

INTERNATIONAL ORGANISATION THEORY AND THE  
POLITICS OF REGIME CHANGE : ARMAMENTS  
COLLABORATION IN THE ATLANTIC COMMUNITY

Andrew S. Ellis

A Thesis Submitted for the Degree of PhD  
at the  
University of St Andrews



1993

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INTERNATIONAL ORGANISATION THEORY AND THE POLITICS OF  
REGIME CHANGE: ARMAMENTS COLLABORATION IN THE  
ATLANTIC COMMUNITY

By

ANDREW S. ELLIS  
B.A. (Hons) UNIVERSITY OF LANCASTER

A THESIS SUBMITTED TO THE FACULTY OF ARTS OF THE  
UNIVERSITY OF ST ANDREWS FOR THE DEGREE OF DOCTOR OF  
PHILOSOPHY (Ph.D) IN THE DEPARTMENT OF INTERNATIONAL  
RELATIONS

1991

ST ANDREWS, SCOTLAND



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## ABSTRACT

The purpose of the analysis is to make a theoretical contribution in two related fields of international relations research. Firstly, the concepts of complex interdependence and international regimes are critically examined with particular reference to the development of existing theories of regime creation and change. The role of organisation theory in encouraging the development of a new process based model with which to analyse the formation and alteration of international regimes is introduced.

Secondly, by way of an analysis of the failure of an armaments collaboration regime to evolve in the period between 1949 and the late 1960's in the North Atlantic community of states, a vital component of the national security policies of the states involved will be studied from an essentially inter-organisational perspective.

The issue area of armaments collaboration, and the complex of actors involved, represent a real challenge to regime analysis and especially the assumptions which are inherent in the theory of hegemonic stability. The role of hegemonic actors in the formation and maintenance of regimes, and the implications of this for the armaments collaboration issue area, are particularly important in this regard. The study aims to highlight the extent to which the prerogatives of states and governmental actors in areas of "high politics" have been constrained by transnational activities or bodies.

The emergence of American dominance in the armaments collaboration issue area since 1945, and the prospects for a European alternative to such dominance, is one of the major foci of the analysis. The evolution, development and role, if any, of informal regimes in this area will be examined with particular reference for changing patterns in armaments collaboration between 1949 and the late 1960's.

I, Andrew Stephen Ellis, hereby certify that this thesis, which is approximately 94,500 words in length, has been written by me, that it is the record of work carried out by me and that it has not been submitted in any previous application for a higher degree.

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Signature of Candidate..

I was admitted as a research student under Ordinance No. 12 in October 1984 and as a candidate for the degree of Doctor of Philosophy in October 1984; the higher study for which this is a record was carried out in the University of St Andrews between 1984 and 1988.

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**DEDICATION**

This thesis is dedicated to my wife Deborah, without whose constant encouragement, support and love the author, and his efforts, would be infinitely poorer.

## ACKNOWLEDGEMENTS

I would like to acknowledge the valuable and patient help of many individuals who have helped in the completion of this work. To Professor Trevor Salmon for his guidance and constructive criticism I owe a great debt of thanks. His concern and his friendship have demonstrated the value of a supervisor who recognises not only the value of sound scholarship and detail, but also the value of exploring new concepts.

I wish to express my gratitude to the University of St Andrews for their financial support during my Research Studentship at St Andrews between 1984 and 1987. I am also indebted to Christer Jönsson of the Department of Political Science at the University of Lund, Sweden, who provided valuable insights into his work in an exchange of letters which helped crystallise some of the more unfamiliar concepts used during the thesis, as well as providing copies of abstracts used in my research.

The assistance of Chevron UK Limited in the preparation of this thesis has been particularly valuable. I would like to extend my appreciation to my colleagues at work for bearing with me during the process of writing up and particularly to Dave Connor, Manager of the Purchasing Department for his support.

It is customary to thank the typist for preparing the thesis in a presentable form. Catherine Mouat carried out the task quickly, accurately and with good humour, no matter how many revisions were required. Her efforts certainly qualify as action above and beyond the call of duty.

Finally, the support and encouragement of my family, and particularly my parents Arthur and Elizabeth, sustained my determination to complete the project. The end result is a tribute to their faith in me.

Aberdeen, December 1991

CONTENTS

	Page
Abstract	ii
Declaration and Certification	iii
Dedication	iv
Acknowledgement	v
Contents	vi
<b>1. COMPLEX INTERDEPENDENCE AND INTERNATIONAL REGIMES</b>	
Introduction	1
Complex Interdependence	4
Paradigm Shift and Complex Interdependence	7
Why Study Armaments Collaboration?	17
The Structure of the Analysis	21
<b>2. THEORIES OF INTERNATIONAL REGIMES</b>	
Introduction	22
Regime Definitions	23
Regime Theories	37
- Cognitivism	37
- Functionalism	41
- Structuralism	51
- Structurationism	56
Conclusion	60
<b>3. REGIME EVOLUTION IN ARMAMENTS COLLABORATION</b>	
Hegemony and Armaments Collaboration	62
American Hegemony: Reflections on Mark Twain and King Canute	65
- Traditionalist Conventional Wisdom	65
- The Radical Critique of Hegemonic Stability	72
Summary: The State of American Hegemony: Mark Twain or King Canute?	86

<b>4. EXPLAINING REGIME FORMATION: A FIRST CUT</b>	
Explanations of Regime Change	90
Technological Change	91
Surplus Capacity	93
Structural Explanations	95
Functionalist Explanations	101
<b>5. DEVELOPING A PROCESS MODEL OF REGIME EVOLUTION</b>	
Introduction	107
Precursors of the Process Model	107
Bargaining and Coalition Building	109
Organisation Theory and its Role in the Process Model	112
Explaining the Lack of Synergy Between Organisation Theory and International Organisation	116
Network Analysis	119
Cybernetics	124
Linking-Pin Organisations	125
The Organisational Context	129
The Process Model - A Summary	130
<b>6. NEGOTIATING THE LIBERAL HEGEMONIC REGIME</b>	
"Empire by Invitation": Entrapment of the Hegemon	131
The Brussels Treaty: Baiting the Trap	141
From the Brussels Treaty to the North Atlantic Treaty	147
Membership	153
The Guarantee Clause	154
Conclusion	155

<b>7.</b>	<b>THE OPERATION OF THE LIBERAL HEGEMONIC REGIME</b>	
	Introduction	162
	An Overview	162
	From Treaty to Organisation - Putting the "O" in NATO	164
	The Importance of Political Atavism	166
	An Atlantic Reprise	172
	Early Organisational Steps and Cooperative Measures	178
	Conclusion: The Triumph of Intergovernmentalism	184
	Structural Dominance	188
	Nature of the Relationship	191
	Issue Linkage	198
<b>8.</b>	<b>REGIME CHANGE: FROM LIBERAL HEGEMONY TO COMPETITIVE COLLABORATION</b>	
	Introduction	202
	The Joint Production Phase	203
	Declining Collaboration and the Role of AC 253	206
	Early Institutional Measures: The Establishment of "NBMRs"	208
	- Fiat G91	212
	- Bréguet Atlantique 1150	214
	- NBMRs 3 and 4	216
	- Further Cooperative Programmes	217
	The End of NBMRs and Attempted Regime Change via AC 253	220
	Conclusion	226
<b>9.</b>	<b>CONCLUSION</b>	<b>240</b>
	<b>BIBLIOGRAPHY</b>	<b>254</b>

## CHAPTER ONE

### COMPLEX INTERDEPENDENCE AND INTERNATIONAL REGIMES

#### INTRODUCTION

The purpose of this analysis is to make a contribution in two fields of international relations. First it aims to critically examine the related concepts of complex interdependence and international regimes, and to suggest further development of existing theories of regime creation and change, with particular reference to the role of organisation theory in encouraging such development. Second, by way of an analysis of the failure of an armaments collaboration regime to evolve, a vital component of the national security policies of the states involved will be studied from an essentially inter-organisational perspective.

The choice of armaments collaboration as a case study is specifically designed to answer the criticisms of regime analyses which contend that high politics are outwith the rubric of international organisations.<sup>1</sup> Armaments collaboration as an issue area exhibits impeccable high political credentials. In addition, by studying the complex of actors involved in the armaments collaboration issue area, by no means all of which are states, it is hoped that the development or otherwise of recognisable patterns in the field of complex interdependence, as well as regime formation, maintenance and change can be identified. As such, the study hopes to make a contribution toward the continuing debate on the utility of regime theories as modes of explanation in international politics.<sup>2</sup>

In its broadest sense, the methodology which will be developed in this study evolved from a concern with the pattern of relations between the United States and Western

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<sup>1</sup> See for example Christer Jönsson International Aviation and the Politics of Regime Change 1987, London: Frances Pinter, pp4 and 10 who notes: "Students of international regimes have sometimes been accused of selecting issue areas in such a way that their hypotheses are doomed to success. Realists claim that, by focusing on low politics issue areas, regime studies find trends toward interdependence which do not pertain to the high politics of security issues." *ibid* p4.

<sup>2</sup> For a sample of the various shades of opinion on this debate, consult the special edition of International Organisation 1982, 36. This volume subsequently appeared in book form, See Stephen Krasner (ed), International Regimes 1986, Ithaca: Cornell University Press.

Europe in the area of defence cooperation. As a security community<sup>3</sup> involving a considerable and pervasive degree of complex interdependence, yet simultaneously an association which has, apparently, failed to transform itself into the type of explicit regime able to compete with the power of states in a direct sense, the issue area of armaments collaboration and its complex of actors represent a real challenge to regime analysts. Especially important in this context are the assumptions which appear to be inherent in the theory of hegemonic stability. The first is that regimes are typically created by a single dominant power or hegemon, and the second assumes that the maintenance of regimes depends upon the continuance of the said hegemony.<sup>4</sup>

The concomitant of these assumptions is that declining hegemonies produce weak or unstable regimes.<sup>5</sup> This conclusion has important implications in the defence collaboration issue area, where the role of the United States as either a partner, or conversely a competitor, of her European allies, is directly affected by the level of perceived dominance or hegemony exercised by the United States. Following the work of Lawrence Scheinman,<sup>6</sup> the present analysis will attempt to provide insights into the role of transnational relations as a constraint on states and governmental policy, and test the validity of commonly expounded propositions about the role of transnationalism in relation to the armaments collaboration issue area.<sup>7</sup> The contention is not that regimes and transnational relations are synonymous, rather that

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<sup>3</sup> A term first used by Karl Deutsch in Karl Deutsch et al Political Community and the North Atlantic Area. 1957, Princeton: Princeton University Press pp4-6. Barry Buzan People, States and Fear. 1983, Brighton: Wheatsheaf Books, defined as existing: "among independent states which do not expect or fear the use of force in relations between them." *ibid* pp 114-15. See also K J Holsti International Politics: A Framework for Analysis 1967, Englewood Cliffs, N J: Prentice Hall, particularly Chapter 16.

<sup>4</sup> Robert Keohane After Hegemony: Cooperation and Discord in the World Political Economy 1985, Princeton: Princeton University Press p31.

<sup>5</sup> R Keohane "The Theory of Hegemonic Stability and Changes in International Economic Regimes 1967-77" in O. R Holsti et al (eds) Change in the International System 1980, Boulder Co: Westview.

<sup>6</sup> Lawrence Scheinman "Security and the Transnational System: The Case of Nuclear Energy" in R Keohane and J Nye (eds) Transnational Relations and World Politics 1973, Cambridge Mass: Harvard University Press pp 276-99, especially pp 298-99.

<sup>7</sup> Scheinman's analysis focuses on the issue of nuclear energy, the asymmetries between nuclear weapon and non nuclear weapon states in this field, and the interaction of private and public authorities. The basic principles which Scheinman sets out however, might just as easily be applied to different issue areas such as armaments collaboration, refugees, telecommunications, air transport, or others.

transnationalism is a phenomenon which encourages regime formation. Whilst regimes presuppose a degree of transnational relations, such relations do not automatically signify the presence of a regime.

Among these propositions, three appear to be particularly pertinent. First, as the level of asymmetry (whether in goods, knowledge or influence) in a given issue area diminishes, the phenomenon of transnationalism becomes more evident. As Scheinman notes in relation to the nuclear energy issue area:

"The reduction of asymmetry reflects the successful dissemination of nuclear technology and the emergence of industrial and commercial interests which, within defined limits, exert their force and influence on the evolution of national and international nuclear transactions."<sup>8</sup>

In relation to the potential for the establishment of a regime in the armaments collaboration issue area, the levels of asymmetry between the United States and her European allies will be examined, and any increase in transnationalism resultant from such change will be sought.

Second, a growth in transnational activities will have a conditioning effect on governmental policies:

"As transnational activities have increased, the capacity of government to exercise unilateral control or predominant influence has correspondingly decreased."<sup>9</sup>

The apparent failure of an armaments collaboration regime to develop will therefore be examined to ascertain to what extent, if any, the prerogatives of governments in an area of "high politics" have been constrained by transnational activities or bodies.

Third, intergovernmental organisations and multi-lateral mechanisms can evolve a role in a given issue area, by virtue of their ability to carry out functions seen as

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<sup>8</sup> *ibid* p298.

<sup>9</sup> *ibid* pp298-99.

necessary by all the actors involved, which no single actor is willing or able to perform. For example, Scheinman believes that the United States turned to multi-lateral mechanisms such as the International Atomic Energy Authority (IAEA) as a result of losing its initial preeminence in the field of nuclear energy. Having helped create such an organisation, the United States subsequently found itself constrained,

"to assume responsibility for its survival and to take its existence into account when shaping national and international nuclear policy."<sup>10</sup>

Once again, transnationalism is seen to be an indication of declining hegemony, but in addition, can directly affect national policy through the agency of organisations active within the area. Transnationalism can be regarded as a "coping mechanism" for a declining hegemon, which may or may not be characterised by creation of, or support for, international regimes within a given issue area.

### COMPLEX INTERDEPENDENCE

The concept of complex interdependence received perhaps its most seminal exposition in the work of Robert Keohane and Joseph Nye. In "Power and Interdependence: World Politics in Transition"<sup>11</sup> the authors set out, as the title suggests, to contrast the traditional realist model of world politics with an ideal model of complex interdependence. The transition to this new model necessitated an explicit relaxation of the assumption that states are the only units which can act in international politics. Rather a number of possible actors and connections are assumed.

"These (multiple) channels can be summarised as interstate, transgovernmental and transnational relations .... interstate relations are the normal channels assumed by realists. Transgovernmental applies when we relax the realist assumption that states act coherently as units; transnational applies when we relax the assumption that states are the only units."<sup>12</sup>

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<sup>10</sup> *ibid* p299.

<sup>11</sup> R O Keohane and J S Nye Power and Interdependence: World Politics in Transition 1977, Boston: Little Brown.

<sup>12</sup> *ibid* p25.

Complex interdependence theory then owes its existence to a dissatisfaction with the existing paradigms, and the search for an alternative mode of explanation for contemporary international affairs. As Coate notes:

"Generally, four traditions are said to have dominated the (global relations) field of study at one time or another in the last century. These include diplomatic history (prior to 1914), political idealism (in the interwar period), political realism (1945 - early 1960's) and behaviouralism (early 1960's to mid 1970's)."<sup>13</sup>

The three basic referents of the state centric paradigm are held to be:

- (a) nation states and their decision makers are the most important set of actors to examine, in order to account for behaviour in international politics.
- (b) political life is bifurcated into "domestic" and "international" spheres, each subject to its own characteristic traits and patterns of behaviour.
- (c) international relations in the struggle for power and peace. This struggle constitutes a single system and it entails a ceaseless and repetitive competition for the single stake of power.<sup>14</sup> Understanding how and why that struggle occurs, and suggesting ways for regulating it is the purpose of the discipline.<sup>15</sup>

As Coate notes however,<sup>16</sup> this listing omits much which is influential in the state centric paradigm, perhaps the most basic omission is the uncritical acceptance that nation states act. Coate warns that:

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<sup>13</sup> Roger A Coate Global Issue Regimes 1982, New York: Praeger, p20.

<sup>14</sup> See for example Mansbach and Vasquez, who note that "These assumptions (on the basis of the realist paradigm) have provided a core of beliefs about world politics that has been shared by scholars as diverse as A F K Organski, Thomas Schelling, J David Singer, Inis Claude, Karl Deutsch, E H Carr and R J Rummel. To say that the realist paradigm has dominated the field means only that its three fundamental assumptions have been widely held, and not that there is no disagreement over various conceptual frameworks, theories or even methodology. Nevertheless, agreement on assumptions provide a cognitive map of the world that scholars are investigating, it informs them of what is known about that world, what is unknown and how to view the world if one wants to know the unknown." R W Mansbach and J A Vasquez In Search of Theory: A New Paradigm for Global Politics 1981, New York: Columbia University Press, p5.

<sup>15</sup> Idem

<sup>16</sup> Coate, 1982 op cit p21

"the term nation state is nothing more than an analytical construct, a conceptual device used simply to supply order to our perceptions of the world around us. To attribute actions to such entities can be very misleading, depending on the nature of the question being asked. While reification of such terminology need not always lead to analytical disaster, substantial misrepresentation and misunderstanding are very possible."<sup>17</sup>

Other researchers, such as Mansbach et al<sup>18</sup> have discerned no less than seven basic assumptions underlying the state centric bias of the realist paradigm:

- (1) Global politics are based on the interaction of nation states, with states as both the actors and targets of action.
- (2) Each nation state is the "sovereign equal" of every other state.
- (3) Each nation state is treated as if it forms a homogeneous political system with a central government controlling a domestic monopoly on the legitimate use of force.
- (4) Nation states are independent of one another, are indistinguishable from one another in a legal sense, and are subject to no higher earthly authority.
- (5) Nation states possess exclusive control of an explicit range of territory and number of subjects; the world is divided into neat geographic compartments.
- (6) The foreign policy agents of nation state governments are the sole participants in world politics; all other groups make their presence felt through the medium of these governments.
- (7) Nation states are the secular repositories of the highest human loyalties.

At the risk of appearing hortatory, an analysis of the separation of social processes on the international level, which is engendered by this model, can be seen to commit the "sin of reification" mentioned by Coate above. Reality has been shaped to fit the analytical preconceptions of the model. As a result international society is split into discrete levels of analysis, namely local, state and international, but also into distinct

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<sup>17</sup> *ibid* pp 35-36.

<sup>18</sup> Richard Mansbach et al *The Web of World Politics: Non-state Actors in the Global System* 1976, Englewood Cliffs, NJ: Prentice Hall, p3.

functional areas such as politics, economics, ecology or security. This closed system approach prohibits any holistic treatment of international affairs.

The period since the mid nineteen seventies has, however, evinced a growing disillusionment with state centric paradigms, and the evolution of a new tradition in international affairs, commonly known as post-behaviouralist.<sup>19</sup> Despite the claims of behaviouralism or neo-realism to the title of saviour of the state centric paradigm by virtue of their introduction of scientific method, the attempt, however laudable, must be regarded as a stop gap or transitional phase before the evolution of a new paradigm. As Rosenau says, once a paradigm has begun to crumble, it is effectively beyond salvation.<sup>20</sup>

### PARADIGM SHIFT AND COMPLEX INTERDEPENDENCE

The post behaviouralist reaction to the shortcomings of the state centric paradigm, directly encouraged the development of the complex interdependence model, via the discussion of the significance of transnational relations. Instrumental in this process were the earlier works of Keohane and Nye,<sup>21</sup> and James Rosenau<sup>22</sup>, which justified the necessity for a paradigm shift with reference to the three main arguments put forward to support the continued utility of the state centric paradigm.<sup>23</sup> These

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- <sup>19</sup> See Coate, 1982 op cit p22. I follow Coate's nomenclature in deference to his contention that the paradigm shift he discusses was not instituted by the behaviouralist traditions of the state centric paradigm, largely as a result of the non-contextual nature of most behavioural research. As far as Coate is concerned, much of this "neo-behaviouralist" research is tainted by association with, and tacit acceptance of, the underlying political realism of the original state centric paradigm. The new tradition might be technically labelled surrealism, in that it is "beyond" realism. Bearing in mind the alternative associations of the term however, the epithet post-behaviouralist will be preferred in this analysis.
- <sup>20</sup> James N Rosenau The Scientific Study of Foreign Policy. 1980 (Revised and enlarged edition), London: Frances Pinter.
- <sup>21</sup> Particularly the essays collected in R O Keohane and J S Nye (eds), 1973 op cit. This collection originally appeared as a special issue of International Organisation 1971, Vol 25(3), under the same title.
- <sup>22</sup> See J N Rosenau "Pre-theories and Theories of Foreign Policy." in R Barry Farrell (ed) Approaches to Comparative and International Politics 1966, Evanston Ill: North Western University Press, pp53-92, also his "Introduction: Political Science in a Shrinking World." in J N Rosenau (ed) Linkage Politics 1969, New York: Free Press p2; and "Foreign Policy as an Issue Area." in J N Rosenau Domestic Sources of Foreign Policy 1967, New York: Free Press, pp 11-51.
- <sup>23</sup> Both Coate, (1982 op cit pp 22-28) and Mansbach and Vasquez (1981 op cit pp 6-27) present critiques of the state centric paradigm. The former observed: "the post-behavioural period represents a growing frustration of many scholars with the state centric paradigm for understanding contemporary global relations. Even with the methodological rigours of behaviouralism, the poverty of the paradigm's

justifications with their post behaviouralist critique are, according to Keohane and Nye:<sup>24</sup>

1. In direct confrontation with transnational actors, governments prevail

Two basic flaws can be discerned in this statement. First, the incidence of confrontations between such actors is relatively low, and second, governments cannot be regarded in every case as unitary actors. Rather they are distinct from the societies which they represent. In the former case Keohane and Nye note that:

"the question "who wins confrontations?" is insufficient. It focuses only on the extreme case of direct confrontation between a government and a non-governmental actor. Winning may be costly even for governments. Transnational relations may help to increase the costs and thus increase the constraints on state autonomy."<sup>25</sup>

and later:

"more relevant than "who wins" direct confrontations are the new kinds of bargaining coalitions and alliances being formed between these actors and segments of governments and international organisations."<sup>26</sup>

Curiously, Keohane and Nye fail to follow their critique through to its logical conclusion, which is that a preoccupation with state centric conflict-cooperation frames of reference ignores the vast majority of interactions which occur in world politics. A possible reason for this somewhat half-hearted thrust may be the rather uncritical acceptance that states as units can "act". Although Keohane and Nye explicitly state that transnational relations relax the assumption that states are the only units in world politics, they are still regarded as central.<sup>27</sup>

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assumptions for theory building inhibited substantial progress." op cit p22.

<sup>24</sup> Keohane and Nye, 1973 op cit pp 371-79.

<sup>25</sup> Ibid p372

<sup>26</sup> Ibid p373.

<sup>27</sup> Keohane and Nye, 1977 op cit p25

The second flaw in the realist defence regards the assumption that governments are unitary actors. As Mansbach and Vasquez note, this shortcoming stems from:

"a tendency to collapse the distinction between governments and the societies for which they are surrogates, a confusion that has been buttressed by an ill-founded determination to compare actors on the basis of accessible quantitative national data, instead of elusive data that may be more relevant. Sovereignty, the concept still employed to retain the above distinction, is a legal fiction and ascriptive characteristic, not a descriptive and empirical one. Reliance upon it neglects the fact that not all governments can control *their* societies."<sup>28</sup>

Since the actors in international politics are variables within an open system, rather than unitary actors within a closed system of either domestic or international society, it is impossible to support the contention that governments are *always* unitary actors, are *always* in control of their societies, or that they are the *only* meaningful participants in the international system. This may be so under certain circumstances, but no fixed array of actors, defined by legal attributes, can be assumed to exist. Keohane and Nye's analysis appears to tacitly endorse the reification that states have empirical referents.

2. Transnational Relations have always existed, and are therefore relatively unimportant in terms of understanding world politics

While post behaviouralists do not dispute that transnational relations existed in the past or that they supercede interstate politics, they are believed to have a more important place in contemporary international relations than was previously the case.

"Transnational relations ... affect interstate politics by altering the choices open to statesmen and the costs that must be borne for adopting various courses of action. In short, transnational relations provide different sets of incentives or payoffs for states."<sup>29</sup>

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<sup>28</sup> Mansbach and Vasquez 1981 op cit p8. Emphasis in the original.

<sup>29</sup> Keohane and Nye, 1973 pp374-75

According to this analysis, contemporary transnational relations have assumed different and more important forms than was the case in the past. Primarily, this change reflects increased sensitivity of societies, based on the twin foundations of improved communications between states, and the fact that governments are now more ambitious in trying to control their economies. The effects of such interdependencies necessitates closer attention to, and involvement with, interstate politics, as governments attempt to deal with global trade, energy and security concerns.<sup>30</sup>

A second reason for the heightened importance of transnational relations, especially in the field of economics, is that since transnational organisations are now much more influential and numerous than in the past, as contended above, individual loyalties may be divided between the state and other actors. This development does not infer that states are no longer relevant, nor even that they do not remain important, simply that they are not invariably pre-eminent in every instance, and may themselves be subject to constraints.

3. Transnational relations do not affect high political issue areas.

This contention is particularly apposite in relation to the case study of armaments collaboration. It can, however, be criticised on the basis that it is no longer possible to draw sharp distinctions between areas of high politics such as military and security concerns, and issues of low politics such as economic policy or social welfare. Coate believes that:

"the state centric paradigm does not provide the flexibility needed to conceive of contemporary global decision processes in such a manner as to describe and explain adequately the underlying structural relationships and allocations processes."<sup>31</sup>

By adhering to the high/low politics and domestic/international distinctions,

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<sup>30</sup> Ibid p375-76. Governments have, of course, always attempted to deal with such issues. The post behaviouralist view however, presupposes that states and their governments must deal with a vastly more complex external environment, and increased linkages between domestic and international arenas than was previously the case.

<sup>31</sup> Coate, 1982 op cit p23.

analysts blind themselves to a wealth of detail and linkages which render such distinctions effectively meaningless. As early as 1970, Stanley Hoffman claimed that lines of demarcation between high and low politics were increasingly difficult to distinguish. He likened the role of transnational relations in issue areas to a related series of chessboards:

"for a variety of reasons (including .... new conditions on the use of force as well as economic enmeshment in an age dominated by technology) the competition between states takes place on several chessboards in addition to the traditional military and diplomatic ones ..... These chessboards do not entail the resort to force .... Thus "winning" presupposes the acceptance and mastery of considerable constraints. These constraints result either from the players own entanglement in the web or from the hazardous nature of the game on this chessboard over which the actor rarely has adequate control ... Not only does each chessboard have rules of its own which have often not been adequately studied, but there are complicated and subtle relations between chessboards. For instance, depending on the national situation a state may be able to offset its weakness on one chessboard thanks to its strength on another or else be prevented from exploiting its strength on one because of its weakness in another."<sup>32</sup>

Further, domestic politics cannot be differentiated from international affairs on the basis of governments preventing domestic anarchy and retaining the monopoly of the legitimate use of force, since this is frequently not the case. Civil wars, terrorism, *coups d'état*, and communal violence testify eloquently to this phenomenon.

"Just as realism underestimated the impact of collaborative

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<sup>32</sup> Stanley Hoffman "International Organisation and the International System." International Organisation 1970, 24: 389-413. Quote p401. Interestingly Keohane and Nye note that: "We find ourselves in a world that reminds us more of the extensive and curious chessboard in Lewis Carroll's "Alice Through the Looking Glass" than of more conventional versions of that ancient game. The players are not always what they seem and the terrain of the chessboards may suddenly change from garden to shop to castle. Thus in contemporary world politics not all players on important chessboards are states and the varying terrains of the chessboards constrain state behaviour. Some are more suited to the use of force, others almost totally unsuited to it" (1973, op cit p379).

arrangements in global politics, both formal and tacit, to allocate values peacefully, so prevailing approaches to domestic politics have overestimated the conflict management capacity of governments."<sup>33</sup>

The implication that domestic society is less structured and controllable, and international society less anarchic and uncontrollable than is commonly supposed, is basic to the post behaviouralist paradigm. It also represents perhaps the starkest discontinuity from former models of international relations.

This belief also highlights the continued implicit attachment of Keohane and Nye's critique of state centric paradigms, to the centrality of states as the actors in world politics—even if only as the subject of constraints. Coate maintains that Keohane and Nye shore up the state centric paradigm while simultaneously attacking it, since transnationalism is seen through essentially state centric lenses.

"The political activities of individuals themselves or individuals acting on behalf of non-governmental entities, when not directly influencing national governmental actors, appear to be relegated to some subsidiary status .... the world politics paradigm proposed by Keohane and Nye while not inherently biased in this direction, contains components that aid in perpetuating such a state centric perspective."<sup>34</sup>

To be credible, a paradigm shift must represent a change in kind rather than simply in degree from previous patterns. A number of observations, which have an important bearing on how a new paradigm will be perceived, ought to be made, following from the discussion above. First, the contemporary international system is characterised by the existence of many autonomous actors of various types, which interact in coalitions and networks of alignments which are diffuse, flexible and situationally specific. Second, the reification of the perceptual constructs known as states into actors in their own

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<sup>33</sup> Mansbach and Vasquez, 1981 op cit p10.

<sup>34</sup> Coate, 1982 op cit p24.

right is a serious misrepresentation of the processes of world politics - it is persons who act, not governments, albeit that these individuals may act in specific roles such as governmental representatives.<sup>35</sup> Third, the actors in world politics are interdependent and unequal. Fourth, central governments do not invariably have exclusive control over their subjects' loyalties, nor do they invariably prevail in conflicts of interests with non-state actors.<sup>36</sup>

The perceptual problem with state centric paradigms is summarised by Coate, who believes that:

"We have tended to reify our conceptual spheres of reference. Thus we have arbitrarily allowed our latent concepts (eg power, nation states, national interest) to assume positions of scientific fact or reality. Once we have moved beyond the spatial and temporal limitations of our traditional analytical paradigm, we should begin to perceive the global social order in a much different manner."<sup>37</sup>

A post-behaviouralist paradigm presupposes moving the unit of analysis away from an over intense focus on states, to other less highly aggregated systems of actors. Within such systems, relationships between the various units will be seen as variables rather than definitional parameters. It is, at best, intellectually suspect to see politics as stopping at the waters edge, where an analytically distinct phenomenon known as international relations takes over, simply by virtue of a national political and legal line of a quite abstract nature being crossed.

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<sup>35</sup> A person may be said to act in the name of a government, or on its behalf, but personality, attitudes and other factors such as situation, age, education and others will have an influence on the effectiveness of the operationalisation of state policy. As Snyder, Bruck and Sapin note: "State action is the action taken by those acting in the name of the state. Hence the state is the decision-maker". R C Snyder, H W Bruck and B Sapin (eds) Foreign Policy Decision-Making 1963, New York: Free Press p65.

<sup>36</sup> These observations follow the work carried out under the "aegis" of the Non-state Actor Project (NOSTAC) which is discussed by Richard Mansbach et al 1976, op cit. See also Coate, 1982 op cit pp28-29.

<sup>37</sup> Ibid p29

Both Coate<sup>38</sup> and Mansbach and Vasquez<sup>39</sup> agree that a further important aspect of the post-behaviouralist paradigm concerns the authoritative allocation of values. This concept can be traced back to the work of David Easton, who defined politics itself as "the authoritative allocation of values."<sup>40</sup> It is important in this context as a result of its intimate relationship with the discussion of political processes. By concentrating the analysis on the basic questions of how dissatisfaction is generated, and the political processes which respond to such problems, the analysis of international relations can be re-orientated. Rather than viewing questions of conflict and cooperation, and the struggle for power as central (a view consistent with state centric, realist paradigms) questions relating to the allocation of values will be used as a focus. These analyse the participation of actors in the decision making process, expressing their many different types of relationships as variables rather than given parameters. Power and conflict are therefore seen as aspects of the political process, rather than as its focus.

Keohane and Nye contend that there are three assumptions which are central to the realist vision:

"First, states as coherent units are the dominant actors in world politics. This is a double assumption: states are predominant and they act as coherent units. Second, realists assume that force is a usable and effective instrument of policy. Other instruments may also be employed, but using or threatening force is the most effective means of wielding power. Third, partly because of the second assumption, realists assume a hierarchy of issues in world politics, headed by questions of military security: the high politics of military security dominates the low politics of economic and social affairs."<sup>41</sup>

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<sup>38</sup> Ibid pp28-32

<sup>39</sup> Mansbach and Vasquez, 1981 op cit. pp28-30

<sup>40</sup> David Easton The Political System. 1953, New York: Knopf, p50. Power is not the only influential factor in deciding conflicts over the authoritative allocation of values. The ability of objectively weaker actors to achieve their desired policy outcomes will be discussed in greater depth in the succeeding chapters.

<sup>41</sup> Keohane and Nye, 1977 op cit pp23-24.

In marked contrast, complex interdependence exhibits three main characteristics:<sup>42</sup>

- (1) Multiple channels connect national societies: consisting variously of interstate, transgovernmental and transnational relations. These channels represent successive relaxations in the parameters of the assumptions of the realist paradigm. The first assumes that the channels employed are those of the classic realist model, necessitating an acceptance of the state as an actor. Transgovernmental channels involve an acceptance that states are less coherent actors than strict realist theory would demand, but still assumes that the actors are government departments or agencies connected in an official capacity with government, departments or agencies connected in an official capacity with government, which maintain contacts with their counterparts in other states. Transnational channels allow non-state actors within the rubric, and represent the final relaxation of realist assumptions.
  
- (2) An absence of hierarchy among issues: as a result of the blurring of the distinction between domestic and international politics, the international agenda does not exhibit, as realists would assume, an ordered hierarchial structure, headed by issues of military security. Rather, international relations are characterised by coalition building both within and between governments, and across them, constructing different sets of agenda in response to linked issues.
  
- (3) Military force plays a subsidiary role in settling most international issues. International relations can no longer be seen as a ceaseless struggle for the single stake of power within a single system, especially in conditions of complex interdependence. Military force may still be utilisable in certain cases, but even in this event, it would tend to rupture other mutually profitable contacts between the actors concerned.

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<sup>42</sup> Ibid p24-29.

The debate between proponents of realism and those of complex interdependence is far from settled,<sup>43</sup> but one notable by-product of the argument has been, as Jönsson notes:

"the question of whether it is meaningful to speak of a *single* international system. A more appropriate conceptualisation might be in terms of *multiple issue based systems*."<sup>44</sup>

According to Jönsson such a system would feature a unique cast of participants for each set of issues, with linkages as the result of either common participants or interdependence of issues, possibly both<sup>45</sup>. The emphasis of the post behaviouralist paradigm shifts, via its concern with complex interdependence, from a concern with actors to a concern with issues.

The classical billiard ball model of world politics characterises political processes as a function of the relative size and power of closed, impermeable systems, usually of state actors.<sup>46</sup> The post-behaviouralist critique of this model however, necessitates an examination not only of the internal structures of the billiard balls, but to stretch the analogy somewhat, of the rules of the game itself. States can no longer be seen as the only, or for that matter invariably the most important, actors in the contemporary international system. Further, since states can no longer be fruitfully characterised as unitary coherent actors, or as closed systems within a single international system, the realist state centric paradigm can no longer be regarded as a useful guide to meaningful research.<sup>47</sup>

Although the complex interdependence model may not, as yet, provide a

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<sup>43</sup> See Ray Maghroori and Bennett Ramberg (eds) Globalism versus Realism: International Relations Third Debate 1982, Boulder CO: Westview Press.

<sup>44</sup> Jönsson, 1987 op cit p3. Emphasis in the original.

<sup>45</sup> Ibid p3. See also D E Lampert et al "Is There an International System?" International Studies Quarterly 1978, 22:143-66.

<sup>46</sup> The billiard ball analogy is used by Jönsson, 1987 op cit p3

<sup>47</sup> See Mansbach and Vasquez, 1981 op cit pp3-13.

viable alternative theory for the post-behaviouralist paradigm, the manifest shortcomings of previous models have served to make a new focus necessary.

As Mansbach and Vasquez note:

"critics (of realist paradigms) have succeeded in making this case, and their arguments may be summarised as: (1) the realist paradigm has failed to account for and to predict recent political events; (2) it has failed to guide adequately empirical research; and (3) research on actors and issue areas has revealed that these two variables produce significant effects on behaviour."<sup>48</sup>

In order to utilise the alternative, post-behaviouralist paradigm suggested by the complex interdependence model, the most appropriate research strategy, and the one which will inform this work, will be based on an issue centric approach. A particular concern will be the formation and change of those cooperative arrangements which have been labelled by political science as regimes. This is partly intended to examine regimes as theoretical structures in their own right, but also to ascertain whether, and to what extent, the armaments collaboration issue area exhibits any regime characteristics.

### **WHY STUDY ARMAMENTS COLLABORATION?**

The issue of armaments collaboration, whether in its transatlantic or intra-European facets, has not been examined in any detail from a complex interdependence viewpoint, despite apparently promising qualifications for such treatment. The production of armaments is an important aspect in the economies of the United States and many Western European states. Expenditure on defence equipment supports the employment of hundreds of thousands of people, both directly and indirectly, sustains many commercial operations, provides export earnings for many economies, and accounts for large proportions of the expenditure of many governments. In addition, the defence sector has direct links with areas of high technology and research and development (R & D) seen as vital for the general economic well being of advanced

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<sup>48</sup> Ibid p12

industrialised societies.<sup>49</sup>

Further, armaments collaboration displays a wealth of linkages with areas of high politics, such as security and defence policy, as well as other areas such as economic policy, foreign policy, arms control and disarmament, and social welfare. Armaments collaboration is an issue area inhabited by a varied cast of actors including governments, their agencies, armed forces, commercial companies, military alliances and their sub-units, non-governmental organisations and individuals in both formal and informal capacities. Cumulatively these actors interact in an area which has direct and important effects on matters of high politics.

The use of armaments collaboration as a case study, avoids the criticism that studies of interdependence are "doomed to success" by virtue of their concentration on issue areas of low politics, which do little to disprove the utility of realist analyses, since they are regarded as peripheral.<sup>50</sup> Examined in relation to the characteristics of complex interdependence outlined above, the issue area of armaments collaboration can be seen to exhibit a strong correlation with the major requirements outlined therein.

First, as has been noted, multiple channels connect the national societies involved in North America and Western Europe. More particularly with reference to the issue area, states are not the only actors involved. Second, the armaments collaboration issue area does not exhibit a hierarchic ordering of issues. Considerations of economics and politics are of fundamental importance in the formation of armaments collaboration policy both nationally and internationally. The relatively high levels of interdependence between the states involved, particularly in the case of Western Europe, means that national prerogatives (defined in terms of outcomes favourable to the state) do not always prevail. Contrary to realist expectations, the actors involved possess different and changeable agendas. These exhibit linkages with other issue areas and are characterised by intensive bargaining, coalition building and a

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<sup>49</sup> Supporting figures and comparative data will be presented at a later, more appropriate point in the analysis. See below, Chapters 5-8.

<sup>50</sup> Jönsson, 1987 op cit p4.

realisation that splendid isolation, although an option, carries heavy costs. Third, military force plays no part in settling problems inherent in the armaments collaboration issue area, as a result of the "security community" dimension of relations between the actors.

Issue areas which involve areas of high politics have seldom been seen as likely candidates for transnational analyses, especially within an essentially state centric paradigm. The production of armaments represents one of the most obvious and potent manifestations of national sovereignty, thus it is not entirely surprising that collaboration in the production of armaments across national boundaries has been one of the last areas to come under examination by students of transnational relations. It is basic to the realist paradigm that states retain a monopoly of the legitimate use of means of coercion, this prerogative being exercised via the instrument of armed forces and their armaments. Similarly, realism posits that the preservation of national security is one of the prime functions of the nation state. As Wolfers notes:

"a nation is secure to the extent to which it is not in danger of having to sacrifice its core values, if it wishes to avoid war, and is able, if challenged to maintain them by victory in such a war. This definition implies that security rises and falls with the ability of a nation to deter an attack, or to defeat it. This is central to the common usage of the term."<sup>51</sup>

Realism, therefore, forged a direct and casual linkage between the preservation of national security and the ability to wage war successfully, or be sufficiently formidable to avoid attack in the first place. The capacity to produce armaments deemed necessary for the national defence, has long been regarded as an activity which only the state had the resources and, perhaps more importantly, the right to direct. The concept that any state should depend to a great extent on sources of supply outwith its own control was either unthinkable before the Second World War, or the extent that it occurred, a demonstration of military weakness.

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<sup>51</sup> Arnold Wolfers Discord and Collaboration 1975, Baltimore: John Hopkins University Press p150, see especially Chapter 10, "National Security as an Ambiguous Symbol" pp147-65.

The pattern of arms procurement in the pre-1945 period emphasised, wherever practicable, domestic development and procurement of weapons. Only during the Second World War did a gradual change in such attitudes begin to surface. It is prudent however not to overstate the implications of the exigencies of wartime cooperation, particularly between the United States and the United Kingdom, to the later development of transatlantic and intra-European cooperation in defence and armaments collaboration. The groundwork laid between 1941 and 1945 was not to be the basis for a lasting post war partnership. The remarkable mutual dependence between two sovereign states of world stature derived from the strategic necessities of total war. In the post war period, the competitive collaboration of the "special relationship" gave way to American hegemony, and a retreat into national armaments production and procurement. If nothing else however, the experience may at least have planted the seed for later propagation.

"By 1944-45 the balance of power and resources within the (Anglo-American) relationship had shifted to the USA. In 1944 America produced about 40% of the worlds armaments and in the course of the whole war she contributed to the allied cause a quarter of the manpower and half the munitions. The vast increase in war production was accompanied, uniquely among the belligerents, by a 12% increase in consumer spending. The USA enjoyed both guns and butter, and her wartime boom not only pulled her out of the Depression, but laid the foundations for her quarter century or so of post war industrial supremacy."<sup>52</sup>

The emergence of American dominance in the issue area of armaments collaboration since 1945, and the prospects for a European alternative to such dominance, will be one of the major foci of this analysis. The evolution, development and role, if any, of formal or informal regimes in this area will be examined, with particular reference to changing patterns in armaments collaboration since the mid 1950's.

