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THE POLITICS OF SYMMETRY

EUROPEAN INTEGRATION AND TRANSATLANTIC RELATIONS

ABSTRACT

NATO's success is partly due to the asymmetric distribution of power within the alliance between a stronger America and a weaker Europe. This situation solved most problems of role allocation and reduced transaction costs because of clear American leadership. Even other characteristics of the Atlantic Alliance, such as burden sharing and its benevolent role in pacifying West European relations, can be directly traced to asymmetry. The end of the Cold War has partly reduced the incentives to maintain this configuration, because, although the United States is still as powerful, it can afford to be more selective now that the Soviet Union no longer poses a threat that can only be countered by America. In turn, this enhances the incentives for Europe to increase its profile within the alliance. Although this trend towards increased symmetry may create coordination problems, because there is no single focal point for policy convergence, it may still be in the best interest of NATO, as only a more balanced relationship can hope to produce similar perceptions which are a prerequisite for common policies in an era of multiple and more diffuse threats.

Introduction

NATO's victory in the Cold War has earned it the prestigious title of "the most successful military alliance in history". The main aim of the coalition –to avoid a Soviet invasion of Western Europe- has not only been achieved but it has receded beyond imagination as a major war in Europe is today completely off the agenda. Furthermore, relations among the allies, and in particular between the United States and the main European countries, have been kept within reasonable levels of disagreement throughout.

One of the reasons for this success has been the asymmetric distribution of power among allies in favour of the United States, which has acted as leader of the coalition providing effective protection and guidance to its allies. Despite the rhetoric of the "Grand Design" resting on two equal pillars, the idea of a fully integrated Europe on a par with the United States has not always been accepted as a positive development, as it would have put Europe's need for the United States into doubt. For example, according to Henry Kissinger:

> "European unity is not a major cure-all for Atlantic disagreements. In many respects it may magnify rather than reduce differences. As Europe gains structure, it will be in a better position to insist on differences whose ultimate cause is structural rather than personal".[1]

More recently, Lawrence Kaplan has argued that:

> “If the European movement ultimately embraces a military component, it could be the final act in NATO’s history”.[2]

The asymmetry within the alliance partly exogenous and partly caused by the systemic circumstances in the background during the Cold War. It was therefore well adapted to the prevailing structural incentives. As will be argued in the paper, the change in systemic conditions brought about by the disintegration of the Soviet Union is therefore likely to alter the distribution of relative power and, especially, of roles within the alliance, contributing to a more symmetric situation, by increasing the incentives toward EU defence integration and by reducing those toward US involvement.

Although a more balanced relationship will necessarily entail new problems, especially of leadership and role allocation, it is probably less dangerous to the maintenance of the alliance than the persistence of asymmetry. While during the Cold War the presence of a common and overriding threat ensured that all allies viewed the world in roughly similar terms, the more diffuse and selective threats of the contemporary era require in fact a more homogeneous perception of global problems which can only emerge from a similar position within the international system. As Stanley Hoffmann has argued: “The alternative to a common west European policy to deal with [defence] is not a NATO policy, it is paralysis or fractured reactions”.[3]

1. The Causes of Asymmetry

The evident asymmetry of power within the Western Alliance between a predominant America and its smaller European and Canadian allies was in part brought about by the mere coincidence of America's might. It is quite obvious that if the allies had had a more equal and balanced distribution of power, they would not have positioned in a fixed hierarchy. However, part of the asymmetry was also due to systemic conditions. Superpowers, because of their unique position, tend to differentiate substantially from other types of states because behaviour is due to perceived threats as much as to the opportunities deriving from one's own position. In a bipolar system as that of the Cold War, each superpower must mostly rely on its own forces to counter the other. There can be no misperception of which is the most urgent threat nor any misunderstanding on which is the state in charge of countering it, as there are no other superpowers capable of resistance. This distinct characteristic induces superpowers to behave differently than any other and causes asymmetry within each bloc.

As Kenneth Waltz has argued, this makes for the stability of bipolar systems such as that of the Cold War, which are less prone than multipolar systems to two crucial syndromes.[4] On the one hand, as in the period leading to the Second World War, states may fall victim to the temptation of "buck-passing" the responsibility of containment onto others. On the other hand, as in the years

before the First World War, states in a multipolar system may prefer “chain-ganging” into confrontation with the other coalition for fear of losing the cohesion of one’s own alliance.[5] Both problems are created by the presence of other major powers in the system, either in the form of potential alternative sources of security or of potential defectors. In bipolar systems, on the contrary, the presence of only two superpowers ensures that threats will be neither underestimated in the hope that another pays the costs of containment nor overestimated for fear of losing crucial allies. Equilibrium, in other words, is reached mainly through the “internal balancing” of mobilising one’s own resources rather than through the “external balancing” of coalition building because of the absence of suitable allies. In a non-nuclear setting, this structural incentive to rearm and to systematically oppose the other superpower may actually degenerate into a long and uncertain war, as those between Sparta and Athens and those between Rome and Carthage. In a nuclear environment, in which war is extremely difficult because deterrence is credible due to extremely high costs of war, stability is reinforced by the reduced incidence of the uncertainties of diplomacy.[6]

Allies, even peripheral ones, are far from irrelevant in a bipolar world because superpowers are concerned about defections to the opposite camp. However, it is not the positive value of allies which drives this worry but the strategic preoccupation of denying an improvement of the other superpower’s relative position, as the balance of power, by definition, rests on the two main pillars. Except for their strategic value as geographic bases, allies were

often protected more for fear that the other superpowers might take them over than for their value in adding to the capabilities of the bloc. A bipolar world, unlike a multipolar one, is in fact strictly “zero-sum” because any loss by one superpower can only advantage the other, as there is no third actor which could benefit.[7] This is the reason why both the United States and the Soviet Union engaged in bitter competition even in remote parts of the world as Southern Africa or Indochina, despite their dubious intrinsic appeal. A transmission-belt mechanism thus centralised regional security by linking all local settings to the global balance between the superpowers, rendering each and every region vital to the maintenance of equilibrium.

