

**Twelve tongues, one voice:
An evaluation of European political cooperation**

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Abstract. Traditional integration theories disagree over the scope of the main foreign policy instrument of the European Union (EU), the so called European Political Cooperation (EPC). While intergovernmentalism suggests that EPC actions are weak, neofunctionalism maintains that cooperation within the EPC framework is characterised by strong measures. In this article, we present a game theoretic and statistical analysis of these conflicting propositions and show that European foreign policy making is much more diversified than predicted by the predominating theoretical approaches. A signalling game demonstrates that the exploitation of uncertainty by a possible profit seeker outside the organisation can cause inadequate EPC decisions. The formal model also explores the extent to which joint interest in closer foreign policy coordination can help to overcome diverging national policy preferences. The empirical test of some game theoretic hypotheses shows that European foreign policy making has become more intensive. The increasing number of declarations is, however, also a sign of the proliferation of non committing statements. Logit regressions reveal a close relationship between the economic salience of an EPC target nation to the European Union and the intensity of an EPC reaction.

Integration theory and the wide variety of EPC foreign policy making

When the former Yugoslavia broke violently apart, the member states of the European Union (EU) did not initially accept Slovenia's and Croatia's declarations of independence. The organisation refused to respond positively to the unilateral secessions because two major member states, Great Britain and France, wanted to maintain the dissolving federation. Germany, in contrast, pressed for the recognition of the two separatist states. Several months later, German insistence drove the EU partners into a complete policy reversal by which the member states accepted the two secessionists and imposed sanctions against Serbia.

It is now tragically obvious that this dramatic U-turn did not reach its goal – the war in Croatia and Slovenia continued and was followed by a militarised conflict in Bosnia. In the end, the United States took the responsibility over from the European Union and forced the warring republics into a peaceful settlement of the conflict. The lack of a coherent EU policy during

the Yugoslavian nightmare is, for some authors, another manifestation of the old adage that the union is not able to be a major foreign policy player. An American observer describes Europe as a 'flop' and writes: 'That each of the most powerful members of the EC had its own agenda . . . not only helped ensure EC failure, but reminds us why Europeans, left to themselves, tend to mismanage Europe's security' (Gompert 1994: 42–43).

On a theoretical level, the EU reaction towards Slovenia's and Croatia's declarations of independence is interesting in two ways. First, the adoption of the German position is a significant counterexample to the intergovernmentalist hypothesis that EPC member states agree, at the most, on the lowest common denominator (Taylor 1983; Scharpf 1988). From the perspective of this realist approach, the European Union is incapable to respond in unison when important interests of some members are at stake. Second, the lack of success of the EU initiatives in Yugoslavia challenges the neofunctionalist paradigm which is overly optimistic about the prospects of such policy measures. From the vantage point of this approach, functional cooperation should lead to an upgrading of common foreign policy interests, making strong and efficient EPC measures the most likely outcome (Schmitter 1969:165; Sbragia 1992: 20f).

In this article, we try to offer a theoretical explanation that accounts for different outcomes of the EPC negotiation process. We put the study of EPC foreign policy making on an analytic footing by deriving hypotheses from a signalling game. In contrast to the conventional approaches to European integration, we examine the EPC actions within their strategic context and show how uncertainty about the nature of a possible beneficiary influences the foreign policy outcome. More precisely, our game-theoretic model illuminates how the exploitation of private information by an outside party influences the likelihood that the European Union adopts inadequate policies. The model demonstrates that trust is the crucial factor in such a setting. The game-theoretic analysis also shows that the intergovernmentalist prediction of lowest common denominator outcomes can only come true if there is uncertainty about the reliability of a beneficiary.

We apply a statistical analysis to test some of the hypotheses about the likelihood of different EPC actions. The descriptive examination shows that the congruence between international developments and EPC declarations is more pronounced for cooperative rather than for conflictual events. Multivariate logit regressions yield tentative support to some rationalist claims although a functionalist explanation, the evolutionary argument, is the strongest predictor.

The article is structured as follows: the second section offers a brief overview of the European Political Cooperation process and examines the

contribution of conventional integration theories to the analysis of EPC. The third section presents the signalling game, and the fourth and fifth sections are devoted to the statistical analysis of some major hypotheses. The conclusion summarises our findings and discusses whether and how the European Union can become an active foreign policy player. A formal description of the model can be found in the appendix.

History and theory of the EPC decision making process

A gradual evolution

The establishment of a common foreign policy is one of the major ambitions which the European Union inherited from its predecessor organisations, the European Community (EC) and the European Coal and Steel Community (ECSC). Notwithstanding the ambitious goals set forth in the Maastricht Treaty, however, the EU rarely dictates the global agenda through its own foreign policy initiatives. The generally reactive stance led Allen and Smith (1990: 20) to the conclusion that ‘... Western Europe is neither a fully-fledged state-like actor nor a purely dependent phenomenon in the contemporary international arena’.

Although there are innumerable complaints about the lack of a forceful European voice in world affairs, foreign policy making is formally already one of the activities of the European Union. After the failure of two major proposals for a common defence policy, member states agreed in 1970 to install a less ambitious consultation framework in foreign affairs.¹ This so-called European Political Cooperation (EPC) has been the main foreign policy instrument of the organisation since then.

According to the official sources, one major motivation behind the establishment of EPC was to ensure greater mutual understanding and to increase solidarity among the member states of the organisation (Luxembourg Report 1970: Part 2(a)). European foreign policy making is essentially the result of regular and frequent contacts between the diplomatic elites. To avoid open confrontation, diplomats try to find consensus solutions before the meeting of the foreign ministers (the so-called Conference of EPC Foreign Ministers) takes place. Through the political cooperation process, member states commit themselves to consult and cooperate on foreign policy issues and to work towards coordinated positions and joint actions (EPC 1988: 5).

In practice, EPC constitutes a regime which imposes limits on member states’ capacity to act unilaterally. The Union’s foreign policy framework is thus comparable to other international regimes where some sort of sanctioning mechanism disciplines the participants. However, since the threat of a

punishment does not yet loom large in the calculations of the member states, they are still able to place national interest over activist ideals without doing much harm to themselves (Schneider and Weitsman 1994). An especially pertinent example is the surprise trip of President Mitterrand to Sarajevo which inspired Britain to level accusations of *cavalier seul* diplomacy (Wood 1993: 239). The adding of footnotes to an EPC statement or the refusal to support joint sanctions are other possibilities to defect from the European foreign policy regime. Such moves usually contribute to the impression that EPC actions do not constitute more than diplomatic 'hot air' which is used to hide fundamental disagreements between member states. However, this cynical assessment is not wholly accurate since the organisation has also been able to impose firm measures through the EPC framework. The sanctions during the Falklands war are one such example.

The European Community reached its first common foreign policy decision in 1973, when the foreign ministers agreed to coordinate their positions in the newly established Conference on Security and Cooperation in Europe (CSCE). Since 1975 the organisation issues foreign policy statements on a regular basis (Allen and Wallace 1982: 30ff), and the consultations among the foreign ministers have intensified. Over the years, several reports called for the strengthening of the EPC procedures and instruments. In 1986, the Single European Act formally codified European Political Cooperation.² The Maastricht treaty, six years later, widened the scope of the foreign policy activities and established the Common Foreign and Security Policy as one of the pillars of the European Union.³

Despite the progress made, EPC's fundamental decision making procedure has not changed. Because the organisation adopts declarations consensually, every state still has a potential veto right in this domain (Schneider 1995). There is thus not yet an obligation to inform and consult on foreign affairs. Article 3.2 of the Maastricht treaty's *Provisions on a Common Foreign and Security Policy* only exerts soft pressure by urging that 'Member States shall ensure that their national policies conform to the common position'. During the renegotiations of the Maastricht treaty, the EU could furthermore not prevent the concession to Denmark that this country does not have to participate in joint decisions and actions with defence implications. In short, the 1992 programme and the Maastricht Treaty have not yet reconciled the discrepancy between the EU's weight as an economic power player and its negligible posture in global politics.

If the member states are able to agree on a common position, they announce joint actions in declarations. The content of these declarations ranges from noncommittal rhetoric, through protests, to the imposition of economic sanctions and the promise of financial assistance. Although these statements are

Table 1. Actors and outcomes in crucial EPC actions

Date	Case	Actionist	Minimalist	EPC action
1986	US attack on Libya	Great Britain	Germany	None
1983	Cyprus conflict	Greece	Great Britain, France	Weak
1992	Slovenia/Croatia	Germany	France, Great Britain	Strong
1982	Argentina	Great Britain	Italy, Ireland	Strong

the main tool of the foreign policy making process, there is some disagreement about their relative importance. While some have argued that EPC declarations avoid substance (Pardalis 1987), other authors state ‘... it is possible to identify a moving together of views from originally differing positions of the member-states in important areas of international politics’ (Wessels 1982: 5).