The theoretical section of this analysis will therefore involve close examination of the

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<sup>52</sup> David Reynolds "Competitive Cooperation: Anglo-American Relations in World War Two" Historical Journal 1980, 23:233-45, p284.

extent to which theories of regime dynamics are applicable to the armaments collaboration issue area, and whether the scope of regime dynamics can adequately account for the development and maintenance of the pattern of relations within the issue area in the period under discussion. The methodology outlined in the theoretical analysis will be applied through the case study of the failure of armaments collaboration in the North Atlantic area since 1945. Particular attention will be given to the perceived role of declining American hegemony, and its implications for regime formation and change in this issue area.

### **THE STRUCTURE OF THE ANALYSIS**

In Chapter 2 the concept of international regimes is introduced and discussed. A critique of the explanatory power of existing regime analyses will be presented in the light of the concerns of the armaments collaboration issue area. Chapter 3 will discuss the concept of hegemony, with particular reference to the posited decline in American hegemony in the past two decades. It will continue with an analysis of perceived episodes of regime change, discernible in the issue area.

In Chapter 4, the changes in the armaments collaboration issue area will be examined using the commonest extant models of regime dynamics presented in Chapter 2, in an attempt to judge how far such models can account for any perceived changes. The second section of the analysis will present a process based model of regime change to complement the largely structural models which have, heretofore, informed research into regimes. Chapter 5 presents this alternative perspective and the role of the process based model, emphasising the role of organisational analysis and the role of organisation theoretic concepts in the study of international organisations. Linkages both across national networks and between domestic and international networks of actors will be highlighted as an important aspect of the political process.

Subsequent chapters will apply this perspective in instances of regime formation and change in the North Atlantic armaments collaboration issue area. The conclusion will address the question of whether the failure of an armaments collaboration regime to establish itself can be better explained using a process based model than by extant theories, and to what extent the states involved are constrained in their actions by other inhabitants of the issue area.

## CHAPTER TWO

### THEORIES OF INTERNATIONAL REGIMES

#### INTRODUCTION

International regimes have been at the centre of theoretical discourse and empirical research within the international relations community in the past decade. Interest stemmed from a generalised dissatisfaction with prevailing explanations of international order, and the development of trans-national cooperation, within the contemporary international anarchy. Despite a growing corpus of research however, relatively few attempts appear to have been made to assess the "state of the art", or even to examine regime theories in light of current insights into the interaction of domestic and international political systems.<sup>1</sup> The most obvious explanation of this shortcoming lies in the continuing debate among political scientists as to the basic structure of their discipline. Although growing international interdependence since the end of the Second World War has generated forms of international cooperation which are novel and ill-suited to explanation by realist analysis, concepts of international society suffered by association with the doctrine of idealism, which was largely discredited by inter war appeasement.

It is important to note therefore that "the regimes literature can be viewed as an experiment in reconciling the idealist and realist traditions" in international relations.<sup>2</sup> The level of dissatisfaction with existing theories of international behaviour is reflected in the tendency of the literature to use the concept of regime as a theoretical cure all, to such an extent that the terminology has begun to lose any exact definition. Although early work on regimes focused on the centrality of non state actors, international organisations, growing interdependence and the greater variety of objectives pursued by international actors, more recent treatments have exhibited a growing state-centric bias. The theoretical risks of an uncritical characterisation of

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<sup>1</sup> See however, John Ruggie and Friedrich Kratochwil "International Organisation: A State of the Art on the Art of the State." *International Organisation* 1986, 40:753-56; Stephan Haggard and Beth Simmons "Theories of International Regimes." *International Organisation* 1987, 41: 491-517. Alexander Wendt, although not concerned specifically with regimes, makes an important contribution in the area of examining the relationship between states and the international system in "The Agent-Structure Problem in International Relations Theory." *International Organisation* 1987, 41:335-70.

<sup>2</sup> Haggard and Simmons op cit p492.

states as unitary, rational actors capable of performing actions, were discussed in the previous chapter.

The reification makes it difficult to apply regime concepts within a post-behaviouralist analysis, due to the preconceived notions which separate the concepts of the international system, the state system and the domestic system into neat theoretical pigeon holes. In order to assess the utility of regime analysis in the study of armaments collaboration issue area, it is necessary to examine both the accepted definitions of regimes, and the major extent theoretical approaches to regime variance and change.

### REGIME DEFINITIONS

The concept of international regime owes its early development to the field of international law. Understandably, the international lawyers have defined the term regime *strictu sensu* as a recognised set of rules devised by actors, whether governmental or non-governmental, for regulating conflict prone behaviour.<sup>3</sup> Political scientists have expanded this straightforward legal definition to include a broader range of behaviour in the hope that regimes might provide an explanation of:

"how in our era, international collaboration can flourish in a setting of conflict, how islands of order can form in an ocean of disorder."<sup>4</sup>

The usage of the regime concept in political science reflects discontent with the realist conception of the anarchical basis of international society, and by extension with the overstructured view of its domestic counterpart.<sup>5</sup> While no contemporary regimes can be compared with national governments in terms of explicitness, levels of formalisation or coherence, neither can they be dismissed as structures with no role in the international order. What is at question however, is the extent to which

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<sup>3</sup> See Ernst Haas "Why Collaborate? Issue Linkage and International Regimes." World Politics 1980, 32: 357-405, especially p396.

<sup>4</sup> Ibid p385

<sup>5</sup> The distinction between the usage of regime in its national and international senses should be strictly preserved. As Susan Strange notes: "The analogy with national governments implied by the use of the word regime is inherently false. It consequently holds a highly distorting mirror to reality." in "Cave! Hic Dragones: A Critique of Regime Analysis" International Organisation 1982, 36: 479-96, p487.

regimes can exert independent influence on state behaviour, and in what manner.<sup>6</sup>

The failure of regime analysis to develop any satisfactory definition of the very term regime, appears at first sight a surprising lacuna in the literature. The concept has, however, undoubtedly suffered in theoretical terms from imprecise formulation, and careless, not to say misleading, usage.<sup>7</sup> The parameters of regime definition remain indistinct. Possibly the most comprehensive yet succinct definition was delivered by Donald Puchala and Raymond Hopkins, who argue that:

"a regime exists in every substantive issue area in international relations ..... wherever there is regularity in behaviour, some kinds of principles, norms or rules must exist to account for it."<sup>8</sup>

Such a catholic definition invites a dangerously inflated estimation of the levels of normative consensus in international relations. To see any patterned behaviour as indicative of the presence of a regime risks tautology, making it difficult to ascertain what additional properties might accrue to a regime. If a regime is simply equated with patterned behaviour, it is difficult to posit that they might have an independent role and even act as constraints on actors. This broad definition has, as a result, been largely discredited in the literature.<sup>9</sup> Puchala and Hopkins insist that international regimes are in any case basically subjective attitudinal phenomena:

"they exist primarily as participants understandings, expectations or convictions about legitimate, appropriate or moral behaviour."<sup>10</sup>

In a theoretical sense this conviction is correct in that it is impossible to point to a concrete object, within which all the attributes of a regime inhere. This is a similar

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<sup>6</sup> John Gerard Ruggie has investigated whether, and in what ways, regimes matter in "International Responses to Technology: Concepts and Trends." International Organisation 1975, 29: 557-83, p559. See also Haggard and Simmons op cit pp513-15.

<sup>7</sup> Haggard and Simmons, *ibid* p494 criticise the unnecessary use of the regime concept, especially in the work of Robert Keohane, notably After Hegemony: Cooperation and Discord in the World Political Economy. 1985, Princeton: Princeton University Press. For a defence of the broad interpretation of the concept of regime, see Jack Donnelly "International Human Rights Regimes" International Organisation 1986, 40: 599-642.

<sup>8</sup> D Puchala and R Hopkins "International Regimes: Lessons from Inductive Analysis." International Organisation 1982, 36: 245-75.

<sup>9</sup> Haggard and Simmons op cit p493.

<sup>10</sup> Puchala and Hopkins op cit p246.

argument to that which was encountered in the previous chapter on the attribution of acts to states, since states are also artificial constructs. To argue that states or regimes are "artificial constructs", and have no objective existence, is not to say, however, that they do not exist at all. Attributing actions to such constructs is merely a useful, and indeed necessary, shorthand used to describe the complex of subjective attitudinal phenomena constituting the entities in question, be they states or regimes. To maintain that such constructs have no objective existence can only be regarded in this context as pedantic.<sup>11</sup>

If regimes are to be seen as something more than an exercise in "ad hocery", a more exclusive definition is called for. The careful definition put forward by Stephen Krasner has become the benchmark by which all other definitions are judged. It appears to satisfy more readily the need for a definition in which, as Jönsson notes:

"regimes may be thought of as intermediary normative frameworks which facilitate the making of substantial agreements in a given issue area."<sup>12</sup>

Keohane further notes that:

"it is critical to distinguish clearly between international regimes on the one hand, and mere *ad hoc* substantive agreements on the other. Regimes ..... facilitate the making of substantive agreements by providing a framework of rules, norms, principles and procedures for negotiation. A theory of regimes must explain why these intermediate arrangements are necessary."<sup>13</sup>

In the classic definition, Krasner believes that regimes can be defined as:

"sets of implicit or explicit principles, norms, rules and decision making procedures around which actors' expectations converge in a

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<sup>11</sup> This point will be discussed further below, in the analysis of the ontological status of unobservable entities, as described in the scientific realist school of the philosophy of science. It is in fact logical in strictly empirical terms to hold that states cannot act. The shorthand of accepting such actions for the sake of brevity is, in point of fact, an admission that unobservable structures can have concrete effects.

<sup>12</sup> Christer Jönsson International Aviation and the Politics of Regime Change 1987, London: Frances Pinter p13.

<sup>13</sup> Robert Keohane After Hegemony: Cooperation and Discord in the World Political Economy. 1985, Princeton N J: Princeton University Press p58.

given issue area."<sup>14</sup>

Regime principles are the beliefs or purposes which adherents are expected to pursue. Norms define the limits of legitimate and illegitimate behaviour in terms of rights and obligations. Rules are specific prescriptions or proscriptions for action. Decision making procedures are prevailing practices for implementing the principles of adherents, and making collective choices.<sup>15</sup>

Although Krasner himself points out similar formulations in the roughly contemporaneous works of Keohane and Nye, Ernst Haas and Hedley Bull, he fails to acknowledge the contribution of earlier research in the area.<sup>16</sup> In the mid to late 1960's, work in the field of integration engendered a concern with regimes which predates the works discussed above. Leon Lindberg's analysis of the European Community system put considerable emphasis on the concept of regime, and acknowledged an explicit theoretical debt to the even earlier works of David Easton. According to Easton, a regime represents attempts by members of a political system to establish regularised methods for ordering their political relationships; it is in short an aspect of the political community<sup>17</sup> which

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<sup>14</sup> Stephen Krasner "Structural Causes and Regime Consequences: Regimes as Intervening Variables" International Organisation 1982, 36: 185-205, p186.

<sup>15</sup> Krasner *ibid* p186, Keohane 1985 *op cit* pp57-8.

<sup>16</sup> R O Keohane and J S Nye Power and Interdependence 1977, Boston: Little Brown p19; Ernst Haas "Technological Self Reliance for Latin America: the OAS Contribution" International Organisation 1980, 34: 541-570, p553; and Hedley Bull The Anarchical Society: A Study of Order in World Politics 1977, New York: Columbia University Press p54.

<sup>17</sup> Easton defines political community as: "that aspect of a political system that consists of its members seen as a group of persons bound together by a political division of labour. The existence of a political system must include a plurality of political relationships through which the individual members are linked to each other and through which the political objectives of the system are pursued." David Easton A System Analysis of Political Life 1965, New York: John Wiley and Sons Inc p177. Interestingly, Easton sees political community as distinct from what he calls a "sense of community", since the latter is not a precondition for the existence of the former. Indeed, both Easton and Lindberg posit that a political community can develop without members supporting it, or even being aware of it, as a result of an increasingly pervasive division of labour. See Leon Lindberg "The European Community as a Political System: Notes Toward the Construction of a Model." Journal of Common Market Studies 1966-67, 5:344-87 p353; and Easton, *op cit* p177 and pp185-86. Easton notes that "the entrenchment of the habit of working together in a political division of labour sometimes derives less from the pre-recognition of common political interests than from the convergence of complementary aims" *ibid* p186 This point is a potentially important aspect in the development of cooperation in the armaments collaboration issue area, and will be discussed more fully below.

"represents relatively stable expectations, depending on the system and its state of change with regard to the range of matters that can be handled politically, the rules or norms governing the way these matters are processed and the position of those through whom binding action may be taken on those matters. Within this range the politically relevant members are less likely to challenge the validity of settlements arrived at, even though they may of course question their wisdom."<sup>18</sup>

The establishment by the members of a political community of regularised methods for ordering their political relations is regarded by Easton as an important method to reduce the prospect of systemic stress or failure.<sup>19</sup>

It was Lindberg who appears to have attempted the first clear exposition of what exactly was understood by the values, norms and structures of a regime.<sup>20</sup> Regime principles (also termed values) can be seen as broad limits in terms of the day to day functioning of policy which do not violate the deeply held convictions of important segments of the community. These principles are, therefore, likely to reflect the general political environment of regime members, representing at least the lowest common denominator of accepted beliefs and statements of ideology. Principles, in short, are derivative from the sub-systems.<sup>21</sup> Regime norms specify the kinds of procedures that are expected and acceptable in the processing and implementation of

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<sup>18</sup> Ibid p192. Values in the context of Easton's definition are analogous with Krasner's category of principles quoted above. The exact meaning of "binding action" is not explained. Whether it should be understood as an outcome which is binding as a result of enforcement by regime authorities, or simply because regime members accept the decisions of the regime as a constraint, is not made clear. Easton focuses on the position of individuals within the regime through whom "binding action" can be taken, and the rules or norms of behaviour through which political relationships are processed. Krasner on the other hand refers to decision making procedures, which would appear to be a much broader concept, encapsulating the role of individuals, bargaining structures and the processes involved. The two concepts are related, but not coterminous.

<sup>19</sup> Ibid p192: "the alternative would be for the rules and aims of political interaction in a system to be largely random and indeterminate. In that event members would have to argue about day-to-day actions and decisions at the same time as they questioned the fundamental assumptions about the way in which these daily differences should be settled, or about the validity of the procedures that determined who was to have the major power and responsibility for negotiating differences and establishing authoritative and binding outcomes ..... matters of basic procedure as well as substance would be intermingled."

<sup>20</sup> Lindberg, op cit pp364-68.

<sup>21</sup> Ibid pp 364-65; Easton op cit pp 192-93.

demands.<sup>22</sup> Insofar as norms involve the behaviour of members of the system and represent operating rules, they can also be seen as derivative from the sub-system. The system itself may also develop indigenous regime norms, which are defined with reference not to the subsystems, but to the strategies and tactics which the system authorities must employ in the process of consultation, negotiation and bargaining according to which the system is defined.<sup>23</sup>

Decisions are generally made and implemented through regime structures, which, therefore, represent formal and informal patterns in which power is distributed and organised. As Easton notes:

"The particular structuring of the relationships among the authority roles will both reflect and condition the way in which power is distributed and used in the system. The rights and duties assigned to each role and the extent to which each limits or reinforces the power of the other helps to determine who has what authority and how it is used."<sup>24</sup>

This structural element would seem to include both the rule and decision making procedure aspects of Krasner's regime definition, referring more generally to the institutional apparatus within the political system which "structures" the regime.

The mid-range theory of how regimes ought to be defined has been heavily criticised in recent analyses for lacking sufficient detail to adequately explain the dynamics of regime change. According to this critique,<sup>25</sup> principles, norms and rules as defined in the regimes literature lack distinct boundaries, and tend to merge into one another.<sup>26</sup> Studies in political economy especially have held that subsystem (ie state)

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<sup>22</sup> Easton, *idem*.

<sup>23</sup> Lindberg, *op cit* p365

<sup>24</sup> Easton, *op cit* p209

<sup>25</sup> See especially Haggard and Simmons, *op cit* pp493-94.

<sup>26</sup> Detailed criticism can be found in Friedrich Kratochwil "The Force of Prescriptions." International Organisation 1984, 38: 685-708 p685; Ruggie and Kratochwil, *op cit* *passim*; and Oran Young "International Regimes: Toward a New Theory of Institutions." World Politics 1986, 39: 104-22, p106.

actions can undermine the fundamental premises of regimes. Such analyses are, by inclination if not explicit structure, hostile to the concept of implicit regimes, and to definitions of the norms and principles of regimes which they believe over emphasise the extent to which state behaviour is rule governed.<sup>27</sup>

The question which separates these critics of implicit regimes from those, including Robert Keohane, who defend the concept as theoretically sound, is just how explicit a commitment is required of the subsystem actors before a regime can be said to exist. Unlike those "minimalists" who insist on a restrictive definition of regimes and regard discussion of any differences between norms and rules as theoretically underdeveloped, the "maximalists" are more forgiving. The latter maintain that patterns of behaviour identifiable as regimes can be discerned in areas not normally considered as demonstrating any regularised ordering of political relationships, let alone authoritative allocation of values. In short, a regime does not necessarily have to be able to make an authoritative allocation of values at all. Since in many respects the fundamental theoretical difference between the minimalist and maximalist conceptions of regimes is the level of institutionalisation in a political system which can realistically be called a regime, the search should perhaps be directed toward how one might measure such institutionalisation.<sup>28</sup>

The clearest exposition of the basic elements of institutionalisation can be found in the work of Simon Huntington,<sup>29</sup> and in the later study of regimes by Lindberg. In

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See also Keohane 1985, p58 where he attempts to deal with this problem.

<sup>27</sup> Stephen Cohen and Mark Zysman "Double or Nothing: Open Trade and Competitive Industry." Foreign Affairs 1983, 62:113-39; J Finlayson and M Zacher "The GATT and the Regulation of Trade Barriers: Regime Dynamics and Effects." International Organisation 1981, 35: 561-602; and Susan Strange "The Management of Surplus Capacity: Or How Does the Theory Stand Up to Protectionism Seventies Style?" International Organisation 1979, 33:303-34.

<sup>28</sup> Oran Young developed a more restricted definition of regimes as multi-lateral agreements among states aiming to regulate national actions within an issue area, but the concentration which this engenders on texts of agreements and regime structures as causes of change, risks formalism, that is an excessive concern with the outward form at the expense of content. See Oran Young Resource Regimes: Natural Resources and Social Institutions 1982, Berkeley: University of California Press, p20; also "International Regimes: Problems of Concept Formation." World Politics 1980, 32: 331-35, and "Anarchy and Social Choice: Reflections on the International Polity" World Politics 1978, 30: 241-63.

<sup>29</sup> Especially in "Political Development and Political Decay" World Politics 1965, 18: 386-430; see also the later development by Lindberg op cit pp 367-69.

this work, Lindberg posited that a "composite index of integration" could be produced, and applied to his case study of the European Community. The aspects to be examined included the authorities of a political community, its extent, the salience of the issue areas which it covered and its "regime".<sup>30</sup> Lindberg notes with reference to the EC system that:<sup>31</sup>

"the common division of political labour by which (the members of the system) are bound, is to be defined in terms of areas of public policy that have been made subject to intensive consultation, negotiation, bargainings and administration in the institutional system of the three communities (the regime of our political system)"<sup>31</sup>

Both Lindberg and Huntington utilise four dimensions whereby the extent to which the political organisations and procedures had acquired value and stability over time (ie had been invested with support by subsystems) might be measured. These comprised: (a) adaptability-rigidity, (b) complexity-simplicity, (c) autonomy-subordination, and (d) coherence-disunity.<sup>32</sup> According to these criteria, a highly institutionalised regime would be characterised by:

High adaptability. If the regime had been in existence for a substantial period of time, had survived several changes of leadership, and if it performed several functions simultaneously, and if it demonstrated a capability to adapt to changes in the environment by assuming new functions.

High complexity. The more complex an organisation or regime, the greater its chances of surviving change, since a large number of subunits means that support can be more easily maintained, and that losing one of its functions to another actor, or through lack of demand for the said function, will not substantially weaken the organisation. Survival can be ensured by the performance of alternative functions.

High autonomy. An autonomous organisation will be able to resist particularist influence, both from members and from outside the political system. It will deal with an area of politics well insulated and differentiated from other functional areas, and will be able to socialise new members gradually into accepting the organisations

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<sup>30</sup> Lindberg op cit pp 355-56 and footnote 27, p356.

<sup>31</sup> Ibid p35.

<sup>32</sup> Ibid pp367-69, and Huntington op cit passim.

goals. Lastly, it will not depend on a single social group for support.

High levels of coherence. The organisation will be characterised by few contests for its leadership, consensus in decision making and high levels of loyalty among members with low levels of dissent about organisational goals.

Although interesting as an initial statement of what is understood by the term regime, work on institutionalisation such as that of Lindberg and Huntington failed to be developed by more recent regime analyses. Indeed it seems likely that this earlier work has been largely ignored by contemporary scholars. Part of the reason for this neglect may be the linkage of such studies with work on the dynamics of integration. A further influence may be in the lack of a clear understanding of the intimate linkages between the international and domestic systems which is apparent in the institutionalisation literature. The basic concerns of such analyses have however been replicated in more recent studies, particularly the work of Haggard and Simmons on the theory of international regimes, in a fashion which appears to overcome the shortcomings of previous treatments.<sup>33</sup> They maintain, for example that:

"Regimes may change over time or vary across cases in at least four ways: strength, organisational form, scope and allocational mode."<sup>34</sup>

The conception of strength is analogous to Lindberg's dimension of adaptability, in that both concern the ability of the regime to respond to stress. Adaptability itself can be seen as a form of institutional strength. Organisational form is closely allied to the concept of complexity, allocational mode to autonomy and scope to coherence. Although there are difficulties in reconciling these dimensions in works separated by twenty years and different areas of specialisation, there are sufficient grounds to identify common concerns across both approaches which may be useful in the study of regime change. Indeed, it is in respect of analysing regime formation, variance and change that the more recent works exhibit their most obvious superiority when compared to the earlier focus on institutionalisation.

The following classification develops five dimensions which are seen as basic to the

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<sup>33</sup> See especially Haggard and Simmons, *op cit passim*.

<sup>34</sup> *Ibid* p496

understanding of regimes, drawing both from the existing works discussed above, and more recent material not previously covered in regime studies.

#### A. Structural Complexity

Concern with the internal organisational design and operation of regimes has been notable by its absence in the literature. A concentration on issues of global political economy, the dynamics of interdependence, and world systems theory, has not encouraged close attention to the internal design and workings of regimes *per se*, especially if the analysis retains a basically state centric bias. Increasingly however, heightened interest in the dynamics of regime change, and growing awareness of the potential for applying the precepts of organisational theory to the study of international organisation,<sup>35</sup> has encouraged a reassessment of the organisational forms and workings of international regimes.

It is true that certain issues are more conducive to decentralised structures than others. For example, certain regimes may simply require adherents to share information, or desist from certain actions. Such activities require relatively little centralisation on the part of the regime, and even regimes which require a more interventionist role, such as a fixed exchange rate regime<sup>36</sup> are likely to remain relatively decentralised.

Most regimes are likely to possess administrative apparatus, however limited, to collate and disseminate information or arbitrate in disputes. This apparatus might be a centralized body provided by regime members, or it might be a looser more *ad hoc* structure brought together for a limited time period, or to achieve a specific agenda. The type will depend on the issue area in question. Highly complex issues are likely to engender more structurally advanced and elaborate organisational forms. As Lindberg notes,<sup>37</sup> greater complexity in

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<sup>35</sup> The potential role of organisation theory will be explored in greater detail at a later point in the study. See Chapter 5, below.

<sup>36</sup> This example is used by Haggard and Simmons, *op cit* pp496-97

<sup>37</sup> Lindberg *op cit* p368.

terms of the number of subunits in a regime, and the functions they perform will enable an institution to cope with systemic stress, or the loss of certain functions. Further, highly institutionalised forms of cooperation are ill-suited to analyses which assume that the international system is totally anarchic. This factor has in the past helped to restrict attempted linkages between organisation theory and international organisation.<sup>38</sup> The more complex and elaborate the organisational structure, the more *potential* the regime has to be autonomous, by virtue of its ability to link issues and involve a variety of actors.

## B. Maturity

The concept of maturity denotes the flexibility and adaptability of a regime rather than its "age", since although the number of years an organisation has been in existence may exhibit high levels of adaptability, the converse may also be true, with atrophy being the result of longevity.<sup>39</sup> Unlike the previous variable, maturity is essentially concerned with operational rather than structural characteristics, with particular reference to stress responding ability. A mature regime, therefore, would be expected to operationalise its influence and power in response to threats. The suitability, or otherwise, of its structural make up to face such challenges, is a function of the structural complexity discussed above rather than the maturity of the regime.

The stress responding capacity of a regime will be enhanced if the organisation exhibits mature characteristics as well as complex structures. Such characteristics include the number of generational changes in the leadership, whether these were contested or not, performance of more than one function, and progress in extending these functions over time. The maturity concept echoes the work of Barry Buzan on the characteristics of mature anarchies.<sup>40</sup> Buzan warns that the character of a system must be

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<sup>38</sup> Haggard and Simmons warn that simplistic results will follow from the blackboxing of organisational structures and processes, *op cit* p497.

<sup>39</sup> Interestingly, Lindberg in his discussion of adaptability (*op cit* p367), does not appear concerned that advanced age could have a negative effect upon the stress responding capability of an organisation or system.

<sup>40</sup> See Barry Buzan People, States and Fear 1983, Brighton: Wheatsheaf Books, p95-101.

distinguished from its structure,<sup>41</sup> and of the dangers of determinism in discussing the progression from immature to mature status.<sup>42</sup> He further points out that it is erroneous to see a

"pleasing image of historical drift toward greater maturity and security in the international anarchy"<sup>43</sup>

since there is no compelling evidence that a mature system may not be followed by a collapse, as has occurred with apparently cyclical regularity in the past. In addition, progress does not take place against a static background of threat:

"from this perspective, increasing system maturity cannot be seen as a process of steady gain on a problem of fixed dimension. Rather it must be viewed as part of a larger process in which the forces of order compete endlessly against the ever mounting capacity for chaos. Thus progress toward a more mature form of anarchy is not a cause for congratulation or complacency in its own right, but only if it seems to be outpacing the simultaneous increase in threats."<sup>44</sup>

Since the supposed demand for international regimes<sup>45</sup> is an important aspect

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<sup>41</sup> Ibid p95

<sup>42</sup> Buzan posits that the concept of progress must be used with care, lest it be thought inevitable that the international anarchy (or for that matter immature regimes) will progress toward more mature forms as in biological organisms: "The idea of progress is not strongly developed in international relations, not least because of reluctance to take risks with normative or deterministic positions. On the national policy level, ideas of progress are commonly either very short-term or non-existent, excepting those states governed by forward looking ideologies. Progress is, anyway, much easier to define for revisionist than for status quo powers. For the international system as a whole, hazy ideas about a more peaceful world provide almost the only yardstick for a sense of progress." *ibid* p124, fn8.

<sup>43</sup> Ibid p99

<sup>44</sup> Ibid p100.

<sup>45</sup> On this point, see Robert Keohane "The Demand for International Regimes" International Organisation 1982, 36: 325-55. Keohane believes that while his findings do not imply any underlying harmony of interest in world politics, "regimes can be used to pursue particularistic and parochial interests, as well as more widely shared objectives. They do not necessarily increase overall levels of welfare. Even when they do, conflicts among units will continue. States will attempt to force the burdens of adapting to change on to one another." *ibid* p355. Nevertheless, "as long as the situations involved are not constant sum, actors will have incentives to coordinate their behaviour, implicitly or explicitly, in order to achieve greater collective benefits without reducing the utility of any unit. When such incentives exist, and when sufficient interdependence exists that *ad hoc* agreements are insufficient, opportunities will arise for the development of international regimes. If international regimes did not exist, they would surely have to be invented." *ibid* p355.

in the apparent change, or even progression, in the maturity of the international system, it is very important to specify just what a regime is, and what role it may have in the evolution of cooperation in the international system.

### C. **Autonomy**

The autonomy variable contains two distinct elements. First is the concept of allocational mode, investigated by Haggard and Simmons<sup>46</sup>, and second is the ability of the organisation to mobilise support outside the regime, which can be used either against external political forces, or recalcitrant members of the regime. According to Haggard and Simmons:

"Regimes can endorse different social mechanisms for resource allocation. A market oriented regime supports the private allocation of resources, discourages national controls, guarantees property rights and facilitates private contracting ..... At the other extreme, authoritative allocation involves the direct control of resources by regime authorities, and will demand more extensive and potentially autonomous structures."<sup>47</sup>

In these terms, a market orientated regime represents a more diffuse, less autonomous structure, whereas an authoritative allocation regime denotes a coherent, autonomous organisational make up, capable of engaging and prevailing in conflicts with other organisations or even states.

The second aspect of the autonomy variable refers to the centrality of the regime within the given issue area, that is the extent to which it can call up support from several, rather than individual, social groupings. Further, the regime can, as a result of the perceived benefits of regime membership, socialise new members into acceptance of its precepts. Lastly, the leadership process should be orderly and stable, with new leaders rising from within the

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<sup>46</sup> Haggard and Simmons, op cit p498.

<sup>47</sup> Ibid p498

organisation, rather than coming in from outside.<sup>48</sup>

#### D. Potential

The potential of a regime refers to the range of issues which it covers, sometimes known as the jurisdictional scope. The potential of a regime is not incidental to its success. Overly broad jurisdiction raises administrative costs and complexity, while too narrow a scope is likely to leave little room for bargaining and issue linkage, and may make the regime vulnerable to a loss of power.<sup>49</sup> An optimal regime is one which exhibits neither too broad nor too narrow a domain, but also one which is willing and able to adapt to novel environmental conditions.

It has been noted in relation to the operation of the General Agreement on Tariffs and Trade (GATT) that the causes of regime change may be external as well as internal. Despite substantial progress in the elimination of tariff barriers to trade during the 1950's and 1960's, GATT was seen to be inadequate in scope. The potential of the GATT regime was insufficient to prevent, and indeed may have positively encouraged, the use of non-tariff barriers in their place. This "externality" (i.e. the casual factor lay outside the jurisdictional scope of the regime) led to the attempted reform of the regime under the aegis of the so called Tokyo Round.<sup>50</sup>

#### E. Coherence

The fifth and final variable concerns the coherence of the regime, that is the extent to which its internal social structure is conflictual or consensual. A more coherent regime is, ideally at least, likely to enjoy few contests for leadership, consensual decision making, no open denouncement of the

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<sup>48</sup> Regimes, when analysed in this light can be seen as performing a service for their members by reducing transaction costs and helping members cope with uncertainty. See Keohane 1982, op cit especially pp 336-345.

<sup>49</sup> Haggard and Simmons, op cit p497.

<sup>50</sup> Ibid pp499-500. On the Tokyo Round see Stephen Krasner "The Tokyo Round: Pluralistic Interests and Prospects for Stability in the Global Trading System" *International Studies Quarterly* 1979, 23:491-531. Krasner highlights that whereas the trade regime exemplified by GATT weakened during the 1970's, its scope actually increased as a result of the Tokyo Round negotiations.

organisation by participants, and a highly socialised and loyal membership.

## REGIME THEORIES

A number of theoretical perspectives on regime development and change have been identified in the literature on regimes. The most common theories are usually agreed to be the cognitive, functional,<sup>51</sup> and structural. More recently a further category, termed the structurationist has been developed, although as yet relatively little research appears to have been undertaken in this vein. These various approaches will be further examined in ascending order of aggregation, beginning with the cognitivist approach.

### Cognitivism

Cognitive theory, although particularly identified with works on the role of individual decision makers,<sup>52</sup> has come to represent a rather eclectic group of approaches. The commonalities among various cognitive writings emphasise ideology, belief systems and knowledge as explanations of regime evolution and change.<sup>53</sup> As Haggard and Simmons note:

"cognitivists pose a simple yet profound question: can interests in an issue area be unambiguously deduced from power and situational constraints? Frequently they cannot. Without shifts in power position, interests change as a result of learning, persuasion and divine revelation. Knowledge and ideology may then become an important explanation of regime change."<sup>54</sup>

The concerns of cognitive theory, whilst frequently acknowledged by structural and functional theorists, are usually bracketed as subsidiary, less important variables. A

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<sup>51</sup> Functional theories are sometimes termed "situational". Jönsson (op cit p18), for example says: "to avoid the ambiguity and teleological implications on the term function, I shall instead refer to situational explanations. This means that the question I pursue is "What kind of situations trigger the creation and revision of regimes?" rather than "What functions do regimes perform?"

<sup>52</sup> See for example Robert Jervis Perception and Misperception in International Politics 1976, Princeton: Princeton University Press.

<sup>53</sup> Haggard and Simmons, op cit p509 fn 66

<sup>54</sup> Ibid pp 512-13

good example can be found in the work of Jönsson, who briefly discusses cognitive concerns, but finds that:

"the differences between the structural and situational (or functional) explanations, on the one hand, and cognitive explanations on the other, should not be exaggerated ..... The obvious conclusion is that structural and situational theories and cognitive theories are complementary rather than mutually exclusive."<sup>55</sup>

Jönsson believes that cognitive theories lack the explanatory power to be regarded as independent explanations of regime change. He, therefore, includes actor cognitions in his structural and situational analyses, rather than treating cognitive theories as a separate mode of explanation. It is difficult to generalise from the central cognitive insight which holds that:

"cooperation cannot be completely explained without reference to ideology, the values of actors, the beliefs they hold about the interdependence of issues, and the knowledge available to them about how they can realise specific goals. Cooperation is affected by perception and misperception, the capacity to process information, and learning"<sup>56</sup>

The individualist basis of cognitivist theory, therefore, comes about by virtue of the concentration on actor cognitions and learning. It is difficult to see how such factors could ever be readily measured in relation to the explanation of regime change, or indeed to usage in the social sciences generally. This is not to say, however that cognitive theories have no utility at all. Unlike other approaches, cognitivism accepts that cooperation takes place inside complex and very ambiguous issue areas. Structural and functional theories usually assume that issue areas are unambiguous givens.<sup>57</sup> The prospect that knowledge and ideology (the two most common cognitive insights studied in the literature) affect the evolution of international cooperation is not difficult to comprehend. The problem for cognitive analysts is how to translate the acknowledged effects of ideology and learning into theoretically useful

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<sup>55</sup> Jönsson, op cit p24

<sup>56</sup> Haggard and Simmons, op cit p511.

<sup>57</sup> Lindberg, op cit p368 maintains that an autonomous organisation deals with an area of politics which is well insulated and differentiated from other areas.

generalisations, leading to an understanding of why cooperation develops in an anarchic international system.

From a cognitivist stand point, learning and ideology have a direct influence on international cooperation by demonstrating the virtue of certain lines of action. Further, as a result of their unstructured view of issue areas, cognitivists posit that history, knowledge and ideology are important variables in attempting to understand why actors (be they individuals or states) respond differently to the same structural constraints and opportunities.

The central difficulty of operationalising cognitivist theories becomes apparent using this line of reasoning. Essentially, cognitive explanation can never be fully explored except via an historicist, *post hoc* analysis. It has, as a result, been criticised for exhibiting traits of contingency and path dependence.<sup>58</sup> Cognitive approaches, since they deal with what are, in the final analysis, unknowable and unquantifiable factors such as individual motivation, learning and perception, are likely to prove quite unable to predict when consensual knowledge and values will yield a cooperative outcome. Indeed, consensus may not be enough in itself to overcome the problems inherent in collective action. It is this problem which led Ernst Haas to note that cognitive notions of regime evolution accept the

"existence of power differentials and the importance of hierarchy among states without sacrificing to such a view the possibility of choice based on perception and cognition inspired by additional calculations."<sup>59</sup>

In short, however consensual the basis in cognitive terms, structural or functional factors might conspire to prevent the emergence of furtherance of cooperation. Cognitive explanations are also ill-suited to explain changes in regimes or cooperative procedures in that it is not always possible to maintain that a given regime is the only

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<sup>58</sup> Haggard and Simmons, *op cit* p511.

<sup>59</sup> Ernst Haas "Why Collaborate? Issue Linkage and International Regimes" *World Politics* 1980, 32:357-405, especially p360.

possible structure able to ensure realisation of common values.<sup>60</sup> Cognitive theory cannot predict with any certainty at what juncture consensual beliefs or knowledge will result in actors exhibiting cooperative behaviour, nor can it predict the changes fully, since cognitive approaches can only provide *post hoc* justifications for what has already taken place. The cognitivist dilemma is that;

"historical episodes of cooperation may be inexplicable without reference to shared knowledge and meanings, but since future knowledge is by definition, impossible to foresee, prediction about the substantive content of cooperation is ruled out. Nonetheless, the *degree* of ideological consensus and agreement over casual relationships, regardless of the nature of the issue, is an important variable in explaining cooperation."<sup>61</sup>

Though it can be demonstrated that the evolution of knowledge and intellectual currents can affect concrete strategies,<sup>62</sup> it is more problematic in practice to ascertain the autonomous influence of knowledge or ideology in the evolution of international cooperation.

The preliminary, though by no means authoritative, conclusion on the role of cognitive theories in the analysis of regime evolution must be that whilst they provide useful insights into the process of cooperation, they are not sufficient in themselves. Rather, cognitive insights must, as Jönsson realised, be integrated with

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<sup>60</sup> Haggard and Simmons, *op cit* p510

<sup>61</sup> *Ibid* p511 Emphasis in the Original.

<sup>62</sup> See for example Beverley Crawford and Stephanie Lenway's treatment of East-West trade, "Decision Modes and International Regime Change: Western Collaboration and East-West Trade" World Politics 1985, 37:375-402; and Emmanuel Adler "Ideological Guerilla's and the Quest for Technological Autonomy: Brazil's Domestic Computer Industry." International Organisation 1986, 40:673-706.

It has even been suggested, although more rarely, that ideological variables can explain the evolution of cooperation, see Judith Goldstein "The Political Economy of Trade: Institutions of Protection" American Political Science Review 1986, 80:161-84, who argues that institutionalised liberalism has embedded free trade as an ideology which systematically conditions the propensity to cooperate even where defection might be more rational. John Ruggie coined the phrase "embedded liberalism" to signify the common social purpose which developed among advanced capitalist societies after the Great Depression, to enjoy the advantages of liberalism in international trade, but to bear the costs of a free market system via regimes. John Ruggie "Continuity and Transformation in the World Policy: Toward a Neo-realist Synthesis" World Politics 1983, 35:261-85. On the role of ideology in regime maintenance and change, see Robert Cox "Ideologies and the New International Economic Order: Reflections on Some Recent Literature" International Organisation 1979, 33:257-302.

complementary modes of analysis.

"In the realm of politics what is real is what men perceive to be real. Thus structural and situational factors become functional through the mediation of actor cognitions. Changes in the power structure and the emergence of bargaining situations *as perceived by the principal actors*, explain the evolution of international regimes."<sup>63</sup>

It is to these alternative explanations of how cooperation and regimes emerge that the analysis will now turn.

### **Functionalism**

Functional theories as utilised in this context, must be distinguished at the outset from functional and neofunctional theories of international organisation.<sup>64</sup> Functional theory explains the emergence of cooperation in terms of such an outcome being the effect, or *function*, of certain behaviour or action by institutions. For example, the persistence of regimes and compliance with their injunctions may be explained with reference to their anticipated consequences. Where the activities of a regime reduce information and transaction costs among adherents, they are likely to be reinforced. Conversely, should a regime become dysfunctional, it will be weakened and perhaps modified, or it may begin to decay. Functional theories attempt to account for the strength of regimes, and more especially to explain why they should persist when their original *raison d'être* in a structural sense has changed.

Functional analysis is not particularly suited to explain the causes of any demand for a regime, since it concentrates on the functions performed by such a cooperative construct, rather than the underlying factors and situations which promote the creation and maintenance of regimes. It may provide an insight into the condition necessary before a regime will be demanded, but it is likely to prove less useful in suggesting how and when the regime will come about.<sup>65</sup> Rather than simply taking the process

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<sup>63</sup> Jönsson op cit p24. Emphasis in the original.

<sup>64</sup> For a discussion of this earlier usage, see Ernst Haas Beyond the Nation State 1964, Stanford: Stanford University Press, especially Chapters 1-5, and 13-14. The distinction is sometimes reinforced by renaming the approach situational when used in this context.

<sup>65</sup> Haggard and Simmons, op cit pp506-07.

by which regimes are created as givens, and examining the functions they assume, it is important to investigate the process and specify how this operates. Not to do so, risks the teleological imputation that international cooperation is a response to presumed "systems maintenance" or equilibrating functions.<sup>66</sup> The notional equilibrium point is never satisfactorily explained however. Regimes are, according to this line of argument, almost an inevitable outcome of the problem of how best to promote international cooperation. Notionally, according to functionalist belief, there is an overriding desire on the part of members of the system to maintain the presumed benefits of cooperation, or at least the equilibrium of the system. Where this equilibrium is more efficiently provided by collective, rather than individual action, a demand for cooperative structures such as regimes will develop. This sequence of events must, however, be regarded as only one possible response on the part of members of the system, to the problem of how to promote their individual welfare within an increasingly interdependent system.

