli (2001), coherence brings synergy and adding value.

For our purpose, coherence in EU's foreign and security policy is confined to the European states' ability to act together and speak with one voice in matters of EU's external relations or security issues, without damaging the EU's or each other's efforts. EU MSs' coherent approach towards security or other issues related to foreign policy creates a synergy among them and this will increase their weight and effectiveness in global politics (Kaya, 2005).

The subsequent discussion on delegation in crisis management[18] and conflict prevention centres on coherence and effectiveness of the European foreign and security policy. To avoid a long debate on the terminology, I will establish from the beginning that conflict prevention encompasses a wide array of instruments (political, economic, and military) and types of action linked to various causes of a given crisis. Crisis management[19] implies a more direct use of military means (peace-enforcement, peace-keeping) and "negative diplomacy" (sanctions,

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[16] www.eu.int/comm/external_relations/news/patten/speech_00_219_en.htm - 60k
[17] The complexity of the decision-making mechanism in the CFSP is schematically represented in Figure nr.7.
[18] Key structures in crisis management presented in Figure 7.
[19] Civilian and military

embargoes, and freezing of relations). From an EU perspective the limits between those sets of policies are at times blurry and their instruments might coincide. Therefore, consistency and coherence are crucial for their effective use. A capacity for crisis management requires recognition that you are in a crisis, sound information, responsiveness in a timely and appropriate fashion and an ability to back diplomacy with force. At present, the EU is unable to effectively carry out any of these stages although theoretically it has both the mandate and means to do so.

While MSs are obliged by treaty provisions not to frustrate the creation or implementation of a collective policy, they nevertheless retain sovereign rights. MSs preserve the capacity to decide which issues should be dealt with at Community level. Thus, they have the capacity to establish their own agenda in crisis management. National governments can decide to exercise their veto at European Council level against the adoption of a common strategy or they may abstain/withdraw from the implementation of policy within General Affairs Council where QMV applies. They have the option of coping with any crisis unilaterally, multilaterally, or collectively[20] through the EU. As a result it becomes very difficult for the policy making system at the EU level to be a consistent, coherent product (Missiroli, 2001).

If we distinguish between states' choice to cooperate with one another, or to delegate/not authority to a supranational institution (collective or multilateral action), cooperation can take place as illustrated below. From this perspective, delegation to an agent is a particular form of international cooperation, generally defined, and one of three possible outcomes.

Figure 3. European Foreign Policy Cooperation Model21
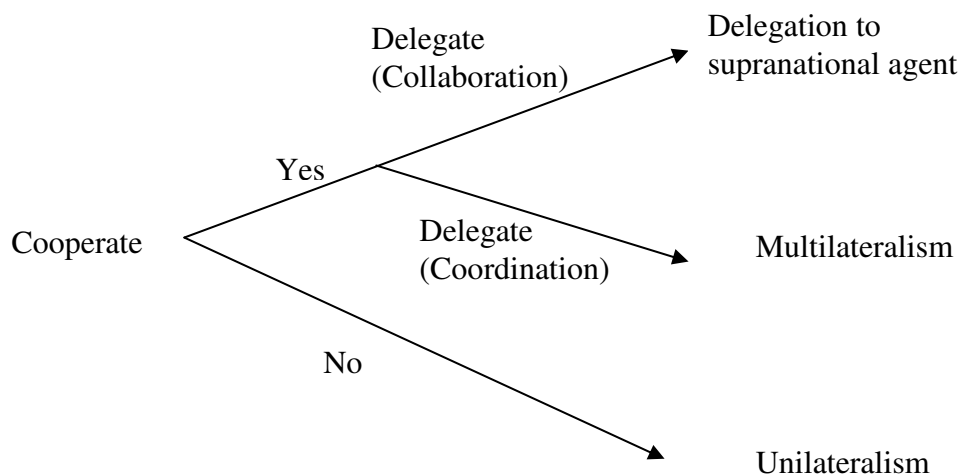
Reconstructing the model backwards from possible outcomes to actual choices, the availability of attractive options at the terminal nodes increases the

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[20] See European Foreign Policy Cooperation Model below.
[21] After Hawkins, Lake, Nielson, Tierney, 2006

probability that actors will choose cooperation at the upper branch (Hawkins, Lake, Nielson, Tierney, 2006). The next section will focus on understanding why a MSs-led CFSP is not coherent or effective[22], given that "as long as MSs retain the exclusive right to determine whether or not a particular crisis receives Union attention, coherence will remain at issue" (Missiroli, 2001).

I will try to identify the rational aspects of cooperation within CFSP, in order to better understand how crisis management/CFSP fits the matrix of a collaboration game. Furthermore, by examining the collective action criteria, I will briefly present two situations when EU MSs chose to cooperate. The purpose of this demarche is to better grasp the essential collaboration game character of crisis management.

3.4   Collective Action in Crisis Management

Public goods represent a major class of collaboration dilemmas. Recently this concept has re-entered the discussion on international cooperation as a motive for the future of cooperation and a source for the design of international institutions (Stålgren, 2000). Cooperation within the European foreign and security field, since it requires collective action among a given set of actors, is better understood if treated as a public good.

The unique feature of a public good is that, once it has been produced, each and everyone can enjoy it without limiting the possibility for anyone else to do the same. Samuelson identifies two defining characteristics of a public good: *non-excludability*, i.e. once the good has been produced, its benefits or malice accrues to all; *non-rivalry*, i.e. consumption by one actor does not reduce the supply available to another. It does not cost anything when, in addition, other persons consume the good (Samuelson, 1954).

According to Sandler (1998), collective action comes about only if certain criteria are met. These are the existence of a leader nation; a small number of essential participants; a low degree of uncertainty and high nation-specific benefits.

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[22] Effective refers to " an actor's capacity to produce collective decisions and its impact on events" (Hill, 1993:306)

Returning to CFSP, the goals set out in the TEU (Art. 11) are regarded here as a collective action matter.

Figure 4. The objectives of CFSP, according to Art. 11 of the TEU:

- to safeguard the common values, fundamental interests,
independence and integrity of the Union
— to strengthen the security of the Union in all ways,
— to preserve peace and strengthen international security
— to promote international cooperation,
— to develop and consolidate democracy and the rule of law,
and respect for human rights and fundamental freedoms.

The assumption we make is that if collective action can happen under certain circumstances in crisis management, it should occur also in the wider framework of CFSP. Thus, as the core of CFSP, crisis management intrinsically should sustain these goals[23].