Extreme positions

Such controversies reflect the more general dispute in the academic literature over the significance of ‘European’ foreign policy. Liberal theorists perceived the EU reactions towards Serbia as efforts to cooperate in spite of conflicting national interests, stressing the evolutionary nature of the institution-building process (Sbragia 1992: 20). Realists, obversely, argued that there is ‘little evidence that a common foreign policy where EC members are willing to yield their foreign policy prerogatives to the Community is emerging’ (Wood 1993: 241–242).

The predominance of these conflicting theoretical approaches is surprising, since the outcomes of the EPC negotiation process are much more varied than predicted either by intergovernmentalism or neofunctionalism. Table 1 presents a sample of cases that show the diversity of common foreign policy actions towards international conflictual events. We distinguish among three possible EPC reactions: no action, weak action, and strong action. A further distinction is made between those major members who favour a strong EPC action (‘actionist’) and those who opt for a weak or no action at all (‘minimalist’).

In the case of the US attack on Libya, Great Britain played the role of the actionist because it immediately supported the retaliatory airplane raids. More particularly, the Thatcher government allowed US F-111 fighter-bombers to take off from bases in the United Kingdom. Germany, on the other hand, hesitated to support the US policy. In the end, the EU failed to agree on a common position, opting instead in favour of diplomatic measures against Libya without breaking off diplomatic relations (Nutall 1992: 303–5). By contrast, internal negotiations on the Cyprus conflict resulted in the adoption

of a weak common position that represented the minimalist's preference. The declaration of independence of Turkish Cyprus led to Greek calls for a political isolation of Turkey and sanctions by the EU. Within EPC, however, the more moderate position of the French and British proposing to condemn Turkey's policy verbally was accepted.

The dissolution of Yugoslavia and the Falklands war ultimately resulted in strong EPC actions. In the former case, the *fait accompli* of unilaterally recognising the secessionists share the fate of all other European initiatives, however, by not bringing peace to the former federation. The invasion of the Falklands/Malvinas by Argentina produced, in contrast, a strong EPC action that reached its original intention. Great Britain, in the role of the actionist, succeeded in assembling its EPC partners behind its demand for sanctions against Argentina. The combination of military intervention by Great Britain and these economic measures proved, at least in the perspective of the British foreign policy elite, to be effective.⁴

The same range of outcomes can be observed for other types of international event. Whereas the civil war in Sudan did not get any attention from the EPC, the militarised dispute in Lebanon resulted in a weak response (that is, an EU appeal to stop the war). The conflicts in former Yugoslavia, conversely, led to a strong EPC reaction in the form of sanctions. A similar diversity characterises the EPC responses with regard to cooperative events. While the organisation 'ignored' the political and economic reforms undertaken in 1990 in the Soviet Union, comparable steps in South Africa led to a weak EPC response one year later. By contrast, the EC opted for a strong action and offered a commercial treaty to Poland as a reaction to the economic and political reforms in this country.

An alternative explanation

A comprehensive theory of foreign policy making in the European Union has to overcome the one-sidedness of the traditional approaches. To this end, we develop a formal model along the lines of the theory of strategic integration (Schneider, forthcoming). This approach offers a framework showing how the strategies and beliefs of the main actors affect the course of European collaboration.

In this article, we use game theory as a heuristic device that allows us to capture the effects of strategic considerations on European foreign policy making. Our theoretical model perceives EPC decision making as a strategic situation where an outsider, a non-member actor, tries to receive support from the organisation. We thus implicitly assume that EPC actions are important enough to motivate purposeful behaviour by these actors. In our model, such a profit-seeker is described as a beneficiary. These outside actors con-

sider calling upon the EU for support following an important international event. Assistance can be rallied through diplomatic channels or through the orchestration of a media campaign. The beneficiary's possible demand poses a challenge to the European Union in two ways. First, the member states have to solve the internal decision making problem of agreeing upon an adequate response to the beneficiary's request. Second, they have to evaluate the beneficiary's claim that a supporting statement will further the interests of the European Union.

In the following, we will first present the European Political Cooperation Game which models this strategic situation. After describing some of its major theoretical implications, we will conduct a cross-sectional analysis of the intensity of EPC declarations and of the difference between such statements and the preceding international events.

Coordination under uncertainty: EPC between under- and overreaction

The *European Political Cooperation Game* models the crucial interactions of European foreign policy making. In contrast to the prevailing studies on this topic, we put this process into a strategic context and consider the interests and maneuvers of a possible beneficiary of EPC declarations. We assume that this player has an informational advantage about the reliability of its claim that an action on its behalf will have beneficial consequences for the European Union. A second underlying assumption is that EPC is largely reactive. In other words, only the beneficiary has the possibility to misrepresent its true identity and to manipulate uncertainty. Although Union members may disagree over the appropriate response to the outside actor, no exploitation of private information inside the organisation takes place in the EPC game.

The players

We distinguish between advantaged (strong) and disadvantaged (weak) beneficiaries. A beneficiary is strong if an EPC action in support of this actor is beneficial to all members of the European Union. By contrast, support for its weak counterpart will have detrimental effects. This might, for instance, be the case when a supported beneficiary does not live up to the conditions set forth in an EPC declaration.

In the European Union itself, we reduce the game to an interaction between two stylised actors. An activist side favours a strong foreign policy action. A minimalist member of the organisation, by contrast, prefers a weak declaration over a strong declaration. Both actors, however, like a joint action better than

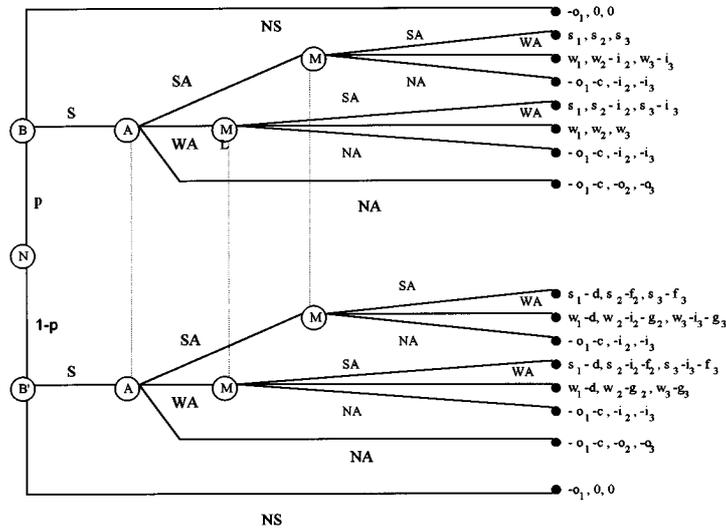


Figure 1. The European Political Cooperation Game.

a non-decision following an international event as long as they are dealing with a reliable profit-seeker. If the beneficiary cannot be trusted, the refusal to issue a statement becomes more attractive. In Figure 1, the strong beneficiary is denoted as B; its weak counterpart as B'. The activist is player A. We describe the minimalist as player M.

Sequence of moves

Figure 1 presents the EPC game in extensive form. The game commences with a move by an artificial player dubbed ‘nature’ (Player N) which chooses the type of external beneficiary of EPC. This actor has subsequently to decide whether or not it will signal to the activist player within the European Union to support her strongly. If this player refrains from making such a signal, then the game ends (Move NS). In the case of a signal (S), the activist has to choose an adequate response. She can ask her minimalist partner to support a strong action (SA) or a weak action (WA). The third option is to refrain from offering any support (NA) – if the activist does not respond to the signal by the beneficiary, then the game ends. In the event that the activist opts for a strong (weak) action, the minimalist can decide to support this proposal (SA or WA, respectively). However, it can also insist on a weak (strong) response (WA or SA) or on no action at all (NA). The game ends with a move by the minimalist because this actor has the last word in an unanimity-ruled domain like European Political Cooperation (Schneider 1995).

Variables

Utility of declarations: All actors derive a utility from a strong, weak or missed EPC declaration. Payoffs for strong (weak) actions are denoted as $s_i(w_i)$, and the opportunity cost associated with a missed declaration amount to o_i .