Functionalist theorising has drawn heavily from work on transaction costs in economics, which posits that organisations evolve in response to the difficulties inherent in arms length market transactions, or in conditions of market failure (or anarchy). Among these difficulties are opportunism, measurement problems, information costs and difficulties in contract enforcement.<sup>67</sup> Writers in international relations have drawn a parallel between the action of the market and the uncoordinated action of states, to demonstrate that regimes reduce transaction costs and facilitate decentralised decision making.<sup>68</sup> As Haggard and Simmons note:

"we are interested not only in the fact that regimes perform certain tasks, but the importance or weight regimes have in motivating and explaining states behaviour. The proper test of a functional theory is not the mere existence of a regime, but the demonstration that actors'

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<sup>66</sup> See Keohane After hegemony op cit p81.

<sup>67</sup> See Douglas North "Government and the Cost of Exchange in History." Journal of Economic History 1984, 44:255-64; Oliver Williamson "The Modern Corporation: Origins, Evolution, Attributes." Journal of Economic Literature 1981, 19: 1537-68; and "Transaction-Cost Economics: The Governance of Contractual Relations" The Journal of Law and Economics 1979, 22:233-61, by the same author.

<sup>68</sup> Keohane After Hegemony op cit Chap 6; Kenneth Oye "Explaining Cooperation Under Anarchy: Hypotheses and Strategies" World Politics 1985, 38:1-24, especially pp 16-18; and Haggard and Simmons, op cit p507.

behaviour was motivated by benefits provided uniquely, or at least more efficiently, through the regime."<sup>69</sup>

A strong liberal bias is evident in much of functionalist literature, with a presumption that institutions "provided" to enhance the collective welfare of the adherents will produce optimal or superior outcomes in comparison with conditions of market failure. Regimes can, however, result in different distributional outcomes, and cannot be seen as invariably providing greater shares of collective goods to all members of the system. By emphasising how the intervening role of regimes as facilitating structures helps states realise common interests, functional analysis assumes convergent states, and downplays differences. Regimes can, however, be the focus of conflicts, and may even institutionalise inequalities.<sup>70</sup>

It was noted above that the functional explanations represented the next rank of explanation above cognitivism in aggregative terms. This statement requires qualification in light of the above discussions of the assumed liberalism and convergent interests of functional analysis. The basic problem appears to lie with the attitude of functional theory toward the interfaces between states and the system. The neo-realist conception of international system structures is important in this context, since the functionalist attitude to the agent-structure problem in the creation of international regimes is heavily coloured by neo-realist attitudes.

Superficially, neo-realism embraces a strongly structural and anti-reductionist theoretical orientation. Following the lead of Ashley, and also of Wendt,<sup>71</sup> it is possible to characterise neo-realism as exhibiting an individualist conception of the international system structure, that is the international system is defined in terms of its constituent units; states. Although neo-realism avoids what Wendt terms

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<sup>69</sup> Ibid p508

<sup>70</sup> Seen in these terms, the functionalist view of regimes is to regard them as more or less optimal institutional responses to failures in international cooperation. This understanding demotes regimes to a type of conduit, performing a function desired by the unit level actors of the system. Far from becoming a focus of the analysis, with an independent role as a forum for debate, conflict and negotiation, regimes are relegated to the status of little more than the playthings of state actors.

<sup>71</sup> See Richard Ashley "The Poverty of Neo-realism" International Organisation 1984, 38:225-86, particularly pp238-42; also A Wendt op cit passim.

"explanatory reductionism"<sup>72</sup> due to the acceptance that system structures act as intervening variables in the translation of domestic interests into foreign policy behaviour, it does so at some considerable theoretical cost. Neo-realism rationalises an underlying state centric approach to the agent-structure relationship, by accepting that system structures, as well as states, play a causal role in international relations.

This compromise position, which is strictly speaking a systemic rather than a truly structural approach, allows neo-realists to utilise their state centric beliefs within the systemic logic of systems theory in a coherent whole. Despite this assumption of systemic logic, however, neo-realism remains reductionist in its view of the agent-structure problem. The international system is seen as reducible to the properties of states, that is, to the distribution of capabilities among them. This can be seen as representing "ontological reductionism" as opposed to the explanatory reductionism discussed above. Ontological reductionism posits that the behaviour of states within the international system is determined by their situation, (situational determinism) and as a result, system structures are seen as external constraints on the action of states, rather than as potential areas for state action.<sup>73</sup>

The shortcomings of neo-realist theorising has engendered an attempt to develop systemic theory purely on the basis of assumptions about the relationship between states, their interests and power, and cooperation. Waltz, for example, argues that the development of an explicit theory of the state is incidental to the development of systemic theories of international relations.<sup>74</sup>

"The issue ..... is not whether some understanding of the state is necessary to build systemic theories (it is), but whether that understanding follows from a *theory* grounded in a coherent set of propositions with some correspondence to reality, or simply from a set of pre-theoretical *assumptions*, grounded in intuition and ideology.

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<sup>72</sup> Defined by Wendt, *ibid* p341 as "the kind of reductionism which neo-realists oppose is defined as theory which tries to explain behaviour in terms of strictly agent level properties."

<sup>73</sup> *Ibid* p342.

<sup>74</sup> Kenneth Waltz *Theory of International Politics* 1979, Reading, Mass: Addison Wesley; and "Reflections on Theory of International Politics: A Response to my Critics" in R O Keohane (ed) *Neo-realism and its Critics* 1986, New York: Columbia University Press, especially p340.

Whatever its advantages in terms of analytical convenience, a reliance on untheorised assumptions about primitive terms (in this case states and the system) leaves us unable to justify particular conceptualisations of interaction situations and leads, therefore, to an untenable "as if" approach to systemic theorising.<sup>75</sup>

The major criticism operative here, is that neo-realist individualism is falsely scientific, since a reductionist approach cannot deliver a satisfactory basis for developing an explicit theory of the state. There are two ways of theorising about particular units, one reductionist, and the other social. A reductionist approach would attempt to analyse the individual unit with reference to its internal organisational structure.<sup>76</sup> By concentrating the analysis at the level of the internal organisation of states, it might be possible to explain certain actions or desired ends of the state. To explain fully state behaviour however, it is necessary to refer to social relations with other non-state actors, rather than to accept states as actors in their own right in an unqualified way.

An alternative approach is to develop a social theory of the state which explicates and theorises the properties of states with reference to their social relations with other agents. Neo-realism however, already reduces system structures to the distribution of properties of pre-existing individual units (in this case states). This tautology means that:

"the neo-realist's individualist conception of system structure is ..... too weak to support a social theory of the state: system structures cannot generate agents if they are defined exclusively in terms of those agents in the first place. The consequence of making the individual ontologically primitive, in other words, is that the social relations in virtue of which that individual is a particular kind of agent with particular casual properties must remain forever opaque and

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<sup>75</sup> Wendt op cit p343 emphases in the original.

<sup>76</sup> As epitomised by the works of Graham Allison, particularly Essence of Decision 1971, Boston: Little Brown; and John Steinbrunner The Cybernetic Theory of Decision Making 1974, Princeton: Princeton University Press.

untheorised."<sup>77</sup>

It is just such "social relations" constituting the system, with which the analysis of the interorganisational network active in the armaments collaboration issue area is concerned. By failing to develop a social theory of the state, neo-realist functional analyses of regime development and change are seriously compromised in methodological terms. Keohane's functionalist approach to regime emergence and change, attempts to explain cooperation in a *post hoc* fashion, accounting for the emergence of regimes in terms of their anticipated effects, functions, and their ability

"to overcome the deficiencies that make it impossible to consummate even mutually beneficial agreements."<sup>78</sup>

This definition is fundamentally agent oriented. Its unit level focus relies on the pre-theoretical assumption that agents, usually coterminus in this context with states, act as if to maximise a given value-be it power, wealth, security or stability.

In spite of Waltz's separation of the theories of the state and of international relations however, an understanding of why states cooperate, that is in what situations they will cooperate to obtain rewards unobtainable through individual action, cannot accept states as given agents. Rather a theory must accept states as theoretically problematic, examining in direct terms the generative structures of the domestic and international political and economic systems, which constitute states as *one particular kind of agent* with ascribed characteristics such as causal powers and interests.

This conception does not allow the state to be regarded as an ontologically primitive variable. The emergence of cooperation and regime formation among states cannot be understood in isolation from systemic and structural factors, any more than it can without a social theory of the state. Similarly the state itself cannot be properly understood without reference to the structural environment within which it is set, and carries on social relations.

Functional theories make considerable use of game theory in their analyses of regime creation and change. This usage stems from a desire to explain cooperation and

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<sup>77</sup> Wendt op cit p343.

<sup>78</sup> Keohane After Hegemony op cit p83.

regime formation among egoistic actors, in the absence of any over-arching authority to enforce compliance.<sup>79</sup> The emergence of these phenomena often appears to be the result of a dilemma which posits incompatible choices between alternatives, where neither are optimal solutions, and both have desirable and undesirable effects. In international relations, the major focus in this vein has involved studies of the security dilemma,<sup>80</sup> the free rider problem in the provision of collective goods<sup>81</sup> and the prisoners dilemma scenario, used by many disciplines as an approximation for a variety of social interactions.<sup>82</sup>

It is not the purpose of this study to examine game theory in any detail, as the literature is rather extensive, and not central to the problem. It does, however, merit further examination, since certain studies treat game theoretic explanations as a separate factor in explaining regime formation and change.<sup>83</sup> Superficially game theoretic approaches to the creation of regimes are attractive, and theoretically economic methods of analysing very complex patterns of interaction. To avoid needless repetition of the basic features of prisoners dilemma or, as they are also known "Staghunt",<sup>84</sup> types of explanation, it is apposite in this context to examine the salient factors, encouraging a game theoretic approach, followed by a critique of such representations in the creation and development of regimes.

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<sup>79</sup> See in particular the special edition of World Politics 1985, Vol 38 edited by Kenneth Oye. See also R H Wagner "The Theory of Games and the Problem of International Cooperation" American Political Science Review 1983, 70:330-46. Once again, it is apposite to note that regimes and cooperation are not coterminous, since cooperation can take place without regimes. The attraction of game theory is that it purports to deliver a parsimonious explanation of why regimes should arise in cooperative environments.

<sup>80</sup> Robert Jervis "Cooperation Under the Security Dilemma" World Politics 1978, 30: 167-214, in particular p169, whereby an increment in the level of security of one state decreases the security of, or is seen as a threat by, other states.

<sup>81</sup> Especially as applied to collective defence efforts and burden sharing in multi-lateral military alliances. See M Olson and R Zeckhauser "An Economic Theory of Alliances" Review of Economics and Statistics 1966, 48(3): 266-279.

<sup>82</sup> Robert Axelrod The Evolution of Cooperation 1984, New York: Basic Books; and "The Emergence of Cooperation Among Egoists" American Political Science Review 1981, 75: 306-18.

<sup>83</sup> See Haggard and Simmons, op cit pp504-06.

<sup>84</sup> The term "staghunt" was originally used by Rousseau, see however Jervis 1978 op cit p167; "if they cooperate to trap the stag they will all eat well. But if one person defects to chase a rabbit - which he likes less than stag - none of the others will get anything."

The logic of prisoner's dilemma (PD) and staghunt games delivers a potentially negative view of the opportunities for promoting cooperation among egoistic actors. Indeed realists can argue that the PD game epitomises the inevitability of conflict among actors, since if a state decided to defect, it gains at the expense of other actors. More detailed analysis of PD, especially by neo-realists such as Keohane, Jervis and Axelrod however, suggests that cooperation is still possible. Whilst individually it may be very rational for an actor to defect in a PD game, this would result in a sub-optimal solution for the whole system; that is it would result in a collectively irrational outcome. Stein sees regimes as basically a response to the dilemma of collectively irrational outcomes, a facilitating mechanism for producing collectively rational outcomes from individually rational decisions to cooperate.<sup>85</sup>

This point is reached via the iterated, or multiple play, PD game. Iterated games are dependent upon the "long shadow of the future"<sup>86</sup> to stabilise cooperation by making the short run gains of defection less attractive than the long terms gains of cooperation, and the long terms losses of mutual defection. As Oye notes:

"the immediate gains from multilateral defection relative to unrequited cooperation must be balanced against the cost of diminished cooperation in the future. In both PD and staghunt, defection in the present *decreases* the likelihood of cooperation in the future. In both therefore, iteration improves the prospects for cooperation."<sup>87</sup>

The dilemmas inherent in PD type games, characterised by interdependent decisions, uncertain actions by other actors and a mixture of conflictual and cooperative behaviour, can be seen to represent bargaining situations. The dilemma of common interests described by Stein<sup>88</sup> is one of securing mutual cooperation in an issue area requiring multiple transactions or iterated play, and represents a bargaining situation

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<sup>85</sup> Arthur Stein "Coordination and Collaboration: Regimes in an Anarchic World" International Organisation 1982, 36:299-324, notes that: "Sovereign nations have a rational incentive to develop processes for making joint decisions when confronting dilemmas of common interests or common aversions. In these contexts, self interested actors rationally forgo independent decision making and construct regimes."

<sup>86</sup> Axelrod, op cit p174

<sup>87</sup> Kenneth Oye, 1985 op cit p14. Emphasis in the original.

<sup>88</sup> Stein, op cit p314.

which *may* result in the formation of a regime. As Jönsson notes:

"an international regime may provide a normative and institutional framework for future negotiations."<sup>89</sup>

Prisoner's dilemma can, therefore, appear to be a suitable method to reveal the types of conditions which enable cooperation and stability to emerge. Chances of a bargaining situation resulting in a new regime are enhanced with reference to the opportunity costs associated with future interactions, as well as immediate payoffs. Incentives to cooperate are thereby increased, since mutual cooperation becomes more profitable than one party cooperating while the other defects. Simultaneously, incentives to defect are decreased in relation to the gains of mutual cooperation. Mutual defection is still less attractive, due to its inherent tendency towards an anarchic state of nature.<sup>90</sup>

At least, in principle, game theory can cope with a high degree of complexity by the use of graduated games, extended or linked games and the integration of sub-games.<sup>91</sup> A number of problems are attendant on the use of game theory, however. Despite its utility in explaining the conditions under which regimes may result from cooperative behaviour, game theory has little to say about organisational structures, scope or change. Further, although game theory is parsimonious, it runs the risk of oversimplifying the complex dynamics of regime creation. Game theory copes with complexity by reducing the "choice sets" of actors into straightforward either/or decisions such as defect or cooperate. In reality choices in virtually all issue areas are continuous, highly complex and interdependent. Negotiation and bargaining involve, by their very essence, changes in preference, positions and timing which game theory appears ill-suited to explain.

As if problems of identifying and coping with the re-ordering of preferences were not

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<sup>89</sup> Jönsson, 1987 op cit p22

<sup>90</sup> Jönsson further notes that "actors are more likely to agree on a regime the more they win and the less they risk by cooperating on the one hand, and the less they win and the more they risk by defecting on the other." *ibid* p23

<sup>91</sup> Haggard and Simmons, op cit p505.

enough however, the intensity with which players of the game are attached to their preferences is also important. Specifying such variables presents prodigious problems.

"This effort must consider all relevant factors of the game environment: economic and technological conditions, domestic politics, transnational relations and the rules under which the game is played. Deciding what the game is may be as difficult as solving it. One is tempted to construct the payoff in light of the outcomes, which throws into question the predictive value of the exercise."<sup>92</sup>

Unfortunately, therefore, the temptation to construct the payoff in light of the outcomes results in determinism, the belief that what occurs is predetermined or inevitable.

Attempts to extend game theory to cope with increased complexity have also been criticised, in that introducing sub-games, and linkages across games to other issue areas, detracts from the ostensible parsimony of the explanation. Overconcentration on the use of empirical methodology can obscure the subject at hand behind layers of inaccessible mathematical analyses.<sup>93</sup>

As was noted above, the development of iterated PD became attractive as it helped to explain how egoistic actors could cooperate. The logic of complex interdependence, however, suggests that the dilemma inherent in many game theoretic scenarios is redundant, or at least, much diminished. Many international actors, and especially advanced industrialised democracies, already exhibit such high levels of interdependence that the "shadow of the future" is quite plain.<sup>94</sup> Although PD provides useful insights into how regimes help prevent sub-optimal outcomes (by encouraging a healthy concern with the opportunity costs associated with future transactions outweighing immediate non-cooperative behaviour) it is not as useful in

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<sup>92</sup> Idem.

<sup>93</sup> Haggard and Simmons assert that "empirical studies too often lapse into descriptive history followed by elaborate, and perhaps redundant, game theoretical argot" *ibid* p505.

<sup>94</sup> Discussed by Joanne Gowa "Cooperation and International Relations" International Organisation 1986, 40: 167-86

explaining how regimes evolve and develop. Indeed there are, as Haggard and Simmons note, no really compelling theories of regime evolution at all.<sup>95</sup>

Finally, most studies of PD and game theory in the analysis of international cooperation tacitly assume the dominant role not only of unified and rational state actors, but also the predominance of the international over the national or domestic games. Little, if any, consideration is given to the effects of domestic processes, which are usually regarded as exogenous factors. This is not to say that game theoretical studies are of no value, since they do demonstrate the conditions which enable cooperation and stability to develop, and which may lead to the formation of regimes. A rejection of the closed system, rational actor typologies however, presupposes a game theoretic approach which takes account of the linkages between the domestic and international arenas, and also recognises explicitly the role of non-state actors.<sup>96</sup>

### Structuralism

Structural explanations have been the most common form of political analyses in work on regime variance and change. At a basic level, structuralism holds that changes in the structure of international power will engender the evolution of, or changes in existing, regimes. Conceptually, structural explanations represent the next level of aggregation after functional theories. Two modes of explanation are usually associated with structural analysis. First is the theory of hegemonic stability, which has been employed by both realist and neo-realist analysts.<sup>97</sup> Although hegemonic

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<sup>95</sup> Haggard and Simmons op cit p506.

<sup>96</sup> For a review of the problems of game theoretic analyses, see D Snidal "Coordination versus Prisoner's Dilemma: Implications for International Cooperation and Regimes" American Political Science Review 1985, 79:923-42.

<sup>97</sup> Keohane and Nye, 1977, op cit pp42-49, outline the realist vision. Realism emphasises the importance of power structures and predicts a strong tendency toward congruency in issue areas, that is an actor who is strong in general terms will be able to exert power across the board. As global power structures change, so will the regimes based on the previous distribution of power. Realism is strongly tied to the notion that states, seen as unitary, rational actors, remain predominant within the international system.

The neo-realist vision (ibid pp 50-51) holds that power, though still very influential, is not a wholly fungible commodity, especially in conditions of complex interdependence. Different issue areas can therefore be expected to exhibit different power structures, and linkages across issue areas may not be effective since power in one issue area may not be transferable, or even useful, in another.

stability theory will be examined in more detail below,<sup>98</sup> it is apposite at this point to perform the more limited task of examining the structural credentials of hegemonic stability theory, and to briefly assess its utility as an explanation of regime development and change.

The central propositions of the theory are that regimes are typically created by a single dominant power, or hegemon, and that the maintenance of these regimes requires continued hegemony.<sup>99</sup> The concomitant of this belief is that declining hegemony produces weak or unstable regimes. Only a hegemonic actor is seen to have the resources and the desire to maintain regimes, and carry the cost of providing the collective goods needed to make the regime work effectively.

In recent years hegemonic stability has been heavily criticised however, both in theoretical and empirical terms, and to such an extent that doubt has been cast on the utility of the basic precepts of the theory.<sup>100</sup> Attempting to explain the structure of regime dynamics is made all the more problematic by the difficulties involved in analysing the effects of power. As Haggard and Simmons note:

"inferring interests from capabilities implies that there is some unambiguous way to assess the distribution of capabilities"<sup>101</sup>

Equating possession of a larger part of the distribution of capabilities with the ability or even interest in promoting a given international outcome is fraught with danger, since such an inference does not necessarily follow. An objectively weaker actor may be able to exhibit greater issue-specific power, or be more committed to obtaining a given outcome, such that it can prevail, or at least modify an outcome.

Further, since simple structural variables cannot be relied upon to predict regime characteristics, structural theories have tended in the past to utilise domestic

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<sup>98</sup> See Chapter 4 below which applies the various explanations of regime change set out in the present chapter to the armaments collaboration issue area. The intervening chapter will entail a description of regime and change within the said issue area.

<sup>99</sup> Keohane 1985, *op cit* p31.

<sup>100</sup> See the more detailed critique of hegemonic stability theory in the following chapter.

<sup>101</sup> Haggard and Simmons, *op cit* p501.

explanations in an *ad hoc* way to help explain the character of international regimes.<sup>102</sup> By relying on the domestic political policies of the state, rather than its position in the international system however, the pre-eminence of structural theory is seriously damaged. At a more basic level, hegemonic stability theory can be challenged for its failure to bring within its rubric consideration of the international system as a whole. Despite an ostensible desire to examine international structure as an explanation of regime maintenance and change, hegemonic stability theory has in fact been much more limited.

"The relevant *structure* is usually defined as the distribution of power within the international capitalist system rather than within the world political system as a whole; regimes are seen primarily as responses to the problems of collective action among advanced capitalist countries rather than as an integral part of high politics, and alliance solidarity."<sup>103</sup>

Linkages between economic and military-security concerns have been all but ignored, and the effects of the structure of military cooperation on the economic cooperation habitually covered in hegemonic stability theory are seldom even recognised. It is even possible to criticise the supposed structural credentials of hegemonic stability theory, seeing it rather as a systemic rather than truly structural perspective. Hegemonic stability theory, in common with the functional perspective discussed above, presupposes its ontologically primitive unit - the state, and theorises regimes as a product of state action. It is difficult to reconcile this perception with the rejection of state-centric analyses attendant on post behaviouralist models as outlined in the previous chapter. Hegemonic stability theory engenders a limited conception of regimes, their make up, and their effects.

A more thoroughly structuralist perspective is apparent in the works of world systems theory,<sup>104</sup> which exhibits a much more explicit theoretical commitment to the

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<sup>102</sup> Ibid p501-02.

<sup>103</sup> Ibid p503. Emphasis in the original.

<sup>104</sup> See Wendt, *op cit* pp344-49.

structural aspects of the international system, whereas Wendt believes that neo-realist individualism, and the reductionism inherent in making states the ontologically primitive unit, represents a failure to understand structure as anything more than a distribution of capabilities. World systems theory represents a progressive shift in scale over neo-realism in that it offers a non-individualist and non-empiricist understanding of systems structures and structural analyses.<sup>105</sup> The basis of world system theory, exemplified by the work of Immanuel Wallerstein, is the proposition that the only meaningful unit of analysis in comparative and international political economy is the whole world system.<sup>106</sup> In contrast to neo-realists, who see system structures in terms of observable relations between, or observable properties of, states as their ontologically primitive units, world systems theorists define the structure of the world system in generative terms.

A generative approach means that the fundamental structural ordering on the international system constitutes, *or is seen to generate* the unit level participants in the system. Wendt characterises this belief in the following way:

"The existence and identity of agents as agents, and therefore of their causal powers and real interests, is produced and therefore explained, by their relation to the totality of the capitalist world system. Thus, state agents are *effects* of the structure of the world system in much the same sense that capitalists are the effects of the capitalist mode of production, or slaves are the effects of the master-slave relationship."<sup>107</sup>

In marked contrast neo-realist conceptions, world systems theory can, as a result make agents theoretically and empirically problematic. The state is regarded as an effect of its internal relations to other states and actors in the international system,

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<sup>105</sup> Ibid p344.

<sup>106</sup> Immanuel Wallerstein The Politics of the World Economy 1984, Cambridge: Cambridge University Press; and The Modern World System Vol 1 1974, New York: Academic Press, especially Chapter One. World systems theory, and particularly its approach to the agent-structure problem, has been linked to structural Marxism, and notably to the work of Althusser, who held to the theory that the whole had absolute ontological priority over the parts. See Steve Smith Reading Althusser 1984, Ithaca: Cornell University Press p177.

<sup>107</sup> Wendt op cit p346. Emphasis in the original.

rather than simply as an untheorised, given cause of international events.<sup>108</sup>

Structural explanations do, however, exhibit one similarity with functional theories, that is they make their basic theoretical unit (in this case the structure side of the agent-structure relationship, represented by the international system) ontologically primitive. This reification, defined by Wendt as the belief that:

"certain social relations are irreducible and constitute the state and class agents which are their elements, but that these relations are analytically independent of, and ontologically prior to, those agents,"<sup>109</sup>

can be seen as representing the opposite extreme to the neo-realist reductionism discussed above. In practice, world systems theorists treat the system as independent of state action, and characterises agents such as states as little more than passive bearers or enactors of systemic imperatives.

This tendency toward reification of the system at the expense of the state agents can be criticised for ignoring the dynamic role of agents within the system. The world systems theory explanation of why particular structures develop is deterministic in that although it can help explain behavioral conformity to the demands of a pre-existing structure, it has little to say about how that structure developed. In short, world systems theory treats its ontologically primitive units as given and unproblematic, just as neo-realism treats states as given and unproblematic. Neither view can be accepted as an accurate description of the relationship between agents and structures.<sup>110</sup>

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<sup>108</sup> An internal relation is defined as a necessary relationship between two entities, such that the entities depend upon the relation for their very identity, such as parent-child, master-slave, state-international system. The existence of each entity is dependent upon the other. An external relation describes a relation which is contingent between the two entities, that is, not a precondition of the existence of either party. Thus external relations may be reduced to the properties of the member elements, whereas internal relations cannot. See Wendt, *ibid* p346.

<sup>109</sup> *Ibid* p347.

<sup>110</sup> Evidence of this can be found in Wallerstein's rather simplistic explanation of the fundamentally important change from the feudal to capitalist modes of production, in *The Modern World System* *op cit*. Since his structural framework prohibits a casual linkage ontologically between system structures and state agents, which would describe the transition as a combination of endogenous factors within the state, and exogenous factors conditioning the structure of relations, Wallerstein is forced to attribute the change to external shocks and the teleological imperatives of an imminent capitalist mode of production.

The separation of the operation of system structures from the activities of agents within the system, is every bit as unsatisfactory as in its functionalist counterpart.

### Structurationism

Structurationist theory has its roots in the field of sociology, being particularly associated with the work of Anthony Giddens and Roy Bhaskar.<sup>111</sup> The approach is firmly based on the precepts of realist philosophy of science,<sup>112</sup> a doctrine which has prompted fierce debate within the philosophy of science community but has, as yet, made little impact in the realm of political science.<sup>113</sup> For Wendt, the use of structurationist analysis in international relations theory avoids the shortcomings of neo-realist individualism and structuralist reification

"by giving agents and structures equal ontological status. This conceptualisation forces us to rethink the fundamental properties of state agents and system structures. In return it permits us to use agents and structures to explain some of the key properties of the other, to see agents and structures as codetermined or mutually constituted entities.<sup>114</sup>

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This explanation is deterministic, in that it posits that system structures are not ontologically dependent on state and class agents, but that they are inevitable, and could not have developed any alternative structure. Similarly, world systems theory tends to view general systemic wars as direct results of the reproduction requirements of the world system, seeing such requirements as prior to, and casual of, state conflicts. See Christopher Chase-Dunn and Joan Sokolovsky "Interstate Systems, World-Empires and the Capitalist World Economy: A Response to Thompson" International Studies Quarterly 1983, 27: 357-67.

Further, world systems theory encourages the view that the rise of socialist states, and their means of production, are consistent with, and indeed inevitable results of, the changing reproduction requirements of the world system. See Christopher Chase-Dunn Socialist States in the World System 1982, Beverley Hill: Sage Publications, pp21-56.

<sup>111</sup> Anthony Giddens Central Problems in Social Theory 1979, Berkeley: University of California Press; The Constitution of Society: Outline of the Theory of Structuration 1984, Cambridge: Polity Press; Roy Bhaskar The Possibility of Naturalism 1979, Brighton: Harvester Press.

<sup>112</sup> Care must be exercised in distinguishing this "scientific realism" from the more common usage of realism and neo-realism as terms in political science.

<sup>113</sup> As Wendt notes, op cit p366 footnote 4, the few extant treatments of scientific realism in the field of political science have emerged in the United Kingdom rather than the United States, for example; John Maclean "Marxist Epistemology, Explanations of Change and the Study of International Relations" in B Buzan and R Barry Jones (eds) Change in the Study of International Relations: The Evaded Dimension 1981: 46-67, London: Frances Pinter; Richard Little "The Systems Approach" in Steve Smith (ed) International Relations: British and American Perspectives 1985: 79-91, Oxford: Blackwell.

<sup>114</sup> Wendt, op cit p339.

Structuration theory is potentially very important to the development of international relations theory, and sheds interesting new light on the development of the post-behaviouralist insights discussed in the previous chapter. Indeed structurationism may prove to be complementary to the inter-organisational concerns of post-behaviouralism derived from organisation theory, although both perspectives begin from different preconceptions.

It is apposite, therefore, to examine the basis of structuration theory. Wendt delivers a concise summary of structurationism, and highlights its implications for international relations.<sup>115</sup> He also sets out a useful guide to the scientific realist precepts on which it is based.<sup>116</sup> Structurationists hold that existing functionalist and structural analyses are inadequate as a result of their empirical basis. According to scientific realism, the empirical approach to natural science, upon which the social sciences have their foundation, is fundamentally flawed. As a result it will never result in a satisfactory mature theory, no matter how rigorously it is applied. The behaviouralist critique of the underdeveloped state of social science theories, resulting from their lack of scientific approach appears, to scientific realists, misdirected. The problem lies not with a failure to apply scientific principles, but with the conception of these principles in the first place.

Empirically based theories, as was noted in the previous chapter's discussion of whether states could be said to act, lead to the logical assumption that entities cannot exist if one cannot, at least in principle, have direct sensory experience of them. Scientific realists term this "the problem of the ontological status of unobservables".

"(empiricists) argue that we should remain, at most, agnostic about the existence of unobservable entities like quarks, utilities, or generative structures and what we should instead interpret the theoretical terms describing such entities, and the theories in which these terms are embedded *instrumentally* rather than *realistically*."<sup>117</sup>

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<sup>115</sup> Ibid pp 350-61 and passim

<sup>116</sup> Ibid pp350-55.

<sup>117</sup> Ibid p351. Emphasis in the original.

An instrumental usage implies that the theory building and terminology can most practically be used as an instrument for organising and predicting experience. It cannot be used to justify abductive inferences about non observable entities, since this would run the epistemic risk of theorising about *false* entities. Abduction would hold that theoretical terms can refer to real but unobservable entities, and may therefore be legitimately utilised as a basis for theory building. Scientific realists then, unlike empiricists, do not subordinate ontology to epistemology.<sup>118</sup>

Structurationist theory shares some basic assumptions with structural theories,<sup>119</sup> but it diverges in its insistence that social structures differ in two important ways from natural structures. First is that social structures, unlike natural structures, do not exist in an independent sense apart from the activities they govern.<sup>120</sup> Social structures are only recognisable through the practices of agents, thus the state system exists only by virtue of the actions, practices and recognition of rules by states. The social structure is ontologically dependent upon its elements in a way that natural

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<sup>118</sup> A detailed analysis of structuration theory would necessitate a lengthy treatment outwith the scope of the present study. A further difference between empiricists and scientific realists is important enough, however, to merit further discussion. It concerns their competing conception of the nature and requirements of scientific explanation (see Wendt, op cit p353-54). The empiricist or *nomothetic* view holds that explanation of phenomena requires their subsumption under a law-like regularity. In contrast, the realist or *reductive* approach, requires the identification of underlying causal mechanisms which physically generate the phenomena in the first place. As Wendt notes:

"whereas the empiricist explains by generalising about observable behaviour, the realist explains by showing how the (often unobservable) causal mechanisms which make observable regularities possible *work*" (ibid p354). Emphasis in the original.

There are three implications of the different approaches of empiricists and realists for structuration theory:

- (a) Scientific realism concerns the analysis of what practising natural and social scientists in fact do, which is to constantly use abduction to posit causal mechanisms which are possibly unobservable. Scientific realists, unlike empiricists, are not interested in prescribing on the legitimacy of certain research practices as opposed to others.
- (b) Scientific realism can make legitimate use of unobservable generative structures, which are irreducible to, and generate their elements.
- (c) Finally, although problems exist in translating natural scientific practices and discourse directly to the social sciences, the basic scientific realist conception - that scientific explanation consists in the identification of underlying causal mechanisms rather than in making generalisations on observable regularities - does in fact apply to the social sciences.

<sup>119</sup> As for instance in their view of structure as an irreducible entity which generates its elements and their possible transformations.

<sup>120</sup> Bhaskar op cit pp48-9.

structures are not.

Second, social structures are dependent upon human self understandings. They do not, unlike natural structures, exist independently of the agents conception of what they are doing in their activity.

"This discursive quality does not mean that social structures are reducible to what agents think they are doing, since agents may not understand the structural antecedents or implications of their actions. But it does mean that existence and operation of social structures are dependent upon human self understandings; it also means that social structures acquire their causal efficacy only through the medium of practical consciousness and action."<sup>121</sup>

In structuration theory, social structures are ontologically dependent upon, and constituted by, the practices and self understandings of agents. The concomitant of this however, vital to the structurationist approach, is that the causal powers and interests of such agents are constituted and explained by structures, whether external social structures, or internal organisational structures. The internal organisation of an agent has important implications both for the goals it is likely to pursue, and its actual performance. Similarly certain interests, goals and causal powers of agents are dependent upon the external, or social structural context in which they are embedded.<sup>122</sup>

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<sup>121</sup> Wendt op cit p359.

<sup>122</sup> Ibid pp359-61. Wendt notes that: "the causal powers of the state - to maintain control over the resources and violence potential in a given territory, to act in an international environment free of legal compulsion, and so on - are conferred upon it by the domestic and international social structures in virtue of which it is a state in the first place ..... Thus, the *balancer* in a balance-of-power system, or a core state in the capitalist world economy, has certain powers, responsibilities and interests which it possesses only in virtue of its social structural position." (ibid p360). Emphasis in the original.

Therefore in the case of the United States, any examination of its supposed declining hegemony must address itself, in structurationist terms to both the internal and external organisation and social structures. It is possible that the attempted drive by the Reagan administration to re-establish American predominance globally, and leadership within the Alliance, as well as in more specific areas such as armaments collaboration, ignores the external social structures within which the United States is embedded, and which have changed markedly since the era of outright American hegemony in the fifteen years after 1945. Seen in this light, it is unlikely that the resurgence of the United States will re-establish its former predominance.

The innovation of structurationist theory is to posit that agents and structures are mutually constitutive, co-determined entities, which are however ontologically distinct. Structuration theory attempts to avoid the shortcomings of individualist reductionism and structuralist reification by

"conceptualising agents in terms of the internal relations that define them as such, and by conceptualising social structures as existing only through the medium of the agents and practices that they constitute."<sup>123</sup>

Structurationist theory has not, as yet, been developed in any great depth, and especially not in relation to the study of international relations. It does, however, elucidate the relationship between agents and structures as an explanation of state action. As such, structurationist theory echoes the concerns of this study, namely the emergence of multinational cooperation within a high politics issue area, in which states cannot be regarded as the only, or even the most important, structures for bringing about desired outcomes. Account must also be taken of non-state actors, the interaction of domestic and international systems, linkages across issue areas and across the arbitrary functional areas into which international society has been divided, such as politics, economics and so on.

## CONCLUSION

Examination of the contending explanations of regime evolution, maintenance, and change has not delivered, and indeed was not intended to produce, a definitive statement on what constituted a regime, or whether regimes in fact matter in terms of the behaviour of the agents or structures of the international system. Jervis noted in his analysis of security regimes that

"if patterns of international relations can be explained by the distribution of military and economic power among the states, then the concept of regime will not be useful. But if the connections between outcomes and national power are indirect and mediated, there is more room for choice, creativity and institutions to regulate behaviour and

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<sup>123</sup> Ibid p360.

to produce a regime."<sup>124</sup>

It is the contention of this analysis, that enough doubt exists on this problem of connecting national power to outcomes, to validate the study of armaments collaboration as an issue area, exhibiting high political content and cooperative behaviour.

The basic object of the analysis is to examine extant approaches to the emergence and perseverance of cooperation in the international system, in an attempt to ascertain how well they explain such behaviour. It may be objected that the concept of regimes cannot be fruitfully applied to issues of national security and high politics, such as armaments collaboration. Following from the analysis above however, the riposte to such an admonition must be that it is anomalous to attempt to utilise a theoretical concept which explains phenomena in one part of an academic field, but lacks utility in others. The analytical underdevelopment of regime theories can hardly be used as a justification for their lack of utility in areas of high politics.

The following analysis will posit the operation of a regime within the issue area in question. The next chapter will involve a discussion of regime evolution in the armaments collaboration issue area, with special reference to the debate on declining American hegemony. It will be followed by a chapter examining to what extent changes in the said regime can be accounted for by the theories outlined above.

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<sup>124</sup> Robert Jervis "Security Regimes" International Organisation 1982, 36: 357-78, p357.

### CHAPTER THREE

#### REGIME EVOLUTION IN ARMAMENTS COLLABORATION

##### HEGEMONY AND ARMAMENTS COLLABORATION

The debate on the status of the United States' perceived hegemony in the international political economy has produced an apparently perverse classification of the opposing schools of thought on the subject of hegemony within the academic community. Since the late 1960's the accepted wisdom in international relations, and also among many historians and political economists, has held that the United States is undergoing a long term decline in its hegemonic position in the international system. Further, this descent from power is seen as a major determinant of instability and aimlessness in the international political economy.<sup>1</sup> This realist conception, typified in the works of Keohane, Snidal, Gilpin, Wallerstein and Kindleberger to name only the more influential proponents, exemplifies a changing, not to say dynamic, view of the development of the international system.

Strangely however, the groups of writers who have, relatively recently, begun to challenge the conventional wisdom, actually epitomise a conservative view of the prospects for the continuance of American hegemony. Despite this conservative outlook, these analysis remain sufficiently exceptional, to deserve the epithet *radical*, when studied in conjunction with the more conservative *traditionalist* school. Radical scholars such as Strange, Gill, Russett and Arrighi, argue that the United States retains as much, as possibly more, structural influence in the international system as it ever did in the past. Further, the radical critique rejects the *inevitability thesis* of hegemonic stability theorists, by arguing that the United States centrality in the global political economy represents a departure from earlier historic incidences of hegemony, as a result of the very different environment of the contemporary international system. The current American hegemony is, therefore, seen as

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<sup>1</sup> Susan Strange discusses the theoretical bases of the belief that the United States has lost her hegemony in "The Persistent Myth of Lost Hegemony." International Organisation 1987, 41: 551-574.

fundamentally healthy, if not actually immortal.<sup>2</sup>

Before examining contending approaches to hegemonic stability theory, it is apposite to examine the theoretical implications of this debate in the armaments collaboration issue area, and particularly in the process of regime evolution in the North Atlantic area post 1945. The progress of, and prospects for, collaboration in the production of armaments both across the Atlantic and within Western Europe are profoundly influenced by the condition of American hegemony in the international system. This is true both directly in political-industrial terms, but also more indirectly in areas such as economics, technology and finance. If the realist analysis of hegemonic decline is accepted, there is likely to be greater scope for armaments collaboration, both as an attempt by the USA to reduce costs, and due to the incentive it would give the Europeans to increase cooperative efforts lest the Americans cut their overseas commitments. Conversely, if the "radical" assessment of the enduring structural nature of American hegemony is more accurate, there may be reduced scope for collaboration in armaments production. Where one stands on this question depends on where one sits, but a definitive answer presupposes greater in depth study both of the nature of American hegemony, and on the problems of promoting armaments collaboration.

In recent years collaboration in armaments production<sup>3</sup> has come to be seen as the litmus test of a more equitable relationship within NATO. As Strange notes,<sup>4</sup> the security structure which the United States dominates constitutes one of the four sides

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<sup>2</sup> Bruce Russett alludes to this problem in his article "The Mysterious Case of Lost Hegemony; Or, Is Mark Twain Really Dead?" International Organisation 1985, 39: 207-31. He maintains that: "Mark Twain did die eventually, and so will American hegemony. But in both cases, early reports of their demise have been greatly exaggerated." *ibid* p231.

<sup>3</sup> The term production will be preferred throughout the analysis in preference to procurement, since the latter denotes the more restricted process of how particular systems are chosen, rather than the more extensive process of identifying needs, planning, prototype design, testing, financing, research and development which make up the overall production process.

<sup>4</sup> Strange, *op cit* pp565-66. The other 3 sides of the structure of the pyramid of American hegemony are deemed to be; first influence and control of knowledge, information and communication. Second, determining the structure of finance and credit, and finally controlling the system of production of goods and services. These structures are not unique to regimes according to Strange, but apply equally to families, villages and the world at large.

of the pyramid of American structural hegemony. Notwithstanding the debate on the status of the said hegemony, armaments collaboration represents an important aspect of one of these four supporting sides. It is the contention of this analysis that the experience of armaments collaboration within the *Atlantic Community* over the past 30 years may highlight some important points for the general debate on hegemony, as well as on the processes of regime formation and change.

The debate has, as Strange further notes,<sup>5</sup> assumed an ideological aspect, inasmuch as the liberal realist consensus chiefly associated with hegemonic stability theory, and the radical critique, both have preconceived notions on the progress of, and prospects for, armaments collaboration as a result of their general differences on the health of American hegemony.

The present analysis will argue that while hegemonic stability theory has some serious deficiencies, which are highlighted by the radical critique, the latter fails to take into account the very real constraints operative on the United States in the contemporary international system. Indeed the radical position may be mistaking a short term, and very conscious increment to American power resulting from the policies of the Reagan administration since 1980, for evidence of their preconceived position that in the long term the basis of American hegemony remains substantially intact.

Neither approach now appears to be a convincing account of American hegemony in and of itself. It is naturally important not to confuse and reify cause and effect in this regard. Maintaining that recent increases in armaments collaboration demonstrate *ipso facto* the decline of US hegemony, is no more defensible than arguing that the failure to achieve greater European cooperation in the production of armaments is evidence of continued American dominance. The armaments collaboration issue area represents only one facet of the hegemony question. It is nonetheless important, in that an analysis of its progress over the past three decades may contribute toward a more complete understanding of the overall picture.