A collective action issue sets in when a policy field suffers a transfer from domestic (anchored in national values and perceptions) into communitarian (shared values and common perceptions), in other words, when it becomes low-politicised. However, crisis management is an area of "high-politics" due to its security and defence content. Thus, communitarisation of security and defence translates in the process of bringing policy areas belonging to high-politics to low-politics. This however cannot be done by any agenda-setter alone because of second-order problem of distribution and compliance.

If more than one cooperative solution is possible, with a different distribution of gains, actors may find themselves in problems of distribution or compliance. Actors have incentives to defect from an agreement if they derive benefits form this, in compliance problems. While in distributive issues the incentives to reach an agreement barely exist (Wagner, 2003: 579-580). Consequently, whenever an actor decides unilaterally to low-politicise a matter, agreement might be reached, although that actor would not get its just share of the common benefit[24].

As a partial conclusion, so far, the paper has shown the importance of the values of coherence, consistency and effectiveness in the execution and implementation of CFSP. Cooperation in foreign policy issues, better understood from a collective action approach, is facilitated by the existence of a CFSP regime. And I set the backgrounds for a further analysis of dilemmas in European cooperation, implicitly treated as public goods,

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[23] After Raab, C.
[24] See Raab, C.

4 Delegating Authority in CFSP

4.1 Review of theory

"Foreign and security policy cooperation has long been one of the most ambitious goals of those who favour a more united Europe, yet the original mechanism to achieve this goal, European Political Cooperation, was vague in its scope and severely limited in terms of institutional design" (Smith, 2004). Cooperation in foreign policy, amongst MSs requires a certain degree of policy coordination and efforts to reach a particular outcome, especially if states have both incentives to cooperate and to defect.

So far, EU MSs have explicitly rejected a role for the Commission in setting the agenda for the CESDP or for some form of qualified majority voting. Prime Minister Tony Blair and French President Jacques Chirac have openly stated that the CESDP will remain purely intergovernmental and to assure as little Commission influence as possible there was a separate Council Secretariat formed to handle prepping Council meetings and preparing agendas for CFSP meetings (Müller-Brandeck-Bocquet, 2002). These facts suggest that for the moment the CFSP is not a form of integration, but rather a form of cooperation. EU MSs are unlikely to delegate responsibility to strong supranational institutions, due to the sensitive nature of defence and security policies. However, if we consider integration a type of collective action and, concomitantly, a form of cooperation that leads actors to deeper levels of institutionalization, one can better explain the likelihood of further integration in defence and security decision-making.

In accordance with regime theory, EC institutions increase the efficiency of interstate bargaining by reducing transaction costs. Furthermore, according to Moravcsik, they strengthen the autonomy of national leaders by adding legitimacy and credibility to common policies. Thus institutions succeed in strengthening the power of national governments. By exploring the reasons why states choose to delegate or pool decision-making in international institutions, Moravcsik examines the powers given to the Commission and the European Court of Justice. And he concludes that states delegate and pool sovereignty to get more credible commitment.

Delegation of authority to an agent is considered one particular aspect of the institutional design process. The principal-agent models of delegation, proposed by Pollack, have identified a number of functions for which principals might delegate authority: monitoring, problems of incomplete contracting, adopt regulations and agenda setting.

From a rationalist institutional choice perspective, this study will focus on the "managerial"- agenda setting and "enforcement"- monitoring authorities that actors chose to delegate to independent supranational institutions. And since "all delegation is based on the division of labour and gains from specialization gains" (Hawkins, Lake, Nielson,Tierney, 2006) that interact with all other benefits from delegation, this study will also focus on additional benefits that may induce states to delegate authority to the EU in CFSP: facilitating collective decision-making, enhancing credibility and effectiveness, and creating policy preference.

In the next section I will try to give arguments that prove the assumption that decentralised authority in CFSP is a source of incoherence. This chapter theoretically accounts for the lack of effectiveness and coherence in the MSs-conducted foreign policy, while empirically illustrating the theoretical arguments[25].

4.2   Delegate what?[26]

4.2.1   Agenda setting

A first function principals may have an incentive to delegate to an agent is the power of formal agenda setting representing the ability of a given actor to initiate policy proposals for consideration among a group of legislators (or, in the case of the EC, among the member governments in the Council of Ministers). Formal agenda setting consists in "the EU of the Commission's right, and the European Parliament's conditional right, to set the Council's formal or procedural agenda by placing before it provisions that it can more easily adopt (through QMV) than amend (through unanimity), thus structuring the choices of the MSs in the Council" (Pollack, 1997).

As far as the EU is concerned, the Union is characterized by a great fragmentation and the existence of complementary and potentially competitive actors within the framework of the agenda-setting. There are a large number of actors who want to participate in the process, each with its conceptions and interests to pursue.

The monopoly on policy initiation in Pillar I belongs to the Commission, while the power of proposal is shared between the Commission and the MSs in

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[25] Whenever sources were available.

[26] The arguments developed in section 4. 2 are to a certain extent overlapping with ideas put forward in section 4.3. It is difficult to draw a line between what and why. The rationale having a separate section has to do with furthering the understanding of the reasons for delegation, briefly mentioned under 4.2.

the Pillars II and III, without specific privileges on the part of the Council (Tallberg, 2001). Formally, with the TEU, the Commission became fully associated to all aspects of EU foreign policy and was given the right to propose policies (Nuttall, 1996). Nevertheless MSs have criticized it for making little use of its right of initiative in CFSP. In contrast to Pillar I, we can say that, factually, the Commission lacks capacity to set the CFSP agenda in pillar II. According to the Maastricht Treaty, the Council (the Presidency and the Secretariat are the only organisms discussed here) is responsible for the definition and implementation of the Common Foreign and Security Policy.

The institution of the Presidency, although permits a great degree of horizontal (across sectors in the Council) and vertical coordination (between ministers, permanent representatives and national officials), has a great potential for inconsistency and demand for effective coordination (Christiansen, 2001:143). This is due mainly to the increasing number of sectoral Councils. The nature of European foreign policy means that tension might appear between the need to respond quickly to issues or crisis as they happen, and the need to maintain a process of inclusive consultation with all MSs. Furthermore, the rotating Presidency, as a reaffirmation of the role of national governments in the EU structure, permits the prioritisation of certain issues of national concern. Consequently, there are many incentives for defection (Christiansen, Id.). In this case defection refers rather to the attempt to force the other members into accepting a different policy or outcome (Stein, 1983). Nevertheless, this type of joint-decision making counterweights the loss of national autonomy by the benefits of putting on the agenda the national governments' preferences. Much like Spain promoted the Mediterranean region during its 1995 Presidency, Finland sought to develop the EU's "Northern Dimension" during its 1999 Presidency (Tallberg, 2001). The Swedes used their Presidency in 2001 to put the subject of conflict prevention on the expanding security agenda of the EU.