Disagreement costs: The activist and the minimalist have to take into account that disagreement is costly. These costs for failed integration are denoted as i_i .

Costs of policy failure: Policy failure occurs when the outside profit-seeker's promise is not fulfilled. To support an unreliable beneficiary creates costs for both the minimalist and the activist. The failure of a strong action (f_i) is more costly than the failure of a weak action (g_i).

Signalling costs: This variable describes the signalling costs c of asking the European Union for support. Such costs arise because the beneficiary has to become diplomatically active following an international event.

Punishment costs: A weak beneficiary will have to bear punishment costs d if the European Union notices that the joint action was not successful. Such costs can take the form of a refusal to support the beneficiary in the future.

Preference orders

The EPC game models a situation where an outsider tries to convince the European Union that an EPC action will benefit both parties. Weak beneficiaries only have an incentive to ask for EU support if $s_1 - d > -o_1$ and $w_1 - d > -o_1$; that is, if mimicking the strong type is preferable to inaction.

On the side of the EU, the game has an integrationist bias since it models a situation where both the minimalist and the activist prefer to cooperate. Like in the battle of the sexes or other coordination games, the two sides would be better off if they cooperate in one form or another, but they disagree over the optimal solution.⁵ This is expressed in the relationship $w_2 > s_2 - i_2$ because the activist prefers a weak action over the case that she enforces a weak action against the will of the minimalist. The relationships $i_2 > -o_2$ and $-i_3 > -o_3$ are a further indication of an integrationist bias in the game. They express that both the minimalist and the activist attribute a greater importance to an internal agreement in the European Union than to the disutility of a missed foreign policy action. We also assume that the minimalist prefers a strong action over a combination of a weak action or no action after the activist's demand for a strong action.

However, the activist prefers a strong measure over a weak response ($s_2 > w_2$) while the minimalist generally favours a more timid stance ($w_3 > s_3$). Both sides in the European Union simultaneously prefer no action at all over

the possibility of experiencing a policy failure ($-i_2 > s_2 - f_2 > w_2 - g_2$ and $-i_3 > w_3 - g_3 > s_3 - f_3$). Such preferences describe a situation where the value of acting together plays a certain role, but does not have highest priority. If the interest in joint action would override other considerations, both the activist and the minimalist would have strong preferences. The following three expressions summarise the preference orders of the main actors:

- A1 (Beneficiary): $s_1 > w_1 > s_1 - d > w_1 - d > -o_1 > -o_1 - c$
 A2 (Activist): $s_2 > w_2 > s_2 - i_2 > w_2 - i_2 > 0 > -i_2 > -o_2$
 $> s_2 - f_2 > w_2 - g_2 > s_2 - i_2 - f_2 > w_2 - i_2 - g_2$
 A3 (Minimalist): $w_3 > s_3 > w_3 - i_3 > s_3 - i_3 > 0 > -i_3 > -o_3$
 $> w_3 - g_3 > s_3 - f_3 > w_3 - i_3 - g_3 > s_3 - i_3 - f_3$

The analysis of the game in the Appendix shows that a lowest common denominator result of the EPC deliberations can only be an outcome under conditions of uncertainty. If both the activist and the minimalist know that they are facing a reliable beneficiary, the activist will insist on a strong action. In the event that they are dealing with a weak player, by contrast, the EU would rather prefer to take no action at all, forcing the outside actor to refrain from asking for support.⁶ Since the exploitation of private information is especially likely in international politics, it is not surprising that the EU is often not able to react in an adequate way. If the EU actors are uncertain about the reliability of the beneficiary, then they start to mix their strategy, forcing the weak beneficiary to identify itself. This might explain the anomaly of why the organization reacts sometimes in a completely different way to what look like more or less identical events.

Formally, European foreign policy making under uncertainty is the consequence of different combinations of the beliefs and strategies of the main actors.⁷ This means substantially that the EPC process is largely a matter of trust. The model establishes in particular that intergovernmentalist and neofunctionalist factors influence the main decisions. If the EU is dealing with an actor of doubtful reputation, then no action or a weak action might follow although the activist prefers any form of strong action over purely declamatory actions. However, EU abstinence in foreign affairs (the outcome 'No action') is also possible if it is only the minimalist who mistrusts the beneficiary. Lowest common denominator bargaining is in return only likely in the event that the activist has some qualms about the identity of the outside actor. If the activist trusts the beneficiary, then strong actions or no actions at all are the only possible EPC undertakings. The game-theoretic results also modify the intergovernmental interpretation of EPC policy making by adding the condition that weak actions only occur if the EU mistrusts a possible beneficiary. Notwithstanding the importance of uncertainty it is, however, not

inevitable that lowest common denominator bargaining or inaction are the only outcomes of EPC negotiations.

The second general result of the analysis is that a more neofunctionalist factor, the joint interest in acting together, influences the likelihood of activist policies. In particular, the minimalist's threshold beliefs of facing a reliable beneficiary decreases as long as the costs of disagreement grow. In other words, strong measures are more likely as long as EPC quarrels are important to the EU actors. This means that a higher visibility of the foreign policy procedures increases the likelihood of integration. Theoretically, this finding substantiates the neofunctionalist hypothesis that joint foreign policy making gradually increases the tendency to utter strong statements. However, this hypothesis only holds true as long as the costs of disintegration increase over time. The success of EPC policy making is thus not in the least linked to the general level of cooperation in the EU.

Purely self-centered cost-benefit calculations also matter. From the perspective of the minimalist, the threshold belief is low if the opportunity costs of a missed action increase. This means that a growing salience of a beneficiary to this EU actor is linked to an increased probability of a demand for a strong measure. It goes without saying that the anticipated gains of an action reduce the threshold beliefs while the anticipated costs of a policy failure are linked to higher levels of trust. The model thus shows how individual assessments about the possible consequences of an EPC action affect the likelihood of certain outcomes. More precisely, the game illustrates in line with intergovernmentalist reasoning, the importance of national considerations. However, it also demonstrates that these interests are not the only crucial factors in EPC policy making. In the European Union, foreign policy making is not completely subjugated to state level interests.

The likelihood of an intergovernmentalist outcome, namely a weak action or a refusal to act, is influenced by the punishment which the EU can inflict on a weak beneficiary. If the EU possesses the means to sanction outside actors, weak beneficiaries might be deterred from asking for support in the first place. Interestingly, the likelihood of a weak action grows when the differences between the beneficiary's utility of a strong action in comparison to a weak action diminishes. This underlines that preference diversity increases the likelihood of lowest common denominator bargaining as long as the unanimity rule applies. Weak actions are also more likely to occur if the opportunity costs to the activist decrease.

In the following section, we assess the relative importance of some of the intergovernmentalist and neofunctionalist variables in a statistical test. The data derive from a data set which is based on the content analysis of the most

significant international events and the EPC declarations between January 1975 and December 1993.

Notes on the research strategy and the definition of variables

This section and the next will use some of these arguments to explain the general patterns of current EU foreign policy making. More specifically, we try to establish the level with which the organisation reacts to an international event. We also search for explanations for differences between the intensity of an international event and an eventual EPC reaction.

We assume that a beneficiary involved in an international event will ask for EPC support in order to improve its status. The following predictors concerning the level of an EPC declaration are taken into consideration: the evolution of the EPC framework; the degree of superpower tensions; the geographic distance between the beneficiary and the EU; the economic salience of the EU to the beneficiary; and the economic salience of the beneficiary to the EU.

A new data set

Our empirical source is a data set which contains macropolitical factors, economic indicators as well as quantitative descriptions of international events and EPC declarations from January 1975 to December 1993. In other words, the examination treats EPC policy making from the outset of its regular declamatory policy until the moment when the treaty on European Union entered into force. The analysis covers 1025 international events that have been located in Jessup (1989) and *Keesing's Contemporary Archives*. According to the standard definition, events are '... single action items of a non-routine, extraordinary, or newsworthy character that in some clear sense are directed across a national boundary and have, in most instances, a specific foreign target' (Merritt 1994: 22). An official EU publication, the *Bulletin des Communautés Européennes*, contains the EPC declarations which represent the member states' reaction to international events.