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<sup>5</sup> Ibid pp555-59

After examining the debate on the status of American hegemony, this Chapter will conclude with an analysis of the process of regime evolution in the armaments collaboration issue area, in terms of observable episodes of regime change between 1949 and the present.

### **AMERICAN HEGEMONY: REFLECTIONS ON MARK TWAIN AND KING CANUTE**

It is unexceptional that the conventional wisdom of the decline in American hegemony is under increasingly sophisticated attack within the international relations community. The thesis that American economic, and even military, power has declined in relative terms since its apogee in the decade following 1945 seems to be confirmed by the daily spectacle of American budgetary and trade deficits, and increasing pressure on the defence budget. What are the fundamental causes of these apparent weaknesses? Is the United States on the top of a slippery slope of vanishing hegemony, or do such scenario's underestimate the great extent of American power and influence?

#### **Traditionalist Conventional Wisdom**

To an extent, it is misleading to talk of a traditionalist school or conventional wisdom in relation to hegemony, since the approach denotes a heterogenous body of opinion, revolving around the connection between the hegemon of a system and the stability of the said system.<sup>6</sup> There has been little consensus on the attributes of a hegemon, since certain indicators are poor explanations for the ability of a state control outcomes.<sup>7</sup> A body of theory has, however, been developed, which purports to explain what constitutes a hegemon, and how hegemonic power is used. It is known as hegemonic stability theory. As Duncan Snidal notes:

"The theory (of hegemonic stability) to state it baldly, claims that the presence of a single strongly dominant actor in international politics leads to collectively desirable outcomes for *all* states in the international system.

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<sup>6</sup> Ibid p554

<sup>7</sup> Russett appears to be the first writer in this context to stress the fundamental distinction between a state's power base and its ability to control outcomes. Russett op cit p208. David Baldwin stressed the importance of the "policy contingency framework" in his "Power Analysis and World Politics: New Trends versus Old Tendencies" World Politics 1979, 2:161-193.

Conversely, the absence of a hegemon is associated with disorder in the world system, and undesirable outcomes for individual states."<sup>8</sup>

The theory has assumed two different forms. The strong version contends that a hegemon will exert its power to impose stability within the global political economy. The weak version, on the other hand, allows that while a hegemonic power is a necessary precondition of order, it is not always sufficient, since disorder and instability can still occur in the system in spite of the presence of a hegemonic actor.<sup>9</sup> Snidal has pointed out that it may be simplistic to equate to lack of a hegemonic actor with instability, or the presence of such an actor with stability. Hegemons are capable, according to this thesis, of using their power and influence in a number of ways. The hegemony exercised may be beneficent, using example and persuasion, it may be beneficent but exercised with recourse to coercion, or it may simply be coercive and exploitative.<sup>10</sup>

Proponents of hegemonic stability theory frequently exhibit a favourable view of the post war period of the *pax Americana*, regarding it as beneficial not only to Western interests, but to those of the international system as a whole. The formation of many international regimes during the American hegemony is frequently cited as evidence of the ability of the United States to use a combination of coercion, persuasion and her centrality in the global political economy, to promote her own interests as well as stability and continuity in relations between states and other transnational actors.<sup>11</sup>

Increased disorder in the international system came to be associated, to hegemonic stability theorists, with the relative decline in American power. The apparently aimless and humiliating nature of American foreign policy during much of the 1970's

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<sup>8</sup> Duncan Snidal "The Limits of Hegemonic Stability Theory." International Organisation 1985, 39: 579-614. Emphasis in the original.

<sup>9</sup> Strange, op cit pp554-55.

<sup>10</sup> Duncan Snidal "Hegemonic Stability Theory Revisited" in Robert Gilpin US Power and the Multi-national Corporation: The Political Economy of Foreign Direct Investment. 1975, New York: Basic Books p34.

<sup>11</sup> For example see Stephen Krasner (ed) International Regimes. 1986, Ithaca NY: Cornell University Press.

coincided with an increasingly unstable international political economy. The destruction of the Bretton Woods financial system, established in the immediate post World War Two period, and the move toward the non-convertability of the dollar for gold in 1971, appeared tantamount to an admission of defeat by the United States. A casual link between increased instability and dwindling American power was quickly assumed by hegemonic stability theory.<sup>12</sup>

The loss of Britain's hegemony in the early part of the 20th Century was seen in this context as a profoundly disturbing example, since it was believed to have contributed to the outbreak of World War One. Similarly, the failure of any one state to establish itself as a hegemon in the inter-war period was regarded as contributing toward the deepening of the Great Depression, and to the outbreak of World War Two.<sup>13</sup>

Concern on the possible dangers of hegemony in the international system are frequently mitigated with reference not only to the dangers of anarchy in a non-hegemonic situation, but also to the concept of non-selfish leadership. This altruism is regarded as a precondition for the provision of certain institutional public goods, such as free trade, requiring the direction of a *benevolent despot*.<sup>14</sup>

"Thus hegemonic stability theory provides a strong normative justification for maintaining that American decline is unfortunate from the perspective of all the members of the international system."<sup>15</sup>

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<sup>12</sup> See, for example, Snidal 1985 op cit p581 fn.1; Strange op cit p555.

<sup>13</sup> Kindleberger saw the Great Depression as a systemic episode, rather than as the fault of the United States, although he believed that America's lack of action exacerbated the problem. Charles P Kindleberger The World in Depression 1929-1939. 1973, London: Allen Lane, pp291-94. As Strange notes, op cit p556; "What such an integrated financial system really needed at such times of crisis .... was a leader or hegemon, which would maintain an open market for other countries' surpluses, especially in primary products. The hegemon would also maintain a steady outflow of capital for productive investment and, as international lender of last resort, would keep an open discount window for distressed banks." See also Paul Kennedy The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500-2000. 1988, London: Unwin Hyman, especially pp151-158 on Great Britain as hegemon, pp224-232 on her pre-1914 position, and Chapter 6 pp275-346 on the coming of the Bipolar World.

<sup>14</sup> Kindleberger op cit Chap 14, also "Systems of International Economic Organisation" in David Calleo (ed) Money and the Coming World Order. 1976, New York: New York University Press, by the same author.

<sup>15</sup> Snidal op cit p580

Realist conventional wisdom in international relations is informed by an essentially Weberian conception of hegemony as *power over*,<sup>16</sup> which colours the way in which problems involving changes in hegemony are posed and theorised. To realist commentators, American hegemony is in decline, and this process is inevitable as the lesson of historic hegemonies demonstrates.<sup>17</sup> This belief has done much to stimulate interest in the ability of regimes, or cooperative action, to substitute for a single actor hegemony.<sup>18</sup>

What are the roots of the realist understanding of hegemony? Taking the Weberian definition referred to above as benchmark, realists equate hegemony with the dominance of one state in the inter-state system. The unequal distribution of political, economic and military capabilities will have important effects on the ability of a given state to impose its will on others, although it is accepted that a distinction must be made between potential and realised state power.<sup>19</sup>

Realist views on power have considerable utility in examining aspects of interstate relations and foreign policy, but their overt concentration on state rather than civil society, weakens their applicability to the role of non-state organisations and forces which transcend national boundaries. Their narrow view of the state refers to the institutional arrangements producing order as a result of the monopoly of legitimate coercive leadership capabilities, rather than to the state as more broadly understood, signifying the polity as a whole.<sup>20</sup> In realist terms orderly peaceful relations

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<sup>16</sup> Stephen Gill "American Hegemony: Its Limits and Prospects in the Reagan Era" *Millenium* 1986, 15:311-36.

<sup>17</sup> The most recent exposition of the inevitability of hegemonic decline can be found in the work of the historian Paul Kennedy, who examines the collapse of great powers over the past 5 centuries. See *The Rise and Fall of the Great Powers*. 1988, op cit pp514-535,

<sup>18</sup> For the theoretical basis of the realist approach, see Robert Cox "Social Forces, States and World Orders: Beyond International Relations Theory." *Millenium* 1981, 10: 126-55, particularly pp130-35.

<sup>19</sup> See Gill, op cit p313.

<sup>20</sup> Cox op cit p126 for example asserts that: "the distinction between state and civil society made practical sense in the eighteenth and early nineteenth centuries, when it corresponded to two more or less distinct spheres of human activity or practice: to an emergent society of individuals based on contract and market relations which replaced a status based society, on the one hand, and a state with functions limited to maintaining internal peace, external defence and the requisite conditions for markets on the other .....

between actors require the constant use, or threat of use, of sanctions or rewards by one of the actors who is relatively more powerful. In the domestic arena such an actor will be the state, but in the international arena the corresponding actor will be the hegemon. This is necessary since in a Hobbesian *state of nature*, which the international anarchy is deemed to represent in this view, order must be imposed and cannot simply be expected to develop in a vacuum.

Wallerstein sets out an important definition of hegemony in a collection of essays on the capitalist world economy. He regards hegemony as a continuum, rather than a static state of being, within the general rivalry in the positions of the great powers.<sup>21</sup> Hegemony is seen as a rare and unstable situation;

"in which the ongoing rivalry between the so-called *great powers* is so unbalanced that one power is truly *primus inter pares*; that is one power can largely impose its rules and wishes (at the very least by effective veto power) in the economic, political, military, diplomatic and even cultural arenas. The material base of such power lies in the ability of entire enterprises domiciled in that power to operate more efficiently in all three major economic areas - agro-industrial production, commerce and finance."<sup>22</sup>

American hegemony in the post 1945 era is viewed by realists against this background of studies in the rise and fall of previous hegemonies, and the sequence in which the hegemon attains, and subsequently loses its position. If hegemony is seen as the ability to maintain an order in the international system conducive to continued domination by a state with superior utilisable resources of power, then hegemonic decline must similarly involve a range of factors exhibiting the inability of the hegemon to perpetuate its dominion.

A number of studies, including those of Wallerstein on the United Provinces (Dutch)

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Today however, state and civil society are so interpenetrated that the concepts have become almost purely analytical and are only very vaguely and imprecisely indicative of distinct spheres of influence."

<sup>21</sup> Immanuel Wallerstein The Politics of the World Economy: The States The Movements and the Civilisations 1984, Cambridge: Cambridge University Press, p39.

<sup>22</sup> Ibid pp38-9.

hegemony in the seventeenth century, which he applies to the nineteenth century British and twentieth century American cases,<sup>23</sup> Gilpin on the rise and fall of various empires, great powers and hegemonies throughout history,<sup>24</sup> and particularly the seminal work of Braudel,<sup>25</sup> have examined the development of hegemonies. The latter portrays the relationship between social forces, and the changing nature of relations within and between the state and global systems, on a vast canvas encompassing the whole world. Braudel suggests that there is a pattern in the rise and decline of hegemonies. The only considerable change observable in the modern era is in the relative speed of the process. Whereas in the pre-modern period many centuries might be needed for the rise and decline of a hegemony, the same phenomenon in the contemporary international system for the American hegemony is deemed to have taken little more than a generation.<sup>26</sup>

As both Gill and Wallerstein note,<sup>27</sup> the historic pattern has been of superiority in agriculture and industry, leading to dominance in commerce and invisibles such as transport, communications and insurance. Commercial primacy in turn leads to control of the financial sector. This process is the bedrock upon which hegemony is constructed. However;

"At some point in the evolution of hegemony the costs and benefits of expansion reach an equilibrium, and thereafter a tendency emerges for the costs of maintaining the status quo to rise faster than the capacity of the dominant state to finance its maintenance."<sup>28</sup>

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<sup>23</sup> See I Wallerstein The Modern World System Vol 2, 1980, New York: Academic Press, especially pp 38-39; also Wallerstein 1984, op cit pp39 - 43. Wallerstein believes that these are the only true hegemonies which have emerged. In addition see Mark E Rupert and David P Rapkin "The Erosion of US Leadership Capabilities" in P M Johnson and W R Thomson (eds) Rhythms in Politics and Economics. 1985, New York: Praeger.

<sup>24</sup> Gilpin, 1975 op cit pp156-79.

<sup>25</sup> Fernand Braudel Civilisation and Capitalism 15th - 18th Century, 3 Vols, 1984, London: Collins.

<sup>26</sup> Gilpin op cit pp157-66, contends that the *pax Americana* began to decline after barely 40 years.

<sup>27</sup> Gill op cit pp 314-16, Wallerstein 1984 op cit pp37-50.

<sup>28</sup> Gill *ibid* p314. See also Kennedy 1988 op cit pp432-35, 525-535.

A number of internal and external factors can be identified as contributing toward the erosion of hegemony. Gilpin offers four major explanations.<sup>29</sup> Two of these are internal and two are external. First is the internal inability of the hegemon to finance its military commitments in the long term, as a result of structural changes in the economy of the state. Stagnation of the domestic economy and loss of dynamism in the face of challenges from rapidly growing, innovative economies abroad, twinned with an over-extended military stance, leads inevitably to fiscal crisis. Budgetary deficits and difficult choices in the priorities for funding and policy making are seen as organically linked to a loss of technological dynamism.

A second and closely related internal change is the movement from agriculture through manufacturing into service sectors of the economy. Again this is held as evidence of loss of dynamism, in that the innovative sectors of the economy come to be less important than the invisible, non-productive service sectors, which cannot serve as motors of technological innovation or competitiveness even if they are profitable.

The remaining two explanations are external but inter-related phenomena. First is the increasing cost of political dominance. The benefits which accrue to the role of hegemonic policeman to the international system are outweighed by the costs, especially in view of the free rider problem in international security.<sup>30</sup> Second is the loss of economic and technological leadership to competitors, who are unburdened by the costs of acting as hegemon, and therefore enjoy better growth rates, lower security costs, a competitive edge, and the ability to take advantage of military and technological innovations which the hegemon has neither the will or the ability to keep to itself.

According to this perspective, hegemony is a temporary and increasingly short term

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<sup>29</sup> Gilpin op cit p179.

<sup>30</sup> Mancur Olson in his analysis of the provision of public goods explained how America's allies could act with apparent impunity as free riders on the security provided by the United States, largely at American expense, in The Logic of Collective Action: Public Goods and the Theory of Groups. 1965, Cambridge Mass: Harvard University Press. See also M Olson and R Zeckhauser "An Economic Theory of Alliances" Review of Economics and Statistics 1966, 48(3): 266-279.

occurrence in the international system. In relation to contemporary American hegemony, the implication is that, not only is this hegemony being eroded, but that the process is inexorable. A combination of the loss of economic primacy and the rise of competing centres of military and economic power, as well as growing American interdependence with the international system, make it apposite to question not *whether* American hegemony is in decline, but *how far* this inevitable decline has progressed.

To realist analysts evidence of hegemonic decline follows from diminution of the ability of the United States to maintain what Kindleberger has identified as the three basic duties of a hegemon. First is the maintenance of a relatively open market, what Strange calls a predisposition toward liberalism.<sup>31</sup> Second is an outflow of capital for investment, and lastly the provision of a stable international currency.<sup>32</sup> Before pronouncing on the utility of realist approaches to hegemony however, it is important to deal with the radical challenge.

### The Radical Critique of Hegemonic Stability

The radical critique of the prospects for American hegemony in the contemporary international system outlines a very different perspective from the traditional hegemonic stability model. An analysis of its main points also usefully highlights, and provides more detail on, the main precepts of hegemonic stability theory. Although hardly numerous, proponents of the radical school are subjecting the conventional wisdom of hegemonic decline to an increasingly challenging and sophisticated critique. Bruce Russett, Giovanni Arrighi, David Calleo and especially Susan Strange are all indicative of the radical challenge.<sup>33</sup> Their findings have

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<sup>31</sup> Strange op cit p536.

<sup>32</sup> Kindleberger maintains that: "the 1929 Depression was so wide, so deep and so long because the international economic system was rendered unstable by British inability and United States unwillingness to assume responsibility for stabilising it in three particulars: (a) maintaining a relatively open market for distress goods; (b) providing counter cyclical long term lending; (c) and discounting in a crisis." Kindleberger, 1973 op cit pp291-92. See also Chap 14 passim for a more detailed discussion.

<sup>33</sup> Russett, 1985 op cit; Susan Strange "Interpretations of a Decade" in Loukas Tsoukalis (ed) International Relations in the 1970's. 1985, London: Croom Helm, and her "Still an Extraordinary Power: America's Role in a Global Monetary System" in R E Lombra and W E Witte (eds) Political Economy of International and Domestic Monetary Relations. 1982, Ames IO: Iowa University Press. Strange also contributed the

thrown a considerable degree of doubt on the validity of hegemonic stability theory.

To radical analysts there are significant structural continuities in the character of American hegemony in the post 1945 period. Despite an admitted decline in the "material aggregates of US power",<sup>34</sup> the very scale and centrality of the American political economy allows the USA to exert extensive and continuing influence within the global system. Indeed, Stephen Gill argues that American hegemony and its centrality in the global political economy has been re-emphasised and even, in certain important respects, enhanced.<sup>35</sup> Further the notion that hegemonic decline is inevitable has been rejected by the radical school, who regard the hegemony established by the United States as distinct from previous patterns. The *pax Americana* is seen as being of an altogether more comprehensive and permanent kind than its precursors. What indications of this longevity can be discerned however?

The most important factor, as recognised by Gill, is the ability of the hegemon to control outcomes,<sup>36</sup> or as Deutsch puts it, the ability to "prevail in conflict and overcome obstacles."<sup>37</sup> To an extent unprecedented in world history, the United States was able to use her overweening, if not absolute dominance in the immediate post-war period<sup>38</sup> to establish the parameters of the liberal international economic order (LIEO). The fundamental characteristics of the capitalist system which so

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solitary dissenting article in an otherwise traditionalist orientated special issue of *International Organisation*, "Cave, Hic Dragones! A Critique of Regime Analysis" *International Organisation* 1982, 36: 479-96. See in addition her "The Persistent myth of Lost Hegemony" 1987 op cit; Giovanni Arrighi "A Crisis in Hegemony" in S Amin, G Arrighi et al *Dynamics of Global Crisis*. 1982, New York: Monthly Review Press: 55-108; Stephen Gill 1986, op cit; David Calleo *Beyond American Hegemony: The Future of the Western Alliance*. 1988, New York: Basic Books.

<sup>34</sup> Gill *ibid* p311.

<sup>35</sup> *Ibid* p312.

<sup>36</sup> Gill op cit p321; Russett op cit p213 contends that: "surely it is control over outcomes that really interests us. If we are to have a matter worth investigating, we must identify hegemony at least with success in determining and maintaining essential rules, not merely with power base or resource share. Hegemony is a condition ..... in which one state is powerful enough to maintain the essential rules governing interstate relations, and willing to do so.

<sup>37</sup> Karl Deutsch *The Analysis of International Relations* 2nd edn 1978, Englewood Cliffs NJ: Prentice Hall.

<sup>38</sup> Wallerstein 1984 op cit pp37-44, notes that total omnipotence cannot exist within an interstate system.

dominated the international economy, was a reflection of American ideals, supported by the integral strength and stability of the US system, her lack of domestic damage as a result of war, and her vastly greater relative strength compared to other actors in the system in 1945.<sup>39</sup> The United States had delivered to the international community, security, in terms of peace among the advanced industrial states, and prosperity in the sense of developing and maintaining the conditions for, and the regimes which supported the LIEO.<sup>40</sup>

Russett discusses the pacification of relations among capitalist states, and the existence of a *de facto* security community among the OECD states. While conceding that the stable peace between the capitalist states, and between the superpowers has been of little benefit to the Third World, Russett argues that it has allowed transnational expansion of corporations into the less developed states within a reliable legal framework. In addition, certain states and elites have benefitted from the resulting development. Although the system is far from perfect, it is argued that it does demonstrate the continued centrality of the United States, and American multinational corporations over an extended period. Finally, superpower deterrence, even if it cannot be characterised *strictu sensu* as a regime, exhibits the centrality of the USA in establishing norms and rules of behaviour. Russett goes as far as to claim that:

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<sup>39</sup> Immanuel Wallerstein "The Reagan Non-revolution, or the Limited Choices of the US" *Millenium*. 1987, 16: 467-72. Wallerstein concentrates on American hegemony in relation to four arenas; the United States itself, the Third World, the USSR and Communist bloc, and other industrialised democracies. He argues that hegemonic control of all four areas began to diminish in the late 1960s and that the so called Reagan revolution has failed: "The lesson of the Reagan era is that machismo as a response to US decline is certainly not more, *and probably a lot less*, effective than the Nixon-Ford-Carter realist approach. Objective reality sets limits on policy makers. One can defer negatives, minimise losses, manoeuvre to retain some (if less) advantage, but one *cannot* command the waves to halt" *ibid* p472. Emphasis in the original. Hegemonic dominance in relation to the USSR and Eastern Europe signifies the ability to contain the spread of communism. The acceptance of the Iron curtain across Europe meant that American hegemony could do little to help communist dominated satellites, except insofar as this weakened the Soviet Union. The end of the Cold War changes the rules in this regard.

<sup>40</sup> Arrighi *op cit* p77 notes that: "The pacification of capitalist interstate relations and the imperial guarantee against nationalisation created a reliable world legal framework which reduced the risks of transnational expansion; decolonisation opened up the entire periphery to primary transnational expansion based on competitive advantage rather than monopolistic privileges with which rival metropolitan states had increasingly enmeshed their colonial possessions; the gold-dollar standard restored the possibility of capitalist accounting on a world scale, thus enhancing secondary transnational expansion which depends decisively upon reliable calculations of the cost advantages of alternative locations of production."

"The element of building rules and norms was especially important during the era of detente, and then it seems the term regime fits as well as it does in its wide implication in political economy."<sup>41</sup>

In terms of international prosperity, or even more broadly the economy, the achievement of the United States lay in forcing the pace of decolonisation of the Third World, opening new markets and raw materials to the capitalist system. Similarly, the USA succeeded in containing the spread of communism into her major allies in Western Europe, Japan, and the Mid-East, dominating the United Nations for a long period, and assisting the economic recovery of her allies. As the "most efficient capitalist",<sup>42</sup> the United States engineered the regimes in international trade and finance, and in security, creating thereby enormous economic opportunities on an international scale. The USA was naturally, and according to the revisionist school remains, at the hub of the system.<sup>43</sup>

Despite growing complex interdependence with her allies in Europe and Japan, and their growing relative strength, the balance remained in favour of the United States.<sup>44</sup> Revisionist scholars have proposed the existence of an *organic alliance* structure between these states by virtue of their common security systems, and

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<sup>41</sup> Russett op cit p217. It might be argued that it is not possible to be hegemonic and part of a dualistic relationship, such as the US-USSR duality. In this case however, the USSR plays such an insignificant part in the international political economy that it cannot be characterised as being in the same league as the United States in hegemonic terms. Whatever her military strength, the Soviet Union is hardly capable of replacing the USA as hegemonic power.

<sup>42</sup> Russett op cit p218.

<sup>43</sup> Wallerstein 1987, op cit pp469-70 notes: "The institutionalisation of US hegemony worked marvellously well in the 1950's, the Eisenhower days. The world economy was steadily expanding and the US was economically flourishing. The standard of living of almost all strata was rising. Internal dissent was first crushed, then coopted out of existence. On the world scene, the US construction of its alliance network and its containment of the USSR was translated into the very visible automatic majority on everything in the United Nations. There was to be sure a very nasty war in Korea, but it was a draw and could be seen as the last part of a phase establishing hegemonic institutions, not really a challenge to them. Decolonisation had gotten off to a splendid start in the British, Dutch and US empires ..... and to somewhat weaker start in the French. Generally speaking, despite Bandung, US benign neglect of the Third World seemed to be working."

<sup>44</sup> See R Keohane and J Nye Power and Independence: World Power In Transition 1977, Boston: Little Brown.

politico-economic interdependence.<sup>45</sup> Gill believes that a subsidiary effect of this, apart from facilitating the expansion of (mainly American) transnational corporations, was to ensure the growth of the military-industrial complex in the USA, which assumed an increasingly important part in the American economy and polity. Taken together, these powerful vested interests perverted the model of liberal democracy. Capitalism became, in the eyes of many, oligopolistic and militarist, supporting a foreign policy which gave succour to dictatorships and repression, rather than promoting liberal-democracy.<sup>46</sup>

The creation of an institutionalised political framework for world capitalism virtually presupposed US hegemony.<sup>47</sup> The novel factor according to the revisionist critique, and where they diverge from the realist model, is that the organic alliance, based upon the dovetailing of political, economic and military structures of the advanced capitalist states, implies a structural change in the process of international relations, exhibiting considerable continuity in US hegemony. As Gill notes:

"central to this was the compromise between the gradual liberalisation of the world capitalist economy and the interventionist imperatives of domestic social democracy, and a general military commitment to contain the spread of Soviet communism. This congruence enabled the institutionalisation of US hegemony, and the careful construction and maintenance of international regimes embodying the principles and values favourable to the US."<sup>48</sup>

In short, a series of trade-offs were operative between the USA and her allies, involving pragmatic compromises on both sides. The end result, however, was

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<sup>45</sup> See Gill op cit pp321-22; and Russett op cit pp217-18.

<sup>46</sup> Gill op cit p322.

<sup>47</sup> Arrighy (1982, op cit p65) considers that US hegemony derives from a number of factors, including: the core position of the US national economy in the global economy, its internal reserves of energy and natural resources, the great size of its internal market and the density of its contacts and their complexity with other capitalist economies. There is according to these factors a basic asymmetry between the US economy and other national economies, since conditions in the US economy affect those abroad much more than vice-versa. This asymmetry remains, although in a lessened form, and in any case, Arrighy attributes any decline in US hegemony not to a diminution of US power, but to external factors.

<sup>48</sup> Gill op cit p322.

institutionalised US political and security domination, tacitly accepted by the other states, as long as the Americans were willing to turn a blind eye to their free-riding on US military commitments. This allowed the Europeans and Japanese to divert scarce resources to social welfare expenditure, research and the promotion of their economic welfare.

Clearly radical analysis of contemporary American hegemony represents a fundamental challenge to one of the accepted phenomena of international relations. If, as radical doctrine insists, US hegemony remains substantially intact, the implications are profound. The radical critique raises a number of important questions for traditional realists to ponder, even if it is, as yet, somewhat underdeveloped theoretically.

Perhaps the most fundamental of these points, refers to the concomitants of a decline in hegemonic power. According to the radical schema, it ought logically to be the case that if conditions of decline actually pertain, then relations among the industrialised countries should change, and that the organic alliance referred to above would exhibit breakdowns, or at least a shift in balance away from the declining hegemon. To radicals, this has not happened, and is strong evidence against the realist perception. Although realists emphasize the mitigating roles played by regimes, international organisations and domestic political systems in promoting continued cooperation in conditions of lost hegemony,<sup>49</sup> radicals insist that some change should still be evident if the realist case holds true.

Russett argues, on the contrary, that despite common problems, the bases of the organic alliance can hardly be said to be less strong than in the past. Continued US nuclear predominance over her allies, their inability to establish their own nuclear deterrent on a joint basis and possible development of ballistic missile defence (BMD) systems by the superpowers, actually increased US bargaining power *vis-a-vis* her

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<sup>49</sup> See Keohane *op cit* p34.

Western allies,<sup>50</sup> certainly in the pre 1989 context.

Another point put forward by radicals is that the structure of a relatively open world economy has not been significantly challenged. It remains relatively intact. Out and out trade wars have been quite rare, and despite voluntary export curbs, particularly by the Japanese, the increased pressure has not led to any major derogations from the basic principles of trade liberalisation, GATT, and the convertibility of currencies.<sup>51</sup> If the United States can no longer exert unilateral pressure to obtain her preferred goals, radical analysis attributes this to the adoption of a more realistic mixed strategy, which combines elements of multi-lateral cooperation, unilateral action and increasingly, bi-lateral agreements, within a general framework of continued American dominance. The hegemony may be more indirect, more diffuse and flexible than in the past, but this is, according to radicals, the result of a conscious American decision. Such a strategy is regarded as more efficient and effective in the long term, rather than being indicative of weakness or imperial overstretch on the part

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<sup>50</sup> Russett op cit pp219-20. It is notable in this context that Strange, 1987 op cit pp565-66 includes security structures as one of the four fundamental props of hegemonic power, noting: "The fundamental asymmetry in the security structure of the non-communist world that is often and easily overlooked in contemporary discussion of international economic issues ..... The preponderant power of the United States in the security structure operates on land, at sea, in the air and (most markedly) in space. There is no comparison between such a universal basic force and the very limited naval preponderance which was the main backing to British economic power in the earlier period of supposed hegemony." *ibid* p566.

<sup>51</sup> Keohane (op cit p213) accepts that trade wars have not taken place despite economic distress and an erosion of the trade regime, but attributes this to the actions of mitigating factors and growing complex interdependence. Susan Strange has pointed out that world trade since 1945 has fallen only once, in 1982, and then by a scant 1%. Further the increase in world trade, adjusted for inflation, between 1973-83 was between 6 and 7%, whereas between 1926-35 it dropped no less than 28%. See "Protectionism and World Politics." *International Organisation*. 1985, 39 *passim*. Strange also analysed (1987 op cit pp566-71) continued US dominance of the worlds' production structure, finance and credit availability and "knowledge structure".

Russett notes that: "The United States can use the attractiveness of its financial markets, with high interest rates to finance its military build up with other peoples money." op cit p220.

It can be argued that huge American budget deficit is, in fact, an American tactic to finance her continued dominance by using external sources, since she is unwilling to increase taxation to do so at home. David Calleo argues that successive American administrations have attempted the impossible, to finance military supremacy and national welfare programmes with inadequate budgetary resources. See his *The Imperious Economy*. 1982, Cambridge Mass: Harvard University Press. Also David Calleo, Harold van B Cleveland and Leonard Silk "The Dollar and the Defence of the West" *Foreign Affairs* 1988, 66:846-62.

of the USA, leading to a retrenchment as the realists insist.<sup>52</sup>

The radicals have also heavily criticised the realist analysis of institutions and regimes, especially in respect of their use of collective goods theory. Russett insists that:

"the characterisation of hegemonic American as predominantly supplying itself and others with collective goods is inaccurate. Even for those goods which can be correctly called collective, the United States has not paid at all disproportionate costs."<sup>53</sup>

Much of the literature on regimes characterises US support for regime building as the result of enlightened self-interest, that is a mixture of self-interest in terms of procuring private goods for its own enjoyment, but also altruism in subsidising the provision of collective goods for other states. The implication is that the USA was prepared to pay quite a high price in the immediate post 1945 period to establish a system which would prevent another war, and return the investment in long term benefits.<sup>54</sup>

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<sup>52</sup> Gill op cit pp315-16. It should be noted that whereas both realist and radical analysts see the emergence of a more flexible, mixed strategy on the part of the United States in its relations with the industrialised states, and its attempts to maintain the LIEO, this new strategy is seen to have developed for very different reasons. To realists such as Keohane, it reflects inevitable hegemonic decline, and the constraints of interdependence, leading the USA to adopt a more cooperative strategy to maintain its political and economic hegemony and the stability of the international system. (R Keohane After Hegemony: Cooperation and Discord in the World Political Economy 1985, Princeton: Princeton University Press particularly Chapter 4 "Cooperation and International Regimes" pp49-64).

To radical analysts however, the new strategy, although accepting a relative decline in US power, is simply a logical response to changing circumstances in the international system. It does not *ipso facto* represent a loss of the said hegemony, rather a more efficient use of US resources from a position of entrenched, structural dominance, the basis of which has not substantially altered. (Gill op cit pp320-22). American hegemony represents, in this light, a new chapter in world history, such that "(The Gramscian metaphor) of an organic alliance implies that US post war policies have produced a structural change in international relations, one that has a great deal of permanence and continuity." (ibid p322).

<sup>53</sup> Russett op cit p231. See also Gill op cit pp222-28. This conception also casts serious doubt on the perennial problem of burden sharing, and American complaints that the Europeans are "free-riding" on American defence efforts.

<sup>54</sup> Keohane After Hegemony. op cit p270, and "The Demand for International Regimes." International Organisation 1982, 36: 325-56; B M Russett and J D Sullivan "Collective Goods Theory and International Organisation" International Organisation 1971, 25: 845-65. See also the special edition of International Organisation (Spring, 1982) on regimes, later published, edited by Stephen Krasner as: International

As Russett notes, the application of collective goods theory to the construction of regimes involves a number of questionable implicit assumptions.<sup>55</sup> First is that the collective good will be provided to a sub-optimal degree, since even a hegemon will be unable to force other members to pay adequate contributions toward the provision of the goods. Second, the cost of providing these goods will be carried to a disproportionate degree by the hegemon, despite the goods being as important to the free-riders as they are to the hegemon.

Lastly is the common indirect application of collective goods theory to questions of hegemonic stability, which holds that the hegemon must be willing to shoulder the short term costs typically incurred in the provision of collective goods (even if these are unequally distributed), in order to ensure the long term gains.<sup>56</sup> To realist analysts the United States has, increasingly, neither the ability nor the will, nor indeed the resources necessary to act as hegemon. America has weakened herself by bankrolling those unwilling to share the costs of providing collective goods.

According to radical analysts however, this approach represents a faulty application of collective goods theory, and a misperception of the extent to which the goods at stake are not public, but private.<sup>57</sup> A collective (or public) good must fulfil two basic criteria. One, it must exhibit *nonrivalness*, which means that it must be able to be enjoyed simultaneously by different actors, such that no individual's consumption of the good will lead to a reduction in the supply available to others.<sup>58</sup> Second, the collective good must exhibit *nonexclusiveness*. This involves the inability of actors to prevent non-contributing actors from participating in the collective good. This is likely to depend both on the technical characteristics of the goods in question,

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Regimes. 1986 (4th edn) London: Cornell University Press.

<sup>55</sup> Russett, 1985 op cit p223.

<sup>56</sup> Deterrence, security communities and the LIEO have all been characterised as long term collective goods which merit considerable initial investment. Joseph Nye, in "US Power and Reagan Policy" *Orbis* 1982, 26:391-412, makes the important distinction between long term, irreversible and short term, reversible causes of the relative US decline.

<sup>57</sup> Russett 1985, op cit pp223-24. See also Snidal op cit pp590-95.

<sup>58</sup> Nonrivalness is also known as "jointness of supply", *ibid* pp590-91.

and more importantly, on the nature of the political order in which they are produced.<sup>59</sup> Private goods lack both of these qualities.

In practice of course, it is virtually impossible to find any collective goods which are perfectly nonrival or nonexclusive. Rather, the goods must be conceptualised as lying along a continuum, being either more or less nonrival or nonexclusive. Radical analysts have held that the collective goods of deterrence, stable peace, and the liberal trading order, when seen in these terms, represent not only goods which are *private* to the United States, but that as a result, the conclusion that US hegemony is declining, is illogical. The American ability to secure these goods remains strong.<sup>60</sup>

The stable peace operative especially among the industrialised states, can be characterised as nonrival (although the literature of the *dependencia* theorists would argue that the peace in the industrialised "North", has been achieved by the exploitation of the Third World or "South").<sup>61</sup> It can hardly be seen as nonexclusive however, since the decision can be made to exclude certain areas or individual actors.

In examining prosperity, as represented by an open world economy, a mixture of rival and nonrival components can be discerned. An open international trading system, with prosperous, stable and expanding markets produces general prosperity, which is nonrival. In a capitalist system however, competition will ensure that certain actors will suffer, and others will profit from this; which is therefore not nonrival. Similarly, prosperity has exclusive and nonexclusive elements. States may refuse to trade with other states, or introduce *most favoured nation* systems<sup>62</sup> or free trade agreements. Also, even in a relatively open economy, quotas and common markets

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<sup>59</sup> Ibid p592.

<sup>60</sup> Russett 1985 op cit pp223-24.

<sup>61</sup> On the *dependencia* school, see the special edition of International Organisation 1978, 32:1, entitled "Dependence and Dependency in the Global System". See also Tony Smith "The Underdevelopment of Development Literature" World Politics 1979, 31: 247-288. One of the earlier *dependencia* theorists was André Gunder Frank who wrote: On Capitalist Underdevelopment 1975, Bombay: Oxford University Press and Dependent Accumulation and Underdevelopment 1978, London: MacMillan.

<sup>62</sup> A A Stein "The Hegemon's Dilemma: Great Britain, the United States and the International Economic Order." International Organisation 1984, 38: 355-86.

may still exclude certain actors from the enjoyment of the collective good.

Deterrence cannot be characterised as exclusively nonrival or nonexclusive either, although it satisfies both criteria to an extent. However, deterrence is an element of security,<sup>63</sup> and must be twinned with the willingness to defend, and defence is much more of a private good. Defence can be seen as rival, as for instance during the Vietnam War, when the Europeans voiced concerns that the US preoccupation in South East Asia adversely affected European security. In addition, areas can be excluded from a defensive or deterrent agreement.

As Rasler and Thompson have noted,<sup>64</sup> there are particular private benefits for a commercially extended hegemon, such as the USA in providing defence for others, which have little to do with an altruistic desire to provide collective goods.<sup>65</sup> There is a strong incentive for states to provide their own security by substantial investment of resources, due to the private goods nature of defence. Further, such provision pays important indirect dividends including internal security, stimulation of high technology industries, employment among defence contractors, exports of military equipment, and even more unquantifiable effects such as prestige. Therefore, although certain aspects of security policy can be regarded as collective goods, this is not the major incentive for a state to allocate resources to its defence.<sup>66</sup>

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<sup>63</sup> Russett 1985, op cit p224.

<sup>64</sup> Karen Rasler and W R Thompson "Global Wars, Public Debts and the Long Cycle" World Politics 1983, 36: 489-516.

<sup>65</sup> Susan Strange (1987, op cit p562) characterises American liberalism, and therefore willingness to provide collective goods, as expedient rather than altruistic: "it is hard to see American liberalism in the 25 years after World War II as genuine doctrine rather than as an ideology, that is a doctrine to be used when it was convenient and filled the current perception of national interests and one to be overlooked and forgotten when it did not. Moreover, if it were a genuine doctrine, it is hard to explain why it should have been quite so summarily abandoned in the space of about five years between 1968 and 1973." *ibid* p562.

<sup>66</sup> It is important to take into account the argument put forward by Rasler and Thompson in "Defence Burdens, Capital Formation and Economic Growth." Journal of Conflict Resolution, 1988, 32(11): 61-86. This notes that military expenditure is a relatively inefficient method of financing growth and capital formation in the hegemon. This echoes the concern about the concomitants of a military industrial complex on the American economy, and recent doubts about the utility of the funds used for SDI research as a motor for innovation and growth in non-defence industries. Despite these concerns however, benefits do accrue to such expenditure, even if not in the most efficient way.

Gill introduces a potentially important point when he notes that, despite the congruence between the interpenetrating political, economic and social structures of the advanced industrial economies already referred to above,<sup>67</sup> there was no similar relationship in the relative strengths of the states involved. The congruence:

"did not however, extend to the capacity for mobilising resources for military purposes. What in fact may help to explain the security *regime* is a hierarchy of force activation, or capacity to mobilise resources. In this hierarchy the US was predominant followed by the former imperial powers of Britain and France, and with West Germany, Japan and the smaller European countries mobilising a relatively small part of their GNP for military spending. The key contrasts are between the US, the biggest capitalist economy and military power, and Japan and West Germany. The latter are the second and third largest capitalist economies, but both are third rank military powers."<sup>68</sup>

Once again this has implications for the hegemonic position of the USA. The radicals already believe that the USA was fundamentally motivated in its support for regimes, and in assuming the burdens of hegemon, not by altruistic concerns (although these undoubtedly played a part), but by self interest. In terms of the security community, the continued American dominance is evident to the radicals when an analysis is made of US spending on military research and development (R & D), especially in light of America's dominant position in the hierarchy of force activation mentioned by Gill above.

Figures show that US private enterprise accounts for almost 50% of all non-military research and development spending in the OECD. When US military R&D (which itself accounts for 28% of the total American R&D budget) is taken into account, this figure jumps to over 60% of the OECD total R & D expenditure. Further, American R & D expenditure as a percentage of her GNP exceeds that of both Japan and West Germany by a ratio in excess of 3:1.<sup>69</sup> The Reagan administration has greatly

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<sup>67</sup> Previously discussed above p71.

<sup>68</sup> Gill op cit p322. Emphasis in the original.

<sup>69</sup> Figures from P Marsh "A Disturbing Outlook" The Financial Times 3rd Dec 1985.

increased funds available for scientific education and basic research, in addition to granting generous tax incentives for R&D in an attempt to encourage technological innovation.<sup>70</sup>

The huge scale of US investment, and the role of the Pentagon in promoting what has come to be known as the military-industrial policy of the USA, exhibits considerable grounds to believe that the Americans remain dominant in this field, with little apparent hope of the Europeans or Japanese challenging this position.<sup>71</sup> An interesting implication of this, following the work of Harvey, who noted the growing internationalisation of the American economy,<sup>72</sup> is that rather than acting as a constraint on American policy in line with the complex interdependence model, such internationalisation can equally be seen as giving the USA a major new opportunity to reassert its dominance. International transactions now amount to one quarter of the US GNP, while in the fifteen years ending in 1985, the nominal value of US international transactions (ie the net figure of all transactions by the American government, residents or foreigners in the USA) jumped from \$146 billion to \$1 trillion in real terms.<sup>73</sup>

As Gill argues,<sup>74</sup> this transnationalisation of the US political economy may in fact provide a springboard for the USA to construct a more liberal and transnational hegemony than was previously the case, and one which is more in keeping with the growth of its giant transnational corporations, and the dynamic nature of the changing

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<sup>70</sup> See Christopher Joyce "Science Under Reagan: The First Four Years" New Scientist 24th Jan 1985: 24-5.