As for the Council Secretariat, it has witnessed an improvement with the creation of the foreign and security bodies, particularly once with the appointment of the Head of the Secretariat as the High Representative for the CFSP. This strengthening trend of the Secretariat is a perfect illustration of the dilemma that MSs face when they resort to the EU for the performance of certain tasks; at the same time they try to maintain control over the implementation of the tasks. In addition, by transferring powers to the Secretariat and the committees, the MSs transformed the Council into more of a supranational body, while at the same time preventing the Commission from becoming stronger.

Member governments' delegation of an exclusive right of initiative to the Commission has been persuasively explained as a functional reaction to the agenda-setting problem (Pollack 1997). The Commission provides the Council with rather impartial and well-informed policy proposals. By contrast, proposals presented by member governments are often considered as biased, and are therefore are more likely to be dismissed (Tallberg, 2001). Moreover, when put to test, national perspectives seem to prevail over efforts to conduct a common European foreign policy.

4.2.2 Monitoring, sanctioning and executive powers

Supranational agents[27] can be delegated monitoring authority over MSs' compliance with or violations of their international treaty obligations. In the EU context of collective action under imperfect information (Pollack, 1997), institutional actors may monitor the behaviour of MSs, making this information available to all the actors. In this manner transaction costs are reduced and mutually beneficial cooperation encouraged. Furthermore, these institutions need not have power to enforce agreements through sanctions but need only provide information about compliance to facilitate decentralised sanctioning by participants.

The Commission's principal role is that of monitor, in accordance with TEU. The Commission's great degree of enforcement authority is yet limited in the field of CFSP, and particularly in crisis management, because of its military component. Wagner (2003) tries to explain that there are no incentives for delegating monitoring authority because, if the ECJ would have the power to adjudicate in case of defection, this "adjudication takes time, whereas foreign ministers have to react quickly to international events". But, the monitoring is not just a matter of time consuming. The benefits are greater than the costs, especially in the implementation phase of policy-making, as it will be shown below.

Delegating the authority to implement decisions contributes to improving the coherence of EU external relations, increasing the visibility of a common policy and thus even enhancing its effectiveness. The lack of coherence in EU external relations has been subject to a lot of criticism. Problems of coherence regard the distribution of issues across different institutions which often have different interests. And they have been even more salient once the CFSP has gone beyond statements to common actions. Decisions with administrative or financial implications have proved difficult to carry out on an intergovernmental basis (Wagner, 2003). The effectiveness of CFSP was enhanced by the use of Community directives (in the case of sanctions) and the Community budget (e.g. in the case of observer missions).

The implementation of decisions is the responsibility of the MSs and it allows those who lose in Council negotiations to regain influence by implementing regulations in a self-interested way. The EU has limited capacity in implementing decisions, because in times of crisis MSs strengthen their positions in report to the Commission, thus frustrating implementation or refusing to implement at all. States might ignore or improperly implement directives if they disagree with decisions in times of crisis, also because EU norms do not always fit with the national cultures or domestic norms. Therefore, implementation needs to be overseen by the Commission, who is able to initiate infringement cases, in order to avoid temptation to defect.

In cases of crisis, a common position and policy have to be adopted rapidly and cannot rely on lengthy consultations. At this point, the establishment of the

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[27] Commission or ECJ.

Secretary General/High Representative (SC/HR) represents a key achievement. In cooperation with the acting EU Presidency, put pressure upon the MSs to compromise and to act more rapidly. Additionally, in his daily work, the SC/HR is supported by the Policy Planning and Early Warning Unit[28], as outlined by the Amsterdam Treaty. The unit serves the following tasks: "monitoring and analysing developments in areas relevant to the CFSP; providing assessments of the Union's foreign and security policy interests and identifying areas where the CFSP could focus in future; providing timely assessments and early warning of events or situations (...) including potential political crises; producing (...) argued policy options papers (...) as a contribution to policy formulation in the Council"[29].

4.2.3 Representation and financial administration

Furthermore, there are incentives to delegate the representation of the EU's CFSP. In terms of enhancing cohesion and efficiency in the CFSP, leadership is essential. So far the Presidency played the most important role. However it has been difficult to ensure consistency with a rotating leadership. This becomes an even bigger problem with the enlargement and the increase of the MSs number. Besides there are signs that states are reluctant to subordinate their foreign policy to the smaller MSs. The most important improvement towards enhancing the cohesion of CFSP has been the nomination of a High Representative of the EU.

Indeed, in 1997, the MSs agreed to assign the function of a "high representative" to the Council's Secretary General. Moreover, special representatives have been appointed for various regions, such as the Middle East and Macedonia. The delegation of representative powers contributes to the continuity of EU policies, besides increasing visibility on the international arena. The Macedonian crisis has proved that coherence can best be ensured if the SC/HR and the EU Commissioner for External Relations, including their staff, work together, developing joint policies and establishing regular institutional links.

At last, "there are incentives to delegate the financial administration of foreign policy to the Commission and to charge joint actions on the Community budget" (Wagner, 2003). As the record of financing joint actions has demonstrated, the funding of the CFSP by the MSs outside the Community budget has proved to be burdensome and ineffective. As a consequence, the MSs agreed to charge operational expenditure in the CFSP on the Community budget to ensure effective funding. However, the ambiguity about what should be considered administrative or operational expenditure led to a number of disagreements, including one that delayed the implementation of the EU Joint Action in Mostar (Duke, 2002). Still,

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[28] Better known as Policy Unit
[29] http://europa.eu.int/eur-lex/en/treaties/selected/livre468.html

as the Treasury had noted, a special defence budget would prevent other countries from "free-riding"[30].

4.3   Why Delegate?

4.3.1   Collective decision-making

States as a group have slim chances of reaching an agreement since their preferences are socially intransitive. Thus, delegating authority to an agenda-setter might help them overcome collective decision-making problems by inducing equilibrium when one might not otherwise exist (Pollack, 2003: 85). Nevertheless, the choice of the institution may also be subject to collective choice dilemmas.

The wish of the "Big Three" to assume leadership in the Afghan crisis was a worrying sign for European foreign policy cohesion. Thus Chirac, Schroeder, and Blair held their own meeting before the Ghent Council on 20 October, and met again in London on 4 November. However, due to pressures of collective diplomacy, the prime ministers of Italy, Spain, the Netherlands, and the Belgian Presidency, together with the High Representative, "forced their way, almost literally, to the table" (Hill, 2002b). This was a "humiliating" public demonstration of the tensions between national and collective criteria(Id.).