Both the events and the declarations are categorised according the classification scheme of the most widespread events data set, the Conflict and Peace Data Bank (COPDAB). The COPDAB scale is very general and relates to domestic and international events simultaneously (see for introductions, Sloane 1973; Azar 1980). We have established separate scales for these types of events and also distinguished whether an event was conflictual or cooperative.⁸

It is a common objection that events data are unreliable (see, for a discussion, Schneider, Widmer & Ruloff 1993). Although this criticism has to be taken seriously, a juxtaposition of international developments and eventual EPC reactions seemed the most appropriate strategy to uncover the systematic behaviour of the European Union in international affairs. The only alternative would be elite interviews for which similar problems exist. Because we want to uncover systematic relationships, a descriptive approach does also not suffice. The operational codes were developed in close collaboration between the authors to guarantee intercoder reliability.

Definition of the variables

The following analysis seeks to explain the level of an EU response to an international event by distinguishing between the reaction to cooperative and conflictual events.⁹ We treat non-reaction to an event as an instance of a neutral and therefore non-committing response.¹⁰

On the independent side, we include neo-functional, intergovernmentalist and rationalist predictors. Our statistical analysis refers to three independent variables that can be derived from our model. We first test whether the opportunity costs for the actors within the European Union have an impact on the response by the organisation. Geographical distance is the indicator of these kinds of costs. According to our theoretical framework, we expect that low opportunity costs – as expressed by an increased distance to an event – increase the likelihood of a forceful statement in relation to both cooperative and conflictual events.

To measure the gains from a foreign policy action to all three actors, we constructed two interactive indicators. These indicators represent the economic salience of the EU for the beneficiary and the economic salience of the beneficiary for the EU. Unfortunately, it was not possible to establish the negotiation positions for all cases under consideration and to separate ‘activists’ and ‘minimalists’ in our empirical part. The first indicator is the level of exports of the beneficiary to the EU as a percentage of all its exports. The second indicator is the ratio of imports from the EU to all the beneficiary’s imports. The latter indicator shows the economic interests of the European Union in the beneficiary.¹¹ We expect that a greater salience of the beneficiary to the EU will lead to stronger cooperative and weaker conflictual measures. Furthermore, a greater economic salience of the EU for the beneficiary should lead to stronger EPC measures in relation to cooperative events and to relatively weak measures in relation to conflict.

The analysis includes a test of the neofunctionalist hypothesis that EPC reactions have become stronger over time.¹² According to the neofunctionalist paradigm (Haas 1964; Schmitter 1969; Sbragia 1992), learning, a growing

institutionalization and elite socialization contribute to this alleged trend. Furthermore, we test a neorealist hypothesis arguing the possible success of European cooperation is mainly a consequence of systemic factors, and in particular of East-West tensions. As Keohane & Hoffmann (1991: 27) write, 'Behind EPC one finds both the changing position of Western Europe in world politics after the Cold War and the impossibility, in the long run, of keeping negotiations on economic issues entrusted upon the Community's institutions separate from the definition of a common foreign policy'. Although this hypothesis has been appealing to many researchers during the Cold War, it remains largely unclear in what way member states' use of the EPC framework depends upon East-West tensions. In the present piece of research we adopt the interpretation of Eichenberg & Dalton (1993). In their view, '... support for Europe should be a function of perceived security and the state of East-West relations more generally, falling when East-West tensions rally support for the NATO alliance and rising as East-West tensions relax' (Eichenberg & Dalton 1993: 515). We apply an indicator used for in Schneider, Widmer & Ruloff (1993) to measure the impact of the Cold War on the dependent variables.¹³ Finally, we include another 'realist' argument and test whether beneficiaries who have been a former colony of one of the member states have an increased chance to receive strong support from the European Union in the case of a cooperative event.¹⁴ If the EU reacts to a conflictual event, we expect a reversal of the sign.

Explaining the different reactions to cooperative and conflictive events

The content analysis confirms the assumption that European Political Cooperation is largely reactive. Typically, EPC declarations contain reactions to events for which actors outside the European Union are responsible. EPC is thus not yet a forum in which the organisation develops its own initiatives. Yet, our pessimistic assessment should not be seen as a deterministic forecast on the possibility of activist foreign policy making. As Soetendorp (1994: 103) writes, 'the challenges of the new Europe and the post-Cold-War era have offered the opportunity to boost the international performance of the EC as a unified actor'.

Indeed, our results point out that European foreign policy making has become more intensive and responsive over time. Whereas European Political Cooperation did not react to many international events in its early years of existence, it now regularly issues declarations.

Figure 2 clearly shows that the yearly number of statements has been growing since 1984. During the early years of political cooperation, the organisation issued few statements which largely focused on only a few

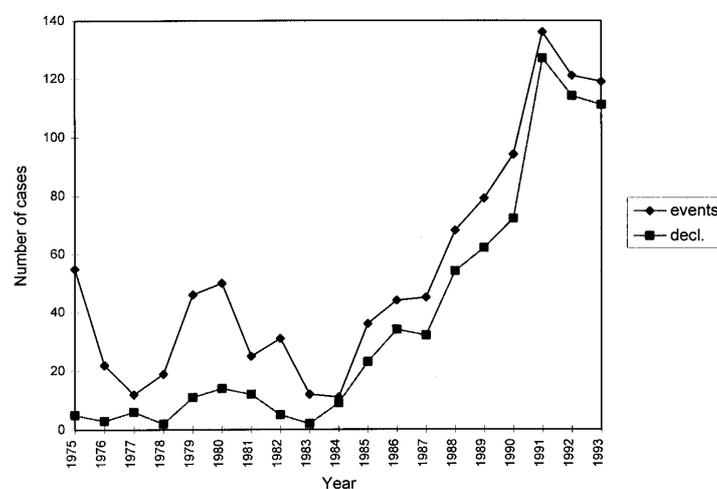


Figure 2. Yearly numbers of international events and EPC declarations, 1975–1993.

selected geographical areas (Middle East, South Africa, East-West relations). Some of the early activities, for example the Euro-Arab dialogue, were partly motivated by the aspiration to free the foreign policy of the Community from the leadership of the United States in the Western coalition.

The bias in the EPC statements began to fade in 1985. It is obvious that a widening scope nurtured a significant increase in the number of declarations. In the mid-1980s, the EPC for the first time addressed events in Latin America. This expansion was partly due to the wish of the French Socialists to further the North-South dialogue (Nutall 1992: 222). Asia has also received more attention from the European Union since then.

Yet this geographical and organisational expansion of the EPC framework did not necessarily coincide with a new momentum of the European Union on the world stage. The detailed analysis shows that European Political Cooperation has enlarged its activities partly as the result of a growing importance of rhetoric. For instance, 17 EPC declarations were made on (ex-) Yugoslavia in 1991, and 21 statements were issued on this topic in 1992. In the early years of the organisation, EPC was more often linked to summary statements. It thus seems as if the gradual institutionalization of political cooperation has contributed to a proliferation of low-key decisions.

The analysis of the intensity of the declarations supports our hypothesis that the quantitative expansion does not necessarily imply an equally important qualitative evolution. Figure 3 and Figure 4 show that the average intensity of the declarations does not yet always match the average intensity of the events.

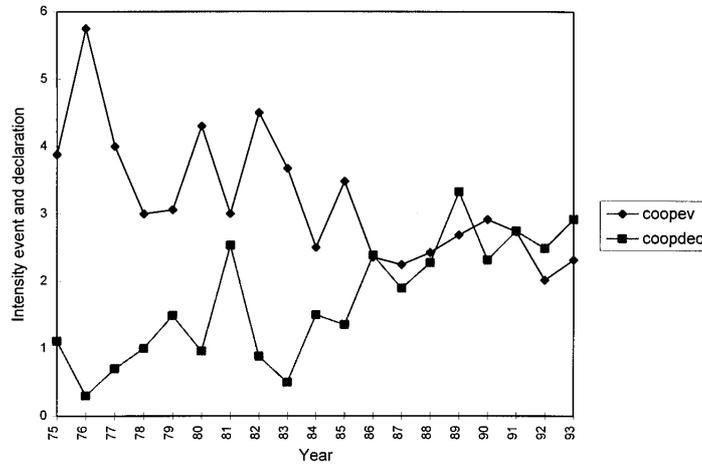


Figure 3. Yearly average intensity of cooperative event and EPC declarations.

Figure 3 demonstrates that the average level of a cooperative declaration increased in the second half of the 1980s after an isolated peak in 1981. It also becomes obvious that the organisation has sometimes the tendency to overreact to cooperative events in the sense that the level of a declaration exceeds the intensity of the event. This trend is most pronounced and more or less stable since the Single European Act entered into force which could mean that the rapprochement in the intensity of cooperative declarations since 1986 draws on the effects of 'integration euphoria'.