<sup>71</sup> The phrase "military industrial policy" is used by J L Badaracco and D B Yoffie "Industrial Policy: It Can't Happen Here" Harvard Business Review 1983, 6:100. Gill notes (op cit p317) in addition that cooperation between the Japanese and the EEC seems unlikely in the short term, and in any case is probably undesirable to the USA in a realist perspective. The USA has an interest in using Japanese savings, rather than let the EEC use them, and therefore has an interest in both incorporating and dividing its allies, to reassert its political dominance and economic centrality. Gill believes that the likely shift in the emphasis of US foreign policy and trade to the Pacific Basin, will reflect the US desire to reassert its dominance by adjusting to new priorities, making Europe relatively less important in the equation.

<sup>72</sup> J L Harvey "The Internationalisation of Uncle Sam" Economic Perspectives 1986, 10:4, Chicago: Federal Reserve Bank of Chicago.

<sup>73</sup> Idem.

<sup>74</sup> Gill op cit p311, 327-32.

international economic order. The apparent novelty of the radical belief in the continuity of American hegemony, can be partially explained by the realist attachment to the inevitability of hegemonic decline.<sup>75</sup> Since realists regard states as the central referent of the international system, with regimes and IGO's seen as little more than mitigating factors, they assume that the relative decline in American power and influence is a direct concomitant of growing complex interdependence. This assumed linkage, between hegemonic decline and the perceived shift from the centrality of states within the international system, is of prime importance to this study.

The radical response to this position is that the state centric nature of realist models has blinded them to the mixed strategy employed by the United States to achieve its goals. This has always involved, according to the realist school, a mixture of unilateral, bilateral and multilateral methods depending on the circumstances. As a result, the contemporary condition of American hegemony, far from representing an inevitable decline, merely represents a readjustment of this mixture. Whereas unilateral action may be of less utility than in the past, bilateral and multilateral arrangements can still be effectively utilized from a position of entrenched power, to maintain the hegemony by other means.<sup>76</sup>

Taken as a whole therefore, the radical analysis posits that it is impossible, on balance, to claim that the United States "lost out" in the provision of collective goods, and that the costs and benefits are much more evenly balanced than realists imagine. Bruce Russett argues cogently that costs incurred by the United States were more than offset by gains, both in the short and long term:

"The balance sheet of costs and benefits to all parties coupled with a rigorous application of the criteria for collective goods, casts a good

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<sup>75</sup> Ibid p318.

<sup>76</sup> Gill of cit pp316-17 questions the necessity for the United States to develop what neorealists such as Keohane and Nye have called a "collective capitalist" or core-wide approach. This would link reconsolidation of US power at home with careful alliance maintenance and development, as a rational policy dictated by the imperatives of interdependence. Gill believes (op cit p317) that: "they underestimate the capacity of the US to adopt a mixed strategy involving some multilateral cooperation, some unilateralism and the increasing use of bilateralism to maintain US leadership."

deal of doubt on the proposition that the United States provided disproportionate benefits to others. The major goods provided by American postwar hegemony ..... (stable peace, deterrence and the LIEO) were obtained in degrees that were not markedly sub-optimal from the American point of view. The burdens were not grossly unfair to the United States relative to the gains ..... or to the burdens borne by many other non-communist countries."<sup>77</sup>

He continues:

"Indeed, from many radical and even liberal perspectives American aid and rearmament expenditures - both in themselves and as a stimulus in a wider and more open world economy - prevented a repetition of the Great Depression. For Americans it was the ideal outcome: one could do well by doing good."<sup>78</sup>

#### **SUMMARY - THE STATE OF AMERICAN HEGEMONY: MARK TWAIN OR KING CANUTE?**

The radical critique has served, if nothing else, to cast doubt on certain presuppositions of hegemonic stability theory. Chief among these have been the twin assumptions that hegemonic actors are liberal by inclination, and that by virtue of their predominance, can influence or coerce other actors to be more liberal than they might otherwise have been.<sup>79</sup> A growing body of work has criticised the assumed liberal nature of hegemons, both in the case of historical examples, and with reference to the United States.<sup>80</sup> Strange has argued that:

"after the war, when the United States used its persuasive powers, backed by

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<sup>77</sup> Russett op cit p227.

<sup>78</sup> Ibid p228.

<sup>79</sup> Strange 1987, op cit p559.

<sup>80</sup> See F Lawson "Hegemony and the Structure of International Trade Reassessed: A View from Arabia." International Organisation 1983, 37:317-337; D Laitin "Capitalism and Hegemony: Yorubaland and the International Economy." International Organisation 1983, 36:687-713; T McKeown "Hegemonic Stability Theory and 19th Century Tariff Levels in Europe." International Organisation 1983, 37:73-91; P Cowhey and E Long "Testing Theories of Regime Change: Hegemonic Decline or Surplus Capacity?" International Organisation 1983, 37:157-188.

coercive leverage, to get others to help establish liberal economic arrangements, the evidence throws even more doubt on the effectiveness of US hegemonic dominance .... Yet as Alan Milward's recent study of the negotiations between the Americans and Europeans has shown in considerable detail, the West Europeans were successful in resisting attempts to insist on a full blown customs union between the recipients of Marshall Aid"<sup>81</sup>

There is much to commend the view that US policy represented a somewhat opportunistic form of liberalism, rather than an unwavering commitment to liberal ideals.<sup>82</sup> This equivocal attitude suggests not only that the United States was not invariably successful in imposing its views on the system, as Strange pointed out (and by extension may not have been as strongly hegemonic as the traditional realist model supposes), but also that a commitment to liberalism in trade is a poor indication of the state of the hegemony in question.

Much more influential, according to radical analysts, are the ability to provide an outflow of capital for investment and the provision of a stable international currency supported by discounting facilities (often known as lender of last resort facilities) in times of financial crisis.<sup>83</sup>

Finally, the radical critique has highlighted the latent state centric bias of hegemonic stability theory, which overlooks the important interdependencies operative within the contemporary international system. Further, it is apposite to question the apparently uncritical application of historical models of hegemony to the present day. The global political economy of the post 1945 period is significantly different from that of the nineteenth century, and still more from that of previous centuries. Drawing direct parallels between the British hegemony of the nineteenth century, and that of the United States since the end of the Second World War is fraught with methodological

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<sup>81</sup> Strange 1987, op cit p561; A Milward The Reconstruction of Western Europe 1945-51. 1984, London: Methuen.

<sup>82</sup> Strange 1987 op cit p563.

<sup>83</sup> Idem.

danger.

The radical critique has alerted analysts to the continued centrality of the American political economy within the global system. The problem, however, lies in convincingly demonstrating that this continuing centrality signifies the continuance of the previous hegemonic position. Strange, Gill and the radical school, insist that the character of the hegemony is all that has changed; from a direct, relational predominance to a more indirect, embedded, structural hegemony. To the radical school, the structural hegemony is now less powerful today than was the case in the 25 years after 1945.<sup>84</sup>

On closer inspection, it becomes difficult to discern any great difference between the change in the character of American hegemony outlined by the radicals, and a simple decline in the said hegemony as favoured by realist tradition. Although the radicals may have warned, not without justice, of the dangers of underestimating the basis of American power, they have failed to convincingly demonstrate that American power is not, in fact, in decline. If relational power is no longer as important, in terms of forcing others to do your will, the United States ought still to be able to use its great structural power to bring about desired ends. This being so, the period since the loss of outright hegemony, usually identified by realists as the period between 1968 and 1973,<sup>85</sup> ought to exhibit continued American dominance.

Examination of the international system since the early 1970's casts serious doubts on the radical case. A direct relationship between structural power and continued hegemony cannot be realistically posited. Therefore this analysis will focus on the ability of the hegemonic power to bring about its desired policy goals, with reference to the issue area of armaments collaboration in the North Atlantic area and, using the device of discrete episodes of regime formation and change within the issue area, assess whether US hegemony is indeed in decline. The effects of this process on the evolution or otherwise of an armaments collaboration regime in this period will be

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<sup>84</sup> Ibid passim, but particularly p564; Gill op cit passim.

<sup>85</sup> Strange 1987 op cit p562.

examined.

The collapse of the Soviet Union and liberation of Eastern Europe, the Gulf War of 1990-91, the growing prominence of the newly united Germany and apparent advance of the European Community, both economically with the introduction of the single market in 1993 and politically with its recent role in Yugoslavia, beg important questions about the role of both the radical and realist cases in the analysis of the international system.

The organisation of the post-Cold War international order lies outwith the scope of the present analysis. It is pertinent, however, to speculate that the dramatic political and strategic changes of the late 1980's and early 1990's will have an equally dramatic impact on the armaments collaboration issue area, and on the position of the United States as hegemon of a rapidly changing system.

## CHAPTER FOUR

### EXPLAINING REGIME FORMATION: A FIRST CUT

#### EXPLANATIONS OF REGIME CHANGE

The causes of regime formation and change within a given issue area can be examined from a number of different angles. Perhaps the most basic level contrasts the normative and the empirical approach. The normative explanation of regime formation and change attempts to outline desirable regimes, with a view to encouraging a qualitative alteration in the behaviour of states, international organisations and individuals, and thus promoting the evolution of a world order. This has led to the epithets idealist, evolutionary holist, and world order being applied to proponents of a normative approach.<sup>1</sup> The following analysis will prefer the empirical route, concentrating on the identification and explanation of regime evolution and change within the armaments collaboration issue area, to the normative task of suggesting suitable regimes.

Among empirical explanations, the causes of regime formation and change can be broadly separated into either economic or political explanations.<sup>2</sup> In an attempt to apply these factors to a specific instance of regime formation or change however, it is useful to posit a number of discrete episodes of such evolution. Toward this end, a "first cut" will be made at reconciling the economic and political explanations which have been put forward. Such discrete episodes are a framework for analysis rather than an *ex cathedra* classification however. The motivations for change are unlikely to permit clear identification of when one period ends and another begins. In short, the process is likely to be evolutionary rather than revolutionary.

Although it is tempting to suppose that changes in the relative and general levels of power between regime participants will be mirrored by changes in the structure of the

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<sup>1</sup> See for example: R A Falk "Contenting Approaches to World Order" *Journal of International Affairs* 1977, 31: 171-198; S H Mendlovitz (ed) *On the Creation of a Just World Order: Preferred Worlds for the 1990's* 1975, New York: The Free Press. Ernst Haas discusses the evolutionary holists in "Why Collaborate? Issue Linkage and International Regimes" *World Politics* 1980, 32: 357-405, see especially p359.

<sup>2</sup> The two are most clearly discussed by C Jönsson *International Aviation and the Politics of Regime Change* 1987, London: Frances Pinter, especially pp15-25 and 40-56.

regime, a direct correlation cannot be assumed. The same complex of actors may not always be operative within the specific regime, or the external environment may affect the regime in ways which magnify or diminish changes in hegemonic power. Within the armaments collaboration, or indeed any, issue area, a number of inter-related and not necessarily complimentary factors must be taken into account. Before proceeding to identify discrete episodes of regime formation and change therefore, it is necessary to examine the main explanations of regime evolution and change, and to ascertain whether these can account for such events. Amongst economic explanations two factors will be examined: Firstly technological change and secondly the existence of surplus capacity. Jönsson notes that:

"Economic modes of explanation see regime evolution as adaptation to new volumes and new forms of transnational economic activity. New regimes emerge, as non-regime situations or old regimes prove inadequate to cope with increased and diversified transactions."<sup>3</sup>

### TECHNOLOGICAL CHANGE

Few other issue areas exhibit as close an association with technological innovation as armaments production. Throughout history defence industries have been intimately linked with the cutting edge of industrial development. This is not to say that a direct correlation can be drawn between military strength and technological development. As Kennedy notes however, the interwar period demonstrates how technological advances in armaments systems presupposed an advanced economy, both in terms of financing military spending and in terms of producing the types of modern weapons required.<sup>4</sup>

"Without a flourishing industrial base and, more important still, without a large, advanced scientific community which could be mobilized by the state in order to keep pace with new developments in

<sup>3</sup> *ibid* p15. See also R Keohane and J Nye Power and Interdependence: World Politics in Transition 1977, Boston: Little Brown p40.

<sup>4</sup> P Kennedy The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500-2000 1988, London: Unwin Hyman, pp291, 295-96. He also discusses advances in the period 1850-60 in pp 183-4, 192. Kennedy pays particular attention in his discussion of technological development to the relative backwardness of Italy when compared with the other Great Powers.

weaponry, victory in another great war was inconceivable. If the future lay (to use Stalin's phrase) in the hands of the big battalions, they in turn rested upon modern technology and mass production."<sup>5</sup>

Those advances which can be identified in military technology both between the wars, and post 1945, whether in the development of modern fighters and heavy bombers, the use of jet engines, improved ship design, more effective aircraft carriers, the use of radar, radio and navigation equipment, did represent formidable challenges both in cost terms and in production terms.

It is, however, difficult to support the contention that such technological developments in and of themselves precipitated regime evolution or development. Jönsson affirms that the introduction of the first jet aircraft, and subsequently wide bodied long haul aircraft, did not necessitate alteration to existing structures of the aviation regime:

"once the new aircraft were integrated the industry seems to have been able to make the necessary adjustments without fundamental regime change."<sup>6</sup>

Similarly, within the armaments collaboration issue area it is not plausible to point to any particular development which led to any demand for the establishment of an armaments collaboration regime. This is not to say that no differences existed between the United States and its European allies, or that relative technological capacities were unimportant. It is certainly possible that increasing technological sophistication in modern armaments may increase costs so dramatically, that increased collaboration becomes a matter of necessity. There is evidence, particularly in the case of the United Kingdom, that the failure of domestic weapons programmes during the 1960's necessitated the purchase of American systems.<sup>7</sup>

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<sup>5</sup> *ibid* p291.

<sup>6</sup> Jönsson 1987 *op cit* pp40-41.

<sup>7</sup> The important point here of course, is that the striking failures in the British procurement process led to the purchase of American systems rather than the promotion of collaboration generally. See C J Harlow The European Armaments Base: A Survey. Part 2 National Procurement Policies, 1967, London: Institute for Strategic Studies pp7-25, especially pp8-17 which examine the defence procurement system. See also

Kennedy argues that uneven growth patterns and the spiralling costs of weapons and armed forces, both of which are driven by the dynamics of technological change, have potentially damaging effects on national economies.<sup>8</sup> It is impossible to foresee what the future of technological development will hold for armaments collaboration. The end of the Cold War has already increased pressures on NATO members to reduce their expenditure on military forces to realise a "peace dividend". The nightmare scenario of decreasing defence expenditure but increasing technological costs may, in future, increase the motivation for collaboration in the armaments issue area. In the period after 1945, however, technological change cannot be seen as either a necessary, let alone sufficient, condition for regime change within the issue area.

### SURPLUS CAPACITY

The second economic explanation centres on the dynamics of supply and demand, and more particularly the existence of surplus capacity, either as a result of increased supply and/or decreased demand. Such an imbalance is deemed to provide pressure for regime formation and change, especially in terms of the potential for eroding liberal regimes.<sup>9</sup> In the immediate post 1945 period, it is not correct to say that the situation was one of surplus capacity. There was undoubtedly a large amount of war material which was surplus to requirements, mostly in the United States. This material found a ready market in Europe, however, to re-equip the armed forces of western Europe. In addition the Cold War meant that the United States, although it demobilized quickly after 1945, retained and developed her defence production

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F Cooper "Affordable Defence: In Search of a Strategy" *RUSI Journal* 1985, 130(4) and the special survey "Defence Technology" *Economist* 1983, May 21st; Kennedy 1988 op cit pp 442-444 covers the basic arguments.

<sup>8</sup> Kennedy 1988 op cit p444. He contends that  
 "A large military establishment may, like a great monument, look imposing to the impressionable observer; but if it is not resting upon a firm foundation (in this case, a productive national economy), it runs the risk of a future collapse."  
 Quote p444.

<sup>9</sup> Cowhey and Long define surplus capacity as being  
 "when many important nations face a sustained, severe problem in a sector, a problem that stems from large amounts of excess capacity for production, a situation of "surplus capacity" exists."

R F Cowhey and E Long "Testing Theories of Regime Change: Hegemonic Decline or Surplus Capacity?" *International Organisation* 1983, 37: 157-183, Quote p162.

facilities. The possible pressure which could, therefore, have built up to encourage regime change was diverted as a result.<sup>10</sup>

A similar picture can be painted for later developments. As European economies recovered, and their armaments industries were recreated or stimulated by rearmament, a further escape valve was found by use of arms exports or transfers to other parts of the world. The ability to sell large quantities of armaments in the Middle and Far East, Africa and Latin America offset the problems of retaining armaments production capacities which far exceeded national requirements in western Europe. Once again the problem in terms of supply/demand dynamics, as for technological explanations, lies in convincingly demonstrating that excess capacity resulted directly in regime formation or change. There is little evidence that conditions of serious imbalance existed either in increased supply or decreased demand in the supply of armaments.

Beer notes that there was a tension between sellers and buyers of armaments, since the former wanted to move existing products off the shelf, whilst minimising production participation by third parties, conversely the latter typically desired extensive participation in production and in research and development phases. To complicate matters further the main seller states in NATO, the United States, France and Great Britain, had competing policies.<sup>11</sup> However, there was little pressure from seller states to change the armaments collaboration regime since surplus capacity could be exported and there was no great decrease in demand for armaments. The buyer states, principally the Federal Republic of Germany but also the smaller NATO members, were interested in maintaining a share in high technology via licence agreements, but had little chance of changing the regime in the face of opposition from the major sellers.

Surplus capacity cannot be regarded as a particularly useful explanation for regime

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<sup>10</sup> The scale of American military aid to the states of western Europe is discussed in greater depth in Chapter 7 below.

<sup>11</sup> Francis Beer Integration and Disintegration in NATO: Processes of Alliance Cohesion and Prospects for Atlantic Community 1969, Columbus: Ohio University Press p175.

formation or change in this context. Unlike the international aviation issue area detailed by Jönsson, the armaments collaboration issue area does not unequivocally exhibit the surplus capacity conditions which precipitated the attempted regime change in international aviation during the 1970's.<sup>12</sup>

Jönsson notes that:

"In short, this surplus capacity no doubt contributed to the attempted (international aviation) regime change in the late 1970's. However, the proposed changes were not in the direction predicted by the model. The United States pressed for a more, rather than less, liberal regime."<sup>13</sup>

In the armaments collaboration regime, the free market aspects of the aviation regime were absent. As a result the regime was less prone to external environmental upsets than, for example, the international aviation regime. It is amongst the political explanations of regime formation and change that an explanation must be sought.

### STRUCTURAL EXPLANATIONS

In attempting to account for regime formation or change in structural terms, both overall power structures or issue specific structures may be used. The most common generalisation which follows from this focus is that changes in power distribution, especially military power, entail regime changes.<sup>14</sup> The direct linkages between military power and the armaments collaboration issue area would appear to make this model *a priori* applicable.

The liberal hegemonic type of regime which emerged after 1945 in the armaments

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<sup>12</sup> C Jönsson 1987, op cit, pp41-44 discusses the effects of excess capacity resulting from the introduction of passenger jets and over optimistic growth projections for the 1970's.

<sup>13</sup> Ibid p44.

<sup>14</sup> See, for example, R Gilpin War and Change in World Politics 1981, Cambridge: Cambridge University Press p234.

collaboration issue area<sup>15</sup> may, at first sight, appear to reflect the general power structure of the international system, with the United States at the apex as hegemon. Closer examination, however, casts serious doubt on this initial judgement. Jönsson notes that within the international aviation regime the post 1918 regime reflected the absence of a hegemon within the international system. As a result the regime which emerged focused on unrestricted state sovereignty and had a strongly egalitarian cast.<sup>16</sup>

In the case of armaments collaboration in the North Atlantic area post 1945, it is certainly the case that only the United States had any realistic claim to the position of hegemon.<sup>17</sup> The real issue in this case is to what extent regime formation or change in the said issue area can be attributed to the structure of hegemonic power. As the discussion in the succeeding two chapters will indicate, major shifts in structural power within the international system were only imperfectly mirrored in the armaments collaboration issue area. The United States was frequently unable to achieve her desired policy objectives despite her hegemonic position, whilst the European allies were often able to achieve their aims despite an apparently weak position.

In addition, the overall structural model cannot account for the less than successful attempts at regime change during the 1950's and 1960's. Declining American hegemony in a general sense has tended to obfuscate the continuing power of the United States within the armaments collaboration regime. It is at least arguable that the perceived decline in America's general hegemonic position is far less marked in

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<sup>15</sup> Discussed in detail in Chapters 5 and 6 below.

<sup>16</sup> Jönsson 1987 op cit pp44-45.

<sup>17</sup> It is important to note, however, that

"in the late 1940's when German industry was being dismantled, when the American Army and war machine were being hastily demobilized, and when Russian defence production was still struggling to recover from the ravages of the war, Britain may have had for a brief while the strongest military production system of any of the powers: certainly for the first few years after the war she was the largest exporter of military equipment and aircraft."

Harlow 1967 op cit p7. See also J L Sutton and G Kemp "Arms to Developing Countries, 1945-65" Adelphi Paper 28, 1966. London: Institute for Strategic Studies.

military and armaments production terms than in economic and international trade terms.<sup>18</sup> Seen in this light, the failure of the United States to achieve the preferred policy agenda set out in the late 1940's during the early to mid 1950's appears anomalous. Further, American attempts to promote collaboration during the 1960's cannot be readily explained using even a modified structural model. As Jönsson notes, despite a recasting of the structural model to emphasize economic rather than military hegemony, structural explanations continue to be unreliable indicators of regime change, especially since:

"the hegemonic stability theory does not predict initiatives for regime change from a declining hegemon."<sup>19</sup>

Issue specific structural explanations posit that the effectiveness of power bases is likely to vary from one issue area to another. In order to determine whether such explanations are more useful than general structural explanations, it is necessary to investigate the determinants of national power specific to the armaments collaboration issue area.<sup>20</sup> Three major attributes appear particularly pertinent in this regard. Firstly, the possession of a defence-industrial base allowing the development and/or operationalisation of high technology armaments systems, together with a research and development (R&D) infrastructure to support such an industry.<sup>21</sup> Secondly, the

<sup>18</sup> See G J Ikenberry "Rethinking the Origins of American Hegemony" Political Science Quarterly 1989, 104(3): 375-400; Robert Gilpin "American Policy in the Post-Reagan Era" Daedalus 187, 116: 36-67; Kennedy 1988 op cit and also David Calleo Beyond American Hegemony: The Future of the Western Alliance, 1987, New York: Basic Books.

<sup>19</sup> Jönsson 1987 op cit p46. Jönsson points out that in the international aviation regime not only did the United Kingdom retain a strong position in the post 1945 regime against a rapidly deteriorating politico-economic position, but that it was the United States which pushed for a change in the regime rather than its economic competitors Japan or Germany.

<sup>20</sup> Jönsson ibid pp46-47 delineates the following important aspects in respect of the aviation issue area: first the ability to generate traffic either as sources or destinations of travellers or as a transit point; second, the possession of a large land mass and/or strategic position; and, lastly, the aeronautical technology and industrial base to compete internationally.

<sup>21</sup> See, amongst others, Alastair Buchan Defence, Technology and the Western Alliance, Number 6: The Implications of a European System for Defence Technology, 1967, London: Institute for Strategic Studies; John Calmann Defence, Technology and the Western Alliance Number 1: European Cooperation in Defence Technology: The Political Aspect 1967, London: Institute for Strategic Studies; Trevor Cliffe "Military Technology and the European Balance" Adelphi Paper 89, 1972, London: Institute for Strategic Studies; Robert Rhodes James Defence, Technology and the Western Alliance, Number 3: Standardisation and Common Production of Weapons in NATO 1967, London: Institute for Strategic Studies.

possession of a market for armaments which allows economies of scale or unit prices in production runs, and which encourages the development of defence industries which can produce weapons systems which are competitive in domestic and international markets, preferably both. Finally, is the ability to devote a proportion of the governmental budget to armaments procurement sufficient to allow production or purchase of weapons systems commensurate with defence objectives. This ability is obviously related to the general economic "health" of each particular state, since in difficult economic circumstances states will be tempted to restrict the funds available for defence procurement.<sup>22</sup>

Bajusz notes that:

"the US acquisition experience, for example, suggests that the cost of a major weapons system can now be expected to increase tenfold every twenty years. Development expenditures alone can be projected to increase by a factor of 5.4 to 1".<sup>23</sup>

In addition, the inflation rate for major defence procurement items has been measured as 6-10% *above* the rate for other prices.<sup>24</sup> No really satisfactory explanation has been advanced for the disparity between general price inflation and the rate for weapons procurement inflation. The role of high technology is probably a contributing factor, since such systems are both more expensive in absolute terms,

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<sup>22</sup> On the increasing costs of weapons systems from one generation to another, see William Bajusz "International Arms Procurement, Multiple Actors, Multiple Objectives" in Martin Edmonds (ed) International Arms Procurement: New Directions 1981, Oxford: Pergamon Press pp188-216. In addition see: Keith Hartley "Public Procurement and Competitiveness: A Community Market for Military Hardware and technology?" Journal of Common Market Studies 1987, 25(3): 237-247, especially p237; Herbert Wulf "West European Co-operation and Competition in Arms Procurement: Experiments, Problems, Prospects" Arms Control 1986, 7(2): 177-196; Trevor Taylor "European Armaments Cooperation: Competition for Resources" RUSI and Brassey's Defence Yearbook 1987. 1987, London: Brassey's Defence Publishers pp143-161.

<sup>23</sup> Bajusz 1981 op cit p189.

<sup>24</sup> See B George and T Lister "Issues for British Defence Policy in 1987: A Year of Difficult Decisions" in RUSI and Brassey's Defence Yearbook 1987 1987, London: Brassey's Defence Publishers pp143-161.

and more expensive to maintain and support.<sup>25</sup>

The introduction of the issue specific element into structural explanations would appear to be an improvement over the general structural model. Reflecting the neorealist origins of the approach,

"different issue areas are assumed to have different power structures, and power bases in one issue area are not necessarily effective when applied to others. Therefore, no congruence is to be expected across issue areas."<sup>26</sup>

In relation to the international aviation issue area, Jönsson found that issue structuralism did indeed account for the strong position of the United States after 1945, and for the American attempts to change the regime during the 1970's. Further, issue structuralism accounts for Britain's strong position in the post World War Two regime, despite overwhelming American superiority in aeronautical technology and traffic generating ability, by virtue of issue specific geographical assets.<sup>27</sup> Jönsson asserts that:

"In short, Britain's issue-specific geographical assets in combination with the state of technology in 1945 explain why the postwar international aviation regime did not turn into an American

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<sup>25</sup> Robert Dean notes that detailed comparative cost data is conspicuous by its absence in this area. This paucity of reliable source material makes it difficult to gauge the economies which may accrue from greater collaboration, since the original data is difficult, if not impossible, to verify. In general, Dean points out that:

"As a proportion of total defence expenditures over the past decade manpower and operating costs have risen while allocations for equipment have generally fallen. The trend is likely to continue. Moreover, the new systems have been considerably more expensive than those they are designed to replace. Though subject to qualification, the choice, simply put, is between a qualitative decay of force structures or modernizing at the cost of reduced numbers."

See Robert Dean "The Future of Collaborative Weapons Acquisition" *Survival* 1979, 21(4): 155-163. Quote p156.

<sup>26</sup> Jönsson 1987 op cit p16.

<sup>27</sup> *ibid* pp47-49.

hegemony."<sup>28</sup>

The pattern of events in the armaments collaboration issue area was somewhat different from that operative within the international aviation issue area. However, only the United States had the issue specific power after 1945 to impose an hegemonic solution in the armaments collaboration regime. The liberal hegemony which did evolve, however, was a result both of American policy decisions such as helping to revive European allies defence industries<sup>29</sup> and of the cooperative nature of the relationship between the United States and the European allies. This restricted American ability to operationalize the issue specific power available to it within the issue area.<sup>30</sup>

In terms of the three national power determinants specific to the issue area detailed above, the United States was well endowed in all three areas. The American defence industrial base, and level of technological advancement, together with large research and development effort, dwarfed those of the European allies, particularly in the 1950's and 1960's. The size of the domestic market in the United States also conferred advantages, since longer production runs for systems reduce unit costs; it also encouraged competition between American defence contractors. Finally, since 1945, American defence expenditure has remained higher than her European allies, both in percentage of GNP and in absolute terms due to the size of the U.S. economy relative to those of western Europe.

The regime which emerged during the 1950's in the armaments collaboration issue area cannot be characterised as a simple American hegemony. As the succeeding Chapters will demonstrate the United States was frequently unsuccessful in attaining

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<sup>28</sup> *ibid* p48.

<sup>29</sup> For a further discussion of American policy in this regard see Cindy Cannizzo "Procurement via the Two-way Street: Can it achieve its objectives?" in Martin Edmonds 1981 op cit pp53-70, especially pp60-65.

<sup>30</sup> On the potentially important impact of the cooperative nature of the relationship between the United States and the Western European states, see Nikolaj Petersen "Bargaining Power among potential allies: negotiating the North Atlantic Treaty, 1948-49" Review of International Studies 1986, 12(3): 187-203, especially pp193-194.

desired policy goals in relation to the armaments collaboration issue area. Although American policy, or simply structural strength within the issue area, can explain the failure of an integrated armaments collaboration regime to develop up to a point, issue structuralism is not a sufficient explanation in and of itself. Such an explanation would predict a regime in which American hegemonic strength invariably succeeded in bringing about the regime favoured by the United States. This prediction does not equate to the reality of the issue area under discussion.

### FUNCTIONALIST EXPLANATIONS

According to functionalist, or as Jönsson terms them situational,<sup>31</sup> explanations, regimes are deemed to emerge:

"as ways to overcome the deficiencies that make it impossible to consummate even mutually beneficial agreements."<sup>32</sup>

As a result of this understanding, functional explanations have tended to concentrate on the choice of individuals between cooperation and defection from common action.<sup>33</sup> This, in turn, has engendered particular theoretical concern with game-theoretical "prisoners' dilemma" type situations, the theory of collective goods and on how to promote cooperation between egoistic actors in the absence of any superior authority.<sup>34</sup> In a more general sense the evolution of cooperative strategies amongst egoistic actors with no acknowledged superior authority can be characterised as a dilemma. That is to say, the choice whether to cooperate or to defect is an either/or

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<sup>31</sup> Jönsson 1987 op cit p18 explains that:

"To avoid the ambiguity and teleological implications of the term "function", I shall instead refer to situational explanations. This means that the question I pursue is "What kind of situations trigger the creation and revision of regimes?" rather than "what functions do regimes perform?"

<sup>32</sup> R Keohane After Hegemony: Cooperation and Discord in the World Political Economy 1985, Princeton: Princeton University Press. Quote p83.

<sup>33</sup> See A A Stein "Coordination and Collaboration: Regimes in an Anarchic World" International Organisation 1982, 36:299-324, especially pp304-308.

<sup>34</sup> On security dilemmas and the game theoretic approach see, for example: R Jervis "Cooperation under the Security Dilemma" World Politics 1978,30:167-214, also Keohane 1985 op cit p82; Stein 1982 op cit discusses collective goods theory specifically in relation to regimes p307, while R Axelrod and R O Keohane discuss how cooperation can be achieved in their "Achieving cooperation under Anarchy: Strategies and Institutions" 1985, World Politics 38:226-254.

decision between incompatible alternatives where neither alternative is optimal, and both have positive and negative effects.

Jönsson posits that in the international aviation issue area the initial dilemma was between either an "open skies" regime, or the state sovereignty of national airspace. Later a number of "sub-dilemmas" emerged in relation to whether the issue area should be subject to an international authority, or remain a national prerogative, and whether the economics of air transport and commerce should be regulated either nationally or internationally, or whether the free market should be left to regulate the system.<sup>35</sup>

If, as Jönsson asserts:

"actors are more likely to agree on a regime, the more they win and the less they risk by cooperating on the one hand, and the less they win and the more they risk by defecting, on the other",<sup>36</sup>

the functional model can help explain the *type* of situations which are likely to trigger the creation or transformation of international regimes. Within the armaments collaboration issue area functionalism can give valuable insights into *why* the perceived advantages of cooperation and disadvantages of defection change. Stein notes that in a bargaining situation exhibiting a "dilemma of common interests" within an issue-area requiring continuous negotiations, then an international regime may provide a normative and institutional framework for future negotiations.<sup>37</sup>

During the liberal hegemonic period discussed below the armaments issue area appears, at first sight, a promising candidate for the establishment of a regime. The United States had an incentive to agree to a regime for the production of armaments in as much as the risk of defecting were high and the benefits low. Had the United States not encouraged the reestablishment of European arms production capacity during the 1950's, and transferred large amounts of surplus American equipment to

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<sup>35</sup> Jönsson 1987 op cit pp50-56.

<sup>36</sup> *ibid* p23.

<sup>37</sup> Stein 1982 op cit p307.

the western European allies, the perception was that Europe would be destabilized and possibly succumb to direct or indirect Soviet aggression. If Europe fell under the Soviet sphere of influence, or if it collapsed into chaos, this would obviously have an adverse effect on the global security of the United States. Similarly, the United States had much to gain from the establishment of a regime within the issue area. The structural strength of the United States in armaments production terms would provide opportunities for the sale of American weapons systems in Europe, and offered the inviting, and apparently quite realistic prospect of American leadership in the collaborative production of armaments.

Similarly, for the European allies, the functional model would seem to promise that the prospects of a regime forming in the issue area were good. The risks of attempting to take an autarchic stance *vis à vis* armaments production in the 1950's, and to reject American aid, particularly military aid in this context, were potentially high. With the exception of Great Britain, the European allies during this period were in such dire economic and military straits that their armed forces required virtually total re-equipment. Without large measures of American aid, both economic and military, the Europeans could not hope to defend themselves. There was little or no prospect of gains for the Europeans if they decided to defect. Conversely, there were significant potential benefits for the Europeans in agreeing to an armaments collaboration regime.

Collaboration, whether within Europe or across the Atlantic, offered the prospect of a larger market for domestically produced military hardware. Further, such collaboration might help offset budgetary constraints by producing savings when compared to individual development and procurement, and provide access to high technology areas.<sup>38</sup> The risks of collaboration would appear to be rather low, in that

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<sup>38</sup> Dean 1979 op cit passim, especially pp155-159. The sources discussing these issues are relatively few. As it notes in the preface to Dean's article:

"The actual state of collaboration in weapons acquisition within NATO is too seldom described. Much of the writing on the subject is hortatory, decrying the diseconomies that result from too little collaboration and exhorting NATO allies to do better" *ibid* p155

Dean attributes lack of collaboration to the constraints of economic factors and the difficulty in managing projects.

questions of retaining national defence industrial capabilities<sup>39</sup> were outweighed, at least in the 1950's, by the urgent need for American aid.

The 1960's represent a somewhat different picture. As the rearmament phase of the 1950's ended, the liberal hegemonic regime underwent change. Facer asserts that:

"It was American unwillingness to pay a price for the cooperation of European NATO countries, coupled with European fears of American commercial domination, which was the primary cause of the failure of NATO interdependence and standardization policies in the 1960's".<sup>40</sup>

The changing situation of the European NATO states and the United States as hegemon was reflected in the armaments collaboration regime. In functional terms the payoff structure altered as the risks of collaborating appeared to increase and the benefits of defecting also increased. The Europeans became alarmed at the spectre of American domination,<sup>41</sup> whilst the United States began to push for increased sales of American systems to help overcome balance of payments problems and to offset

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<sup>39</sup> Dean, *ibid* p156, notes that: "The process of collaboration has been governed by the desire to limit dependence as much as possible, to ensure that technological progress deriving from collaboration results in the maintenance of national technological diversity, not in rationalization and specialization". In effect, Dean argues that, during the 1960s in particular, national governments have been willing to pay a premium to avoid permanent dependence on European joint defence projects. See in particular pp156-157 and 162.

<sup>40</sup> R Facer "The Alliance and Europe: Part III Weapons Procurement in Europe, Capabilities and Choices" Adelphi Paper 108, 1975, London: Institute for Strategic Studies p32.

<sup>41</sup> Amongst the most famous examples are Jean-Jacques Servan-Schreiber's The American Challenge 1968, London: Hamish Hamilton and Harold Wilson's frequently quoted speech at the Lord Mayor's Banquet at the Guildhall, London on 13th November 1967. The then Prime Minister said:

"there is no future for Europe, or for Britain, if we allow American business and American industry so to dominate the strategic growth industries of our individual countries that they, and not we, are able to determine the pace and direction of Europe's industrial advance, that we are left in industrial terms as the hewers of wood and drawers of water while they, because of the scale of research, development and production which they can deploy based on the vast size of their single market, come to enjoy a growing monopoly in the production of the technological instruments of industrial advance ..... this is the road not to partnership but to an industrial helotry."

Quoted in Facer 1975 *op cit* p32.

the costs of keeping forces in Europe.<sup>42</sup>

Regime choices within the armaments collaboration issue area can be seen, to some extent, as the result of either/or choices made by the participants. These reflected dilemmas between incompatible alternatives as discussed by both Stein and Jönsson.<sup>43</sup> The basic problem lay in reaching a mutually satisfactory result, and specifically in demonstrating that cooperation was the optimal strategy for all the parties concerned.<sup>44</sup> In the immediate post World War Two period the dilemma was essentially a choice between American participation in the organisation of Europe's security, or Europe developing as an independent force in its own right. The initial negotiations which established the liberal hegemonic regime are discussed in Chapter 6 below with particular reference to the establishment of the Brussels Treaty Organisation (BTO), and negotiations leading up to the establishment of NATO.

In armaments collaboration terms the dilemma at this important juncture can be seen as whether the armaments necessary to equip western Europe were produced by each state, or whether such production was to be organised by another body, whether established specifically for that purpose or in addition to other more general defence and security functions. Indeed, this dilemma was to be a recurrent theme in the armaments collaboration issue area, and remains even today as a central problem in the national security policies of the member states of NATO.<sup>45</sup>

Between the conclusion of the Brussels Treaty and the signature of the North Atlantic

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<sup>42</sup> Beer 1969 op cit Chapter 4, pp131-175 discusses the change in American policy from roughly 1958 onwards, and the concerted American export drive of the 1960's, but see also Facer 1975 op cit pp28-35.

<sup>43</sup> Jönsson 1987 op cit pp18-23; Stein 1982 op cit pp307-310.

<sup>44</sup> For a discussion of the problems of attaining such a result, see K Oye "Explaining Cooperation under Anarchy: Hypotheses and Strategies." *World Politics* 1985, 38: 1-24; O Young "Anarchy and Social Choice: Reflections on the International Polity" *World Politics* 1978, 30: 241-263, and Jervis 1978 op cit.

<sup>45</sup> It is at least arguable that economic pressures on NATO members will actually increase demands for armaments collaboration as a result of the strategic changes engendered by the end of the Cold War and changing nature of the defence priorities of member states in the 1990s. If defence expenditures decrease as a result of these changes a major reassessment of present measures may be unavoidable. The current position appears to be one of "wait and see", but it is unlikely that potentially difficult decisions on the future of European, and indeed American, defence related industries can be put off indefinitely.

Treaty, a period of little more than 12 months,<sup>46</sup> the foundations of the future armaments collaboration regime were laid. Neither structural nor functional/situational factors offer particularly cogent explanations of the type of structures which emerged. Further, they are less than convincing in explaining why a truly integrated armaments collaboration regime was not developed. Chapter 6 below demonstrates, using the process model developed in Chapter 5, how the United States became much more closely involved in Europe's defence than American policy between 1941 and 1948 would predict. The Europeans were adept at using their apparently weak negotiating positions to achieve outcomes which cannot be accounted for in strictly structural or situational terms.

Similarly, the operation of the liberal hegemonic regime discussed in Chapters 7 and 8 cannot be adequately accounted for with reference only to the extant models. Toward this end Chapter 5 will develop a process model of regime evolution and change, which will be applied in the analysis of different episodes of regime change in succeeding Chapters. The process model does not deny the validity of certain aspects of the structural or functional models discussed above. It does, however, explicitly reject the claims of such models to exclusivity in the explanation of episodes of regime formation and change, highlighting certain potentially important factors not heretofore examined.

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<sup>46</sup> The Brussels Treaty was signed on 17th March 1948, the North Atlantic Treaty on 4th April 1949. For the detailed discussion of this period see Chapter 6 below.

## CHAPTER FIVE

### DEVELOPING A PROCESS MODEL OF REGIME EVOLUTION

#### INTRODUCTION

Of the various theoretical perspectives used to examine regime creation and change, all but the structurationist model can be seen as essentially static. None convincingly absorb the dynamics of political processes. Whilst the structurationist model appears to be moving in the right direction, it remains theoretically underdeveloped, particularly in relation to international relations. In outlining a process based model of regime creation and change, the concerns of the structurationist model discussed above<sup>1</sup> will be incorporated into the newly developed model.

#### PRECURSORS OF THE PROCESS MODEL

Concern with the dynamic or process based aspects of existing models is hardly revolutionary. Such concerns have rarely been analysed in the depth which they deserve however, and certainly have never been developed into a model explaining regime maintenance and change in and of themselves.

Following the formative work of Jönsson,<sup>2</sup> two main components of a process model of regime dynamics can be deduced from existing regime literature. First, bargaining and coalition building across, and within state boundaries, appear to be essential in the formation, maintenance and change of international regimes. Second, organisational context, and hence organisation theoretical concepts, are important in explaining bargaining and coalition building.

In the former case, bargaining and coalition building have been recognised as important aspects of regime creation and change by many authors in the field, who highlight the "sunk costs" involved in the formation of international institutions, and

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<sup>1</sup> See Chapter 2 above.