Equilibrium between the blocs therefore favoured asymmetry within them as each superpower jealously guarded its own coalition and made sure that none of their allies changed side. In other words, superpowers were “entrapped” to defend their allies as well as to guarantee their continuing loyalty, as is demonstrated by the fact that the United States and the Soviet Union used force more often within their own blocs than in attempts to encroach each other’s spheres of influence.[8] Furthermore, asymmetry was also caused by the fact that superpowers posed such an extensive threat to each other that they were forced by their structural condition to use all –or at least most- of their power, also because no suitable diplomatic alternative existed. The automatic reaction by each superpower to the actions of the other implicit in a bipolar system therefore provided an incentive to

functional differentiation within each bloc. In other words, the polar structure and the functioning of an international system are not simply the result of an exogenous distribution of power which selects the great powers, but it is also the result of how many powers the system displays overall. In other words, in the same vein as a monopolist prices its products differently than an oligopolist even though its size may be exactly thesame, bipolar superpowers behave like superpowers not simply because they are so much larger than their allies, but because there are only two of them. In a different systemic environment –such as a unipolar or a multipolar one- the same amount of absolute power may not necessarily lead to the same behaviour, because structural incentives are different.

In the typical action-reaction spiral characteristic of security dilemmas, each superpower in a two-power world might have reached a level of defence quite disproportionate to its security needs, as is demonstrated by the dimension of their nuclear arsenals at the height of the Cold War, to which no other power wished even to get close to.[9] These large conventional and nuclear forces would have been involved immediately in case of war, in order to avoid giving the adversary a chance to make substantial gains against lesser allies, and most of the effort of American strategy during the Cold War was therefore geared to make such an automatic involvement as credible and realistic as possible. The asymmetry between the superpower and its allies was not therefore due only to the difference in their potential, but also to the

different incentive in converting that potential into actual capabilities, since the absence of options for a decisive external balancing forced superpowers to rely on internal balancing exclusively.

In this context, smaller allies had neither the opportunity nor the need to invest heavily into their own defence. An independent policy would in fact have been tolerated only within the strict confines of ultimate bloc solidarity, that is, if it was not truly independent. Not only bipolarity invited superpowers to protect and cherish their own sphere of influence, but also the presence of nuclear weapons forced them to control the actions of their allies for fear of unwillingly stumbling into an atomic exchange. Only superpowers, therefore, could and were forced to develop an active policy at a global level, while their allies were constrained to a quite passive and localised policy. Intra-bloc discipline was therefore guaranteed because of the superpowers' fear of losing decisive positions relative to an adversary which might have exploited them in a general war as well as precisely to avoid that very war, which was likely to have apocalyptic consequences on their home territories. On the other hand, smaller powers did not even experience the necessity to adequately invest in their international profile, as superpowers guaranteed their defence much better than they could have done autonomously. They could thus safely benefit from their leader's provision of security, without actually contributing much to it.

2. The Consequences of Asymmetry

The asymmetric nature of the Atlantic Alliance was therefore due as much to the overriding nature of the bipolar system as to the natural endowments of the United States. NATO's design reflected the asymmetry and its success in fulfilling its functions is at least partly due to this adaptation. In general terms, alliances are formed for various reasons which enhance their value against a common threat. Firstly, they produce an additional incentive to defend each other. If the expectation of mutual support was certain, alliances would be either unnecessary, because the intervention would be forthcoming anyway, or irrelevant, if the promise was empty. Alliances are necessary precisely because there is a margin of uncertainty in the pledge to mutual support and because a solemn obligation may increase the chance of its actual implementation because "ceteris paribus, a state is more likely to join an opposing coalition if it has made a commitment to do so than if no such commitment existed; states have at least some incentives to fulfil international obligations".[10] In an anarchic world lacking a superior authority capable of enforcing agreements, "since governments with good reputation can more easily make agreements than governments with bad ones, international regimes can help to facilitate cooperation by making it both easier and more desirable to acquire a good reputation".[11]

Secondly, alliances produce useful information both for members and non-members. On the one hand, they signal to third parties that the commitment to mutual defence is serious. Even if allies are certain of each others' loyalty, adversaries may still count on their defection and launch an attack in the hope of isolating their victim. An explicit agreement may thus be geared more to outside deterrence than to internal reassurance. On the other hand, they contribute to the consistency of alignments by facilitating multinational relationships. Since there is a transitive quality in alliances, allies of the same country will tend to become allies themselves. In this sense, alliances may modify interests as well as simply emerge from them, because they induce states into formal agreements while their original contacts were only indirect.[12]

Lastly, alliances allow to construct institutionalised agreements which reduce transaction costs. One of the foremost theorist of transaction costs, the economist Olivier Williamson, has compared their role to the one of attrition in physics. Simplified models excluding the impact of attrition are necessary because they highlight certain fundamental processes. However, real physical elements interact in a world in which attrition exists. Similarly, social units must take into account the limits of rationality, the opportunistic nature of counterparts and the difficulty of converting resources from one use to another. Institutions and agreements ("contracts" in Williamson's language) -on top of their specific merits- are necessary precisely because they allow states to forego

transaction costs.[13] In particular, peacetime alliances may allow advance preparations and the establishment of standard operating procedures which accelerate decision-making and implementation during the urgency of wartime.