This lack of common stand and "intransitive" preferences was obvious when MSs were not able to develop a common policy over Iraq. While Germany and France were against the US-led war in Iraq, some of the MSs and acceding states supported the US-led war in Iraq[31]. As a result, the disagreement among EU MSs during the Iraqi crisis prevented them from adopting a common position and also. Hence, the lack of coherence towards the Iraqi crisis eroded the effectiveness of their policy. "During the Iraqi crisis, Europe has been timid; the CFSP has been almost wholly silent and the Europeans have produced the silence of the lambs, divided, powerless and frozen with apprehension" (Hill, 2002b: 14, 31). This example succeeds in illustrating that a MSs led CFSP has been little effective and coherent.

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[30] For example, Britain contributes extensively to European security compared to its partners.
[31] Denmark, Italy, Portugal, Spain, the UK, the Czech Republic, Hungary, Poland, Slovakia, Lithunia, Bulgaria, Estonia, Romania, Slovenia.

4.3.2 Specialisation

The division of labour is intrinsic to all delegation. Principals might delegate authority to a specialised agent, only if gains are visible. If the tasks to be performed are frequent, the gains from specialization are even greater. "Delegation to an institution is most probable when the costs of establishing the specialized agent are more than the benefits to any single state but less than the benefits to a collection of states" (Hawkins, Lake, Nielson,Tierney, 2006).

Crisis management provides a clear example. In most cases, a single state does not benefit enough from crisis management to pay those costs itself. Hitherto if responsibilities are dispersed in politically viable ways, the benefits from crisis management are larger than any state's costs. In the case of the EU crisis management capacity, the focus of most of the EU's prevention, surveillance and monitoring systems is very narrow, directed at known threats to individual sectors. Crisis preparation involves the Commission's central role in identifying resources, including expertise and equipment. A strong CFSP demands specific crisis management capacity for operation in third countries. The Headline Goals, agreed by MSs, set out four civilian aspects of crisis management to work toward: police cooperation, strengthening the administration of justice, strengthening civilian administration and civil protection. Yet, any activation of this Pillar II initiative requires the participation of policies under Pillar III and Pillar I.

In times of crisis, the lack of clear communication between the EU and MSs, product of the relationship between the two governance levels, becomes an obvious liability in times of crisis. Moreover, in defence matters, reaching consensus is very difficult and time-taking. Thus enhanced cooperation becomes the only viable solution, in order to ensure effectiveness of operations under the CESDP. Although during a crisis situation, a quick intervention is needed, consensus is required for such operations in the EU and in the case of lack of consensus, the EU's intervention cannot be carried out swiftly and crisis cannot be stopped timely. This was obvious in the Yugoslav Crisis.

A further useful tool is the Rapid Reaction Mechanism (RRM) which is financed through a separate budget line. The RRM enhanced the EU's capacity to intervene swiftly and effectively in crisis in third countries. This also contributed to strengthening the Commission's position to organize and support the mobilisation of MSs civilian experts in areas such as clearance, mediation and training of police or judges in crisis situations.

Nevertheless, there is a deficit in the field of civilian crisis management, in terms of human resources. These activities are run in crisis areas by the same specialists who are usually responsible for the normal functioning of society. "No country has highly qualified experts in reserve, waiting to be sent abroad on international missions for lengthy periods of time without any effect on domestic services"[32]. Thus the positive news – the observed capacity for rapid decision-

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[32] Erkki Tuomioja, 2001.

making and intervention – must be weighed against finding that the implementation of crisis decisions may be less adequate.

4.3.3 Enhancing credibility, effectiveness and coherence

States may delegate authority to enhance the credibility of their policy commitments (Martin, 1993). Problems of credible commitment often arise under what economists call the time-inconsistency problem − actions that are in a political actor's long term interest may not be in its interest at any particular moment. Credibility problems can also arise, as Pollack argues, when issues impose concentrated costs and diffuse benefits.

  Immediately after September 11 terrorist attacks, EU MSs declared their solidarity with the US in its fight against terrorism. Christopher Hill (2002: 4) defined the EU's immediate reaction to the attacks as "effective solidarity". Nevertheless, in later phases, the large MSs, especially the three big, France, Germany and the UK, by excluding smaller ones supported the US in its war against terrorism on a bilateral basis, i.e. not through the EU, and this led to divisions among the EU MSs and frustrations among the excluded smaller MSs. Charles Grant (2002: 138) named the tension between the EU's bigger and smaller states as 'Big against Small'. Two mini-summits held by bigger MSs undermined the solidarity and coherence among EU MSs. Thus, they clearly undermined one of the most important purposes of the EU, i.e. to speak with one voice (Schmitt, 2003). EU MSs' failure to speak with one voice also undermined their international credibility, because in their Joint Declaration, just after September 11 attacks in the US, leaders of EU MSs declared that they shall continue to develop the CFSP with a view to ensuring that the EU is genuinely capable of speaking out clearly with one voice. In addition, Belgium's limited diplomatic and military clout as the holder of the Presidency in the second half of 2001 led the EU to lose its international credibility, since the outside world especially the US does not take the EU seriously. Consequently, this led to increase in the need to reform or abolish the rotating presidency.

  Not surprisingly, given that delegation is a form of cooperation, many of the benefits we identify here overlap with incentives to cooperate more generally. Yet, our analysis goes beyond the sources of cooperation identified in the existent literature by showing how delegating to a supranational institution can actually enhance the prospects for cooperation.

  To conclude, there are numerous benefits from a transfer of competencies in CFSP to the supranational Commission. It is important to note that the CFSP's most prominent activity, crisis management, benefits a great deal from those functions that a delegation of sovereignty can be expected to carry out. This chapter attempted to show why the CFSP is deficient in its existing MSs-conducted framework.

5 The "Games" of Crisis Management

In the following section, I further develop propositions about why states delegate. These arguments build on existing theories, which tend to be strongly rationalist, with an emphasis on game theoretical approach. Any satisfactory explanation of the decision to delegate to an institution also explains why not cooperate without delegation, and why not chose a unilateralist way. The assumption to be proved is that CFSP is in fact a collaboration game. Thus, a centralised authority becomes a precondition.