<sup>2</sup> C Jönsson International Aviation and the Politics of Regime Change 1987, London: Frances Pinter. Chapter 4 passim, particularly pp57-61.

their resistance to change once formed.<sup>3</sup> The importance of regimes as intervening variables was most forcefully posited by Keohane and Nye<sup>4</sup> in their international organisation model, which did much to undermine the predictions of overall structural theses, which held that regimes would reflect underlying patterns of state power and capabilities. According to Keohane and Nye, a regime once formed will be resistant to change, and the costs of change will be perceived as greater than those of maintaining existing structures, since "a set of networks, norms and institutions, once established will be difficult either to eradicate or drastically rearrange".<sup>5</sup>

Essentially, the international organisation model is a negative explanation, since it explains why regimes do not develop at all, or why they do not change once established. It is, therefore, ill-suited to explain regime formation or change. Keohane later revised his earlier work,<sup>6</sup> emphasising the more positive aspects of organisation, whether formal or informal. The earlier work posited that regimes would encourage an appetite for increased cooperation as a result of their value in facilitating the exchange of information.<sup>7</sup> A process of spillover can, therefore, be identified, along the lines of that put forward by Leon Lindberg in his analysis of the European community as a political system.<sup>8</sup>

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<sup>3</sup> See the following: C Lipson "The Transformation of Trade: The Sources and Effects of Regime Change" International Organisation 1982, 36: 417-455, especially pp 420 & 453; O R Young "Regime Dynamics: The Rise and Fall of International Regimes" International Organisation 1982, 36:277-97, especially pp 280; S D Krasner "Regimes and the Limits of Realism: Regimes as Autonomous Variables" International Organisation 1982, 36: 497-510 particularly pp 499; A A Stein "Coordination and Collaboration: Regimes in an Anarchic World" International Organisation 1982, 36: 299-324, especially 322-323.

<sup>4</sup> R O Keohane and J S Nye, Power and Independence: World Politics in Transition 1977, Boston: Little Brown p55.

<sup>5</sup> Idem

<sup>6</sup> R O Keohane, "The World Political Economy and the Crisis of Embedded Liberalism" in J Goldthorpe (ed) Order and Conflict in Contemporary Capitalism: Studies in the Political Economy of Western European Nations 1984, Oxford, Clarendon Press p97.

<sup>7</sup> R O Keohane. "The Demand for International Regimes" International Organisation 1982, 36: 325-355. See particularly p 348

<sup>8</sup> L Lindberg "The European Community as a Political System: Notes Toward the Construction of a Model" Journal of Common Market Studies 1966-67, 5: 344-387, passim

Concern with the bargaining and coalition building activities within a regime, taken in conjunction with the international organisation model and Keohane's later development, suggests that organisational context may play a vital role in the process model. Transnational and trans-governmental links are assumed to be those which transcend state boundaries and are not under the control of government or governmental sub units in the case of trans-governmental relations.<sup>9</sup>

These linkages are deemed to contribute toward regime creation and maintenance. Utilising organisation theoretic principles appears a logical approach in this area, and yet remains seldom studied in the existing international organisational literature.<sup>10</sup> A number of common concerns do, nonetheless, emerge from both international organisation and organisation theoretic studies into the problem of international cooperation. First, is a lack of unitary goals amongst potential collaborators. Second, is the importance of information and resource exchanges between organisations and their participants. Lastly, both traditions view the prime goal of collective action as the reduction of uncertainty<sup>11</sup>.

### BARGAINING AND COALITION BUILDING

Concern with bargaining processes and the new perspective which arises from studying such a process, suggests that additional insights not sufficiently covered by existing functional or structural theories may be uncovered by using a bargaining perspective. The bargaining process is *ipso facto* a product of the bargaining situation, but the process by which parties attempt to combine conflicting beliefs and positions into a single agreement highlights the vital role of unpredictability in regime dynamics. As Jönsson notes:

"The outcome of a bargaining process is of course conditioned, but not

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<sup>9</sup> See R O Keohane and J S Nye (eds) Transnational Relations and World Politics. 1973, Cambridge Mass, Harvard University Press. See, in particular, the Introduction and Conclusion, both written by J S Nye.

<sup>10</sup> L Gordenker and P R Saunders "Organisation Theory and International Organisation" in P Taylor and A J R Groom (eds) International Organisation: A Conceptual Approach 1978, London: Frances Pinter; B Crawford and S Lenway "Decision Modes and International Regime Change: Western Collaboration and East West Trade" World Politics 1985, 37: 375-402.

<sup>11</sup> Crawford and Lenway *ibid* p 377

yet determined by the bargaining situation. Bargaining is more than automatic responses to particular situational stimuli".<sup>12</sup>

Bargaining is also a method by which the weak can offset their relative lack of power to produce outcomes which appear unlikely or impossible if weakness and strength were the only factors which mattered.<sup>13</sup> The main points of the bargaining perspective are as follows:<sup>14</sup>

(a) **States Cannot be Treated as Unitary Actors**

The individual rational choice assumed by static game theoretic models of bargaining situations is ill suited to the examination of processes of bargaining. According to the cybernetic paradigm<sup>15</sup> the decision process is chiefly concerned with the elimination of variety and reducing uncertainty. As a result of this process, the positive search for common perceptions, compromises and formulae becomes more important than the negative exchange of concessions. The search for a bargaining formula (defined as "a shared perception or definition of the conflict that establishes terms of trade"<sup>16</sup>), therefore, involves or presupposes the formation of coalitions,

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<sup>12</sup> Jönsson 1987 op cit p61

<sup>13</sup> See for example D Baldwin "Power Analysis and World Politics: New Trends versus Old Tendencies" World Politics 1979, 2:161-193, who highlights the importance of the context of a "policy contingency framework" and adds that:

"Instead of talking about *the* distribution of power resources underlying *the* international power structure, students of world politics could more profitably focus on the multiple distributional patterns of a wide variety of resources related to a number of significant issue areas."

In addition, see his "Interdependence and Power: A Conceptual Analysis" International Organisation 1980, 34(4): 471-506 and Paradoxes of Power 1989, Oxford: Basil Blackwell; Donald Puchala also discusses the relationship between international political goals and action in their pursuit in "Power as the Capacity to Act" in James Barber and Michael Smith (eds) The Nature of Foreign Policy: A Reader 1974, Milton Keynes: Open University Press pp289-303. On bargaining see I W Zartman and M R Berman The Practical Negotiator 1982, New Haven Conn: Yale University Press. See p204.

<sup>14</sup> The basic structure of the bargaining perspective has been most succinctly covered by Jönssen 1987 op cit, pp 61-68.

<sup>15</sup> On cybernetics see J D Steinbrunner The Cybernetic Theory of Decision 1974, Princeton: Princeton University Press

<sup>16</sup> The definition is from Zartman and Berman 1982 op cit, p95

mediation processes and brokerage both within and across national boundaries. Such activities may involve official bodies, individuals and informal subgroups.<sup>17</sup> Bargaining is a process which adjusts initial expectations and interpretations<sup>18</sup>, which can be derailed by incompatible belief systems, misperceptions and deception.<sup>19</sup>

**(b) Bargaining Explains Why Regimes are not Created or Changed**

The bargaining perspective, via its use of actor cognitions, can help explain why regimes are not created or do not readily change once formed. Although functional and structural theories can predict such situations occurring, they cannot hope to accommodate explanations which concentrate on dynamic, process based factors. Regime creation and change is the product of mutual concessions to reach agreement.

**(c) Issue Linkage**

Linkage between issues tends to cut across issue specific structural or functional factors to effect regime creation or change. The bargaining perspective broadens the scope of regime discussions beyond immediate functional or structural explanations which regard regimes as responses to specific well defined situations. Put simply:

"Issue linkage represents an attempt to exploit one's relative issue specific power in an extraneous issue area to compensate for one's weakness in the issue area that is the subject of negotiations."<sup>20</sup>

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<sup>17</sup> "Cognition can be seen as central in this regard, since information processing can be seen as the link between interstate bargaining and decision making within the state" Quoted in Jönsson 1987 op cit, pp 63-64.

<sup>18</sup> C Jönsson "A Cognitive Approach to International Negotiation" European Journal of Political Research 1983, 11: 139-50.

<sup>19</sup> See R Jervis Perception and Misperception in International Politics 1976, Princeton: Princeton University Press pp 291-296

<sup>20</sup> Jönsson 1987 op cit, p65

The linkage of issues may, therefore, be beneficial in promoting agreements, but can also have a negative effect, especially if such linkage amounts to blackmailing (threats) rather than backscratching (promises).<sup>21</sup>

(d) **Regimes Result from Compromises**

Far from being direct rational responses to functional or structural factors, regimes invariably result from a process of compromise. Unlike the precepts of game theory and rational actor models presupposing complete information, the bargaining perspective presents the regime as a compromise solution. These solutions result from the interaction of various different actors who occupy different positions. Their cognitions play a vital part in coalition formation, issue linkage and the dynamic process of solving a series of dilemmas which underlie regime creation and change. Seeing this as a rational problem solving series, deriving from either/or choices as to whether one should cooperate or not, is highly misleading.

**ORGANISATION THEORY AND ITS ROLE IN THE PROCESS MODEL**

The precepts of organisation theory are perhaps a less obvious focus for analysis in relation to regimes than the role of international organisation. Increasingly however, the subject of organisation theory is seen to have utility in research relating to regime dynamics. It is essential to recognise that until recently the relation between general organisation theory and the study of international organisation has largely been one of mutual neglect,<sup>22</sup>

Major works of organisation theory fail to mention, let alone critically discuss,

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<sup>21</sup> See R Axelrod and R O Keohane "Achieving Cooperation Under Anarchy: Strategies and Institutions" World Politics 1985, 38:226-254. See pp239-240

<sup>22</sup> C Jönsson "Interorganisation Theory and International Organisation" International Studies Quarterly 1986, 30: 39-55 especially pp39-40. See also J Pfeffer Power in Organisations 1981, Marshfield, Mass: Pitman Publishing Inc, who contends that "organisational politics and organisational power are both topics which are conspicuous by their absence in management and organisation theory literature" Ibid, p1.

international organisations.<sup>23</sup> Similarly studies of international organisations have signally failed to utilise organisation theoretic analysis.<sup>24</sup> Conventional wisdom holds that the two areas cannot be readily synthesized. Haas, for example, concluded after attempting to link functionalist models of integration to organisation theory that it was "impossible to place our model clearly and firmly within the categories and classifications of current theorising about organisations",<sup>25</sup> while Gordenker and Saunders believed that "International relations and international organisation in particular employ peculiar forms and processes which the available organisation literature does not discuss."<sup>26</sup> Despite such an unpromising introduction, interest in linking the two areas has been heightened by recent developments in both fields. Unfortunately, scholars from both the organisation theory and international organisation fields have, hereto, been more concerned with the unsatisfactory status quo, than with the potential of theoretical linkages.

If, as Jönsson asserts,<sup>27</sup> the international setting is not as anarchic and disorganised, and the national setting not as hierarchical and ordered, as is traditionally supposed, such grey areas as exist between the two arenas merit further study. A less simplistic and more fluid definition of the boundaries between national and international organisations, and between organisations and their respective environments is called for. Such a perspective suggests the possibility of a convergence in approaches to the study of both domestic and international organisations.

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<sup>23</sup> See for example J G March (ed) Handbook of Organisations 1965, Chicago Ill, Rand McNally; P C Nystrom and W H Starbuck (eds) Handbook of Organisational Design Vols 1 and 2, 1981, New York NY, Oxford University Press.

<sup>24</sup> See I L Claude Swords into Plowshares: The Problems and Progress of International Organisation 1964, New York: Random House; H Jacobson Networks of Independence 1979, New York: Alfred A Knopf; R Cox and H Jacobson (eds) The Anatomy of Influence Decision Making in International Organisation 1973, New Haven: Yale University Press; C Archer International Organisation 1983, London: George Allen and Unwin.

<sup>25</sup> E Haas Beyond the Nation State 1964, Stanford: Stanford University Press, pp 95 and 97. Shortcomings in functionalist theory discussed above may weaken the case put forward by Haas in this regard.

<sup>26</sup> Gordenker and Saunders 1978 op cit, p100

<sup>27</sup> Jönsson 1986 op cit, p40. See also Hedley Bull The Anarchical Society: A Study of Order in World Politics. 1981, London: Macmillan in which the concept of order in the international system is discussed. See especially Chapter 2 "Does Order Exist in World Politics" pp23-52.

Gordenker and Saunders attempt to highlight a similar process in the work of William Evan<sup>28</sup> on inter-organisational relations, particularly in relation to the role of occupants of boundary positions. This work exhibits strong parallels with the analysis of transnationalism in international relations.<sup>29</sup>

In a similar vein, Jönsson has noted the similarity of work on interorganisational relations<sup>30</sup> by, for example, Frederick Thayer<sup>31</sup>, and work on the increased permeability of nation states by John Herz.<sup>32</sup>

Organisation theoretic studies which concentrate on the relationship of organisations to their environment and other organisations appear particularly relevant to the analysis of international organisation. However, until recently studies of organisational networks, linking pins, individual actors and informal networks have failed to elicit any response in the field of international organisation. Students of international organisations, like organisation theorists, have traditionally been concerned chiefly with intra-organisational phenomena.<sup>33</sup>

There is growing evidence that international organisation scholars realise the important work on interorganisational relations carried out by organisation theorists, as a result of their similar concerns, although work on this is still at an early stage. As organisation theory developed, the "closed system" theory of self contained,

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<sup>28</sup> W Evan (ed) Interorganisational Relations 1976, Harmondsworth: Penguin Books.

<sup>29</sup> See (amongst others), R Keohane and J Nye Transnational Relations and World Politics 1973, Cambridge Mass: Harvard University Press; A J N Judge "International Organisation Networks: A Complementary Perspective" in Taylor and Groom 1978 op cit: Taylor and Groom 1978 op cit, esp p128, for definitions, also R Vernon Sovereignty at Bay: The Multinational Spread of US Enterprises 1971, New York: Basic Books; E L Morse "The Transformation of Foreign Policies: Modernisation Interdependence and Externalisation" World Politics 1970, 20 (3): 371-92. In addition, the special edition of International Affairs 1976 pp3-4.

<sup>30</sup> Jönsson 1986 op cit pp 40-41.

<sup>31</sup> F C Thayer "Organisation Theory, Political Theory and the International Arena: Some Hope but Very Little Time" Paper for the ISA Convention 1981, Philadelphia PA.

<sup>32</sup> J H Herz International Politics in the Atomic Age 1959, New York: Columbia University Press.

<sup>33</sup> Jönsson 1986 op cit, p41 See also his later work 1987 op cit pp 69-70

clearly defined entities was gradually discarded, since it is frequently all but impossible to say where an organisation ends and the environment begins.<sup>34</sup> The "open system" perspective, which supplemented the closed focus, places the emphasis on the external environment and its influence on individual organisations.<sup>35</sup>

The recognition of the vital role played by the environment in any organisational study led naturally to the identification of inter-organisational interactions as an important area of study,<sup>36</sup> especially in relation to organisation sets. A further disaggregation followed as researchers turned to concentrate on informal organisations, cutting across the traditional emphasis on formal relations within and between units based on authority, concentrating instead on network analysis. Concern with social networks has chiefly been the remit of organisation theorists, especially Bacharach and Lawler<sup>37</sup>, and Aldrich and Whetten<sup>38</sup>. Networks can be regarded as theoretical constructs created by analysts to guide research.

Thus an inter-organisational network consists of a *structure of recurrent transactions*<sup>39</sup> between organisations in a population defined and explicitly delineated by the investigator.<sup>40</sup> Jönsson makes the important point that regime effectiveness can frequently be indicated by the existence of transnational networks, especially in respect of wide ranging informal contacts and communications among

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<sup>34</sup> L Metcalfe "Designing Precarious Partnerships" in P C Nystrom and W H Starbuck (ed) 1981 op cit p505

<sup>35</sup> Cf J D Thompson Organisations in Action 1967, New York: McGraw-Hill; D Katz and R L Kahn The Social Psychology of Organisations 1978, New York: John Wiley pp 2-9, and 752-756; L G Bolman and T Deal Modern Approaches to Understanding and Managing Organisations 1984, San Francisco: Jossey-Bass pp 226-232.

<sup>36</sup> Gordenker and Saunders 1978 op cit p101; Evan 1976 op cit, p101; H Aldrich and D A Whetten "Organisation-Sets, Action-Sets, and Networks: Making the most of Simplicity" in Nystrom and Starbuck 1981, op cit.

<sup>37</sup> S B Bacharach and E S Lawler Power and Politics in Organisations 1980, San Francisco: Jossey-Bass.

<sup>38</sup> Aldrich and Whetten 1981 op cit; H Aldrich Organisation and Environments 1979, Englewood Cliffs: Prentice Hall, and H Aldrich "The Origins and Persistence of Social Networks: A Comment" in P V Marsden and N Lin (eds) Social Structure and Network Analysis 1982, Beverly Hills/London: Sage.

<sup>39</sup> See Aldrich 1982 *ibid* p282

<sup>40</sup> Aldrich 1979 op cit p324

organisations and officials.<sup>41</sup>

This echoes Keohane's observations on the generation of demand for international regimes being stimulated by transgovernmental networks of organisations and officials, fostering increased cooperation.<sup>42</sup> Regime creation, and regime maintenance and change, can, therefore, have differing explanations, since once established a regime may foster an interorganisational network which does not reflect the founding rationale or network.

The centrality of transnational networks within the type of bargaining processes previously identified as important in the creation and maintenance of a regime, can, therefore, not be overstated.

#### **EXPLAINING THE LACK OF SYNERGY BETWEEN ORGANISATION THEORY AND INTERNATIONAL ORGANISATION**

Before examining the major components of transnational networks and what makes them important in the analysis of regimes, it is worth briefly examining the reasons which have contributed to the lack of theoretical linkage between organisation theory and international organisation. Three factors appear to underlie this shortcoming.

##### **Mutual Theoretical Underdevelopment**

As a subject in its comparative infancy, organisation theory can be forgiven a degree of theoretical underdevelopment. Although its roots can be traced back to the pre World War Two period, and the works of Max Weber, Chester Barnard and Elton Mayo,<sup>43</sup> it is only really since the late nineteen fifties that organisation theory has been extensively developed. Naturally enough, organisation theorists have been more

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<sup>41</sup> Jönsson 1987 op cit p70

<sup>42</sup> Keohane 1982 op cit p349

<sup>43</sup> Max Weber The Theory of Social and Economic Organisation 1967, New York: Oxford University Press (translated by T Parsons and A Herleson) and also Economy and Society 1947, New York: Bedminster; Chester Barnard The Functions of the Executive 1968 (Thirtieth Anniversary Edition) New York: Harvard University Press and Organisation and Management 1948, Harvard: Harvard University Press; Elton Mayo The Human Problems of an Industrial Civilization 1933, London: Macmillan, and The Social Problems of an Industrial Civilization 1949, London: Routledge and Kegan Paul.

concerned with developing the basics of their own discipline than with forging links to related fields.

Much the same can be said in regard to the development of international organisation theory. The various "schools" of international organisation theory<sup>44</sup> which have been developed cannot, however, claim to have fully explained the rationale for, and dynamics of, international organisation in the political environment. Indeed, aspects of international organisational study suffer from many of the same theoretical problems discussed above in relation to the analysis of regimes. There is little theoretical mileage in "reinventing the wheel" in relation to the shortcomings of realist, neo-realist, functionalist, idealist and Marxist theories of international organisation.

### Theoretical Origins

Organisation theory has been developed chiefly by sociologists and management and business scientists, with additional material from social psychologists and economists. Input from political scientists has been extremely limited. Thus, although work in organisation theory has often examined phenomena closely related to areas of interest within the political science and international relations community, there has been little or no cross-pollination. This neglect may be attributable to the problematic definition of power within the social sciences as a whole, and to the perjorative connotations of the concept of power as intimately involved with problems in the practice and socialisation of managing an organisation<sup>45</sup>.

Competing perspectives which did not emphasise power were held to be more persuasive, due to their conformity with the socially acceptable values of rationality and effectiveness. It is possible that, following from Pfeffer's earlier argument, a more detailed analysis of power and politics within organisations might highlight the

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<sup>44</sup> Archer 1983 op cit, pp 68-125, and Jacobsen 1979 op cit pp 64-80, both contain useful analyses of the various theories. It is not the intention of this analysis to provide a critique of contending approaches, since this is altogether too broad a topic to be included in the present work, and has been more than adequately covered elsewhere in the literature. See, for example, J E Dougherty and R L Pfalzgraff Jr Contending Theories of International Relations: A Comprehensive Study 1990, New York: Harper and Row; Richard Little and Michael Smith (eds) Perspectives on World Politics 1991, London: Routledge, for a more general discussion of the different approaches.

<sup>45</sup> Pfeffer 1981 op cit pp 2-6

role of basic organisation theory within international organisation, and its relevance to political science more generally.<sup>46</sup>

### Differing Analytical Frameworks

A further difficulty in reconciling the two fields of study lies in their differing analytical frameworks. A "cognitive gap" exists as a result of the concentration of organisation theorists on the national environment of private and public organisations, operating concurrently in markets and hierarchies within the national arena,<sup>47</sup> and of the concentration on international organisation theorists on transnational systems of IGO's and NGO's with national networks as subsystems. Gordenker and Saunders note that the underlying conception of international organisations has tended to emphasise their abstract quality. This encourages the view that they are unique structures in political research.

"Governments have more concrete existence than states, incorporating authorised persons who at least formally concert their action to gain specific ends on behalf of all subject of the state. In international institutions, governments act formally on behalf of states members. The shift of analytic levels from concrete governments to clusters of concerted activities along presumably agreed lines gives a certain abstract quality to international institutions".<sup>48</sup>

The overwhelming majority of international organisation literature treats the institutions involved as self contained, autonomous units. (This echoes the "closed system" conception of organisation theory discussed above). Little, if any, consideration has been given to studying inter-organisational contacts, cross boundary

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<sup>46</sup> Ibid p7, where organisational politics are defined as: "those activities taken within organisations to acquire, develop and use power and other resources to obtain one's preferred outcomes in a situation in which there is uncertainty or dissensus about choices." There is no intrinsic reason restricting this definition to commercial enterprises. Its implications apply *a fortiori* to international organisations, bureaucracies, political parties and governments.

<sup>47</sup> B Hjern and D O Potter "Implementation Structures: A New Unit of Administrative Analysis". Organisation Studies 1981, 2/3: 211-227, passim. Jönsson 1987 op cit, p69; Gordenker and Saunders 1978 op cit pp102-105.

<sup>48</sup> Gordenker and Saunders ibid p85

relations or the underlying structural forms which could demonstrate any similarities with other organisations.<sup>49</sup>

The lack of synthesis in organisation theory and international organisation theory can, therefore, be seen not as an inevitable result of theoretical incompatibility; rather it is the result of their relative novelty and theoretical underdevelopment, their different intellectual paternities and their distinct intellectual and analytical frameworks. There is considerable evidence justifying a theoretical "marriage" between these two heretofore distinct approaches. It is important at this point to examine the chief components of transnational networks, and what makes such networks important in the analysis of regime evolution.

### NETWORK ANALYSIS

Three distinct areas have been identified as critical in network analysis.<sup>50</sup> The first concentrates on the actors involved, the second on the relations and transactions between actors (also known as cybernetics) and the last focuses on the role of linking pin organisations.

#### Actors

Although the role of organisations as actors in their own right must be acknowledged, it must be qualified by the realisation that it is individuals who act within the organisation, and who interact with the environment. Such boundary role occupants both channel and process information, and represent the organisation externally.<sup>51</sup>

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<sup>49</sup> Cox and Jacobson 1973 op cit present a collection of monographs on individual organisations with relatively little analysis of overlapping principles. The plethora of literature surrounding integration theory particularly in relation to the European Community, is grounded firmly in a "closed system" frame of analysis, leaving little scope for an inter-organisational perspective.

Even H J Michelman, Organisational Effectiveness in a Multinational Bureaucracy 1978, Farnborough Hants: Saxon House, in his study of organisational effectiveness in a multi national bureaucracy shied away from a truly interorganisational perspective. Instead he concentrated on career patterns, executive leadership, recruitment and advancement, and the role of secretariats *within* organisations. This leaves little scope for the investigation of dynamic operational conduct within international organisations in a heterogeneous and fluid environment.

<sup>50</sup> Jönsson 1986 op cit passim and 1987 op cit pp70-76.

<sup>51</sup> L L Roos and F A Starke "Organisational Roles" in Nystrom and Starbuck 1981 op cit.

To some extent boundary role occupants are in a paradoxical situation, due to the potentially conflicting roles they are expected to play. Such actors are elements both of their "home" organisations, and of the interorganisational network<sup>52</sup> which they must attempt to represent to constituents of their home organisation. Boundary role occupants are therefore subject to the varying beliefs and demands of at least three distinct groupings: individuals and sub groups in their home organisation, the home organisation *qua* organisation, and finally the external environment.

Boundary role occupants are highly likely to be socialised into the external environment at least to a degree. They will frequently become advocates of organisational change, since they can examine their organisation from outside and compare it with other examples. Despite the importance of individuals, it is vital not to divorce actors from their structural context. The bureaucratisation of international organisations has been noted by Cox and Jacobson,<sup>53</sup> while in organisation theory the work of Max Weber remains seminal in this context.<sup>54</sup>

Bureaucrats seldom enjoy a free hand. Rather, they are constrained by the framework imposed upon them by their own organisation and the organisations with which they interact. The extent of the control will vary according to the issue at stake, but limits are invariably imposed. Jacobson defines this relationship in his definition of a "meta bureaucracy".<sup>55</sup> According to this analysis, international organisations are quite distinct from the political systems of states, where bureaucracies usually constitute only one element of the system, in that they are more uniformly bureaucratic. In a real sense, international organisations are organisations captured by bureaucrats. This has implications for the development of international

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<sup>52</sup> The paternity of this term is difficult to determine. Its currency in both organisation theory and international organisation literature would appear, however, to make the adoption of an alternative term redundant.

<sup>53</sup> Cox and Jacobson 1973 op cit pp 424-425

<sup>54</sup> Weber 1947 op cit

<sup>55</sup> Jacobson 1979 op cit p141, and Chapter 6 *passim*

organisations, especially for their democratic control.<sup>56</sup>

The discussion of bureaucracies has obvious linkages with organisation theory. Jacobson outlines seven categories of individuals who participate in decision making within international organisations and highlights the type of system within which such actors participate.<sup>57</sup> Similarly Jönsson highlights the work of Graham Allison in respect of his bureaucratic politics model, extending it beyond the strictly national sphere.<sup>58</sup>

According to Jacobson, international organisations comprise of two sub systems, the representative and the participant.<sup>59</sup> The former is the basic mechanism linking international organisations with the political systems of their constituent units. It can therefore be represented as a component part of the political systems of states and of IGO's, as shown in Diagram 5.1.

This representation can be further refined to more accurately reflect its component parts. The representative sub-system has a number of distinct sub-units. First is that part containing delegates to the IGO, including both permanent missions and information departments. This component can be called the representation component since it actually interacts with the IGO. The sub units may include members co-opted for short periods or even for specific items. The second component comprises the bureaucracies which set limits on the activities of the representative component, issuing instructions and interacting with the state politically. This bureaucratic or

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<sup>56</sup> Idem. "This term (meta bureaucracy) implies a good deal about the political style which prevails in international organisations, and their strengths and weaknesses as political systems. International organisations may promote greater rationality and greater inter-state equity, but they are also removed from popular control and thus risk being unresponsive to popular opinion." See also Dag Hammarskjöld "The International Civil Servant in Law and Fact" in D A Kay (ed) The United Nations Political System 1969 London: John Wiley and Sons Inc. pp142-160, who discusses the importance of a "neutral civil service".

<sup>57</sup> Ibid pp 107-108. The categories are: (1) governmental representatives, (2) representatives of private associations, (3) representatives of IGO's, (4) executive heads, (5) members of secretariats, (6) individuals acting in their own capacity, (7) publicists/lobbyists.

<sup>58</sup> Jönsson 1987 op cit p76. See also G T Allison Essence of Decision: Explaining the Cuban Missile Crisis 1971 Boston, Mass: Little Brown.

<sup>59</sup> Jacobson 1979, op cit pp120-124

"control component" transmits information on IGO activity to the governments of member states and to domestic interest groups. The control component can therefore be represented as closer to the state side than the IGO side of Diagram 5.1. A third, lesser component can be identified, containing a different cast of actors depending on the specific issue involved. Specialist interest groups, legislators, prominent individuals and ministries other than foreign ministries may all be represented. In practice, virtually all systems will include an "an hoc" issue oriented component. It is now, therefore, possible to add missing detail to the previous diagram.

As Diagram 5.2 shows, the public is only indirectly involved with decision making, setting broad outlines. In technical terms, a permissive consensus operates.<sup>60</sup> Since direct interests of the public are seldom at stake as a result of the decisions reached in most IGO's, the limits defined are not usually detailed.<sup>61</sup>

Legislatures, though closer than the general public, are not likely to be intimately linked to policy formation. Some control is likely to be exercised over, for example, appropriation of funds for IGO's and setting rules and norms for participation, but the functional specialisation of most IGO's makes it virtually impossible for more than a handful of interested legislators to become closely involved.

It is crucial to recognise that the internal coordination process in a representative sub system is dominated by, and largely confined to, bureaucracies. The degree to which this is true varies according to the system involved. Jacobson notes of American practice that: "Few other governments have such an elaborate process of internal coordination but none can completely avoid it. The American process can be regarded as one extreme example; other governments follow similar procedures that deviate only in the direction of greater simplicity".<sup>62</sup>

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<sup>60</sup> Ibid p120

<sup>61</sup> The most consistent exception to this is the European Community. This is attributable to its relatively advanced intergrative features, and its scale, since it encompasses a variety of issues which have a direct effect on the general public.

<sup>62</sup> Jacobson 1979 op cit p122

Executive officials and delegates tend to be bureaucrats themselves, and even when this is not the case (for example, lay specialists, legislators etc), these individuals tend to become socialised into the system and are bound by its norms and rules.<sup>63</sup>

The participant sub system shown in Diagram 5.3, describes that part of the overall political system composed of those individuals (whether delegates, international officials or others) who actually participate in the political process of the international organisation. Developing once again on the diagram, the participant sub system can be identified as the shaded area within the IGO.

It has been noted that IGO's in which the participant sub system dominates decision making tend to be those involved in less important issues with consequences more remote and less immediate to the state system.<sup>64</sup> This reflects the desire of governments to retain control over decisions touching perceived vital interests by ensuring that these are resolved within the representative sub system, as this can be more effectively dominated by the state.

Although governments and their representatives tend to exercise final authority over representational, normative, rule creating and programmatic decisions, they do not wield absolute powers. It is frequently possible for the IGO or its secretariat to play a significant role in the minutiae of decision implementation. Alternatively the government may be content to issue broad outlines and make the substantive decisions. This leaves great scope for enterprising IGO's to operate.<sup>65</sup>

Jacobson's concern with systemic characteristics appears to go some way to offset the concentration of much of Jönssons analysis on the individual. Actors are indeed important, but they exist within a framework which is significant to their actions.

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<sup>63</sup> *Idem.* "The delegate who is not part of his or her states bureaucracy is the exception rather than the rule. And, formally at least, during the time that such individuals serve as delegates they are assimilated into the bureaucracy."

<sup>64</sup> *Ibid* pp 122-124 and p140

<sup>65</sup> *Ibid* p111

## Cybernetics

Relationships and transactions are the next important aspect of network analysis. This approach is commonly called cybernetic, after the science of control and communication in animals and machines.<sup>66</sup> Interdependence among participating units leads to the establishment of networks. As Sharkansky notes,<sup>67</sup> hierarchical authority relationships, decision making by command and fixed accountability are inimical to an interdependent relationship, since interdependence relies on bargaining, negotiation and compromise. Transnational networks should ideally be characterised by formally autonomous authority relations, diffuse accountability, and decision making by negotiation. Decision making typically requires the participation and coordination of several organisations at both the international and national level<sup>68</sup>. Thus both organisation theory and international organisation have strong inputs in the analysis of the relationships between these two levels. Certain developments in international relations literature demonstrate a greater concern with a structural approach as opposed to the previous concern with leadership based studies.<sup>69</sup> In order to cope with what threatens to become an overwhelmingly complex environment externally, decision makers are forced to adapt problem solving devices.<sup>70</sup> Haas' concept of fragmented issue linkage<sup>71</sup> posits an essential interconnectedness of the decision making process, as opposed to previously conceived disconnected *ad hoc* decisions. As a response to growing interdependence and complexity in modern politics, Gordenker and Saunders believe that international organisations would respond by

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<sup>66</sup> Cf Steinbrunner 1974 op cit pp 13-14, 47-87

<sup>67</sup> I Sharkansky "Intergovernmental Relations" in Nystrom and Starbuck 1981 op cit p462.

<sup>68</sup> Jönsson 1986 op cit p42

<sup>69</sup> Haas believes that classical models of bureaucratic hierarchies are incapable of coping with decision making in the complex contemporary environment. See Ernst Haas "Why Collaborate? Issue Linkage and International Regimes" World Politics 1980, 32: 357-405.

<sup>70</sup> Gordenker and Saunders 1978 op cit, assert that: "decision makers are turning to a style of decision making for coping with a world too complex to be tinkered with in an *ad hoc* fashion, and too complex to be understood in its wholeness. This style which Haas calls fragmented issue linkage, involves tactics of delay, keeping options open as long as possible and a constant building up and tearing down of theories about how various issues interact." pp 99-100

<sup>71</sup> Haas 1980 op cit p372.

developing "structural sloppiness".<sup>72</sup> In this situation, control might come from several super ordinates or even from another unit at the same level.

A growing concern with the importance of networks corresponds closely with the belief noted above that the international setting is not as anarchic and the national setting not as structured as is commonly supposed.<sup>73</sup> Since organisations can no longer realistically be seen as harmonious normatively integrated systems,<sup>74</sup> and fragmented issue linkage and complex interdependence appear increasingly important internationally, scope for network analysis increases. As Steinbrunner notes<sup>75</sup> complexity within the decision making process leads to the dispersion of power in an attempt to effect outcomes. This is likely to involve a variety of bargaining, coercive and cooperative behaviour, which is difficult to reconcile with an oversocialised view of organisations. Just as individual organisations can be depicted as political bargaining systems, so too can organisational networks.

The greater complexity in the case of the latter is more a matter of degree than of substance. These processes taken together reinforce the case that organisation theory and international organisation are concerned with the analysis of compatible areas of study.

### Linking Pin Organisations

The centrality of what are known as linking pin organisations has been noted by students of interorganisational networks since the beginning of such research. Within a given population of organisations, those individual organisations which have extensive and overlapping ties between sub systems in the organisational network, and

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<sup>72</sup> "A structure which graph theorists call a *semi-lattice*" *ibid* p100.

<sup>73</sup> Jönsson 1986 *op cit* p40. See also Bull 1977 *op cit* pp23-52.

<sup>74</sup> See J P Olsen Organised Democracy 1983, Oslo: Universitetsforlaget; also Bacharach and Lawler 1982 *op cit* pp 1 - 9, Bolman and Deal 1984 *op cit* *passim*. On the assumed rationality of organisations, see for example K D H Wrong "The Oversocialised Conception of Man in Modern Society" American Sociological Review, 1961, 26: 184-193; B Buzan People, States and Fear 1983, Brighton: Wheatsheaf Books esp Chapter 4, and H Mintzberg "The Organisation as a Political Arena." Paper, McGill University Faculty of Management 1982, Montreal *passim*.

<sup>75</sup> Steinbrunner 1974 *op cit*, p140

with more than one action set,<sup>76</sup> can be characterised as linking pin organisations.

Within the local environment of an organisation can be found clients, members of the organisation, action sets to which it belongs, other organisations and unorganised elements. The greatest proportion of the resources within an environment are more likely to be controlled by a combination of action sets and other organisations, since unorganised elements and the individual organisation will have relatively underdeveloped machinery to exert influence.

Aldrich and Whetten point out that new organisations frequently adapt their activities (for example, organisational goals, technologies used and the definition of domains) to take account of pre-existing organisations.<sup>77</sup> This can assume such importance that overt conflict between new and established organisations is uncommon. The comparative smoothness of such adaptive behaviour can result in a relatively complex network within a given sub system. This does not necessarily mean that a network will exist on the supra systemic level. The ties of a linking pin - organisation between sub-systems invests it with a nodal position within a given network.<sup>78</sup>

Linking pin organisations thus serve three particularly important functions:

- (1) As communication channels between organisations.
- (2) Performing general services linking third parties as a go-between or intermediary for the transfer of resources, information or clients.
- (3) Actively directing the behaviour of other organisations, either as a result of the dependence of other organisations on them to direct the behaviour of the action set in a way they could not manage themselves, or by serving as models for imitation.

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<sup>76</sup> Aldrich and Whetten 1981 op cit, define an action set as: "a group of organisations that have formed a temporary alliance for a limited purpose." See also J Boissevain Friends of Friends 1974, Oxford: Basil Blackwell, pp 170-205

<sup>77</sup> Aldrich and Whetten 1981 ibid p390

<sup>78</sup> A graphic representation can be found in Aldrich and Whetten ibid p398

Baumgartner et al refer to this as "meta-power".<sup>79</sup> Exercise of such power is defined as substantially oriented towards shaping social relationships and social structures through the manipulation of the components of the interaction system.<sup>80</sup> This implies an ability to manipulate the organisational "game" in order to realise the goals of the organisation over opposition within the social structure, although not necessarily the power to change the type, or the rules, of the game.

It is the ability to manipulate the inherent characteristics of the network<sup>81</sup> rather than formal authority in most cases, which defines the position of linking pin organisations. As Jönsson notes however, the risks attending this manipulative approach must be recognised. The status of the linking pin organisation as impartial broker or mediator may be called into question, since the organisation has an interest in the issue at stake. The very survival of the status of a linking pin organisation hinges on the confidence that other organisations have in its functional value.

Stenelo warns that other actors may become uncertain whether their interests are being mediated or manipulated.<sup>82</sup> As Aldrich and Whetten note however, a critical examination must be made of the domination of analyses of interorganisational relations by an orientation favouring co-ordination,<sup>83</sup> since "interorganisational relations are conceived as part of an overall interorganisational system which has emerged from members voluntarily choosing to form a union for accomplishing

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<sup>79</sup> T Baumgartner (et al) "Toward a Systems Theory of Unequal Exchange, Uneven Development and Dependency Relationships". Studies in Comparative International Development 1975(a): 69-84 also "Meta-power and Relational Control in Social Life". Social Science Information 1975(b) 14: 49-78 and "Meta-power and the Structuring of Social Hierarchies" in T R Burns (ed) Power and Control 1976 Beverly Hills, Ca: Sage pp224-230. Also J K Benson "The Interorganisational Network as a Political Economy" Administrative Science Quarterly 1975, 20: 229-249.

<sup>80</sup> See Baumgartner et al 1975 (a) & (b) op cit.

<sup>81</sup> This implies either mobilising coalitions around specific issues or using a position of centrality to control the decision making process. Aldrich and Whetten 1981 op cit p394, Jönsson 1987, op cit p73.

<sup>82</sup> L G Stenelo Mediation in International Negotiations. 1972, Lund: Studentlitteratur

<sup>83</sup> A H Van de Ven (et al) "Frameworks for Interorganisational Analysis". Organisational and Administrative Sciences 1974, 5: 113-129, passim; Benson 1975 op cit; Aldrich and Whetten 1981 op cit p401

mutually preferred objectives."<sup>84</sup> Issues such as coercion, force, bargaining and conflicts of interest have been inadequately covered in the literature. Dynamics like these must be more thoroughly examined if interorganisational systems are to be more fully understood.

There is a tension between part and system caused by the desire of the individual system member to retain its autonomy, and the desire to promote integration. Gouldner suggests a number of strategies used by both system and member to achieve their goals.<sup>85</sup> The system might (a) only admit members who pledge allegiance to the goals of the system, or (b) it might expand the system to engulf new members sympathetic to system goals. Finally, (c) it might delegate critical functions to trusted subsystems. The member might (1) withdraw from the system, (2) spread risks by fulfilling critical needs through membership of several systems, or (3) attempt to reorganise the system to better suit its own goals.

There is of course a danger that coordination can become dysfunctional, since a system with too many members may prove unstable and inefficient, being too unwieldy to react rapidly to the emergence of environmental change.<sup>86</sup>

Attempting to identify linking pin organisations, and to analyze their actions and performance in this role is complicated by the apparent complexity of the task. "Designers (of networks of interorganisational relations) or investigators face an overwhelming analytical problem, they must deal with a population of organisations as a whole, where the appropriate place to begin appears completely arbitrary".<sup>87</sup>

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<sup>84</sup> Aldrich and Whetten 1981 *ibid*, 401

<sup>85</sup> A W Gouldner "Reciprocity and Autonomy in Functional Theory". In N J Demerath (et al) System, Change and Conflict 1967, New York: Free Press pp 141-169

<sup>86</sup> The problem of size in this respect has been studied chiefly in relation to multinational/multilateral negotiations, especially on issues such as the law of the sea, Antarctica and outer space. See for example R P Barston and P Birnie The Maritime Dimension 1980, London: George Allen and Unwin; A J Dolman (ed) Global Planning and Resource Management 1980, New York: Pergamon Press. The sheer size of such negotiations makes it difficult to operate or to achieve consensus.