NATO's historical functions, as described by the famous remark of its first Secretary-General, reflected these general characteristics. According to Lord Ismay, NATO was formed "to keep the Soviets out, the Americans in and the Germans down". As regard the first and most traditional element, NATO's role was two-fold. On the one hand, it reinforced the American commitment to the defence of Western Europe first by solemn pledge and, after the 1950 Summit in Lisbon, by a substantial military presence. Although America's strategic interest in Western Europe was clear and had been reiterated in the two World Wars, it was believed that an efficacious deterrence required an extra commitment to signal US intentions to the Soviet Union. US troops were therefore considered necessary to strengthen European conventional forces in front of Soviet superiority but especially to highlight Washington's determination of extending its nuclear umbrella to Western Europe. The American contingent was therefore partly hostage to the European allies in their quest for "extended deterrence" and partly a trip-wire to enhance nuclear deterrence in case of a Soviet intention to attack.[14]

On the other hand, NATO's integrated military command allowed the reduction of transaction costs in preparation for defence, should deterrence have failed. Military plans were drafted jointly, common standards for interoperability

were established and command structures were developed in order to maximise allied effectiveness in the event of war. These measures, which were unprecedented in peacetime, would have been unthinkable outside the framework of a formal institution. In a more informal arrangement, integration of this degree would have been possible only after hostilities had broken out, when it would possibly have been too late because of the expectations of a decisive Soviet *blitzkrieg*. The utility of a custom of peacetime cooperation has also been shown by the Gulf War, in which British performance was facilitated, compared to France's, by a habit of collaboration with US troops.

Secondly, NATO was instrumental in the path-breaking American commitment to Europe. Ever since independence, the United States had been suspicious of "entangling alliances" and it was ready to fight to protect its neutral rights. Even in the world wars, America took part only well after they had begun. The Atlantic Alliance, for the first time, was for the United States "a deterrent commitment based upon the belief that if American intentions to prevent the upset of the European balance of power were made clear in advance, the likelihood of a challenge to that balance would be greatly reduced".[15] Given the traditional American penchant for institutions, it is quite clear that the actual format of the Atlantic Alliance contributed to weaken resistance to US participation.

Thirdly, NATO also decisively contributed to the solution of military competition in Western Europe. Germany's rearmament would have been impossible outside a

Western framework and it would have generated destabilising insecurities in all of its European neighbours on either side of the iron curtain. The American presence through NATO as well as Germany's participation into the launch of the process of European integration, which was itself in turn propitiated by the environment created by NATO, allowed the amelioration of these fears. The process begun in the 1950's, barely a decade after Nazi aggression, has then culminated in Germany's reunification and its full reintegration into the family of nations after the end of the Cold War.

The asymmetric configuration of power within the Atlantic alliance was crucial to these functions, and especially to the first and the last. American predominance erased all problems of role allocation within the alliance, it provided clear leadership and, consequently, an unmistakable focal point around which expectations and policies could converge. In other words, despite the fact that NATO comprised sixteen nations, it acted almost as coherently as it had been under a single decision-maker, dramatically reducing the conflicts and transaction costs associated with decentralised groups which have to negotiate from scratch every terms of any agreement. Despite frequent quarrels, one of which has even led to France's withdrawal from the integrated military structure, the single most important item on the allies' agenda, nuclear policy, has been ultimately dictated from Washington, from the "New Look" to "Flexible Response".[16]

The disproportionate distribution of power within the alliance also notoriously led to an even more disproportionate sharing of the burden of common defence.[17] Not only did the United States spend more for defence than its allies combined, but it even spent more relatively to its own GNP. Although the public good of alliance security was probably under-produced, it would probably have been provided in even lesser quantity had not the United States been so big relative to its allies. According to Olson's theory, if there is such a skewed distribution of power, there may exist a "uniquely privileged group", composed in this instance by the United States, which may enjoy such a proportion of the benefits of the public good because of its sheer dimension so as to justify its single-handed provision, irrespective of the behaviour of the others, which may thus easily free ride. Unlike its smaller partners, the United States was so important to the common effort that it could not defect from its commitment without irreparably damaging the alliance. According to Olson and Zeckhauser's original paper: "There will be a tendency for the 'larger' members -those that place a higher absolute value on the public good- to bear a disproportionate share of the burden".[18] On the one hand, if relative dimensions had been more even, neither party would have been as crucial and might thus have been induced to let others pay the costs of production of the public good. The United States might have been tempted to let Europeans defend themselves, while Europeans might have resisted America's attempts to impose its strategy in Western Europe. On the other hand, the individual share for each of the total

benefits might not have been large enough to justify provision, as neither power would have perceived sufficient incentive to provide most of the public good in exchange for its relatively smaller slice of the cake.