In order to explain this, we resort to the theory of regimes that considers regimes as a way of facilitating cooperation. The assumption is that self-interested actors have things in common in a regime born out of dilemmas of common aversion or common interest (Stein, 1983). How and under what conditions do MSs conditionally grant authority to an institution? In this chapter, I will focus on policy externalities (Hawkins, Lake, Nielson, Tierney, 2006) as an inducement for accepting to delegate CFSP competences. The states are more likely to engage in mutually collaborative cooperation if the policy externalities are great. Moreover, the gains from cooperation can also be enhanced by delegating authority to an agent, as proved above. Policy externalities arise under two collective problems, characterized as dilemmas of coordination ("common aversion") and collaboration ("common interest"), respectively (Stein, 1990; Martin, 1993). In coordination dilemmas, states seek to avoid mutually unpleasant outcomes[33], while in collaboration dilemmas they look for enhancing the certainty of their choosing mutually desired outcomes[34].

5.1 Coordination game

Actors found in coordination dilemmas share an interest in avoiding a particular outcome, which is not necessarily the one they prefer. Rather, they agree on the situation the most want to avoid. Compared to other strategic problems, coordination dilemmas are relatively easy to solve. Nevertheless, there is still a risk of failed cooperation if signals between actors about their preferences are misunderstood. The creation of regimes in this case provides incentives for actors to abstain from independent decision-making. In theory, this kind of regimes are

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[33] Exemplified by the Chicken game.
[34] Exemplified by the "battle of the sexes" game.

self-enforcing and do not necessitate monitoring or sanctioning because, theoretically, actors have no reasons to defect from the established equilibrium.

Coordination dilemmas can be solved by delegating authority to a "coordinating agent". Granting authority to this agent leads to reduced transaction costs since the agent is able to evaluate alternative policies or technical standards. Moreover, states can also benefit from delegation of monitoring functions which would provide them with valuable information about the others' behaviour. In order to prevent cooperation form failing, states have incentives to grant significant freedom of decisions to their agents (Hawkins, Lake, Nielson, Tierney, 2006).

Most of the interaction within CFSP takes the form of language (Sjursen, 2003), and very little interaction takes the form of monetary payments or military action. Among the important instruments in the CFSP is for example the COREU network, through which the MSs of the EU share information and exchange ideas, analysis and comments as well as draft common statements (Cameron, 2001)[35]. It is on the basis of this network that the formulation of common foreign policies proceeds. Larger and more influential states are favoured theoretically, in coordination games. In CFSP, the reality is different. Small states come to have quite important part in the decision-making.

The CFSP has something to offer to small states in the form of the veto right they possess under the unanimity procedure. On one side, similar to other states, they do not even need to mention it directly, because their national political situations are well known. Their principles affect the entire Union and guide efforts to solve problems and make decisions. This benefits the small states particularly (Goetschel, 2000). Nevertheless, all states try to prevent being isolated. Otherwise, their opposition becomes more difficult, especially once it is made public. Internal CFSP diplomacy is of great importance for small states. They have to test their ideas with the Presidency and with large states. Small countries always need the support of two or three big states. This is usually possible because no conflicts between small and large states aggravate within the CFSP. Small states have developed strategies with which they strengthen their own position within the Union as "bridge builders" or mediators between the "big powers" (Goetschel, Id.).

5.2   Collaboration game

In collaboration dilemmas, the equilibrium outcome is sub-optimal and its purpose is to reach a particular ending. To accomplish cooperation in such strategic settings, states must bind themselves to act against their "natural"

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[35] With over 17.000 messages per year this constitutes an enormous pool of information and the network is crucial to the whole functioning of the CFSP.

tendencies. In this particular model, the actors dispose of a dominant strategy[36], unlike in coordinated collective action. Nevertheless, this strategy is suboptimal in the case of CFSP because the MSs have competing visions or even interests. Especially, after the enlargement, developing a coherent and effective foreign and security policy becomes more difficult for the EU, since ten new members have different international experiences and perspectives based on history, culture, economic and security. This leads to increase in the diversity of foreign and security policy interests within the EU. Consequently, agreeing on a common position in foreign and security policy issues becomes more difficult, as well as acting in a coherent and effective way on the international scene. The solution is thus compromise.

In most crises, EU responded fairly quickly and on the basis of a unified position, i.e. the MSs acted jointly and were not split by unilateral actions. To ensure this common policy coupled with fast action, on short notice, the SC/HR and his staff proved to be very important. Yet, states will usually hold incentives, at least in the short run, to "defect" from cooperation. For example, after the events of September 11 there was a need to rethink regional strategies in order to reshape responses to security challenges. To be able to evaluate these changes one has to take into account the existence of competing Western concepts to define the "Middle East" that include the US inspired idea of a "Broader Middle East", the "Arab world" and the concept of the "Euro-Med region", which is strongly supported by the EU. Nonetheless, states often try to develop some mechanism to restrain free-riding and facilitate cooperation.

In order to arrive at a dominant strategy, states must reach an agreement for which the incentives are not very strong in collaboration games[37]. The intervention in Congo could illustrate this. Some EU Member States blocked the Country Strategy Paper for several months, due to their diverging political points of view regarding the crisis, thus forcing EC in the meantime to rely on budget lines and humanitarian funds and restricting its capacity to respond to needs in the field. The Union remained little involved in this conflict, mostly because of a continuing disagreement between France and the United Kingdom on the initiatives to adopt and the local actors to support. Despite obvious humanitarian emergencies, the attempts by France to Europeanise its Operation Turquoise in 1994, and to launch another intervention in 1996 were successively rejected by its European partners who feared to get caught in the winding paths of French African policy. In the end, the EU reluctantly sent battle troops in the African region[38].

As mentioned earlier in the paper, public goods constitute a major class of collaboration dilemmas. When states can benefit from a good (such as national

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[36] At least in the short run, since crisis management concerns short-term actions. Moreover, actors' cost-benefit calculations relate here to short-term interests of increasing/loosing relative powers within the EU and direct policy-related interests versus the need for an efficient and coherent organisational structure for the EU.

[37] Prone also to free riding.

[38] www.euracativ.com, Thursday 23 February 2006.

defence) whether or not they contribute to its provision, the classic free rider problem arises and, in the absence of centralised provision, the outcome is prone to be sub-optimal and the temptation to defect is strong. MSs have incentives to exploit special relationships and serve as EU foreign policy-making centres. This is so because they can thereby increase their own national profile, both in third states and within the EU. The initiatives under ESDP label are likely to give MSs greater capability for expeditionary operations in humanitarian crisis. Some voices even suggested that certain European countries are free-riding on the military side of the security equation (as in the Balkans), by opting for "soft burdens" such as aiding refugees[39]. It has also been suggested that EU countries, mainly the less endowed are inclined to free ride on security good provided by other MSs.