<sup>87</sup> Aldrich and Whetten 1981 *op cit* p385

Networks may, however, be disaggregated into their constituent units, in order to highlight those particular organisations which are concerned with particular issue areas, which other organisations they maintain links with, and how they interact to reach decisions. Aldrich and Whetten referred to organisation sets, defined as those organisations with which the focal organisation has direct links, and action sets, defined as a group of organisations in temporary alliance for a limited purpose.<sup>88</sup> Similarly Jönsson identifies the analagous concepts of potential and mobilised networks. The former is defined as a set of organisations which tend to become involved in the preparation, making and implementation of decisions within an issue area which maintain direct links. The latter is defined as that part of the potential network which becomes operative in the handling of a specific issue.<sup>89</sup>

### THE ORGANISATIONAL CONTEXT

From the above it can be seen that the organisational context of bargaining and coalition building, informed by organisation theoretic concepts, is the second important parameter of the process model of regime dynamics along with bargaining and coalition building. Both parameters share a number of related concerns. Communication is central to relations between organisations within a network,<sup>90</sup> whilst bargaining and coalition building between participating organisations in a transnational network are as prevalent as they are within an individual organisation.<sup>91</sup> The function of boundary role occupants is vital in both conceptualisations, placing such actors as essential elements in both horizontal and vertical bargaining, the conduits through which information and communications flow between the external environment and individual organisations, and also from one organisation in a network to another. Finally, network analysis reinforces a more open system view of states as less hierarchical and rational than is commonly

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<sup>88</sup> Ibid pp 386-387

<sup>89</sup> Jönsson 1986 op cit p43 and 1987 op cit pp73-74

<sup>90</sup> Aldrich and Whetten 1981 op cit p385

<sup>91</sup> Bacharach and Lawler's depiction of individual organisations as bargaining systems cannot but be applied in an interorganisational context. There are no legitimate theoretical grounds for restricting their precepts to individually based research. Op cit 1980 passim. See also Sharkansky 1981 op cit p462.

supposed, whilst simultaneously suggesting that the international environment is less anarchic and more structured than it frequently appears. Linking pin organisations may reduce the opportunity costs of promoting international understanding, and possibly of regime dynamics, by facilitating coalition building, compromise and information coalition building, compromise and information exchange. The construction of transnational networks can be regarded as a "sunk cost", which participants have an interest in preserving due to the resources expended in its construction. Hence networks may also act as barriers to regime change once established.

### **The Process Model - A Summary**

The process model elucidated in this chapter integrates elements of interorganisation theory and bargaining theory to produce a dynamic model. It concentrates on the importance of bargaining as an intervening variable between the dilemma type situations confronting actors trying to decide whether to cooperate, and on the creation or transformation of an international regime. As Jönsson notes: "The existence of transnational networks is of crucial importance in such multiple level bargaining. Networks facilitate the distribution of information, which is considered a key element in the process of a regime dynamics, and are instrumental in building coalitions and mediating divergent interests. Networks rest on interorganisational links through individuals in boundary-role positions".<sup>92</sup>

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<sup>92</sup> Jönsson 1987 op cit pp 74-75

## CHAPTER SIX

### NEGOTIATING THE LIBERAL HEGEMONIC REGIME

#### "EMPIRE BY INVITATION"<sup>1</sup>: ENTRAPMENT OF THE HEGEMON

The armaments collaboration regime which was developed in the immediate post World War Two period was a result of developments both planned and unforeseen, which might under other circumstances have resulted in a radically different structure. There was nothing inevitable about the pattern of the armaments collaboration regime which emerged. Rather the process of regime formation and change reflected the hegemonic power of the United States on the one hand, and the ability of the Europeans to influence American policy toward European reconstruction and redevelopment generally, and *vis a vis* security in particular, on the other hand.

It is the contention of this analysis that the armaments collaboration regime which emerged in the post 1949 period reflected the very real limitations of American hegemonic power. Furthermore, changes in American policy between the early years of World War Two and the early nineteen fifties, resulted in the emergence of an ongoing and direct American political and security presence in Europe which paradoxically indicated not American hegemonic domination as is commonly supposed, but the limitations of American power and the European "craving for dependence."<sup>2</sup> It is pertinent, therefore, to analyse the formation of the armaments collaboration regime in terms of the process model developed in Chapter 5. The aim of such an analysis is to establish the extent to which the said model can produce fresh insights into the issue area.

The analysis which follows is predicated on a particular conception of American hegemonic power, the methods by which the said power was operationalised, and the ability of the hegemon to control outcomes. Whilst accepting that the United States emerged from the Second World War in an unequivocally hegemonic position, and

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<sup>1</sup> A term used by Geir Lundestad in "Empire by Invitation? The United States and Western Europe 1945-1952". Journal of Peace Research 1986, 23:263-277.

<sup>2</sup> The phrase was coined by David Calleo Beyond American Hegemony: The Future of the Western Alliance 1988, New York: Basic Books p35

that it subsequently used this position to bring about the postwar international order, there was considerable input from other sources. Whereas literature on hegemonic power and stability emphasises the use of coercion, this was not a very obvious feature of American policy *vis a vis* European defence and security after 1945.

American policy aimed to build a postwar liberal multilateral system. As Ikenberry notes:

"Domestic considerations, moreover, made a large-scale peacetime military commitment to Europe and a spheres-of-influence policy difficult to sustain. A liberal, multilateral system would allow the United States to project its own ideals onto a world where depression and war had clearly demonstrated the bankruptcy of European ideas of spheres of influence and economic nationalism. If the United States could no longer isolate itself from the affairs of Europe, it would need to alter the terms of international politics. Only on this basis would congressional and public opinion allow the United States to play an internationalist role. A liberal, multilateral system, once established, would be self regulating and would not require direct American involvement in Europe."<sup>3</sup>

The United States was, therefore, acting to achieve classically hegemonic objectives. As noted in Chapter 3<sup>4</sup>, and also in the works of Charles Kindleberger and Robert Gilpin<sup>5</sup>, a single dominant hegemonic actor, providing a range of collective goods, is seen as fundamental to the creation and maintenance of international economic and political order. The problem, and a major shortcoming of the prevailing hegemonic stability theory based analyses, lies in explaining two facets of hegemonic power. Firstly, how such power is operationalised, since as existing theory is focused almost exclusively on the gross measurement of material resources, it omits much which is

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<sup>3</sup> G Ikenberry "Rethinking the Origins of American Hegemony" Political Science Quarterly 1989, 104 (3), 375-400 p382.

<sup>4</sup> See above pp 65 to 94.

<sup>5</sup> Charles P Kindleberger The World in Depression 1929-39 1973, Berkeley: University of California Press. Robert Gilpin War and Change in World Politics 1981, New York: Cambridge University Press esp pp 186-210.

potentially important in the analysis of hegemony. Second is the importance of the early phases of supposed hegemonic stability. Existing literature on the construction of the institutions of the early postwar period within the issue area is quite extensive, and the various approaches utilised are diverse.<sup>6</sup> These treatments all contribute toward an overall understanding of the situations which contributed toward the evolution of armaments collaboration in the North Atlantic area. Where they are less successful, however, is in their ability to explain the processes underlying such evolution. As a result the story of the paternity of the postwar international order remains incomplete, a shortcoming which has important implications for the analysis of future behaviour within the said order. As the international system moves into the uncharted waters of the post Cold War era, an explanation which offers a more dynamic, process based, analysis may prove to be particularly valuable. If, as this analysis posits, the American hegemony was less successful in achieving its desired outcomes and less of an imposed structure than hegemonic stability theory would lead one to believe, there is room for debate on the accepted, somewhat monolithic, view of the postwar American hegemony.

Existing analyses of the origins and development of the post 1945 international system can be divided into a number of different approaches, some complimentary and some directly at odds with one another. Indeed, the search for an analytical framework which helped to explain the "shattered peace"<sup>7</sup> of 1945, shows remarkable similarities with the search for a new theoretical construct which might guide present day researchers into the uncharted territory of the post Cold War era. It is all too easy to forget in the light of forty years of Cold War stability that in the immediate post Second World War period, a real sense of uncertainty pervaded debates about the construction of lasting postwar peace and security, and that these closely mirrored

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<sup>6</sup> The literature ranges from the revisionist school exemplified by William Appleman Williams in his Empire as a Way of Life 1980, New York and The Tragedy of American Diplomacy 1962, New York, to the post revisionist response exemplified by John Lewis Gaddis in The Long Peace - Inquiries into the History of the Cold War 1987, Oxford: Oxford University Press, to the more historically informed approaches of Olav Riste in his edited work Western Security: The Formative Years: European and Atlantic Defence 1947-1953 1985, Oslo, and André de Staercke et al in NATO'S Anxious Birth: The Prophetic Vision of the 1940's 1985, London: C Hurst and Co.

<sup>7</sup> A term used by the revisionist scholar Daniel Yergin in his critique of US policy toward the Soviet Union in the late 1940's and early 1950's. See his Shattered Peace. The Origins of the Cold War and the National Security State. 1980, Penguin Books: Harmondsworth, Middlesex especially the Prologue: The New Lore pp3-14.

the concerns of modern policy makers. Today the old certainties of the Cold War have themselves been shattered, and the way ahead remains uncertain. To quote Gaddis;

"History, as anyone who has spent any time at all studying it would surely know, has a habit of making bad prophets out of both those who make and those who chronicle it."<sup>8</sup>

It is vital to recognise that the debate analysed in Chapter 3 above on the perceived origins of, and prospects for, American hegemony within the international system tend to detract from the general context within which the specific debate on American hegemony takes place. The impact of general political-strategic factors such as the perception of the Soviet threat, the role of nuclear deterrence, and the part played by third parties in the basically bi-polar post 1945 international system, have tended to be taken as given factors in the preceding analysis. This is partly attributable to the subject matter, with its concentration on US-European relations, and the development of the security structures within which armaments collaboration could evolve. The contextuality of the issue area has, in theoretical terms, necessarily played second fiddle to the detailed analysis above.

The evolution of armaments collaboration in the North Atlantic area, and attempts to institute a regime in the issue area, did not occur in a vacuum however. It is necessary therefore to briefly examine the contending approaches in the large *corpus* of literature which deals with the construction of the world order in the years after 1945.

Perhaps the greatest problem in analysing the literature on this period, and thereby attempting to decide which approach appears most pertinent, is in freeing oneself from forty years of accumulated Cold War history. As Yergin notes, much of the literature, whether orthodox or revisionist, represents simply a continuation of the Cold War by other means, a sterile exercise in "onus-shifting" which does little to explain a phenomenon so complex, so wide ranging and so long lived as the Cold

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<sup>8</sup> Gaddis 1987 op cit pt p244.

War.<sup>9</sup>

The epithet "orthodox" as used by Yergin denotes a particular view of the origins of the Cold War, and therefore of the role of the United States in the construction of the post Second World War international system. The isolationism which characterised American policy during the inter war period, reinforced a "continentalist" vision of the American security. Traditional mistrust of entangling alliances and European political in-fighting, reinforced by the disillusionment caused by the outcome of World War I, the preoccupation with self sufficiency and economic recovery during the 1930's, and the apparent remoteness of rising tensions in Europe and Asia all helped reinforce the prevailing American view that:

"the security of the United States required little more than insulating the Western hemisphere from outside influences."<sup>10</sup>

The manifest inadequacies of continentalist national security strategy and isolationism in international relations, highlighted by the attack on Pearl Harbour and the early success of Hitler's Blitzkrieg, convinced both the American people and their policy makers that the security of the United States depended as much on denying any one power control of the Eastern hemisphere as in insulating the western hemisphere from external interference.

The demise of isolationism left the field open for the competing schools of what have been termed internationalism and realism. The former, frequently referred to as Wilsonianism due to its close association with Woodrow Wilson, has played a central

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<sup>9</sup> Yergin 1980 op cit p6-7. Similarly Gaddis notes that:

"To recapture what was in the minds of Western leaders as the Cold War began requires, in addition to traditional methods of historical research, something of an imaginative leap. One must get a sense of how things looked at the time. One must free one's vision from the accumulated impressions of the more recent past, from the tyranny of knowing what came next. One must avoid at all cost imposing a contemporary frame of reference upon those who were in no position to anticipate the contemporary world."

Gaddis 1987 op cit p21.

<sup>10</sup> Ibid p22. For a useful summary of the continentalist vision, see Mark Stoler "From Continentalism to Globalism." Diplomatic History 1982,6:304.

role in American foreign policy throughout the twentieth century. The liberal internationalism which characterised the Wilsonian world view represented a powerful statement of American principles, and attempted to apply these universally on to the anarchic realpolitik of traditional international relations. As Yergin notes:

"The Wilsonian programme, meant to produce a middle way between reaction and revolution, included national self-determination representative government, a league of nations, an end to formal empires, non recognition of revolutionary change, democratic liberties and human rights, reduction of armaments, a belief in an enlightened public opinion, and an open-door world economy. The economic objectives were an important element, but only part of the picture. The United States saw itself as a disinterested, innocent power, whose own desires and aims were thought to express the yearnings of all people, and whose responsibilities were to become inescapable and worldwide.<sup>11</sup>

Realism, like internationalism, shared what Gaddis has termed the emphatic goal of undercutting isolationism, whatever their differences as to the nature of the postwar world.<sup>12</sup> It is important to note that although the "realism" generally seen to be the hallmark of American policy from the late 1940's onwards would appear to obviate much of the Wilsonian programme referred to above, the values it aimed to bring about in international relations remained constant. The paradox, as Yergin notes, lies in the problem that in order to achieve Wilsonian ends or ideals in world politics, to remove conflict and anarchy, spheres of influence or empires, one must stoop to utilise traditional or realist means.<sup>13</sup>

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<sup>11</sup> Yergin 1980 op cit pp8-9. Wilsonianism as a programme is discussed in greater detail in N Gordon Levin Woodrow Wilson and World Politics 1967, New York: Oxford University Press, particularly pp2-10. The liberal tradition which underlay the Wilsonian view had deep roots in American society and politics, recalling the 19th century concept of manifest destiny in some aspects. The concepts which formed parts of the programme were, of course, not unique to the United States, nor indeed to the era of Wilson himself. See Louis Hartz The Liberal Tradition in America: An Interpretation of American Political Thought since the Revolution 1955, New York: Harcourt, Brace and World.

<sup>12</sup> Gaddis 1987 op cit p23.

<sup>13</sup> Yergin 1980 op cit pp9-10 discussed this paradox.

American attachment to the concept of a liberal hegemonic world order in the postwar period had firm historical foundations, permeating large sections of American economic and political élites.<sup>14</sup> Indeed, it is an indication of the strength of such ideals within the American administration that the liberal multilateral conception of how the postwar international system would operate was unchallenged before 1947. Naturally, the wartime Grand Alliance and Roosevelt's conviction that such cooperation would continue postwar, made alternative options difficult to explore. In addition however, postwar American planners were painfully aware of the lessons of the interwar period. The isolationist stance of the United States was deemed to have contributed to the economic and political conditions which encouraged World War Two. There was a great deal of consensus among American government officials within both the State and Treasury Departments that the United States had an interest in promoting liberal multilateralism both economically and politically<sup>15</sup> and, more specifically, in supporting liberal multilateral economic relations via the creation of international organisations which would oversee and promote such an order.

In terms of the ideals and hopes outlined in the liberal multilateral world view which dominated American policy making between 1941 and 1947, the United States achieved much less than its hegemonic position would lead one to expect. Conversely, in terms of direct involvement in leading the post war international system, the United States became much more thoroughly entangled than she had wished.

As Ikenberry further notes,<sup>16</sup> the precepts of multilateral liberalism which guided United States policy, particularly in the period between 1944 and 1947, failed for three major reasons. First, the economic and political dislocations caused by the war were much greater than had been predicted. The construction of a unitary framework

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<sup>14</sup> For a full discussion of the historical context of liberal multilateralism, see Richard Gardner *Sterling Dollar Diplomacy: The Origins and the Prospects of Our International Economic Order* 1969, New York: McGraw Hill pp 1-35. See also Gaddis 1987 op cit pp48-71 for a discussion of the evolution of American policy in the immediate postwar period.

<sup>15</sup> See Gardner op cit p12.

<sup>16</sup> See G John Ikenberry 1989, op cit, esp p385

for international economic relations, featuring the reconstruction of multilateral trade, and a liberal international economy twinned to collective security, were central policy themes during both the Roosevelt and Truman administrations. These hegemonic objectives were not balanced by the power and influence to offset the pressures of post war reconstruction. The liberal multilateralist world view assumed an approximate balance in the multilateral system which simply did not exist at that time.

Second, major differences remained, particularly between the United States and western Europe, on the implications of American liberal multilateralism on the role of governments in promoting domestic economic and social obligations of the state.<sup>17</sup>

"The Europeans themselves were crucial in recasting the terms of liberal multilateralism - if only in resisting, modifying and circumventing American proposals. In insisting on the primacy of domestic stability in the development of international economic rules and institutions, the Europeans (and most importantly the British) successfully recast the character of post war economic order. The story of post war international political economy is as much that of the triumph of the welfare state as of the halting and partial emergence of liberal multilateralism."<sup>18</sup>

The third major factor which militated against the liberal multilateral policy was the nature of post war US-Soviet relations. The emergence of the Cold War shattered wartime dreams of post war cooperation. The growing realisation that the post war global political economy would be characterised not by a "one world" but a "two worlds" system prompted a reorientation of American policy. From roughly 1947 until 1950, the United States attempted to establish Europe as an independent Third Force in economic and political terms. It must be understood that American policy aimed not to establish an American sphere of influence, but to foster European

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<sup>17</sup> Richard N Gardener 1969, op cit, pp30-35, p277. See also John Ruggie "International Regimes, Transactions and Change: Embedded Liberalism in the Post War Economic Order". International Organisation 1982, 36: 379-415, and Robert Keohane "The World Political Economy and the Crisis of Embedded Liberalism" in John H Goldthorpe (ed) Order and Conflict in Contemporary Capitalism: Studies in the Political Economy of Western European Nations 1984, Oxford, Clarendon Press: 15-38.

<sup>18</sup> Ikenberry 1989 op cit p398

economic and political rehabilitation with the aim of *avoiding* any direct and ongoing American military and political presence in Europe. The focus was very much on rebuilding the economic, political and social fabric of Europe which would in turn inhibit communist progress in Western Europe. The threat of direct Soviet intervention was seen as secondary to the more pressing need to avert economic collapse.<sup>19</sup>

Charles Bohlen, Counsellor of the State Department encapsulated the shift in the policy of the administration generally, saying:

"The United States is confronted with a condition in the world which is at direct variance with the assumptions upon which, during and directly after the war, major United States policies were predicated. Instead of unity among the great powers - both political and economic - after the war, there is complete disunity between the Soviet Union and the satellites on one side and the rest of the world on the other. There are, in short, two worlds instead of one. Faced with this disagreeable fact, however much we may deplore it, the United States in the interest of its own well being and security and those of the free non-Soviet world must re-examine its major policy objectives."<sup>20</sup>

Once more however, American policy was frustrated. Ikenberry summarizes the problem:

"The United States wanted to encourage an independent Europe - a

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<sup>19</sup> George Kennan's Policy Planning staff was instrumental in formulating what became known as the "Third Force" conception of European recovery. Formed in May 1947, this body emphasized the need for a limited, economically integrated Europe, capable of acting independently of both the United States and the Soviet Union. Kennan insisted that US aid "should be directed not to combatting communism as such, but to the restoration of the economic health and vigour of European society." (The memorandum is quoted in George Kennan Memoirs 1925-50 1967, Boston: Little, Brown: 336). See also Foreign Relations of the United States (henceforth FRUS) 1947, Washington DC: US Government Printing Office 1973. Vol III: 223-230. Amongst the large amount of literature dealing with this period, the following works are particularly revealing as to American attitudes: Walter Isaacson and Evan Thomas The Wise Men: Six Friends and the World They Made 1986, London: Faber and Faber: 402-418, Charles Kindleberger Marshall Plan Days 1987 Boston: Allen and Unwin esp pp4-24; Stanley Hoffman and Charles Maier (eds) The Marshall Plan: A Retrospective 1984, Boulder, Colo: Westview Press

<sup>20</sup> Bohlen memorandum, 30th August 1947 FRUS 1947 1: 763-764.

third force - and not to establish an American sphere of influence. Yet the Europeans could not agree among themselves to organise such a centre of global power; the United States, despite its hegemonic power, could not see to its implementation. Just as in the earlier phase, when the goal of US policy was that of a global, liberal multilateralism, severe limits of US power were experienced."<sup>21</sup>

The limited steps taken by the Europeans during this period, such as the Congress of Europe, the establishment of the Council of Europe and the OEEC can hardly be seen as enthusiastic moves toward the formation of an independent third force.

It is indeed quite remarkable how thoroughly the Europeans were able, between 1947 and 1950, to resist the policy agenda of the United States, and ultimately to thwart plans for an independent "third force" in Europe. Despite the American nuclear monopoly, the only economy which actually expanded as a result of the war, and massive (if rapidly demobilising) armed forces, the United States proved unable to achieve her aims. The Europeans, for a variety of different national reasons, preferred the certainties of life within an American dominated bi polar system, to the uncertainties of establishing a European third force. In short, the so called "empire by invitation" rested on the European calculation that more of their economic, social and security needs would be achieved under a US dominated hegemonic system. Furthermore, tying the United States into a formal commitment to Europe, presented a far greater opportunity to influence American policy than would otherwise have been the case. Seen in this light, the prospects for liberal multilateralism steadily decreased during the late 1940's and, US rhetoric notwithstanding, had largely disappeared by the time the North Atlantic Treaty was formulated and signed on April 4th 1949.

This brief introduction is intended to elucidate the origins and formation of the circumstances which resulted in the structure of armaments collaboration regime after 1949. The limits of US hegemony, discussed above, are directly pertinent to the negotiation of the first regime in this area, since they resulted in a much more direct

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<sup>21</sup> Ikenberry op cit p390

American involvement in European security than could have been foreseen at the close of World War Two. To an extent, the immediate aftermath of war saw an interregnum, caused partly by the sheer exhaustion, dislocation and destruction of total war, but also partly by the state of flux discussed above. Until the shape of the post war international order became clear, there was a "wait and see" attitude toward the establishment of an armaments collaboration regime. Unlike the international aviation regime, which had been extensively discussed and mapped out before international aviation even began<sup>22</sup>, cooperation in the field of armaments had to await the clarification of the post war international system, and the establishment of the necessary forums for debate.

This is not to say that events in the security field prior to the signing of the North Atlantic Treaty were unimportant, merely that with the explicit commitment of the United States to the European continent and collective defence, the terms of the debate changed, and with it the character of the regime. In a period of little more than twelve months, from the signing of the North Atlantic Treaty on 4th April 1949, the foundations of the new regime were established. These foundations included a clear cut American commitment to the defence of Western Europe, and radically new institutional and organisational arrangements which shaped the future of armaments collaboration in the North Atlantic area.

### **The Brussels Treaty: Baiting the Trap**

The Brussels Treaty represented an extension of the existing Dunkirk Treaty of Alliance between Great Britain and France signed on 4th March 1947 and ratified on 8th September. This had primarily been aimed at deterring future German aggression, but it also envisaged the possibility of extending similar guarantees to other states. The Treaty enshrined a commitment to come to the aid of the other partly should it be subject to attack, as well as attempting to promote economic cooperation.<sup>23</sup>

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<sup>22</sup> Jönsson op cit pp76-83

<sup>23</sup> The text of the Treaty appears in CMD 7217, 1947, London: HMSO "Treaty of Alliance and Mutual Assistance: Dunkirk". See also Maj. Gen. E Fursden The European Defence Community: A History 1980, London: MacMillan Press, pp28-30. A number of sources discuss the negotiations during this period, including; Robert Osgood NATO: The Entangling Alliance 1962, Chicago: University of Chicago Press; Timothy Ireland Creating the Entangling Alliance - The Origins of NATO 1981, London: Aldwych; Robert Hunter Security in Europe 1972, London: Paul Elek Ltd; Margaret Ball NATO and the European

Continuing insecurity in the Low countries, however, led to pressure, especially from Belgium, to extend the Dunkirk Treaty to the Benelux states. Ernest Bevin, the British Foreign Secretary, stalled for time in face of concern with the details of the Marshall Plan, despite the preparation of draft treaties.<sup>24</sup> After September 1947 however, when the sixteen European states which had been meeting in Paris since July at the invitation of Bevin and his French counterpart Bidault, sent a detailed and comprehensive report on conditions in Europe to the American administration, attention turned once more to the security field.

Bevin reflected the intensifying desire of the Europeans to draw the United States into some form of security guarantee in his 15th December 1947 discussions with Secretary of State, George Marshall,<sup>25</sup> outlining a regional European organisation consisting of Great Britain, France and the Benelux states, linked to other Western European states and to the United States. The American response, though positive, remained non committal. This ambiguous attitude reflected both disputes within the Truman administration as to whether a firm commitment to Europe should be made, and concerns that Congress and American public opinion would not support permanent military and political ties to Europe.<sup>26</sup>

The Europeans were aware that American ambiguity in the matter of a security commitment could only be dispelled by cooperative, joint action from the European states. The European Recovery Programme (ERP) detailed by Secretary of State

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Movement 1959 London: Praeger; Lord Hastings Ismay NATO: The First Five Years 1949-54 1955, Paris: NATO; Sir Nicholas Henderson The Birth of NATO 1983, Boulder Colo: Westview Press.

<sup>24</sup> Foreign Office 371, 73045, Z322/273/72G, 7th May 1947 contains Bevin's comments on the draft treaties. See also CAB 128 (10) F.38;

CAB 54 (47) 2, Secret, 17th June 1947: ff 43-44;

CAB 55 (47) 5, Secret, 19th June 1947: ff 47;

CAB 56 (47) 3, Secret, 24th June 1947. 1947, London Public Records Office.

<sup>25</sup> Memorandum by the British Foreign Office, undated FRUS 1947, III: 818-819

<sup>26</sup> See, for example, the Hickerson Memorandum, FRUS 1948 III: 6-7. John Hickerson, Director of the office of European Affairs urged military cooperation with Europe on the administration. Others, notably George Kennan, opposed such moves considering them destructive to the goal of European unity so often espoused by the administration since 1945. See Kennan Memorandum to the Secretary of State, 20th January 1948, FRUS 1948 III: 7-8, also discussed in Kennan Memoirs 1967 op cit pp 397-406.

Marshall in his 5th June 1947 Harvard University Speech,<sup>27</sup> had explicitly tied Marshall Aid to the formulation of a coherent European response, and European allocation of the aid. This emphasis reflected strong pressure from within the State Department that European political leaders should assume responsibility for formulating exactly what type of aid was required, and its disbursement. Marshall believed that:

"It would be neither fitting nor efficacious for this government to undertake to draw up unilaterally a program designed to place Europe on its feet economically. This is the business of the Europeans. The initiative, I think, must come from Europe. The role of this country should consist of friendly persuasion and in the draughting of a European programme so far as it may be practical for us to do so. The programme should be a joint one, agreed to by a number, if not all, European nations."<sup>28</sup>

Bevin's speech to the House of Commons on 22nd January 1948 was the culmination of the economic response by the Europeans to Marshall Aid, submitted in September 1947, but also signalled a new political enthusiasm towards a European initiative in response to the ERP. Bevin announced that the Dunkirk Treaty would be extended to the Benelux States,<sup>29</sup> and called once more for an American commitment to

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<sup>27</sup> For the full text of the Harvard address, see *In Quest of Peace and Security Selected Documents on American Foreign Policy 1941-51*. 1951 Dept of State Publications No 4245, Washington DC. See also *Keesings Contemporary Archives 1946-48 Vol VI*, p8659

<sup>28</sup> Marshall's speech was written by Charles Bohlen of the State Department, who had been calling for a reorientation of US policy since as early as August 1947. See Bohlen Memorandum, 30th August 1947. *FRUS 1947, I*: 763-64. Bohlen had been given a copy of "The European Situation: Memorandum by the Under Secretary of State for Economic Affairs", (See *FRUS, 1947 III*: 230-32 written by Clayton Williams, and also George Kennan's Policy Planning paper, by Marshall on which to base his Harvard speech.

A State Department meeting on 29th May 1947 presaged Marshall's speech. Bohlen stated plainly that:

"the only politically feasible basis on which the United States would be willing to make aid available is substantial evidence of a developing overall plan for economic cooperation by the Europeans themselves, perhaps an economic federation to be worked out over 3 or 4 years."

Kennan also stressed the necessity for the Europeans to assume responsibility for the plan. See "Summary of Discussion on Problems of Relief, Rehabilitation and Reconstruction of Europe" 29th May 1947, *FRUS 1947, III*: 235. See also Robert Ferrell *The American Secretaries of State and their Diplomacy: Marshall Vol 15*. 1965, New York: Cooper Square Publishers Inc esp pp99-12.

<sup>29</sup> *Hansard*, 5th Series Vol 446 Cols 383-409, 22nd January 1948. On the European response which emanated from the Paris Conference, see *FRUS 1947, III*: 230-232.

Europe's security, insisting that:

The treaties that are being proposed cannot be fully effective nor be relied upon when a crisis arises unless there is assurance of American support for the defence of Western Europe.<sup>30</sup>

Initial Franco-British pressure against the extended Dunkirk Treaty being based on a regional pact with multinational institutions, as advocated by the Benelux countries and the United States, was dispelled by the pressing need to tie the United States firmly to Europe's defence, and also by the rapidly worsening international environment. Despite the fact that Under Secretary of State, Robert Lovett, refused to commit the Americans directly to participation in Europe's new initiatives as late as February 2nd 1948, in a meeting in Washington DC with the British ambassador to the United States Inverchapel,<sup>31</sup> the Europeans, and especially Belgium and the Netherlands, continued to press for American involvement. Following the Czechoslovak coup in February 1948, and mounting pressure on West Berlin, Finland and Norway from the Soviet Union, differences between the Europeans and the United States narrowed in response to the apparent danger of Soviet expansion.

Negotiations on a five power agreement began on March 4th 1948, with a draft treaty prepared by March 12th. It was on this date that the United States finally agreed to begin a dialogue with the West European states on the formation of an Atlantic security system.<sup>32</sup> Despite differences over references to Germany and future extension of the pact, the Brussels Treaty of Economic, Social and Cultural collaboration and Collective Defence was signed on 17th March 1948, and ratified by all parties by 25th August.<sup>33</sup>

<sup>30</sup> Hansard, 5th Series Vol 446 Cols 396-397, 22nd January 1948. Also quoted in FRUS 1948, III:14.

<sup>31</sup> "Lovett to Inverchapel", 2nd February 1948, FRUS 1948, III: 17-18

<sup>32</sup> Ibid, III:48

<sup>33</sup> "Treaty of Economic, Social and Cultural Collaboration and Self Defence" CMD 7599 Brussels 17th March 1948 HMSO, London. See also J A S Grenville The Major International Treaties 1914-73: A History and Guide with Texts. 1974, London: Methuen & Co: pp399-401 See also; John Baylis "Britain, the Brussels Pact and the Continental Commitment" International Affairs 1984, 60(4): 615-629; Alan Bullock Ernest Bevin: Foreign Secretary 1945-51. 1983, London: Heineman.

The Brussels Treaty, like its Dunkirk predecessor contained an automatic commitment of support to co-signatories in the event of an attack, under Article IV. More importantly however, unlike the Dunkirk Treaty, it contained an innovation in the creation of a Consultative Council by Article VII of the Treaty. This was to consist of the five powers foreign ministers, and a permanent commission of Ambassadors, which could meet regularly. The Council represented a novel institutional departure in Europe, and at its formation was the only official political forum for multi lateral discussion of defence and security issues in Europe. Another major product of the European effort to draw the United States into an Atlantic security system, was for formation of the Organisation for European Economic Cooperation (OEEC) between April and June 1948. Following the passing of the Economic Cooperation Act by Congress on 3rd April 1948, sixteen European states met to decide on a basis for administering the aid provided under this act. The convention establishing the OEEC was signed in Paris on 16th April 1948, and the organisation itself became operational on June 5th, a year to the day after Marshall's Harvard speech.<sup>34</sup>

It is important to recognise that throughout this period, the United States remained probably the staunchest supporter of European unity. In many ways American policy was "more royal than the king", in as much as stated American policy was to promote European unity. The institutional responses developed by the Europeans were the direct result of US pressure, and it is difficult to imagine such organisations being developed by the Europeans in the forms which emerged, without strong input from the Americans at each step along the path to the North Atlantic Treaty.

The first meeting of the Brussels Treaty Organisation (BTO) Foreign Ministers on the 17th April 1948 laid the basis for the organisational structure of the new body. In addition to the Consultative Council and the Permanent Commission, a Permanent Military Committee was established, consisting of the Defence Ministers of the five states. This met for the first time on 30th April. The Military Committee was given responsibility for drawing up defence plans, co-ordinating the military resources of

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<sup>34</sup> The text of the Convention may be found in the European Yearbook Vol I, pp 230-57. Apart from the five Brussels Treaty signatories, the following states also signed the convention: Austria, Denmark, Greece, Iceland, Ireland, Italy, Norway, Portugal, Sweden, Switzerland and Turkey. The convention was also signed by the American, British and French commanders in chief on behalf of their occupation zones in Germany.

the five powers and establishing the detailed organisational framework.<sup>35</sup> The military organisation established under the aegis of the Brussels Treaty had neither the physical, financial or political resources to act as a credible deterrent to supposed Russian threats. In any case, the organisation was quickly overtaken by events and the establishment of the North Atlantic Treaty Organisation. Rather, the importance of the BTO lies in the precedent it established in the organisation of European security.

For the first time, a *peacetime* organisation was developed, comprising a Permanent Military Chairman, three commanders-in-chief for the services, and an international group of officers serving as a joint staff. This framework, later to be extensively emulated and developed by NATO, represents the first concrete demonstration that a multi national, semi integrated organisation was seen as not only feasible, but absolutely essential to ensure the security of Western Europe.

The prevailing state of "organisational flux" at this time is well demonstrated by the role of the BTO in the establishment of the Council of Europe. As early as July 1948 the Consultative Council of the BTO discussed the formation of a European parliament including an executive, after representations by Bidault, the French Foreign Minister. The Hague Congress of Committees of Movements for European Union, which contained delegates from outwith the BTO states, had been pressing for discussion of such issues at its May 1948 meeting. At this time, it still appeared possible that other states might adhere to the BTO, or even that radical steps would be taken on the road toward European integration. The Consultative Council of the BTO, therefore, formed an extraordinary "Committee for the Study of European Unity" in October 1948, which met in Paris in November.<sup>36</sup> Disagreement as to the form which any organ of unity should assume, resulted in the adoption of a compromise solution at the January 1949 Consultative Council meeting. This called for the creation of a Council of Europe, consisting of a public consultative European

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<sup>35</sup> For the communique issued by the Foreign Ministers, see "Collective Defence under the Brussels and North Atlantic Treaty" CMD 7883, 1950, London; HMSO. Fursden discusses the organisational aspects of the BTO op cit pp31-34.

<sup>36</sup> See F L Schuman "The Council of Europe" American Political Science Review 1951, 45: 724-40, esp p725.

Assembly, and a private ministerial committee. On the 5th May 1949, at the London Ten Power Conference, the statute of the Council of Europe was signed,<sup>37</sup> an organisational response to the BTO's desire to see a forum established for the discussion and dissemination of information and issues which affected the member states. Although defence and security issues were not within the remit of the Council of Europe, it is interesting that the main impetus for the new body came from the BTO.

### **From the Brussels Treaty to the North Atlantic Treaty**

By mid 1948 the stage had been set for serious negotiations on an Atlantic defence framework. Enabling legislation in the United States made it possible for the USA to enter commitments<sup>38</sup>, while European efforts toward self help and the deepening Cold War provided a political imperative.

Senate Resolution 239, which came to be known as the Vandenberg Resolution after the influential senator of the same name, who was chairman of the Senate Foreign Relations Committee, is generally considered the precursor of negotiations which culminated in the North Atlantic Treaty. The resolution had been passed by the Senate by a majority of 60 on 11 June 1948. The idea for the Resolution came from a series of discussions between Under Secretary of State, Robert Lovett and Senator Vandenberg in early April 1948. Vandenberg was known to be, at the best, lukewarm toward the commitment of the United States to any form of security guarantee to, or treaty with those western European states which had so recently signed the Brussels Treaty.<sup>39</sup> Lovett succeeded, however, in winning the support of Vandenberg for the concept of an Atlantic alliance, which greatly eased the future

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<sup>37</sup> The additional states which signed the statute were: Ireland, Italy, Denmark, Norway and Sweden. See A H Robertson The Council of Europe: Its Structure, Functions and Achievements 1961 (2nd Edn) London; Stevens and Sons Ltd cf p6 The text of the statute appears in Appendix I pp 257-69.

<sup>38</sup> Primarily the Vandenberg Resolution of June 1948, Senate Resolution 239, 80th Congress 2nd Session, 11th June 1948. See Congressional Record, 80th Congress 2nd Session, 11th June 1948, 94: 7791, in which the Senate had conceded that the United States would be associated with such "regional and other collective arrangements ..... as affect the national security."

<sup>39</sup> See N Petersen "Bargaining Power among Potential Allies: Negotiating the North Atlantic Treaty 1948-49" Review of International Studies 1986, 12:187-203 p194; C Wiebes and B Zeeman "The Pentagon Negotiations March 1948: The Launching of the North Atlantic Treaty" International Affairs 1983, 59: 351-361.

passage of any Treaty through Congress, by ensuring that the wording of the Resolution did not amount to an open ended commitment.

The actual recommendation at the heart of Resolution 239 was relatively innocuous, calling for:

"Association of the United States, by constitutional process, with such regional and other collective arrangements as are based on continuous and effective self help and mutual aid, and as affect its national security."<sup>40</sup>

The central role of the Vandenburg Resolution has almost certainly been over emphasised in existing analyses of the period. With the adoption of Resolution 239, however influential, demonstrates how one potentially troublesome sector of opposition within the United States was effectively coopted into a process which had begun in March 1948 during the so called "Pentagon Talks".

These talks were held in secret, and involved only the United States, Canada and the United Kingdom. The resulting Pentagon Paper, and indeed the very existence of the negotiations themselves, were not revealed to those states which later took part in the North Atlantic Treaty negotiations.<sup>41</sup>

At a series of six meetings between 22 March 1948 and 1 April 1948, the basis was laid for the discussions which resulted in the North Atlantic Treaty some 12 months later. The delegations consisted of high ranking officials from all three participants. Canada sent Lester Pearson, Under Secretary of State for External Affairs, to head their delegation for the first four meetings, afterwhich Hume Wrong, the ambassador to the United States took over.

The United Kingdom delegation was headed by Lord Inverchapel, ambassador to Washington, although Gladwyn Jebb (later Lord Gladwyn) was the main actor. The British delegation also included Robert Cecil and Donald MacLean. The latter was

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<sup>40</sup> The full text appears in FRUS 1948 III pp 135-36 along with more detailed discussion of the rationale for the Resolution.

<sup>41</sup> See Wiebes & Zeeman 1983 op cit p363.

to defect to the Soviet Union in 1951, and is now believed to have kept Moscow fully informed of the negotiations.<sup>42</sup> The American delegation consisted of their ambassador to the United Kingdom, Lewis Douglas in the chair, John Hickerson, Director of the State Department European office and his principal aide Theodore Achilles. Alfred Gruenther, Director of the Joint Staff of the Joint Chiefs of Staff (JCS) also took part.

The Pentagon Paper which emerged from the series of talks was endorsed by all three delegations on 1 April 1948.<sup>43</sup> The final document was based on discussions concerning three working papers, one prepared by each delegation, which had been drawn up for the third meeting, and aimed to set out the conditions each delegation considered necessary to bring about a "Western Mutual Defence Pact". These three working papers were subsequently refined by Jebb, Pearson and Achilles, into a joint draft paper which was discussed at the fourth meeting on 25 March 1948, at a plenary session of the talks. It was decided at this meeting to refer the draft document to the respective capitals for further discussions, and reconvene the talks for the fifth meeting on 31 March 1948. The American delegation insisted on quite extensive alterations to the draft paper of 24 March, which was rewritten by Hickerson twice, before endorsing the finished document. The main problem areas for the American delegation were on the mutual assistance pledge, the indirect aggression clause, and the territorial scope and membership of the treaty.<sup>44</sup>

The Americans were much the most cautious in their definition of an acceptable mutual assistance pledge, rejecting both the Brussels Treaty style automatic commitment favoured by the United Kingdom, and the more conservative Rio Treaty model favoured by Canada. Although the draft paper stipulated that parties to the treaty would afford one of the parties subject to armed attack "all the military, economic and other aid and assistance in its power"<sup>45</sup>, the Americans subsequently

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<sup>42</sup> See Wiebes & Zeeman 1983 op cit p361.

<sup>43</sup> FRUS 1948 III: 72-75.

<sup>44</sup> FRUS *ibid*, details the items of the Pentagon Paper. See also Wiebes and Zeeman 1983 op cit pp356-362.

<sup>45</sup> See FRUS III 1948 p73.

succeeded in substituting a milder version in the final document. This reflected State Department disquiet about the definition of an armed attack, who should decide whether an armed attack had occurred, and what type of assistance should be forthcoming. The Pentagon Paper, therefore, contains the following definition, which fully conforms to the American view:

"Provision that each Party shall regard any action in the area covered by the agreement, which it considers an armed attack, against any other Party, as an armed attack against itself and that each Party accordingly undertakes to assist in meeting the attack in the exercise of the inherent right of individual or collective self defence recognised by Article 51 of the (UN) Charter."<sup>46</sup>

The argument over the incorporation of consultation in the event of "indirect aggression" was between the British on one side and the Americans and Canadians on the other. The former considered that such references could be considered interference in the internal affairs of other states, and favoured the existing wording in the draft document. This simply called for consultations if one of the Parties felt its independence or territorial integrity were threatened. Once again, however, the Americans succeeded in altering the existing wording for inclusion in the Pentagon Paper by explicitly including the term indirect aggression, and providing a definition, calling for:

"Provision for consultation between all the Parties in the event of any Party considering its territorial integrity or political independence is threatened by armed attack or indirect aggression in any part of the world."<sup>47</sup>

The issue of the geographical scope and membership of the alliance was resolved without the levels of disagreement which had attended the indirect aggression clause and the mutual assistance pledge. Britain and Canada were against explicit

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<sup>46</sup> *ibid* p74. This version excluded any obligation to afford armed support, and clarified that each state decided for itself whether an armed attack had occurred. The Brussels Treaty, Article IV stated: "If any of the High Contracting Parties should be the object of an armed attack in Europe, the other High Contracting Parties will, in accordance with the provisions of Article 51 of the Charter of the United Nations, afford the Party so attacked all the military and other aid and assistance in their power". See CMD 7599, 1948 *op cit*. This contrasts with Article IV of the North Atlantic Treaty, which states: "The Parties will consult together whenever, in the opinion of any of them, the territorial integrity, political independence or security of any of the Parties is threatened." See CMD 7789, 1949 London: HMSO "The North Atlantic Treaty, Washington".