Even more important to the question of asymmetry was NATO's role in facilitating Germany's rehabilitation and European integration. It should be clear from the above discussion that, given the bipolar nature of the system, European integration could not substitute NATO in importance with respect to security affairs because the special role of the United States was irreplaceable. Furthermore, the conspicuous American political and military presence hindered foreign policy cooperation among European states because their views of the matter were heterogeneous, with the low profile of Germany and Italy, burdened by a shameful past and by difficult democratic consolidations, and the polarised and opposite views of Britain and France with respect to the Atlantic Alliance.[19] However, although NATO was probably responsible for the limitations of European integration, it was also a necessary component for its beginning. On the one hand, the static nature of alignments in the Cold War allowed the United States to allow and even sponsor economic unification in the name of the common cause against the Soviets. The Marshall Plan, for example, put a premium on trans-national projects.[20] Since European loyalty could be taken for granted, every improvement in European power allowed the United States to reduce its concern for the weakness of its allies and it proportionally augmented the Kremlin's preoccupation. Facilitating European economic

cooperation could thus produce a welcome security externality.[21]

On the other hand, the mere American preponderant presence reduced the European states' propensity to compete, allowing age-old tensions to dissipate and the European integration process to begin. Asymmetry is in fact inversely proportional to states' sensitivity to relative gains, because, as the hegemonic stability theorists have pointed out, the stronger can afford to ignore shifts in relative capabilities because their position is secure while the weaker might as well concentrate on other concerns because their position of vulnerability cannot be recovered.[22] Imagine a situation in which states are more or less equally endowed, with a difference of two or three units of a given measure. In this context, a shift in relative power of one unit would represent either a half or a third of the gap between states. Imagine now a situation in which the distribution of power is so skewed that there is a difference of twenty units between a large state and its counterpart. In this other context, the same shift of one unit would only represent 5% of their difference, thereby triggering a much more modest preoccupation. Sensitivity to relative gains therefore depends on the ratio between the change in relative gain and the asymmetry between the units concerned (fig. 1). In other words, not only the United States, by being ally both of France and of Germany, increased the incentive to ally also between themselves, but it also modified the context of their interaction by removing from the agenda the issue of their prominence in Europe. The roughly equal size of the

European states had invited ambition, resentment and concern at each minimal change in relative position for centuries; American leadership, on the contrary, was so clear and secure that it could be more easily accepted, allowing the sensitivity to relative gains to decline.

[FIG. 1 HERE]

3. The Causes of Symmetry

The collapse of the Soviet Union has radically changed the international system. Not only the system can no longer be called bipolar because there would be only one superpower left, but also the incentive for the United States to behave as a superpower has weakened, because superpowers come in pairs. Although the United States remains in a league of its own, in the new system there are no fixed hierarchies and the energies devoted to foreign policy are likely to be much more comparable than before the fall of the Berlin wall. As the system becomes more multipolar, external balancing reacquires importance compared to internal balancing and weaker powers may regain in the game of alignments what they have may lack in natural endowments. In a way, therefore, the change brought about by the disintegration of the USSR has been systemic indeed, because it has reverberated throughout the whole system and because it has been different than the sum of its inputs as it has not merely concerned only the Soviet Union, but also all the other powers on the international scene.

In particular, the demise of the main global threat has decentralised global security by de-linking peripheral and central equilibria.[23] It is no longer essential to defend each and every part of the globe because of the concern that each local advance could be translated into a generalised danger as there is no power which at present is capable of mounting such a threat. Even though Western interventions have not been wanting in the last few years, the lag to take the decision and the willingness to sustain heavy casualties have increased, as there is no perceived necessity to balance automatically against an overriding danger. This more selective mood can be highlighted by comparing Western propensity to deploy land troops in Korea or Vietnam with the reluctance to be drawn in the Balkans. Each regional balance has therefore regained its intrinsic value and it has correspondingly lost its appeal as a piece in the global strategic picture. The decentralisation of security has, in turn, repercussions on all the members of the international system.

For the United States, although an incentive toward maintenance of global stability persists, there is no longer a global power which can be perceived on a par as a direct menace to its national security. While, during the Cold War, each change in the balance of power, even in a remote sugar and cigar-producing island in the Caribbean, could be seen as a strategic shift in favour of the only power which could possibly challenge American survival, nowadays there seem to be no regional contingency which could justify such a perception. The United States has thus lost the most potent incentive to use all of its resources

and to remain disproportionally engaged in the international system. As the United States is no longer entrapped in each and every regional balance, its intervention can be both more reflective and more selective, more in tune with the behaviour of a “normal” great power than with that of a superpower.