Michael Smith (2003: 3) asserted that in their initial response to September 11 attacks, EU MSs were extremely quick to speak with a common voice. Nevertheless, they rather expressed their support on a bilateral and national basis rather than collectively and on behalf of the EU. National leaders were supportive of the US on behalf of their respective countries. Each offered national military assets to the US and national leaders were eager to be seen to be engaging in bilateralism with the US administration; Jacques Chirac, Tony Blair and Gerhard Schröder talked to each other to concert their arguments, but they did not make any effort to speak for the EU when in Washington (Grant, 2002). Jolyon Howorth (2002: 1) suggested that European response to September 11 was renationalisation of security and defence reflexes. The smaller MSs complained that by acting alone particularly in dealings with the US, the bigger countries undermined EU institutions and solidarity.

In such cases, states may benefit by delegating to a supranational institution that they empower and finance to provide the public good. In the area of CFSP, the Commission can provide greatly in matters of monitoring and conflict prevention.

Alternatively, states may opt for contributing individually to public goods, but create agents to collect and reveal information about their efforts – often a necessary condition for successfully overcoming the free rider problem (Keohane, 1984). Therefore, institutions are needed to collect information about the actors' behaviour, and even for monitoring. Since states still have incentives to free ride, they might individually desire to control their agents but even so collectively grant the supranational institutions a small amount of discretion so that it can more effectively provide public goods or, alternatively, police their individual contributions.

Regimes are thus needed in order to insure that no one cheats, by making cheating visible, specifying verification and monitoring procedures and increasing the shadow of the future. Especially, in regimes with a large number of players,

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[39] RAND Monograph Reports, Improving Military Coordination with Relief Agencies and Allies in Humanitarian Operations
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such as the CFSP, centralised institutions are needed to offset all the costs mentioned above. While path dependency may influence MSs toward Union-centred policy making, and they are bound by treaty provision not to impede the creation or implementation of a collective policy, they nevertheless retain sovereign rights. They have the alternative of coping with any crisis unilaterally, multilaterally, or collectively through the EU. Thus, they have the ability to establish their own agenda in crisis management. As a result MSs make it very difficult for the policy making system at the EU level to turn out a consistent, coherent product. Without the discipline of a legally defined Union-centred policy making hierarchy, the Union must face the fact that coherence will remain problematic (Missiroli, 2001).

From this perspective, small states play an important part. In his study of Ireland, Denmark and Holland in the CFSP, Ben Tonra (1997) has found that "political cooperation enhanced the effectiveness, broadened the range and increased the capabilities of foreign policy making" in the case of small states (Tonra 1997: 197). Some examples of the ability of small states to influence decisions within the CFSP would be the establishment of the Northern dimension, launched by Finland or the Baltic Sea Cooperation Council, promoted by Denmark.

Figure 4. Comparison Coordination vs Collaboration in EU Crisis Management

Criteria*[40]	Coordination game	Collaboration game	EU Crisis Management
Dominant strategy	No	Yes	Yes**
Incentives to reach agreement	Yes	No	Yes/ No
Temptation to defect	No	Yes	Yes
Need for monitoring	No	Yes	Yes
Free riding	No	Yes	Yes
Small states vs large states	Large states advantaged	Small states advantaged	Small states advantaged
CENTRALISED INSTITUTIONS	NO	YES	YES

* (Selected by the author. They are not exhaustive here. I chose the most relevant for our purpose.)

** (most of the cases)

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[40] As identified by Stein, 1983 and Snidal, 1985.

As a partial conclusion, collaboration games must involve institutions that collect and disseminate information to help parties assess compliance with the regime's central provisions. Thus strong, centralised mechanisms play a significant role since there is a need of overcoming the incentives to defect from cooperative agreements. In the next section, collective action and public goods theory provide further insight into the nature of crisis management/CFSP and confirm its collaboration game character.

5.3 Assessing Collective Action in Crisis Management[41]

The theory of hegemonic stability puts forward that in an anarchic system a state must assume the leadership in order to provide rules and order. In the EU the trend is towards coalitions, which contain the power of big MSs. Thus, a leader nation could be an agenda-setter who is able to enforce matters for discussion, but not decisions. Another criterion identified by Sandler which influences the likelihood of collective action is the number of essential participants. As determined in his study, fewer essential participants raise the chances for collective action. By limiting the number of participating nations, a supranational structure economises on transaction costs of decision-making, interdependency, and enforcement (Sandler, 1998). This claim follows the lines of collaboration games.

In the EU framework, the "essential participant" must be analysed on a case-by-case basis, according to countries that are particularly concerned[42]. The purpose is to avoid transaction cost, thus cooperation problems, because of a large number of actors[43].

Furthermore, in accordance with Sandler, we examine the national benefits of cooperation in the EU. This can be reduced to gains actors expect to have from cooperation. While, in a realist tradition MSs would value relative gains, in the EU context the cooperation is enhanced because the focus is on absolute gains[44]..

Moreover, lower levels of uncertainty increase the probability for collective action. Collective action raises costs for the actors, due to uncertainties, transaction costs and the asymmetries in information. These costs ca be reduced through the creation of regimes. This triggers second-order problems of distribution and compliance. Consequently, in order to facilitate and enhance

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[41] Drawing from an analysis proposed by Christopher Raab.
[42] When the EU discusses issues involving Turkey, Greece would be an essential participant
[43] Generally it pertains to the "Big Three" coalition: France, Germany and UK.
[44] However, there are strong exceptions to that: where relative-gain attitudes dominate, like about the distribution of voting rights of MSs or uncoordinated foreign policy preferences that arise in an acute crisis.

further cooperation, centralised institutions are necessary to monitor and sanction.[45] All the criteria mentioned above play a part in generating the proper conditions for collective action in EU defence cooperation.

The conflicts in Macedonia and Bosnia are suggestive for the purpose of this paper. First of all, because they do not they raise difficulties in identifying Sandler's criteria. Besides, their added-values consist of having divergent outcome: the general perception is that the action in Bosnia was a failure, while the Macedonian response a success.

Bosnian War

In Bosnia, the gap between ends and means was so wide that it undermined the possibility of a successful intervention (Hill, 1993). EU's choice of policy, as if capable of "rationalizing and mobilizing the entire resources of its members" (Andreatta, 1997), was in the end contradicted by the reluctance of national governments to get involved.

This contradiction was visible in the difference between the EU diplomatic stance, sporadically coordinated, and its military policy, which remained in the hands of national capitals. "The EU was successful in the Bosnian war because it managed to avoid a direct confrontation between any of its members, despite different stances" (Andreatta, Id.). Thus we can consider that this incoherence translated into a failure of collective action in this case. The high degree of uncertainty also contributed to this lack of dominant strategy (collective action) and to the competing approaches to war.