Strong measures are more unlikely when the European Union reacts to conflictual events. Figure 4 demonstrates that the average level of EPC declaration in this domain did also increase, but to a lesser degree. The trend of adjusting cooperative declarations to the intensity of the event, especially since 1986, is less pronounced with conflictive declarations. A slight rapprochement starting in 1983 is visible but the pattern is not so obvious as with the reaction to conflictive events.

The comparison of Figure 3 and Figure 4 clearly indicates that the difference between an event and a declaration is smaller for cooperative than for conflictual events. This confirms that the shadow of policy failure looms larger in the latter than in the former domain.

The bivariate analysis supports our hypothesis that the European Union reacts fundamentally different towards conflictive in comparison to cooperative events. Table 2 gives the results of a set of bivariate logit regressions between the independent variables and the level of a EPC policy.¹⁵ In this part of the analysis, we also include the intensity level of the international event as a predictor variable.

Table 2. Effects of explanatory variables on the level of an EPC response to an international event (bivariate multinomial logit regressions)^a

Explanatory variable	Expected sign	Parameter	Loglikelihood (sdf)	Gamma	Number of cases
(a) Effects on the level of cooperation of an EPC declaration ^b					
Geographical distance	–	–0.00005* (0.000029)	2.932(1)	0.062	448
Salience EU	+	142.2*** (40.153)	13.648(1)	0.278	362
Salience beneficiary	+	1.079 (1.048)	0.977(1)	0.014	311
Institutional evolution	+	–0.00226*** (0.000299)	57.393(1)	0.253	526
US SU cooperation	+	–0.0096** (0.0044)	5.090(1)	0.190	236
Colonial ties	+	0.1655 (0.1560)	1.129(1)	0.065	526
Level event	+	0.217*** (0.061)	11.717(1)	0.119	353
(b) Effects on the level of conflict of an EPC declaration ^b					
Geographical distance	–	0.000012 (0.000028)	0.183(1)	0.016	484
Salience EU	–	52.66* (30.92)	3.069(1)	0.227	431
Salience beneficiary	–	–0.98 (1.04)	0.834(1)	0.051	375
Institutional evolution	+	–0.0040*** (0.00035)	167.584(1)	0.546	499
US SU cooperation	+	–0.10** (0.0044)	5.445(1)	0.203	319
Colonial ties	–	–0.11 (0.17)	0.381(1)	0.047	499
Level event	+	0.13** (0.55)	5.95(1)	0.14	493

Notes: Standard error of the unstandardised parameters in parentheses.

^a Information about intercepts suppressed.

^b Indicator treats lack of response to a cooperative (conflictive) event as a non committing reaction.

* $p < 0.10$; ** $p < 0.05$; *** $p < 0.01$.

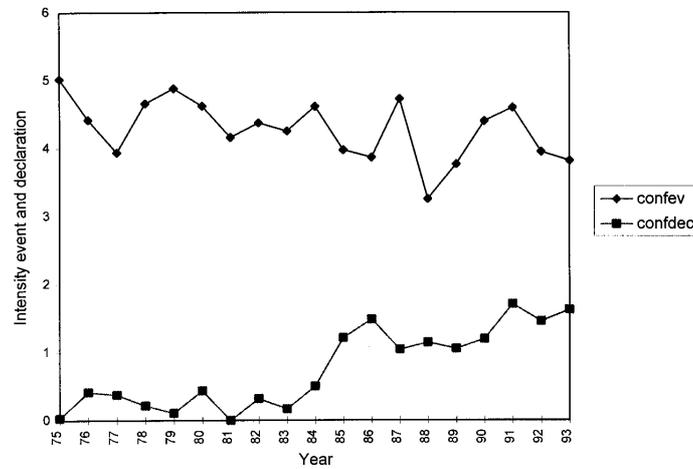


Figure 4. Yearly average intensity of conflictual events and declarations.

The bivariate logit regressions generally support the hypotheses which we derived from our model. In relation to co-operative events (Section (a) of the table) low opportunity costs – as measured by an increased distance towards the event and the perceived gains following an EPC reaction to a cooperative event – are accompanied by more forceful foreign policy statements. Note that this argument only holds true for the expected gains of the EU; the parameter measuring the relationship between the economic salience of the organisation to the beneficiary has the expected positive sign, but is not significant. One problem with this statistical analysis is, of course, that it treats beneficiaries as unitary actors, while these actors can be both state or non-state actors.

It is furthermore noteworthy that the alternative intergovernmentalist and neofunctionalist hypotheses are not supported. First, there is the negative as opposed to the expected positive influence of the EU's institutional evolution on the level of EPC declarations. This result runs counter to Figure 2 and Figure 3 where an increase in the yearly mean could be observed. The negative sign in the statistical test indicates that the variation of the statements has decreased over time, leading to a more coherent and predictable European foreign policy. While EPC has become more institutionalised in this respect, the average level of response did not change dramatically. Second, a growing level of conflict in US–USSR relations is accompanied by an increasing likelihood that the EU reacts forcefully. Although this statistical result seemingly contradicts the neorealist hypothesis, it should not be taken at face value. It simply reflects the secular trend that superpower relations were almost continuously improving during the period under examination.

Third, the relationships between the variable 'colonial ties' and the dependent variable are not significant, although they yield the expected signs.

The difference between the reactions to cooperative and conflictive events (see the lower section of Table 2) is most obvious with regard to the influence of economic salience. While this impact is as predicted in the case of cooperative events, it runs counter to predictions in relation to conflictive incidents. This most likely means that the European Union is risk-averse in the domain of losses which could follow from a forceful reaction to an international crisis. A further interesting difference is that colonial ties to a beneficiary are linked to a growing likelihood of a forceful declaration with regard to a cooperative event while a negative sign can be observed with respect to conflictive event (although neither coefficient is statistically significant). A further point of interest is whether we can systematically predict the relationship between the independent variable and the difference between an event and a declaration. The above analysis has shown that the level of an event is a relatively poor predictor of the forcefulness of an EPC policy.

These bivariate results remain largely stable in different multivariate tests. Table 3 shows the results of different logit regressions on the level of an EPC response to an international event. Whereas equations 1 and 3 include net U.S.–Soviet behaviour, equations 2 and 4 exclude this predictor.

The above results show that some of the rationalist hypotheses can be maintained even after controlling for the influence of the neofunctionalist and intergovernmentalist variables. Hence, the more salient an actor is to the EU, the higher is the likelihood of a forceful EPC statement to a cooperative event. In the multivariate analysis, the indicator measuring the impact of geographic distance does, however, not have a significant influence although the direction of the influence remains stable. It is also interesting to note that colonial ties still lead to strong measures as a reaction to cooperative events, while weak measures are more likely in the case of conflictive events.

More generally speaking, the statistical analysis lends support to our assumption that the strategic context of EPC foreign policy making matters. Beneficiaries calculate whether it is useful to ask the EPC for support. EU actors in return base their decision on a juxtaposition of national and integrationist calculations. In their assessment, the reliability and the salience of a profit seeker loom large.

Conclusion

A quarter of a century after the creation of the European Political Cooperation framework, the European Union is still facing the complaint that it does not yet live up to its responsibilities in foreign affairs. In this article, we offer

Table 3. Effects of independent variables on the level of an EPC response (multinomial logit regressions)

	Cooperative event (1)	Cooperative event (2)	Conflictive event (3)	Conflictive event (4)
Geographical distance	-0.00001 (0.00005)	0.0000009 (0.00004)	0.0000007 (0.00005)	0.0000002 (0.00004)
	1.00	1.00	1.00	1.00
Salience EU	99.72** (42.70)	118.1** (40.94)	9.32 (31.98)	14.79 (30.92)
	999.00	999.00	999.000	999.00
Salience beneficiary	-0.17 (1.96)	1.36 (1.18)	1.07 (2.21)	1.42 (1.33)
	0.85	3.90	2.90	4.14
Institutional evolution	-0.005*** (0.00112)	-0.002*** (0.0005)	-0.008*** (0.0012)	-0.005*** (0.0005)
	0.99	1.00	0.99	1.00
US SU cooperation	0.001 (0.006)	—	-0.001 (0.006)	—
	1.00		1.00	
Colonial ties	0.62* (0.35)	0.48 (0.24)	-0.74** (0.36)	-0.53 (0.25)
	1.86	1.62	0.48	0.59
Loglikelihood (df)	34.52 (6)	46.32 (5)	64.81 (6)	115.53 (5)
Gamma	0.33	0.29	0.55	0.55
Number of cases	160	308	267	370

Entries are unstandardised parameter estimate, standard errors and odds ratios. Dependent variables treat lack of response to a cooperative (conflictive) event as a non committing reaction. If the odds ratio is smaller than 1, the probability of the dependent variable is decreased. In the event that it is larger than 1, the probability of the event increases. A value of 1 leaves the odds unchanged. Information about intercepts suppressed.