Furthermore, the fact that threats are less intense and more localised has diminished the necessity of American involvement as, unlike with the Soviet Union, most contemporary threats can be dealt with –at least in theory- even by regional powers. The United States might therefore lose the sense of responsibility which flowed from its acknowledgement, during the Cold War, that it was the sole power actually capable of countering the main threat to global stability, and might thus be tempted to reduce its propensity to be involved. Such a diminished propensity was clear, for example, in American reluctance to be drawn into involvement in the Balkans which, before 1995, has threatened a major clash with the European allies which were contributing troops to the UN effort in former Yugoslavia.[24]

For European states, on the contrary, there may be a mirror effect. On the one hand, the weaker American incentive to be involved, now that US security is no longer directly at stake, may lead to a proportionally higher propensity on the part of European states to raise their profile, also because it is harder to free ride with a United States which is less willing to be entrapped. This natural and pendular process is compounded by Europe’s

geopolitical position, which is much closer to the “ark of crisis”, spanning from North Africa to the Caucuses passing through the Gulf and the Balkans, which currently groups most of the less intense but more actual threats which have emerged after the Cold War. In other words, while the global and overriding threat posed by the Soviet Union menaced the United States and Europe alike, the new less intense and more local threats have enhanced the importance of geography, thereby “entrapping” the European states to concern themselves relatively more because of their proximity to potential crises. In the last few years, European states have mounted more military operations outside their territories than during the four decades of Cold War. Moreover, while during the Cold War American hegemony was easily tolerated because of its importance to European defence, today the European may feel more reluctant to follow American leadership blindly now that the United States is no longer seen as absolutely essential to deter an imminent danger. According to Huntington: “most of the world does not want America to be its policeman”.[25]

On the other hand, Europeans are today, at least in theory, more able to produce the levels of defence which are adequate for the new threats. Firstly, these threats are incomparably less intense than the Soviet threat during the Cold War. Secondly, Europeans are today much closer to reaching a common platform which may allow them to produce a more efficient defence. A stronger Europe necessarily requires closer integration, because a fragmented decision making process and the duplication implied by separate defence budgets would otherwise disperse most of the

energies. Even though Europe spends on defence roughly 60% of the Pentagon's budget, its capabilities are today not even close to that level and perhaps are even as low as a tenth. According to Christopher Hill: "the cartoon which once showed 12 Prime Ministers voting on whether or not to press the nuclear button pithily summarised the impossibility of having a genuinely intergovernmental defence community".[26]

Over the last few years, European positions have become closer. Italy and Germany have become "normal" powers less constrained than in the past by the legacy of the Second World War. While France has moved closer to NATO and, in 1995, it has even taken steps to re-enter its military structure, the United Kingdom has moved closer to the idea of a common European defence actually endorsing for the first time, in December 1998 at St. Malô, the possibility of a European capability to act even without the United States. The 1999 Cologne EU Summit has thus called for a EU "capacity for autonomous action, backed up by credible military forces" which, as a first step, involves the absorption of the Western European Union's procedures for cooperation into the EU proper. The possibility of a higher European profile has also been duly acknowledged by NATO first at the Bruxelles 1994 Ministerial which allowed the development of "separable" European forces if they were not "separate" from the alliance, and then at the Washington's 1999 Summit in which there is the first direct reference to a defence role for the European Union.

For regional powers, finally, the end of the struggle between the superpowers has also changed their strategic landscape. On the one hand, superpowers had provided (almost) total protection and their disappearance has thus reduced their security, increasing the incentive to resort to self help. Whereas an independent policy during the Cold War might have appeared redundant, in the post-Cold War world it is almost a necessity, especially in volatile regions such as the Middle East and East Asia, in which a proliferation of conventional as well of non-conventional weapons demonstrates this trend.[27] On the other hand, while during the Cold War superpowers extended bloc discipline also because they feared that regional crises could escalate into global nuclearised confrontations, with the end of the bipolar struggle regional powers are less constrained to seek their own alignments and to develop their foreign policy, as the cases of Iraq and Serbia have shown. In other words, the “one-global-unlikely threat” of the Cold War has gradually given way to a “many-regional-likely threats” scenarios.[28] This development is reflected in NATO’s post-Cold War policy in which enlargement and the Partnership for Peace initiative have widened the geographical scope of the alliance while the 1991 and 1999 Strategic concepts envision the possibility of multiple threats from a variety of regions requiring power projection outside of the alliance traditional “area”.

In turn, an environment in which threats are less intense and more diffused is likely to produce less uniform perceptions and priorities. This heterogeneity compounds the aforementioned incentives to symmetry because each

individual threat is unlikely to provoke a unified general response involving the whole system, but rather a more selective “coalition of the willing” establishing an ad hoc hierarchy which may not actually correspond to the overall hierarchy in the system. It is much more possible today, as happened in K-FOR in 1999, that the United States accepted to participate in a military operation even without being its leader than during the Cold War, in which such an eventuality would have been utterly unthinkable. More probable still is that the United States did not participate at all into an operation involving other Western countries, which also would have been impossible during the Cold War either because, as in Vietnam, Washington would have perceived its interests even more at stake than other powers, or because, as during the Suez crisis, it would have perceived the operation as detrimental to overall Western interests and it would have accordingly stopped it. Formal memberships and power hierarchies, in short, are less static and this is of course enshrined in NATO’s Combined Joint Task Forces’ (CJTF) concept introduced at Berlin’s 1996 ministerial which allows a sub-group of allies to mount an operation even without the participation of all others and with a command structure reflecting actual contribution to the specific contingency rather than standing within the alliance in general.