There was no legitimate leader nation or nations that would have been able to channel EU action. "We are much too divided among ourselves to provide a necessary leadership" (Human Rights Watch, 1992). These words characterise well the EU's dissolution during the war in Bosnia. "The states most closely concerned have considered it more effective to take action outside the framework of the CFSP", through ad hoc arrangements such as the Contact Group and the RRF or acting unilaterally as in the case of the German drive for the recognition of Croatia at the end of 1991[46]. In the end, it was the United States that took initiative, which finally led to the Dayton agreement. However the EU did not have a leader nation.

As far as which MS participant to the conflict can be considered "essential", is not easily noticeable. All the MSs involved had an essential part in the collective action, mostly because of unanimity prerequisites in decision-making. Moreover, Russia, the USA and Canada were involved. Although a Contact Group was established between the five major powers involved -the United States, Russia, Germany, France and the United Kingdom- reducing the cumbersome decision making process within the EU, then within NATO, then within the UN, their interests were very diverse, as were their approaches to the crisis.

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[45] Wagner, 2003, p.579.
[46] Santer, 1995.

The nation specific benefits were not high, since a fair number of Member States (compared to the total number of actors involved) were directly touched by the war: Germany and Austria, as well as Sweden, Greece, Switzerland[47] had mainly to deal with refugee influx, while Italy is geographically and historically connected to the region.

Collective action was not the outcome in the Bosnian war according to the above criteria. In the absence of a leader nation, collective action can not occur without even a fair distribution of the nation specific benefits.

Macedonian Operation

In contrast to the wars in both Croatia and Bosnia & Herzegovina, where its action was sordidly deferred, during the 2001 conflict in Macedonia, the EU, in close cooperation with the USA and the OSCE, proved capable of using its foreign policy instruments effectively to stop yet another Balkan bloodshed. Subsequently I give a brief assessment of this operation according to the criteria mentioned above.

In this particular case, MSs realised that they needed to act together to maintain credibility. And paradoxically, the system of Presidencies proved helpful. The Macedonian mission was an opportunity for France, by far the biggest contributor in terms of financing and men on the ground, to assume a leadership role. Even Germany, interested in the states of the Former Yugoslavia, claimed leading part. The invaluable contribution came from the High Representative for CFSP, Javier Solana. The creation of the post of High Representative definitely brought the visibility/continuity element that was lacking in the CFSP. In addition, the creation of the policy unit allowed the High Representative to have a permanent representative in Skopje when he himself could not be there. Nevertheless, Mr. Solana could not have had the results he had, without playing the game of the incentives, which are in the hands of the European Commission[48]. To the extent that the EU could be seen as speaking with one voice, there were fewer participants than during the Bosnian War[49].

The level of uncertainty was considerably lower than in the previous crisis, not just because the EU built its intervention on NATO' accomplishments, but mostly because the actors involved were identical for both NATO and EU mission. The gains nations were seeking came as a consequence of the Bosnian crisis, when MSs had to cope with large waves of refugees. All participants perceived important benefits from successfully using European capabilities.

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[47] 40000 refugees fled to Sweden, to Greece and to Germany, mostly illegally, and around 20000 to Switzerland. Source: CARF 50, June / July 1999

[48] The role of the collaboration between the Sc/HR and commissioner Chris Patten was tackled above.

[49] The actors involved in the Macedonian crisis, besides the EU, were Russia, USA and Canada (under NATO).

The Macedonian conflict fits the conditions for collective action, even if with only three criteria. In these cases, the number of essential participants seems not to have much influence on success or failure of collective action. Nevertheless, theoretically, cooperation can be hindered by a large number of actors.

On the basis of existing theories of rational choice and Principal-Agent delegation, collective action[50] provides additional insight into problems associated with communitarising the security and defence cooperation. In particular, this chapter confirmed the set of criteria proposed by Sandler in indicating the probability of successful collective action. In conclusion, the cooperation within European crisis management, thus within CFSP, is influenced more by the existence of a "leader nation" and "nation-specific benefits", while the "number of essential participants" does not weight very much in the outcomes of collective action. These findings come as a complement of the arguments presented in the previous sections. They additionally confirm the nature of crisis management as being a collaboration game.

Figure 5. Assessing collective action in EU Crisis Management[51]

Criteria	Macedonia	Bosnia	Collective Action
Leader nation	Yes	No	Yes
Small number of essential participants	No	No	Yes
Low degree of uncertainty	Yes	No	Yes
High nation-specific benefits	Yes	No	Yes

6   Conclusions

6.1   Findings

In conclusion, I would like to restate the purpose of this study, which was to asses whether the CFSP met the conditions and criteria of being a collaboration game, thus for becoming communitarised. Throughout the paper I tried to show that delegating authority in matters of CFSP is in the interest of MSs; however, once the institutions are established, the decision- making rules might constrain the set of choices available for MSs, since they must take joint decisions. This results in collective outcomes that further integration of CFSP, even though not all members favour this.

In the tradition of EU integration literature, this paper, by its rational choice approach, analysed why agenda-setting and monitoring powers should be granted to supranational institutions (Tsebelis, 1994). At the same time, it explored how these functions provide supranational institutions with powers to influence MSs preferences (Pollack, 1997) while enhancing coherence of CFSP and visibility of the EU on the international scene. The findings I came to will be summarized next.

In a very fragmented decision-making environment, such as the European Union, MSs have reasons to delegate agenda-setting authority supranationally since they are unlikely to reach a stable agreement on a dominant strategy in CFSP otherwise. Thus, without incentives to reach an agreement, delegation has the function of inducing equilibrium when one might not otherwise exist. Furthermore, it has been shown that, since crisis management fulfils the criteria of a collaboration game, delegating monitoring functions is a necessity. Defection and free riding are thus being controlled, while avoiding incoherent manifestation of the policy. This study attempted to prove that crisis management is rather a dilemma of common interest than one of common aversion, although it is generally though of as the latter. Through the empirical examples that it provides it verifies the criteria of collaboration game. However, the empirical cases are not exhausted, thus leaving space for further analysis.

At the same time, the study tried to show that a MSs-led CFSP is not likely to be very effective or coherent. Defining the further integration CFSP, or its communitarisation, in terms of collective action and public goods, the two study cases of the Bosnian and Macedonian conflicts confirm that crisis management in the EU is a successful process if an agenda-setter takes the lead. Although in these cases MSs, as coalitions, led the process, the conclusion to be drawn is that a

leader contributes greatly to the likelihood of collective action, thus of communitarisation.