* $p < 0.10$; ** $p < 0.05$; *** $p < 0.01$.

a theoretical explanation as to why the organisation is not always able to employ the existing foreign policy institutions in a convincing way. The analysis points out that the EPC behaviour of the member states can be explained in a systematic fashion.

Our formal argument hinges upon the assumption that the possible beneficiary's manipulation of private information creates a decision making problem in the European Union. We do not claim that this form of uncertainty exhausts all reasons as to why EPC foreign policy making is often synonymous with weak responses. It is obvious that exogenous events can work to the detri-

ment of well-designed foreign policy measures. However, we do believe that the inadequacies of EU foreign policy making can be partly attributed to the actors' uncertainty.

The statistical analysis shows that European Political Cooperation has become more institutionalised over time. Yet, the quantitative expansion of EPC statements was not accompanied by a qualitative evolution of the same scope. Our examination also demonstrates that EPC reacts fundamentally different towards conflictive in comparison to cooperative events. The difference between the intensity of a declaration and the intensity of an event is for instance particularly pronounced with respect to conflictive events. On the other hand, the organisation has started to overreact to cooperative events.

We also point out that the institutional evolution is a strong predictor for the level of an EPC response. Furthermore, the economic salience of the beneficiary to the EU is in cooperative cases significant. Geographical distance yields the expected signs but is not significant in declarations on conflictive events.

Although our framework of analysis has yielded some new insights, further research should also look at different types of EPC policies. Such a disaggregated analysis could demonstrate whether the EPC reacted differently in some areas than others. The institutionalization of the EPC framework also needs closer scrutiny. We do not yet know whether policy successes in some domains or institutional innovations are responsible for the evolution of the EPC framework.

Despite these limits, our research has pointed out why European foreign policy making allows sometimes to outweigh national concerns. If states only consider their own interests without taking into account the costs of disagreement, no European foreign policy action would ever have been undertaken. This fundamental result has policy implications insofar as the performance of the EPC framework can be improved if the confrontation between activists and minimalists becomes increasingly costly.

Appendix: The EPC game

This appendix contains a technical statement, and proof of the game-theoretic results that were described in the main text. We denote the possible beneficiary as player 1, the activist as player 2 and the minimalist as player 3. Table 4 summarises the notation.

To facilitate the analysis, we first exclude certain contingencies from further consideration.

Table 4. Notation guide

<i>Chance moves</i>	
p	Probability of facing a reliable beneficiary
<i>Beneficiary's strategies</i>	
$b(b')$	Probability of signal by a strong (weak) beneficiary
<i>Actionist's strategies and beliefs</i>	
h	Probability of a demand for a strong action
k	Probability of a demand for a weak action
p'	Posterior belief of facing a reliable beneficiary
<i>Minimalist's strategies and beliefs</i>	
m	Probability of accepting strong action
n	Probability of a demand for weak action
u	Probability of a demand for strong action
v	Probability of accepting weak action
q'	Posterior of facing strong beneficiary after demand SA
q''	Posterior of facing strong beneficiary after demand WA
<i>Payoffs</i>	
c	Beneficiary's signalling costs
d	Beneficiary's punishment costs
o	Opportunity costs
s	Utility of strong action
w	Utility of weak action
f	Costs when strong action fails
g	Costs when weak action fails
i	Disagreement costs

LEMMA 1 (Minimalist strategies):

- (i) If 2 chooses a weak action, $u = 0$.
- (ii) If $1 > m > 0$, $m < v$.

To proceed by contradiction with regard to (i), assume that $u > 0$. This would imply that $U_3(SA) = q''(s_3 - i_3) + (1 - q'')(s_3 - i_3 - f_3) \geq U_3(WA) = q''w_3 + (1 - q'')(w_3 - g_3)$, leading to $q'' \geq (w_3 - g_3 - s_3 + i_3 - f_3)/(f_3 - g_3)$. Because the denominator in this last expression is positive by definition, $w_3 - g_3 - s_3 + i_3 - f_3 > 0$ or $w_3 - g_3 - f_3 > s_3 - i_3$ which is excluded by assumption.

In order to prove the second claim, we compare $U_3(SA) = q's_3 + (1 - q')(s_3 - f_3) > U_3(NA) = -q'i_3 + (1 - q')(-i_3)$ and $U_3(WA) = q''w_3 +$

$(1 - q'')(w_3 - g_3) > U_3(NA) = -q''i_3 + (1 - q'')(-i_3)$ to obtain $q' > (f_3 - s_3 - i_3)/f_3 = q_4 > q'' = (g_3 - w_3 - i_3)/g_3 = q_{**}$ which implies $m < v$. The posterior $q_{**} < q_4$ because $w_3 - i_3 - g_3 > s_3 - i_3 - f_3$ and $f_3 > g_3$ by assumption. QED.

LEMMA 2 (Activist strategies):

(i) If $m = 1, k = 0$.

We prove this claim by showing that $U_2(SA) > kU_2(WA) + (1 - k)U_2(NA)$ if 3 strongly prefers to issue a strong declaration over refraining to respond to the beneficiary's request. Formally, $U_2(SA) = p's_2 + (1 - p')(s_2 - f_2) > U_2(WA) = k(p'(vw_2 + (1 - v)(-i_2)) + (1 - p')(v(w_2 - g_2) + (1 - v)(-i_2))) + (1 - k)(p'(-o_2) + (1 - p')(-o_2))$ and $s_2 - f_2 + p'f_2 + o_2 > v(w_2 - g_2 + p'g_2) - i_2 + v'i_2 + ko_2$ since $s_2 - f_2 > w_2 - g_2$ and $f_2 > g_2$ by assumption. QED

In the further analysis, we exclude knife-edge equilibria in which the posterior coincides with a prior. Proposition 1 denotes equilibria as n -tuples of the actors' strategies and beliefs.

PROPOSITION 1. Under incomplete information, the EPC game falls into five cases which are defined by different strategy/belief-combinations.

Equilibrium 1 ($0 < p < p_1$ and $0 < q < q_1$):

$$b = 1, \quad b' = [p(w_2 - vg_2 + o_2 - k(o_2 - i_2 + v(w_2 - g_2 + i_2)))] / [(1 - p)(g_2 - w_2 - o_2 + k(o_2 - i_2 + v(w_2 - g_2 + i_2)))];$$

$$h = 0, \quad k = c / (v(w_1 - d + o_1 + c)), \quad p' < [g_2 - w_2 - o_2 + k(o_2 - i_2 + v(w_2 - g_2 + i_2))] / (1 - v)g_2 = p_1;$$

$$m = 0, \quad v = (-o_2 + i_2) / (w_2 - g_2 + p'g_2), \quad q'' < b'(g_3 - w_3 - i_3) / (b'(g_3 - w_3 - i_3) + w_3 + i_3) = q_1$$

Equilibrium 2 ($p_2 > p > p_1$ and $q_2 > q > q_1$):

$$b = 1, \quad b' = [p(-o_2 + h(m(s_2 + i_2) - i_2 + o_2))] / [(1 - p)(o_2 + h(m(f_2 - s_2 - i_2) + i_2 - o_2))];$$

$$h = [c - k(o_1 + c + w_1 - d)] / m(s_1 - d - o_1 + c), \quad k = (o_2 + c(m(s_2 + f_2 - i_2) + i_2 - o_2)) / ((o_1 - c - w_1 + d)(m(s_2 + f_2 + i - i) + i_2 + o_2)) + m(s_1 + d + o_1 - c)(w_2 + g_2 - p'g_2 - o_2), \quad p' > [g_2 - w_2 - o_2 + k(o_2 - i_2 + v(w_2 - g_2 + i_2))] / (1 - v)g_2 = p_1$$

$$m = [k(w_2 - g_2 + p'g_2 - o_2) + o_2 - ho_2 + hi_2]/[h(s_2 - f_2 + p'f_2 + i_2)], v = 1, q' < b'(f_3 - s_3 - i_3)/(b'(f_3 - s_3 - i_3) + s_3 + i_3) = q_2, q'' > b'(g_3 - w_3 - i_3)/(b'(g_3 - w_3 - i_3) + w_3 + i_3) = q_1;$$