4. The Consequences of Symmetry

The systemic change brought about by the end of the Cold War, unlike others before it, has been insufficient to radically change alignments as NATO, as far as we can see today, has not disappeared like the threat that gave rise to it. However, it is quite certain that the inner workings of the alliance have changed and will do so even more, due to the different environment to which they have to adapt. Specifically, the alliance mechanisms will be less asymmetric and less automatic, because the less intense threats it has to face require a less constant and generalised effort. Although this change will surely bring about new problems, it is certainly more suited to face the challenges of the new international system. Persistent asymmetry in front of radically new circumstances may in fact be even more detrimental to the survival of the alliance.

A more symmetric alliance relationship may create problems of coordination as there is no recognised leader dictating rules followed by everybody else. Decision making is thus decentralised among a number of allies, which incur into transaction costs because, lacking an obvious focal point, they have to negotiate each decision on an ad hoc basis.[29] Uniquely privileged groups, that is composed by just one member, are not the only possible solution to the problem of collective action as there may still be a small-N “K group” which may find it appealing to produce a public good.[30] Nevertheless, it is quite obvious that transaction costs increase when there is more than one decision-maker, especially if interests and perceptions diverge. Intra-allied relations are in fact non-linear in the sense that

an increase in the potential of individual members does not necessarily lead to an increase in the aggregate capability of the alliance. This is especially so if the increase is the source of a more complicated and costly decision-making process which can offset the increased collective potential which follows from the enhancement of one or more members' power. The lack of a clear hierarchy may create frictions about who is the leader and, since the contribution of each is approximately equal, each is also tempted to let others pay the costs that they would otherwise have to pay themselves.

A similar reasoning was developed by the microeconomic theories of non-collusive oligopoly. For example, the stability of the equilibrium in Stackelberg's model of duopoly relies on the idea that one of the two firms takes a leading role while the other simply follows. If both firms behave in a strategic manner, either they collusively agree on a way to share the profits or they will engage in a price war until one of the two sides surrenders. If neither acts strategically, as in Cournot’s model, the collective result is even more sub-optimal. This is substantiated by the fact that transatlantic relations over the last few years have been –paradoxically- more conflictual in the economic than in the security sphere, despite the fact that the first type of issue is generally regarded as inherently more cooperative.[31] In the trade area, in fact, Europe is, unlike in the defence one, on a par with the United States, as it is stronger and more cohesive (fig. 2). The lack of a clear leader within the alliance for those issues which involve the use of economic

statecraft has thus generated many more frictions in this area than in the defence one. This was the case already during the Cold War, as the disputes over COCOM and the Siberian Pipeline (in which Europeans had their way) demonstrate.[32] After the Cold War, this trend has accentuated, as is shown by the disputes over the Helms-Burton and D'Amato Acts, over the future of the aeroplane industry and over trading relations with China.[33] Other analysts have expressed concern over a coming Euro-Dollar clash.[34] By contrast, difficult issues relating to classical defence instruments -such as NATO enlargement or the management of NATO's mission in Bosnia- have been more smoothly and successfully dealt with under decisive American leadership.

[FIG. 2 HERE]

Increased European cooperation and a higher profile in the defence field will therefore generate problems of coordination within NATO, but the failure to rebalance the transatlantic relationship could imply even bigger problems for two reasons, both of which originate in the new systemic incentives: the changed nature of the good of international security and the link between capabilities and intentions. Firstly, security has lost some of its purity as a public good, and it is now closer to a “common pool resource” (or a publicly provided private good), which requires a different production mechanism because it is more difficult to produce it in adequate quantities (fig.

3).[35] NATO's security during the Cold War approximated a public good because both of the critical characteristics were provided by the Soviet threat. Security was non-excludable (that is once a good is produced, no-one can be kept from consuming it) because an attack on one could not possibly take place, also because of the Alliance's article 5, without involving all the other allies. Security was also non-rival (that is its consumption did not diminish the amount available for other uses) because the bipolar threat was both centralised and global, implying a single titanic struggle between East and West. In front of a single adversary, each effort at containment did not therefore subtract from the general ability to contain, but rather added to it.

[FIG. 3 HERE]

On the contrary, security from global instability in the post-Cold War period is also non-excludable, but it is a more rival good, that is its consumption reduces the amounts available for other uses. It is non-excludable because none of the major contemporary threats is exercised against the territory of a member state, and thus no ally can be forced to pay the costs of containment or to renounce sharing the benefits irrespective of the costs it has paid. Once a regional conflict, such as the invasion of Kuwait, has been solved, it has been solved for all nations, including those which have not participated to the war or have restricted themselves to "checkbook diplomacy".

Whereas the Cold War threat was indivisible because it was aimed against all, the post-Cold War one is similarly indivisible because it is aimed against none. Post-Cold War production of security is more rival, scarce and finite because, since the threats are more numerous and decentralised, containing one may not necessarily help to contain another, which may arise completely independently. Furthermore, the diminished intensity of the general level of threat has also implied an increased difficulty in justifying defence expenditure in an era of "peace dividends" and fiscal stringency.[36] Finally, the heterogeneous nature of today's threats implies the fact that armed forces are not as fungible as in the past, de-linking the relationship with (an increasingly irrelevant) nuclear deterrence and creating difficult trade-offs between forces which are geared to major land warfare, forces for rapid power projection and forces for low intensity peace keeping.[37]

A non-excludable but rival common pool resource presents even tougher uncertainties than a public good, because while the first element ensures under-production, the second adds an incentive to over-consume the good, because it is in scarce supply.[38] A more symmetric distribution of power among allies may provide a partial solution, as already recognised by Olson and Zeckhauser, who called for "a greater ratio of private to collective benefits".[39] Private elements could in fact be introduced in the security good by separating the various (rival) contingencies allocating responsibility to different partners. Europeans and Americans would thus define

respective spheres which would effectively be treated as private goods, in which over-consumption is curbed because it is possible to exclude who has not been charged. If the alliance remained asymmetric, European would be too weak to deal with any area outside their own territory, and would thus free ride and over-consume American involvement, which would in turn increasingly become scarcer.