Although the general opinion tends to claim that CFSP has no chances of being communitarised[52], this study succeeds in proving the contrary. The tasks the CFSP fulfils as a regime help MSs achieve coherence in their common position over foreign policy matters. Moreover, as a collaboration game, crisis management, thus CFSP, functions better when centralised institutions assume the leading role.

We can conclude that MSs not only have the rational incentives to communitarise CFSP, but that they have already taken advanced steps in this direction. Nevertheless, "without the corresponding development of a *shared identity*, the communitarisation of foreign policy is unlikely to lead to a cohesive foreign policy" (Sjursen, 2001).

6.2 Limitations and Future Research Agenda

In the end we need to realise that the approach and the theory employed in this paper have some limitations. First of all, rational choice institutionalism applied to foreign and defence policy raises the problem of assessing the cost/benefit calculations for states interested in security rather than prosperity. There needs to be a theoretical framework that rational choice institutionalists draw from that explains the logic of EU MSs. Second, realist theory arguments could be used to supply theoretical foundation for calculating MSs preferences, especially in defence issues[53].

The difficulty with both these arguments is that multiple security institutions still exist in Europe that have an overlapping set of institutions and capabilities. Further research could look into the reasons for which MSs might consider it rational to develop a new set of crisis management capabilities in the EU's CESDP, when such capabilities already existed in one form or another in the WEU and NATO. Why is it rational for EU MSs to form a NATO military force when they have already agreed to form a force within the CESDP that performs essentially the same set of tasks? Rational choice institutionalists can answer these questions by drawing upon exogenous variables that can explain the logic of EU actors, but it is not as simple a process in defence and security policy as it is in economic policy, where the rational calculations are typically based on economic gains and losses. Thus, rational choice institutionalism may be restricted to

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[52] See W. Wagner, 2003.

[53] For instance, John Mearsheimer (1990) has argued that the collective threat posed by the Soviet Union and the existence of US troops in Western Europe made EU integration possible. EU MSs could now be viewing the creation of a CESDP as a way to balance US power in Europe, making it more likely that EU MSs would favour creating independent European military capabilities.

providing theories of cooperation rather than integration until the EU actors agree to establish a set of institutions with supranational authority.

Additionally, future research in EU crisis management could focus on different types of questions, such as descriptive, normative or prescriptive[54]. We need to find more about what is happening in terms of crisis management at both the EU level and within the MSs. Second, the debate should focus on normative issues, such as whether the EU should be involved in the management of crises. Third, there are prescriptive questions: how to improve the quality of crisis management in Europe, consequently enhancing coherence in CFSP.

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[54] As proposed in "Functional Security and Crisis Management Capacity in the EU: Setting the Research Agenda", 2006.

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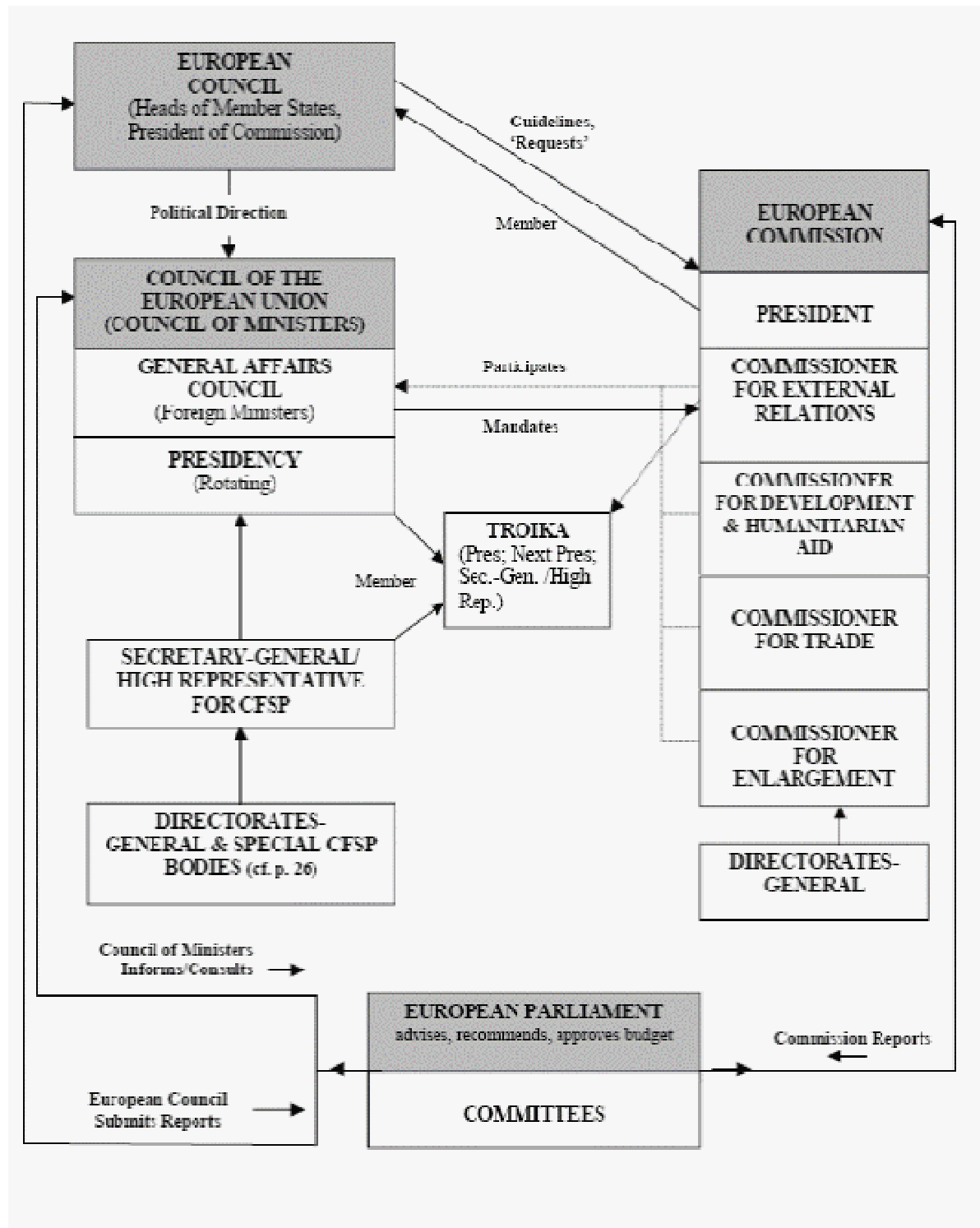
8 Appendices

Figure 6. Key Strucutres for CFSP

Figure 7. Key Structures for Crisis Management