Equilibrium 3 ($p_3 > p > p_2$ and $q_3 > q > q_2$):

$$b = 1, \quad b' = [p(o_2 - i_2 - m(s_2 + i_2))]/(1 - p)(i_2 - o_2 + m(f_2 - s_2 - i_2));$$

$$h = c/(m(s_1 + o_1 - d + c), k = 0, p' > (o_2 + h(i_2 - o_2 + m(f_2 - s_2 - i_2)))/hmf_2 = p_2; m = (-o_2 + i_2)/(s_2 - f_2 + i_2 + p'f_2), \quad q' > b'(f_3 - s_3 - i_3)/(b'(f_3 - s_3 - i_3) + s_3 + i_3) = q_2.$$

Equilibrium 4 ($p_4 > p > p_3$ and $q_4 > q > q_3$):

$$b = 1, \quad b' = p(-s_3 - i_3)/(1 - p)(s_3 + i_3 - f_3); h = 1, \quad k = 0, \quad p' > (i_2 - o_2 + m(f_2 - s_2 - i_2))/(mf_2) = p_3;$$

$$m = c/(s_1 + o_1 + c - d), \quad q' > b'(f_3 - s_3 - i_3)/(b'(f_3 - s_3 - i_3) + s_3 + i_3) = q_3.$$

Equilibrium 5 ($p > p_4$ and $q > q_4$):

$$b = b' = 1;$$

$$h = 1, p' > (f_2 - s_2 - o_2)/f_2 = p_4;$$

$$m = 1, n = 0, q' > (f_3 - s_3 - i_3)/f_3 = q_4.$$

We offer a proof of the above proposition by analysing different contingencies.

Case 1: $b = b' = 0$

This is a situation where no potential beneficiary ever asks for EPC support ($b = b' = 0$). This first set of candidate equilibria can be discarded with reference to the universal divinity criterion. According to this concept, player 1 would strongly prefer to send a message, while 1' would only weakly do so. Given this, 2 would always ask for a strong action and 3 would support this demand. This would create an incentive for 1 to ask for EPC support with probability 1, contradicting the initial assumption of $b = 0$.

Case 2: $b > 0, b' = 0$

A first possibility (case 2a) stands for the configuration that the strong type mixes its strategy while its weak counterpart never does ($1 > b > 0, b' = 0$). This would again imply that 2 demands a strong foreign policy action while 3 follows suit, contradicting the initial assumptions. Case 2b ($b = 1, b' = 0$) can be discarded because no clear separation is possible between the two beneficiary types under conditions of uncertainty.

Case 3: $b > 0, 1 > b' > 0$

In a first possible configuration, both beneficiaries would mix their strategy (Case 3a). This is not possible in this game because it would imply that the mixing by EU players is not able to lead to a clear separation between the types of beneficiaries.

Case 3b is represented by a situation where weak types mix their strategies while strong types always ask for EPC support. To facilitate the analysis of this situation, we distinguish between different subcases:

Case 3b-1: $h = 1$

If $m = 1$, the weak beneficiary would have no incentive to mix since she could be sure to receive maximal support. In the event that 3 mixes its strategy, $1'$ is forced to mix in return, with $U_{1'}(S) = m(s_1 - d) + (1 - m)(-o_1 - c) = U_{1'}(NS) = -o_1$ leading to $m = c/(s_1 + o_1 + c - d)$. Since $U_3(SA) = q's_3 + (1 - q')b'(s_3 - f_3) > U_3(NA) = -q'i_3 + (1 - q')b'(-i_3)$ implies $q' > b'(f_3 - i_3 - s_3)/(b'(f_3 - i_3 - s_3) + s_3 + i_3) = q$. We can use Bayes' Rule to establish b' . We use the derivation of $q_4 = (f_3 - s_3 - i_3)/f_3$ in the proof of Lemma 1 to show that $p/(p + b'(1 - p)) = q_4$ leads to $b' = p(-s_3 - i_3)/(1 - p)(s_3 + i_3 - f_3)$. The activist insists on SA as long as $U_2(SA) = p'(ms_2 + (1 - m)(-i_2)) + (1 - p')(m(s_2 - f_2) + (1 - m)(-i_2)) > U_2(NA) = -p'o_2 + (1 - p')(-o_2)$, leading to $p' > (i_2 - o_2 + m(f_2 - s_2 - i_2))/(mf_2) = p_3$. We have thus found the partly pooling Equilibrium 4 of Proposition 1. The last possible configuration ($m = 0$), by contrast, does not represent an equilibrium since $U_{1'}(NS) = -o_1 - c < U_{1'}(S) = -o_1$.

Case 3b-2: $1 > h > 0, k = 0$

We first consider the possibility that $m = 1$. This can, however, be discarded because this would imply $h[U_2(SA)] + (1 - h)[U_2(NA)] = h[p's_2 + (1 - p')(s_2 + f_2)] + (1 - h)[p'(-o_2) + (1 - p')(-o_2)] > U_2(SA) = p's_2 + (1 - p')(s_2 - f_2)$ or $h > 1$.

The possibility $m = 0$ is also not viable since $U_1(S)$ would not be attractive any longer under this condition for the beneficiary. If 3 mixes after SA , however, we have that $U_2(SA) = p'(ms_2 + (1-m)(-i_2) + (1-p')(m(s_2 - f_2) + (1-m)(-i_2))) = U_2(NA) = p(-o_2) + (1-p')(-o_2)$ leading to $m = (-o_2 + i_2)/(s_2 - f_2 + i_2 + p'f_2)$. 1' is indifferent between S and NS under these circumstances if $U_{1'}(S) = h(m(s_1 - d) + (1-m)(-o_1 - c)) + (1-h)(-o_1 - c) = U_{1'}(NS) = -o_1$ from which we derive $h = c/(m(s_1 + o_1 - d + c))$. Bayes' Rule can be used to derive b' . Knowing that $k = 0$, we have $(i_2 - o_2 + m(f_2 - s_2 - i_2))/mf_2 = p_1 = p/(p + (1-p)b')$ and $b' = [p(o_2 - i_2 - m(s_2 + i_2))/(1-p)(i_2 - o_2 + m(f_2 - s_2 - i_2))]$. 2 mixes as long as $h[U_2(SA)] + (1-h)[U_2(NA)] = h[p'(ms_2 + (1-m)(-i_2)) + (1-p')(m(s_2 - f_2) + (1-m)(-i_2))] + (1-h)[p'(-o_2) + (1-p')(-o_2)] > U_2(WA) = p'w_2 + (1-p')(w_2 - g_2)$ and $p' > (o_2 + h(i_2 - o_2 + m(f_2 - s_2 - i_2)))/(hmf_2) = p_2$ which concludes the description of the partly pooling Equilibrium 3.

Case 3b-3: $1 > h > 0, 1 > k > 0$

The possibility $m = 1$ can be discarded because $k = 0$ in this event (Lemma 2). The second contingency is thus $1 > m > 0$. In this case, claim (ii) of Lemma 1 requires that $v > 0$. We first examine the possibility that $v = 1$. In this event, 3 enforces $hU_2(SA) + (1-h-k)U_2(NA) = h[p'(ms_2 + (1-m)(-i_2)) + (1-p')(m(s_2 - f_2)) + (1-m)(-i_2)] + (1-h-k)[p'(-o_2) + (1-p)(-o_2)] = k[U_2(WA)] = k[p'w_2 + (1-p')(w_2 - g_2)]$ and $m = [k(w_2 - g_2 + p'g_2 - o_2) + o_2 - ho_2 + hi_2]/[h(s_2 - f_2 + p'f_2 + i_2)]$ respectively. $U_{1'}(S) = h(m(s_1 - d) + (1-m)(-o_1 - c)) + k(w_1 - d) + (1-h-k)(-o_1 - c) = U_{1'}(NS) = -o_1$ can be used to determine $h = [c - k(o_1 + c + w_1 - d)]/m(s_1 - d - o_1 + c)$. Further, $hU_2(SA) = kU_2(WA) + (1-h-k)U_2(NA)$ allows us to establish $h = (k(w_2 - g_2 + p'g_2 + o_2) - o_2)/(ms_2 - mf_2 - i_2 + mi_2 - o_2)$. Using the two definitions of h allows us to derive $k = (o_2 + c(m(s_2 + f_2 - i_2) + i_2 + o_2))/((o_1 - c - w_1 + d)(m(s_2 + f_2 + i - i) + i_2 + o_2)) + m(s_1 + d + o_1 - c)(w_2 + g_2 - p'g_2 - o_2)$. Since $(k(w_2 - g_2) + o_2 + h(i_2 - o_2 + m(f_2 - s_2 - i_2)))/(hmf_2 - g_2) = p_2 = p/(p + (1-p)b')$, we establish $b' = [p(-kw_2 - o_2 + h(m(s_2 + i_2) - i_2 + o_2))]/[(1-p)(k(w_2 - g_2) + o_2 + h(m(f_2 - s_2 - i_2) + i_2 - o_2))]$. We can employ the equation $U_2(WA) = p'w_2 + (1-p')(w_2 - g_2) > kU_2(WA) + (1-k)U_2(NA) = k(p'(vw_2 + (1-v)(-i_2)) + (1-p')(v(w_2 - g_2) + (1-v)(-i_2))) + (1-k)(p'(-o_2) + (1-p')(-o_2))$ to arrive at $p' > [g_2 - w_2 - o_2] + k(o_2 - i_2 + v(w_2 - g_2 + i_2))/(1-v)g_2 = p_0$. Finally, the possibility of $1 > m > 0$ and $1 > v > 0$ can be discarded because of inconsistent beliefs.