This leads to the second danger of asymmetry in a world of multiple and diffused threats. American continued prominence could in fact generate a process of moral hazard by systematically reducing the costs of European irresponsible behaviour. Moral hazard is generally defined as a perverse incentive to behave in an undesired manner which originates from the attempt to limit the damage of undesirable behaviour. The classic example is that of safety belts in cars, which may have actually increased the rate of traffic incidents by lulling drivers into a false sense of security and into driving more recklessly. In this view, part of the reason why it is difficult to organise an effective European defence would rest precisely in the presence of an effective American power projection capability which offers a cheaper alternative (for Europeans). If such a capability was absent, Europeans would probably perceive the necessity to raise their profile more urgently.

The crux of the matter is that intentions and perceptions are, at least in part, a function of capabilities, as classic diplomatic historians and practitioners knew when they defined great powers as those states whose interests went beyond those of immediate

contiguity. During the Cold War, the overriding nature of the threat and the fact that it was directly aimed at the territory of the European allies (which could not therefore simply ignore it) contributed to a unified view of the problem and its solutions. On the contrary, persistent asymmetry in capabilities in a less compelling environment would in time lead to asymmetric perceptions of the world and heterogeneous responses between a globalist America and a parochial Europe. European weakness, due either to disunion and insufficient critical mass or to a self-imposed restraint, would in fact inevitably lead to a timid and limited policy, which is likely to remain localised and abstentionist as when Holland or Sweden renounced their great power status. In turn, this may have repercussions even on the United States, which are today as sensitive to costs as they were sensitive to threats during the Cold War, because the alienation of its partners would erode the basis of legitimacy for its involvement and inevitably raise questions about retreating back into isolationism and unilateralism rather than paying alone all of the costs of global stability. Only a more balanced distribution of capabilities may, in the long term, foster a common perception of interest and of global problems, with a higher probability of developing common policies.

In general terms, therefore, asymmetry is not necessarily always the best distribution of power within an alliance (fig. 4). If the level of external threat is high, as before the collapse of the Soviet Union, internal cohesion is ensured and asymmetry may thus provide useful solutions to questions about coordination and role

allocation. From the points of view of alliance maintenance and effectiveness, this may indeed be the best situation. If, on the other hand, the level of external threat is low, as in the contemporary period, asymmetry may further reduce internal cohesion because it may induce allies to view the world from different vantage points. This may indeed be the worst situation possible. Viceversa, a more symmetric distribution of power among allies may create problems of coordination and role allocation even in a world in which the level of external threat is high, but it may also ensure more internal cohesion in terms of common perceptions and interests if the level of external threat is less demanding. We are today at an uncertain point between a situation of low threat and asymmetry and one of low threat and more symmetry between the partners.

Olson and Zeckhauser argued that: “a union of smaller members of NATO, for example, could be helpful, and be in the interest of the United States. Such a union would give the people involved an incentive to contribute more toward the goals they shared with their then more nearly equal partners. Whatever the disadvantages on other grounds of these policy possibilities, they at least have the merit that they help to make the national interest of individual nations more nearly compatible with the efficient attainment of the goals which groups of nations hold in common”.[40] Stanley Hoffmann agrees that “the alternative to a west European security entity is not the pre-1989 NATO, but a renationalization of defense policies”.[41]

[FIG. 4 HERE]

Conclusion

Contrary to the most pessimistic predictions, which would have expected the demise of the Atlantic Alliance within years of the end of the Cold War, NATO has not disappeared and it appears capable of adaptation to the new international system in terms of membership, geographic scope and institutional mechanisms.[42] Partly, this may be due to the common cultural, economic and political heritage of the allies, which bind them even beyond common strategic interests.[43] Partly, this may be due to the emergence of new threats and instabilities, which may have spurred the continued collaboration of those states belonging to the "Western civilisation".[44] This may also be due to the continuing utility of the alliance, which allows to its members policies otherwise impossible. The European Union, despite a more efficient integration, would in fact still be unable to operate independently outside its immediate proximity while the United States would not easily do so without any outside support or the legitimacy it entails.[45] Rather than constructing a new institution to serve these purposes, NATO allies may prefer to spare themselves the sunk costs that a new alliance would involve and to adapt the existing structures.[46]

In particular, adaptation requires a more balanced relationship within the alliance through a higher European profile. Nevertheless, the fact that there is a strong incentive to develop European defence capabilities does not necessarily mean that a united Europe will emerge nor that,

if this happens, NATO will not need further radical reform.[47] Alliance mechanisms constructed under conditions of internal asymmetry and a strong and unique external threat are unlikely to function effectively in a completely different situation.