Case 3b-4: $h = 0, 1 \geq k \geq 0$

We can first exclude the possibility that both $h = k = 0$ since the beneficiary would never ask for support under these conditions. A further impossibility is $k = 1$ because this requires $U_2(WA) = p'w_2 + (1 - p')(w_2 - g_2) > U_2(NA) = -p'o_2 + (1 - p')(-o_2)$ what is excluded by assumption. The remaining contingency is $1 > k > 0$. The possibility $v = 0$ has to be excluded because 1 would have no incentive to ask for support. If $v = 1$, we would have in return the same posterior like in Equilibrium 2 which is not possible. If 3 mixes its strategy, we have $U_2(WA) = p'(vw_2 + (1 - v)(-i_2)) + (1 - p')(v(w_2 - g_2) + (1 - v)(-i_2)) = U_2(NA)$ leading to $v = (-o_2 + i_2)/(w_2 - g_2 + p'g_2)$. The activist's mixing entices the weak beneficiary to mix in return, with $U_1'(S) = k(v(w_1 - d) + (1 - v)(-o_1 - c)) + (1 - k)(-o_1 - c) = U_1(S) = -o_1$ and $k = c/(v(w_1 - d + o_1 + c))$. We can use the definition of p_1 and Bayes' rule to define $b' = [p(w_2 - vg_2 + o_2 - k(o_2 - i_2 + v(w_2 - g_2 + i_2)))/[(1 - p)(g_2 - w_2 - o_2 + k(o_2 - i_2 + v(w_2 - g_2 + i_2)))]$ which is the last parameter of Equilibrium 1.

Case 4: $b = 1, b' = 1$

We separate again into different subcases, starting with the possibility that $h = 1$ and $m = 1$ (Case 4a). This situation describes the pooling equilibrium in which both beneficiaries ask for EU support (Equilibrium 5). This is the case when neither the minimalist nor the activist mix their strategies to force the weak type to choose its actions randomly. Since there is no behavioural difference between the two types in the first move, no updating takes place ($p' = p$ and $q' = q$). The minimalist accepts a strong action if $U_3(SA) = q's_3 + (1 - q')(s_3 - f_3) > U_3(NA) = -q'i_3 + (1 - q')(-i_3)$ or $q' > (f_3 - s_3 - i_3)/f_3 = q_1$. The activist always asks for a strong action under these conditions if $U_2(SA) = p's_2 + (1 - p')(s_2 - f_2) > U_2(NA) = -p'i_2 + (1 - p')(-i_2)$ or $p' > (f_2 - s_2 - o_2)/f_2 = p_1$.

Since mixing by either the minimalist or the activist forces the weak beneficiary to mix in return, we only have to consider the remaining pure strategy pairs of actors 2 and 3. In this vein, we can exclude $h = 1$ and $m = 0$ (Case 4b) since $U_2(SA) < U_2(NA)$ in this case. In the event that $h = 0$ and $k' = 1$, we first examine the possibility $v = 1$ (Case 4c). This configuration can be excluded because of inconsistent beliefs. Since $U_2(WA) = p'w_2 + (1 - p')(w_2 - g_2) > U_2(NA) = -p'o_2 + (1 - p')(-o_2)$, we have $p' > (g_2 - w_2 - o_2)/g_2$. In order to support this case as an equilibrium, we should have strategy $p' > (g_2 - w_2 - o_2)/g_2 < (f_2 - s_2 - o_2)/f_2$ which is excluded by assumption. If $v = 0$ under the same conditions, there would be no incentive to ask for support action because $U_1(NS) = -o_1 > U_1(S) =$

$-o_1 - c$ (Case 4d). Finally, we have to consider the possibility that $h = 0$ and $k = 0$. Under these conditions, however, it would be too costly for the beneficiary to ask for support since $U_1(S) = -o_1 - c < U_1(NS) = -o_1$ (Case 4e). QED

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Notes

1. These two projects were the European Defence Community (1950–54) and the Fouchet plans (1961/62). Ironically, the French Parliament rejected the former project because it foresaw the creation of a supranational European Army, while the latter plan failed because some governments considered it to be too intergovernmental.
2. The Single European Act (SEA) reasserted the distinct judicial base of the EC and EPC. The Presidency and the European Council assure that the external policies of EC and EPC are consistent (Art. 30.5). The SEA also led to the creation of an EPC secretariat (de Gucht & Keukeleire 1991: 31)
3. The Maastricht Treaty on European Union (1991) set the longterm goal of replacing the EPC through the implementation of a Common Foreign and Security Policy (CFSP). However, the agreement confirmed existing EPC practices and added defence issues to the political cooperation process, suggesting closer consultations on foreign policy aspects between EPC and the EU institutions.
4. This assessment is close to the judgement by Nutall (1992: 213) who concludes that ‘. . . Political co operation came well out of the Falkland affair’. Note that it was no question at this time that Great Britain should inform or consult other member states about its use of force. The ensuing escalation of the conflict motivated three member states – Denmark, Ireland, and Italy – to cease to apply the EC measures.
5. The battle of the sexes is a coordination game where a man and a woman disagree over the joint evening entertainment. According to the old (and outdated) story, the man prefers to go to a prize fight, while the woman wants to go to the ballet. For both of them, joint action (spending the evening together) is better than enjoying the preferred form of entertainment alone.
6. These results can be obtained by so called backward intuition. ‘Backward induction’ is a shorthand for a reasoning process whereby one analyzes a game from its end to its beginning.
7. A formal statement, and proof, of the related proposition can be found in the appendix.
8. A detailed description of the coding rules can be found in Seybold (1995).

9. The COPDAB scale was used to establish the intensity of the events and declarations, with 1 measuring a low intensity and 7 a high intensity of cooperation (conflict). If the European Union reacted in a conflictive (cooperative) manner to a cooperative (conflictive) event, cases were treated as missing because the beneficiary could not be adequately identified.
10. Statistical tests conducted with indicators where a non reaction is treated as a missing case led to similar results.
11. The salience of the EU to the beneficiary is formally expressed as follows: $(\text{Exports to EU in year } t) / (\text{All exports in year } t) \times (\text{Imports from EU in year } t) / (\text{All imports in year } t)$. The economic interests of the European Union are based on the following formula: $(\text{Exports to beneficiary in year } t) / (\text{All exports in year } t) \times (\text{Imports from beneficiary in year } t) / (\text{All imports in year } t)$. Both indicators are based on the date of the year during which the international event took place (International Trade Statistics Yearbook 1975–1993; Monthly external trade bulletin 1984; Eurostat 1980; Eurostat 1988–1993).
12. We assume that this evolution took place in a linear fashion and include the number of the case as an indicator.
13. The indicator US–Soviet net cooperation measures the difference between the monthly aggregates of cooperative behaviour between the Soviet Union and the United States and the monthly aggregates of conflictive behaviour between the two superpowers. More precisely, the measure of East–West cooperation is based on the following formula: (US cooperative behaviour towards the Soviet Union + USSR cooperative behaviour towards US) – (US conflictive behaviour towards the Soviet Union + USSR conflictive behaviour towards US).
14. We constructed a dummy variable, measuring whether the country in which the beneficiary is situated was a colony of one of the EU members at some point (0 = no colonial affiliation, 1 = colonial ties to EU member state(s)).
15. The following analysis relies on multinomial logit models since the two outcome variables contain more than two categories.

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