Specifically, emphasis on the automatic activation of NATO, implicit in Article 5, should not be pursued, as an automatic mechanism would risk to strain a more heterogeneous consensus or to be incredible in a more fragmented environment in which threats are more remote. Secondly, decision making should become more flexible to avoid constant tensions about responsibility and role allocation, as already implied by the CJTFs concept, because not all states will necessarily want to participate to every operation and because Europeans and Americans need to informally divide responsibilities if they want to avoid excessive free riding. CJTFs enhance NATO's prospects "by providing individual incentives in the form of valued command responsibilities, and by reducing the number of participants in specific operations enough so that overlapping preferences can be identified and realised more easily".[48] This adaptation may still create problems of coordination between the two sides of the Atlantic and may spur doubts because asymmetry has been so successful during the Cold War. However, in the new systemic circumstances, it may still be the best chance for the Atlantic Alliance to survive into the XXI Century.

Fig. 1 Asymmetry and sensitivity to relative gains

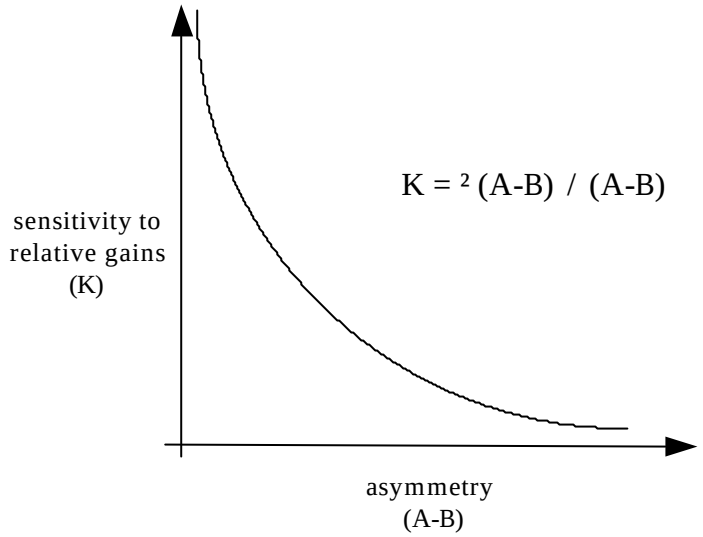
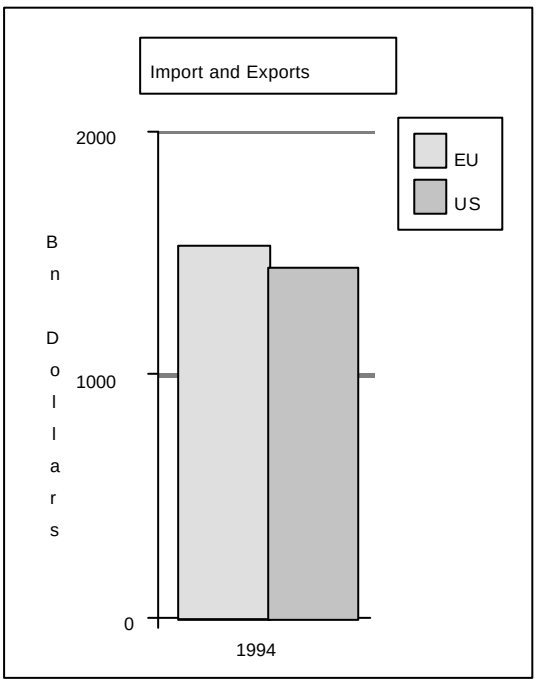
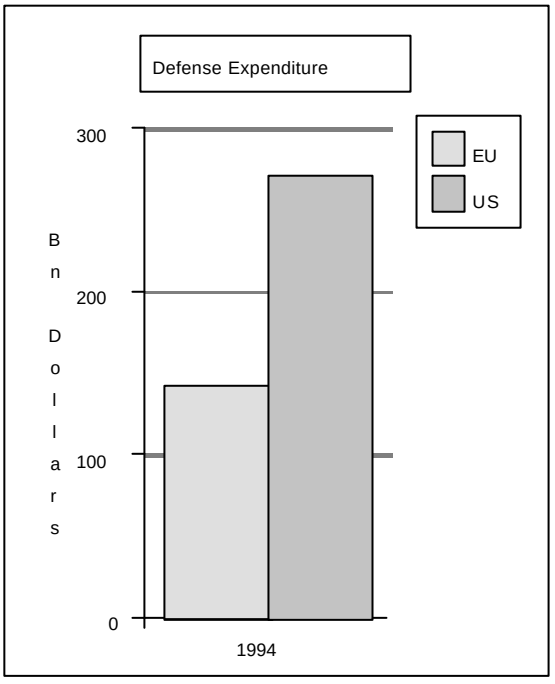


Fig. 2 A comparison between the US and the EU in defence and international trade



source: WTO



source: IISS

Fig. 3 Types of goods

	Non-rival	Rival
Non-excludable	Public good	Common pool resource
Excludable	Club good	Private good

Fig. 4 Alliance cohesion

	High level of threat	Low level of threat
Asymmetry within alliance	Highest cohesion	Lowest cohesion
Symmetry within the alliance	Moderately high cohesion	Moderately Low Cohesion

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