<sup>47</sup> *ibid*.

geographical limits being established, and Bevin was known to favour limitation of the treaty to those states which actually had a North Atlantic coastline.<sup>48</sup>

As a result, the draft paper did not address the issue of geographical scope, and the fifth meeting failed to agree, despite additional discussions, on any limitations in geographical scope. The decision was reached in the final meeting, and reflected in the Pentagon Paper which envisaged:

"Delineation of the area covered by the agreement to include the continental territory in Europe or North America of any Party and the islands in the North Atlantic whether sovereign or belonging to any Party. (This would include Spitzbergen and other Norwegian Islands, Greenland, Newfoundland and Alaska).<sup>49</sup>

With regard to membership of the proposed Treaty, the problematic putative members were Portugal, Spain, Italy and Switzerland. The Pentagon Paper actually envisaged that the President of the United States would announce that invitations had been extended to Canada, the BTO member states, Sweden, Denmark, Iceland, Eire, Italy and Portugal<sup>50</sup> to participate in a conference to conclude a Collective Defence Agreement for the North Atlantic Area. Neither Switzerland nor Spain were included in the list, the former since none of the delegates believed they would accept, and the latter for ideological reasons, although the United States was in favour of Spanish inclusion.<sup>51</sup>

The Canadians and British were in general terms against the inclusion of Portugal in the list, due to ideological qualms, but the strategic necessity of the Azores and the

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<sup>48</sup> Wiebes & Zeeman 1983 op cit p360.

<sup>49</sup> FRUS 1948 III p74.

<sup>50</sup> *ibid*, Clause 3, p73.

<sup>51</sup> It is interesting, however, that the Pentagon Paper left the door open for future Spanish accession, as well as that of Germany and Austria, under Clause 6, which stated: "when circumstances permit, Germany (or the three western zones), Austria (or the three western zones) and Spain should be invited to adhere to the Five Power Treaty and to the Defence Agreement for the North Atlantic Area. This objective, which *should not be publicly disclosed*, could be provided for by a suitable accession clause in the Defence Agreement" *ibid* p75. Emphasis in the original.

Portugese position on the Atlantic seabord carried the day. Similarly, Italy was included in spite of British reticence, largely as a result of the instability of that state in the run up to democratic elections.<sup>52</sup>

The adoption of the Pentagon Paper recommendations on 1 April 1948 was aimed at kick starting negotiations on the proposed Treaty in May 1948. In the event, negotiations were delayed until 6 July 1948 by the necessity to overcome opposition in the United States administration and Congress. This had been largely achieved by late June 1948. Senator Vandenburg had been persuaded to support the existing State Department policy, the National Security Council had dropped its opposition,<sup>53</sup> and opponents within the State Department such as Kennan and Bohlen had either dropped their opposition or been transferred.<sup>54</sup>

Following President Truman's directive of 2nd July 1948 that the Vandenburg Resolution be implemented "to the fullest extent possible and at once", official negotiations opened between the United States, Canada and the BTO States, on 6th July 1948 in Washington DC. The so called Washington Exploratory Talks (WET) lasted until 10th September when the participants produced the Washington Paper.<sup>55</sup> Although not considered binding on any of the governments, the basic precepts agreed in the Paper were cleared by all the participating governments, paving the way for a resumption intermittently until the final signature of the North Atlantic Treaty in April 1949.

By late 1948 the substantive problems lay in two major areas. First was membership

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<sup>52</sup> See Wiebes and Zeeman 1983 op cit pp 359-361, for a discussion of membership issues and geographical scope.

<sup>53</sup> FRUS 1948 III p140-141

<sup>54</sup> Kennan discussed his acceptance that the Hickerson/Achilles view would prevail in his Memoirs: 1925-1950 1967 op cit pp405-413, saying "These were the thoughts with which I took cognizance of, and followed, the course of dealings between Secretary of State Marshall and Mr Lovett and the Senators over the Vandenburg Resolution, and later - over the treaty itself. But there was little I could do to affect the course of events" quote p409. Kennan does not mention that in April 1948 he was in fact hospitalised for treatment of duodenal ulcers. See Isaacson and Thomas. 1986, op cit, p446.

<sup>55</sup> FRUS 1948 III: 237 - 248, see also CMD 7692 op cit p4. The final text of the Washington Paper and documents relating to it appears in FRUS 1948 *ibid*.

of the proposed new organisation, and second the nature of the guarantee clause built into the treaty.

### Membership

The debate as to whether the new Treaty under discussion should be extended divided the participants into two camps. The Anglo-Saxon states favoured inclusion of the Scandinavian states, but were generally negative towards Italian membership. The French supported Italian inclusion and were negative towards Scandinavian participation. The British favoured inclusion of Norway, Denmark and Iceland for strategic and political reasons, and also because Bevin feared that the BTO itself could not protect the Scandinavian states from Russian pressure.<sup>56</sup> The Canadians and Americans shared British concerns, especially in relation to Greenland, but were particularly interested in the "stepping stones" concept of the North Atlantic as re-supply routes to Europe.<sup>57</sup>

Although the French warned that the extension of the security relationship to include Scandinavia would spread US aid and military guarantees too thinly, and that this area was too close to the Soviet Union for comfort,<sup>58</sup> they eventually acceded to the insistence of the USA and Britain that the three Scandinavian states under discussion be included in the 9th September Washington Paper. Norway received a formal invitation to join the discussions on the North Atlantic Treaty on 1st March 1949 following intensifying Russian pressure which had led the Norwegians to appeal to be allowed to join the discussions in late February. The invitation was extended to Denmark, Iceland, Portugal and Italy on 8th March 1949.<sup>59</sup> The Republic of

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<sup>56</sup> See Nikolaj Peterson "Britain, Scandinavia and the North Atlantic Treaty 1948-49" Review of International Studies 1982, 8: 251-268.

<sup>57</sup> American under Secretary of State Lovett stated during the WET discussions that "there would be serious gaps in any North Atlantic security arrangement which did not include Norway, Denmark, Iceland and Greenland". FRUS 1948 III: 159. This view had considerable support in the Senate, see Vandenburg's comments (FRUS *ibid*: 105) that Scandinavian inclusion "had great vote appeal in the Senate because of the considerable areas of the country involving high proportions of Scandinavian voters."

<sup>58</sup> *Ibid* pp165-165

<sup>59</sup> An interesting account of the negotiations between the seven powers as to which states should be invited to join the negotiations can be found in Sir Nicholas Henderson The Birth of NATO 1983, Boulder Colo.: Westview Press, esp Chapters 4 and 5 and pp94-96 in particular.

Ireland, though informally approached in January, was not invited as a result of her insistence on negotiating on behalf of a united Ireland.<sup>60</sup> Italian membership was championed by the French, who tied inclusion of Norway to inclusion of Italy during discussions with the USA and Britain. It was widely seen that the French regarded the inclusion of Italy as a method of strengthening the case for including the Algerian departments of France within the scope of the treaty. The Hickerson group in the US State Department were also positive to Italian membership. This, coupled to French intransigence and the acquiescence of the other participants, led to the extension of the new treaty to include Italy.<sup>61</sup>

### The Guarantee Clause

The European powers were anxious to obtain the same form of automatic commitment of armed assistance from the United States, as was operative under Article IV of the Brussels Treaty. This stated that member states should give other parties "all the military and other aid and assistance in their power" in the event of an attack in Europe.

The Americans, on the other hand, favoured a looser form of wording, echoing the provision of the Rio Pact of 1947 which committed members only to "assist in meeting the attack in the exercise of the inherent right of individual or collective self defence".<sup>62</sup> An automatic commitment was constitutionally impossible for the United States, since only Congress had the right to declare war, a prerogative which it guarded jealously. The Senate was thus particularly hostile to a Brussels Treaty style commitment, and probably reflected lingering public concerns with becoming entangled in a European conflict over which it had no control. Since any Treaty required a two thirds majority in the Senate, such opposition was worrying for the Europeans.

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<sup>60</sup> Ibid pp77, 105, see also T C Salmon Unneutral Ireland: an Ambivalent and Unique Security Policy 1989, Oxford: Clarendon Press pp155-192, especially pp177-185.

<sup>61</sup> For discussions on the "Italian Question" see FRUS 1949 IV: 129, 141.

<sup>62</sup> The "Rio Pact" is generally accepted shorthand for the Inter-American Treaty of Reciprocal Assistance, signed in Rio de Janeiro, Brazil on 2nd September 1947. The membership consisted of nineteen American republics, except Ecuador and Nicaragua. Cuba withdrew from the Treaty in 1960. For the full text see Grenville op cit: 325-328.

The eventual wording of the security guarantee clause represented a compromise between the European and American positions, but also between US Senatorial sceptics, and administration supporters of a strongly worded, if not automatic, commitment to Europe's defence by the United States.<sup>63</sup> Article V of the North Atlantic Treaty, therefore, committed each of the signatories to: "assist the Party or Parties so attacked by taking forthwith, individually and in concert with the other Parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area."<sup>64</sup>

The North Atlantic Treaty was finally concluded on 4th April 1949 at Washington DC by the seven participants of the Washington exploratory talks and Norway, Denmark, Iceland, Portugal and Italy. Final ratifications were received by 24th August 1949.<sup>65</sup>

### CONCLUSION

The brief period between the signing of the Brussels and the North Atlantic Treaties was formative in prospects for the establishment of the armaments collaboration regime in the North Atlantic area. The organisational structure of NATO, and the debates which presaged their development, both reflect and define a security regime which has persisted until the present day, and which shaped the development of armaments collaboration in the North Atlantic area.

Structural and situational explanations are poor indicators of the regime established between 1948-49. Both would suggest that due to her overweening economic, military and political influence, the USA should have been able to achieve exactly the kind of alliance she wanted, and, therefore, also have dictated an armaments collaboration regime which suited her purposes. That this proved not to be the case was the result of intervening variables which the process model can help clarify. As Petersen notes:

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<sup>63</sup> The draft Treaty drawn up in December 1948, based on a document prepared by the BTO states, but accepted by the US negotiators, contained language similar to that eventually included in the Treaty. See FRUS 1948 III: 334 - 343, but especially p335 Article 5, Paragraph 1. This wording was opposed by influential Senators, including Connally, Democratic Chairman of the Senate Foreign Relations Committee. They demanded deletions which were accepted by Dean Acheson the Secretary of State. Subsequently however, President Truman convinced Senatorial critics to accept references to military action.

<sup>64</sup> For the full text of the Treaty see CMD 7789, 1949 op cit. Also Grenville op cit: 335-337.

<sup>65</sup> CMD 7789 op cit.

"the supreme negotiating position of the United States as measured by her enormous resources as well as by the dependence of the Europeans, did not translate into total control of the negotiation outcome, as important influence capabilities could not be used."<sup>66</sup>

The process model, as discussed earlier, highlighted bargaining and coalition building, along with the organisational context as chief parameters of the new model. The process model will demonstrate that it has utility in explaining why negotiating outcomes do not necessarily directly reflect the objective or perceived capabilities and sensitivities of the participants. Even the possession of issue-specific as opposed to generalised power may not be a sufficient determinant of the outcome.

The above analysis demonstrates that the United States wielded considerable "influence capability" during this period. Only the USA possessed the ability to give the Europeans what they so ardently craved; a security guarantee against Soviet threats and domestic instability, and the desperately needed economic, political and military aid to stabilise the precarious post war order. The Europeans were in no position to exploit the United States dependence on Europe, even had US policy makers acknowledged such dependence, thus the United States stress sensitivity to European pressures was low. The opposite conditions pertained in the case of the Europeans. How then did the United States come to assume the burden of a security guarantee to Europe, and participation in a regime which frequently reflected European and not American preferred outcomes? This paradoxical result will be discussed in relation to both the organisational context, and the bargaining and coalition building context of the process model.

The organisational context of the bargaining position comprises both issue specific and situation specific factors. The apparently overwhelming issue specific power of the United States was curtailed with respect to the particular circumstances of the negotiations at hand. The Americans saw the Alliance as a cooperative venture, and this drastically reduced their issue specific strength. Whatever the differences between the parties, the cooperative aspects of the negotiating game were stressed.

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<sup>66</sup> Petersen 1986, op cit p201.

Further, the negotiations were predicated on the common belief that all the participants shared the problem, and the responsibility, of ensuring the national security and societal stability of the other parties. In such circumstances the United States was constrained to use the carrot far more often than the stick.

Negotiating in cooperative contexts has not attracted the same interest as antagonistic, crisis-situation negotiations. There is considerable evidence, however, that cooperative, relatively crisis free negotiating processes, place considerable limits on the issue specific power of potentially hegemonic actors. In addition, a phenomenon which might be called the "strength of the weak" can be observed in such situations. Due to the cooperative nature of the game, it was relatively easy for weaker negotiators - for example the French in this case - to exploit their very weaknesses as common problems. It was not always necessary to threaten breakdowns if a negotiator could convince the other participants that their particular problems and weaknesses were a risk to the common good. As Petersen notes:

"As France undoubtedly was the party which was most directly threatened both military and politically, France itself became a central part of the joint problem and through this acquired a disproportionate say over its solution. The very weakness of France was thus converted into influence over issues which were basic to the French security problem".<sup>67</sup>

In addition to the issue specific and situation specific factors discussed above, two further intervening variables can be discerned. These are the internal cohesion of the actors, and their level of commitment. Petersen alerted researchers to the importance of these factors.<sup>68</sup> Throughout the negotiations which culminated in the signature of the North Atlantic Treaty, the United States suffered from a lack of cohesion when compared to her allies. To an extent this reflected the make up of the American political system with its checks and balances. The major bifurcation between Congress and the State Department was, however, further complicated by the influence of such bodies as the Presidency, the military establishment, the National Security Council and the effects of public opinion.

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<sup>67</sup> Ibid p200.

<sup>68</sup> Ibid pp200-201.

Perhaps of more direct importance however was the internal State Department split between the relatively pro-atlanticist Hickersons group, and the relatively more "isolationist" Kennan group already discussed above. These splits militated against the establishment of a cohesive and clear negotiating stance.<sup>69</sup> This disunity, and the fluctuating fortunes of the opposing State Department factions, played into the hands of the European negotiators. The more knowledgeable British and Canadians in particular, were able to exploit their familiarity with the American political system and personalities to influence United States policy.<sup>70</sup> European negotiators frequently formed informal networks with sympathetic American officials, especially in the Hickerson group, but also within Congress and the White House, to influence American positions.

American commitment to a given policy stance was frequently adversely affected by this lack of cohesion. The evolution of American policy, as discussed early in this Chapter, reflected the varying fortunes of the competing influence groups, as well as external factors, but also tended to result in an inability to present particular policies with any great clarity or commitment. Admittedly, on those issues which were seen as central, such as the provisions for self help and mutual aid as the price of a concrete US security guarantee, the United States invariably prevailed. The analysis above suggests, however, that in this particular issue area, such issues were relatively rare as far as American negotiators were concerned. Conversely French negotiators, who enjoyed relatively high levels of internal cohesion in comparison, demonstrated a high level of commitment to securing their desired ends, and were thus able to prevail on issues such as Italian membership of the alliance and immediate transfers of arms and equipment for French forces.<sup>71</sup> Similarly the British demonstrated that by concentrating on those issues they regarded as most important, namely the necessity for US involvement in Europe's security and not becoming inextricably

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<sup>69</sup> There is a potential in such circumstances to turn this apparent weakness to ones advantage, using the "agent of limited authority" gambit. This is a frequently used negotiating ploy and can be effective up to a point. In this case however, the effects of American disunity were invariably negative.

<sup>70</sup> See Petersen 1982 op cit passim.

<sup>71</sup> FRUS 1948 III: 253. The President approved the re-equipment of three French divisions from stocks of US material in Germany in September 1948. This was at least partly to offset French insistence in the previous months to tie acceptance of the long term political solution favoured by the United States, Britain and Canada to immediate guarantees and supplies for France.

linked to Europe, these aims could be realised.

For the period under discussion, the process based model, therefore, appears to have considerable explanatory power as a predictor of international regime negotiations. Firstly, the role of individuals in the organisational context has been highlighted with the concentration on actor cohesion and commitment, and the role of particular groupings (particularly within the American political system), especially when they acted as linking pins with external negotiators. The Hickerson group within the State Department, certain pro-European members of Congress and individuals within the administration and White House, frequently assumed boundary roles in the process of negotiating the regime.

Secondly, the importance of situation specific power has been noted, particularly with reference to the cooperative nature of the negotiating situation. This limited the scope of the US to capitalise on its situation-specific preponderance. Despite the superior agenda setting and veto power of the United States, the "nature of the game" dictated that the new regime could not be imposed, rather it had to be agreed in a series of compromises. The cooperative nature of the issues at stake, meant that the disparity in power between the actors could not be used to exert influence over eventual outcomes.

Related to this point is the fact that the issue specific power in the negotiations often lay not with the United States, but in many instances with the Europeans. The Americans consistently failed to achieve the kind of association or security structure they desired in Europe in the two years before 1949, whereas the Europeans achieved their main aim of ensuring a direct American security guarantee to Europe, and a continuing American military presence.

The bargaining and coalition building aspects of the process model have also been underlined by the foregoing analysis. The process model, unlike the structural or situational/functional models, does not treat states as unitary actors. The bargaining perspective brings to the fore the role of individuals and the forging of coalitions within and across state boundaries. Further, new organisations such as the BTO and NATO emerged as separate centres.

Issue linkage was attempted during the negotiation of the liberal hegemonic regime. The most overt linkage was used by the United States, in its insistence on self help as a precondition for mutual aid. This linkage became the *sine qua non* of American participation in the regime. It is at least arguable that the strong insistence of the United States on this linkage actually aided agreement amongst the Europeans. The self help "clause" was one of the few issues on which the United States stood firm throughout the negotiations. European (and particularly French) demands for a unilateral US security guarantee and immediate bi-lateral agreements were refused.

As previously discussed, the influence capability of the United States in this period was inherently large, and its sensitivity to European pressure was small and hardly pressed by the Europeans. The French also attempted to use issue linkage in the Italy versus Norway membership dispute, and in her frequent "boat rocking" to secure a hearing for the views of an objectively weak actor which appeared to have little influence capability. No issue linkage was really attempted by either the United States or the Europeans outside the security issue area. Due to the cooperative nature of the association, the parties were constrained to negotiate their differences. Overt coercion was out of the question, and even tacit coercion could have proven counter productive. As Petersen notes<sup>72</sup>, non-agreement in the negotiations could have led the United States to withdraw her forces from West Germany, or at least threaten to do so. This would have had an effect on other areas such as the Marshall Plan. The Europeans generally had only the power of the weak, in terms of exploiting the Russian military and political threat, and indirectly emphasizing the negative effect of a European collapse on the global security position of the United States.

Such issue linkage as there was, remained generally within the issue area and tended to promote regime agreements, in as much as the cooperative aspects were stressed at the expense of conflictual aspects.

The importance of compromise is evident from the previous analysis, and is the next important facet of the bargaining perspective. The formation of a regime is not necessarily an either/or choice reflecting direct responses to structural or

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<sup>72</sup> Peterson 1986 op cit p190-191

situational/functional factors. Rather, the regime will reflect compromises made by the participants in the negotiations leading to the establishment or change of the regime.

Compromises were undoubtedly made by all the parties involved in the establishment of the liberal hegemonic regime. The series of position changes by the United States in respect of what type of regime it desired, were the result of compromises both within the domestic political system, but also with the Europeans. The United States eventually settled for a regime which tied it much more explicitly to the defence of Europe than she had anticipated. Conversely, the Europeans had to settle for a less automatic commitment than they would have wished for, and a longer term, less immediate solution to their problems.

Finally, the bargaining perspective may help explain why a regime is not created or changed, or at least why it does not assume the form which structural or situational factors would predict. This point will be more fully explored below, in relation to the failure of an explicit, closely integrated armaments collaboration regime to develop.<sup>73</sup> The foregoing, however, lends considerable credence to the claim that the process model has utility in the analysis of regimes generally, and particularly in cases where regimes do not appear to reflect structural or situational power.

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<sup>73</sup> See Chapter 7 below.

## CHAPTER SEVEN

### THE OPERATION OF THE LIBERAL HEGEMONIC REGIME

#### INTRODUCTION

The potential of the process model is demonstrated by the consolidation of the regime whose referents had been established during the negotiations culminating in the establishment of NATO. The particular potency of the model rests in its ability to explain why regimes do not form, or at least why a given regime does not assume the form which alternative models predict. The previous Chapter did not deal directly with the issue of armaments collaboration *per se*, for the simple reason that during this period such collaboration was conspicuous by its absence. Examining this period was absolutely necessary, however, to elucidate the themes which have shaped the development, or otherwise, of armaments collaboration in the North Atlantic area. By April 1949 the scene had been set on which the new regime would be staged. The character of the regime which subsequently developed, and progress in armaments collaboration in general, owed much to those few brief months between March 1948 and April 1949.

#### AN OVERVIEW

From its formation, NATO assumed from the BTO any functional role in the armaments collaboration issue area. This Atlantic overlay, although it acted on areas other than armaments collaboration, became particularly important in this respect as a result of the failure of alternative European based security schemes. The success of the Atlanticist solution occurred, at least in part, by default. The eventual collapse of the European Defence Community (EDC), and its replacement with the hybrid compromise of the Western European Union (WEU), ensured a relatively clear field of play for NATO to develop during the decade after 1949. Not until the late 1950's did concern begin to grow about changing the unequal partnership into a more balanced relationship. The problem may be, as Jorgensen notes,<sup>1</sup> that the Atlantic solution imposed an intergovernmental as opposed to an integrationist perspective onto the issue area. The multilateral cooperation exhibited by bodies involved in the issue

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<sup>1</sup> Knud Jorgensen. "The Western European Union and the Imbrogio of European Security" Cooperation and Conflict 1990, 25:135-152. See especially p150.

area and the new regime reflected, at the political level, the existing interdependencies at other levels, as, for example, in arms production and economic relations.

It is the contention of this analysis that the relatively higher levels of armaments collaboration during the liberal hegemonic regime, reflected the necessity to rely on the hegemon to supply armaments, whether via direct transfer, production under licence or through such schemes as Offshore Procurement (OSP).<sup>2</sup> However, as European economies recovered, interdependencies on the armaments collaboration level actually decreased. The European states, often with American aid, became increasingly self sufficient in the production of armaments. As a result, the armaments collaboration regime became beached on intergovernmental sandbanks, rather than progressing towards the integrationist shores beyond. The members of NATO became increasingly embroiled with debates about equalising the imbalance in authority and contribution between the USA and Europe. To this extent then, the period after the late 1950's actually saw a progressive decline in prospects for the emergence of an integrated armaments collaboration regime in the North Atlantic area.

The following analysis posits that this situation can be accounted for with reference to three general problems. Firstly, the structural dominance of the USA in relation to her European allies, that is to say the hegemonic position of the USA within the issue area. The USA was manoeuvred into a position where she had to assume a direct and central role in the security of Western Europe after 1949. Thereafter, the incentive on the Europeans to integrate more closely (particularly with respect to armaments production) decreased markedly. Secondly, the USA was unable, despite her hegemony, to impose solutions on the Europeans due both to the cooperative nature of the relationship, and to her inability to bring to bear sufficient issue specific power to establish a fully fledged armaments collaboration regime. Finally, no issue linkages were formed or attempted which made progress in other areas dependent on progress towards greater collaboration in the production of armaments.

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<sup>2</sup> On the mechanics and effects of offshore procurement and the Mutual Defence Assistance Programme (MDAP) See Lord Hastings Ismay NATO: The First Five Years 1949-54 1955, Paris, NATO especially pp23-24 and 136-139.

The following detailed process based analysis of the period from the signing of the North Atlantic Treaty, until the establishment of the Western European Union (WEU) in 1954, will attempt to demonstrate the process explanation for the failure of an armaments collaborations regime to develop. It will also highlight the scale and nature of early cooperative measures and organisational steps which encouraged an intergovernmental, rather than supranational, regime.

### **FROM TREATY TO ORGANISATION - PUTTING THE "0" IN NATO**

With the signing of the North Atlantic Treaty, the Brussels Treaty Organisation (BTO) found many of its functions being assumed by its precocious offspring. The new organisation was not created in a vacuum however, rather it developed upon the existing structural concepts of the BTO. At the first meeting of the Foreign Ministers of the BTO, on 17 April 1948, the basis was laid for the organisational structure of the new body. As well as a Consultative Council and a Permanent Commission, the Defence Ministers of the five member states established the Permanent Military Committee at their subsequent meeting of 30 April. The latter was given the responsibility of drawing up defence plans, coordinating the military means of the powers, and establishing an organisational framework.<sup>3</sup>

Despite these promising beginnings however, the organisational aspects of the BTO never really materialised. The military organisation which was established had neither the human nor the financial resources to establish itself as a credible deterrent to the Soviet threat, still less to develop any independent role. The real importance of the short lived organisational structures of the Brussels Treaty is as a precedent to the future development of NATO. For the first time an organisation was established on multilateral, semi integrated lines with responsibility for Europe's defence in peacetime. The BTO had a permanent Military Chairman, three commanders-in-chief (one for each of the services) and an international group of officers serving as a joint staff.<sup>4</sup> It is a comment on the utility of such concepts that they were subsequently

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<sup>3</sup> For the text of the communiqué issued by the Foreign Ministers, see CMD 7883, 1948, London: HMSO. "Collective Defence under the Brussels and North Atlantic Treaty." The structure of the BTO is discussed in greater detail by Maj Gen E Fursden The European Defence Community: A History 1980, London: MacMillian Press pp31-34.

<sup>4</sup> Fursden 1980 op cit p34.

to appear in NATO, and the proposed EDC.

The period from April 1949 until the outbreak of the Korean war in June 1950 was one of consolidation and agenda setting for the infant NATO. The organisational framework of the organisation was set out, and the new organs of the organisation began to take shape and address the pressing issues which it faced. Chief among these was the German question<sup>5</sup> and the character of the European commitment to the Atlantic Alliance. The two issues were intimately linked, and once again were to have profound effects on the prospects for the emergence of an armaments collaboration regime. Further, the United States was to find, as in the pre 1949 period discussed above, that its hegemonic position did not guarantee success for its chosen political agenda. The Atlanticist solutions favoured by the United States had to compete with the more "Eurocentric" solutions, favoured in particular by the French.

Initially at least, the pressure for an Atlantic solution appeared set to carry the day. This pressure can be attributed largely to the outbreak of the Korean War, and attendant fears of a monolithic communist plot to destabilise and ultimately dominate Western Europe. The emphasis within NATO shifted from the political/rhetorical level of NATO as a simple guarantee pact, to the organisational exigencies of defending Western Europe which was still woefully ill prepared to provide for her own security. 1950 was to be the "fateful year"<sup>6</sup> which saw NATO transformed from what was in many respects a conventional guarantee pact, into a semi-integrated and effective military organisation. The Korean War then "put the O in NATO".<sup>7</sup> The new organisation became quickly focused on the short term, functional aspects of organising Europe's defence. The more abstruse debates about the future political shape of the Alliance carried on in parallel, but the "nitty-gritty" of organising a

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<sup>5</sup> The constitution of the Federal Republic of Germany had been established with the adoption of the Bonn Basic Law (Grundgesetz) on 23rd May 1949. Following elections in August 1949, the new states comprising the occupation zones of the western allies, attained legal statehood on 20th September 1949.

<sup>6</sup> Fursden 1980 op cit, devotes Chapter 3 of his work to what he entitled "The Fateful Year", see pages 50-104.

<sup>7</sup> The phrase used by Phil Williams in "NATO and the Eurogroup", in K Twitchett (ed) European Cooperation Today 1980, London: Europa Publications Limited, Chapter III pp 29-50. Quote on p30.

convincing conventional deterrent in Central Europe became the remit of NATO. This is an important factor to bear in mind when considering the success of the Atlantic solution after 1954, and the intergovernmental nature of the post 1954 regime. Eurocentric and integrationist solutions having foundered with the death of the EDC, it was left for NATO to inherit centre stage in the regime.

### **THE IMPORTANCE OF POLITICAL ATAVISM**

The concerns which coloured the debates in the shadow of the Korean War, help explain the urgency of the need to solve the German question, which was to dominate European security for the next five years. It became increasingly evident, both in Europe and in the United States, that German participation was vital to the successful defence of Western Europe as a whole. Strategically, German territory provided defence in depth to halt any Soviet offensive. Operationally, German manpower and resources were vital components in fielding a credible conventional force in Europe.

Meeting in September 1950, in New York, the North Atlantic Council saw heated and complex debates on how the Federal Republic of Germany (FRG) could be integrated into the alliance.<sup>8</sup> Despite agreement on the establishment of an integrated armed force, under the command of a Supreme Allied Commander in Europe (SACEUR), along with an international military staff, the basic problem remained unresolved. Growing American pressure to integrate the FRG quickly into NATO was strongly opposed by the French. As a result the Council could only issue vague platitudes supporting a German contribution. The technical details of how this was to be achieved were referred to the Defence Committee for their proposals.<sup>9</sup> The Germans, although committed to the concept of an integrated force, demanded equal treatment in return for equal obligations. Chancellor Adenauer insisted that German units be given equal status with those of other states, whilst accepting that there should be no independent German General Staff. Fearing isolation in the face of growing momentum for an Atlantic solution to the German problem, the French

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<sup>8</sup> Fursden 1980 op cit pp 78-86 contains a detailed analysis of the debates.

<sup>9</sup> NATO Final communiqués 1949-1974 1974, NATO Information Service: Brussels p60.

Prime Minister Pleven unveiled the Pleven Plan.<sup>10</sup>

The chief architect of the plan was, in fact, Jean Monnet, who drafted the document in little more than two weeks, in order to present it to the Defence Committee of NATO meeting on 28 October 1950. The French government feared that the USA would attempt to force through the creation of German units under NATO command. As a result, the Pleven Plan proposed:

"the creation, for common defence, of a European army under the authority of the political institutions of a United Europe."<sup>11</sup>

The army was to have a single High Command and organisational structure, common equipment and common financing. It was to represent "une fusion complete" of contingents from participating states, organised at the level of the smallest possible units. In this way, the problem of reviving the German army was side stepped, since the first German soldiers would be recruited into the new European Army. The Pleven Plan further envisaged a European Minister for Defence, nominated by member governments, responsible to a ministerial council and a European Assembly.

France specifically excluded French forces stationed overseas from the Plan, and made adoption of the scheme contingent on prior ratification of the ECSC Treaty, lest German rearmament hinder the formation of the European Coal and Steel Community (ECSC). Finally, the hand of reconciliation was once again offered to Britain, which was invited to join the new organisation, despite her previous refusal to consider membership of the ECSC. Outside France the Pleven Plan was widely regarded as fatally flawed. Integration of forces at the level of the smallest possible unit was held to be militarily unworkable. The exception of French forces stationed abroad was recognised as a thinly veiled method to retain an identifiable and independent French army, whilst denying such forces to other participating states.

The Americans, and particularly Marshall, pushed for the immediate adoption of an explicitly Atlantic framework. This envisaged strict controls on the German divisions

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<sup>10</sup> On the details of the Pleven Plan, see in particular Fursden 1980 op cit pp 86-92 and Jean Monnet Memoirs 1978, London: Collins pp 344-350.

<sup>11</sup> Monnet 1978 *ibid* p347.

which were to be raised, with no German officers above the rank of Colonel, and no German tanks allowed. In addition Germany was not to be allowed any naval vessels or missiles.<sup>12</sup> Not unnaturally, both the French and American proposals received notably cool responses from Germany. The Defence Committee Meeting resulted, as expected, in the isolation of France as the only proponent of the European solution. With no compromise in sight, the Committee referred the military and political problems of German rearmament to the Military Committee and Council of Deputies respectively. The aim was a compromise solution between the Atlantic and European scenarios. In reality, the Pleven Plan suited no one but the French. It was probably the highest common denominator which Pleven could hope to push through the Assemblée National, and as such became the official French negotiating position. The American solution was unacceptable to the French, who were still haunted by the spectre of a revived German army, but equally unpalatable to the Germans who saw the proposals as second class treatment. The problem was to effect a suitable compromise. Monnet stylised the position as

"committees of experts ..... working simultaneously but separately on two alternative hypotheses, - an "Atlantic" German army, or a European Army - while waiting for the political choice to be made."<sup>13</sup>

Action passed to the NATO Council Deputies meeting in London during November 1950, under the Chairmanship of Charles Spofford, an American. This meeting produced the so called Spofford Proposals, which attempted to work out a compromise solution. The proposals denied that there was any basic incompatibility between the Atlantic and European solutions to German rearmament. The German commitment was to be supervised by NATO in the short term, thus unhitching the short term problem of organising a German contribution from the longer term problem of creating a European Army. The Spofford compromise was, in effect, a cleverly crafted attempt to maximise areas of common interest, whilst relegating areas of dispute for later resolution.<sup>14</sup> Although the Spofford Proposals were endorsed by

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<sup>12</sup> Ibid p348

<sup>13</sup> Ibid p350

<sup>14</sup> The fullest exposition of the Spofford Proposals appears once again in Fursden, *ibid* pp92-99.

both the Defence Committee and by the North Atlantic Council on 18 December 1950, their recommendations were to be stillborn. Resolution of the problem of German rearmament was transferred from NATO to the three occupying powers to negotiate bi-laterally with the FRG. The Petersburg Conference, which sat from 9 January until 4 June 1951, made little substantive progress however, despite the fact that France accepted the Spofford Proposals as a basis for negotiation at the Petersburg talks.

This apparent *volte face* aroused considerable speculation at the time as to French motives, and is still difficult to explain with any certainty. Fursden speculates that a bargain was struck, noting that:

"Indeed it is sufficiently extraordinary, despite the lack of evidence, to encourage speculation about whether there might have been a covert deal with the French: that they should accept Spofford for appearance's sake, while the Alliance acquiesced in their desire for a conference in Paris to discuss the European Army."<sup>15</sup>

Although the conspiracy theory is a possible explanation, the actual reason for French acceptance of the Spofford Proposals is likely to be more prosaic: they simply did not believe that the Spofford proposals would work. Paris would never accept the relaxation of controls on German rearmament inherent in the Spofford Proposals, which were necessary to accommodate Bonn's insistence on equality of treatment. The two positions were mutually exclusive, and it proved impossible to reconcile the two sides of the argument within the rubric of the Spofford Proposals. NATO had, in many respects, begged the question of how to integrate German forces into the defence of Europe. It was, therefore, incumbent upon proponents of the Atlantic solution to demonstrate that it could reconcile French fears and German aspirations. The collapse of the Petersburg Conference in June 1951 demonstrated eloquently that the circle could not be squared, and proposals for an Atlantic solution to the German question simply ran out of steam.

The failure of the Petersburg Conference and, therefore, of the Atlantic solution, left the Paris conference on the European Army "carrying the baby". Having begun on

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<sup>15</sup> Ibid p106

15 February 1951, and quickly become bogged down in a morass of detail, the Paris talks became the sole realistic forum after June 1951 for the resolution of the German question. By extension they were also vital in deciding the character of the security relationship between the United States and Europe generally, and in particular shaping prospects for the emergence of an armaments collaboration regime.

By July 1951 the USA had thrown its full support behind the Paris talks and plans for what had, by now, been re-christened the European Defence Community (EDC). Similarly the Germans decided that only by investing all their efforts in establishing the EDC could they achieve their desired outcome. The complex and often acrimonious debates over the EDC are no part of the present analysis. The labyrinthine questions of the three year debate amount to a research project in themselves, and have been covered elsewhere.<sup>16</sup> The main feature of the proposed Community was an integrated European army, including forces from West Germany. There would be a single integrated command structure, similar to the NATO model, and the European Army would be the chief component of NATO land forces. All units larger than a division, as well as all supply and auxiliary services, were also to be integrated and led by officers of different nationalities.

Following from the draft proposals in the original Pleven Plan, and drawing directly from the patterns of supra-national policy formation and administration laid out in the ECSC, the EDC would have been directed by a Council of Ministers. The Council was to define general policy and give general guidelines for its execution. A Commission of nine would constitute a supranational executive, and an Assembly of Parliamentarians from member States would have consultative and review functions. Finally, a Court of Justice would hear appeals from decisions of the Commission.<sup>17</sup>

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<sup>16</sup> Fursden (ibid) remains the seminal work on the EDC.

See also however CMD 8492, 1952, London: HMSO "German Defence Contribution and the EDC"; CMD 8512, 1952, London: HMSO "The EDC. Relationship between the United Kingdom and the EDC"; CMD 8562, 1952, London: HMSO "Memo regarding Western Support for the EDC, 27th May 1952"; CMD 8570, 1952, London: HMSO "Correspondence relating to the Control of Armaments Production Under EDC Treaty: An edited version of the EDC Treaty appears in Uwe Kitzinger The European Common Market and Community 1967, London: Routledge and Kegan Paul, pp40-53.

<sup>17</sup> Kitzinger 1967, ibid pp40-53.

The EDC Treaty was ratified by West Germany and the Benelux states by April 1954, with Italy poised to follow soon thereafter. At this juncture the French government temporised, committing itself to negotiating certain protocols to the Treaty before presenting it to the *Assemblée Nationale*. These included the retention of a unified, identifiable French Army within the new European force, a guarantee that United States forces would stay in Europe, a British statement about their relationship with and commitment to the EDC, and a solution to the problem of the future of the Saar basin. The negotiation of these guarantees necessitated a delay in ratification in French eyes, but economic factors undoubtedly played their part. As Harrison notes:

"The economic clauses of the EDC would have enabled the Commission to order armaments and other military supplies directly from the national industries of the member states, taking into account the technical and economic potential of each country and calling for competitive tenders."<sup>18</sup>

The French feared that they would be hindered by their relatively higher production costs *vis à vis* Germany and Italy. Similarly, political changes conspired to take some of the urgency of the previous years from the security question. The Korean War was over, and Stalin dead. The continuing American nuclear guarantee in Europe turned French attention to improving her own economic position, rather than making a further commitment to a European system of resource allocation. A growing resentment was also evident about British and American pressure to ratify the Treaty without assuming comparable commitments. This was particularly unpopular to the Gaullists who were by 1954 represented in the cabinet of Mendes-France, the French Prime Minister.

"Britain by standing aloof seemed to be insisting on her superiority and her special relationship with the United States, while France was to become merely a cog in the European wheel, renouncing her sovereignty and losing her position as one of the Big Three, while Britain retained hers. To enter the EDC without securing some such commitment as was made subsequently by Britain as an accompaniment to the WEU Treaty was to abandon the principle of

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<sup>18</sup> R J Harrison *Europe in Question* 1974, London: George Allen and Unwin Ltd p158

equality between Paris and London upon which France insisted."<sup>19</sup>

Strong American pressure forced Mendes-France to submit the Treaty to the Assemblée National for ratification before he was ready, and when the problem issues were still being negotiated. It is possible that some compromise may have been reached on the outstanding issues. The threat of an "agonising reappraisal" of American policy if the Treaty were rejected, made by John Foster Dulles, undoubtedly backfired.<sup>20</sup> Instead of ensuring ratification, America's ill-judged intervention contributed to the defeat of the EDC. Mendes-France allowed the Treaty to lapse on a procedural motion, since it had by now no chance of being passed. No debate on the EDC was ever carried out, nor was a vote taken. As Fursden wryly notes:

"After nearly four years of almost continuous controversy and division, the EDC - "that cumbersome baggage" - originated by the French had been defeated by the French. EDC was dead without even having been accorded the honour or the dignity of a funeral oration."<sup>21</sup>

### **AN ATLANTIC REPRISE**

The collapse of the planned EDC created a highly damaging political vacuum in the security relationship between the United States and Western Europe. Any rapid progress toward further European unity was ruled out, since the planned European Political Community (EPC) had ridden on the coat tails of the failed EDC. Those sections of the governments most closely identified as pro-EDC had been humiliated, their political capital squandered on a fruitless venture which had no fall back position. The Americans and the British were alarmed at the sudden crisis, with Britain becoming more than ever convinced that the only realistic solution was an "Atlantic" one. The Federal Republic of Germany relapsed into its status as an occupied territory, since the agreements terminating the occupation regime had been dependent on ratification of the EDC Treaty.

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<sup>19</sup> Ibid p159

<sup>20</sup> The phrase was used by Secretary of State Dulles to the French at the Bermuda Conference in December 1953. See J W Wheeler Bennett and A Nicholls The Semblance of Peace 1972, London: MacMillan, p595

<sup>21</sup> Fursden op cit p297

In the immediate aftermath of the collapse of the EDC, there was little conception of what could be done to snatch any glowing embers from the ashes of the now consumed scheme. It was to be the British, and more particularly Anthony Eden, the Foreign Secretary, who were to be the chief architects of a compromise solution. Unsurprisingly perhaps, the treaty for the Western European Union (WEU) was a triumph for intergovernmentalism. Despite initial criticism from Secretary of State Dulles that the proposed WEU lacked the supranational quality of its failed predecessor, the United States grudgingly supported Eden's efforts to find a compromise solution.<sup>22</sup> Eden considered the American desire to isolate France further by calling an eight power conference (which would exclude France) most unwise, saying in his memoirs:

"I thought this a bad plan, for whether we considered French action (in rejecting the EDC) right or wrong, we needed France, and I saw no cause to stand her like a naughty girl in the corner."<sup>23</sup>

The exact paternity of the idea of using a revised or expanded Brussels Treaty as the basis for a compromise solution to the problem has been the subject of considerable debate. The most attractive claim came from Eden himself, who insisted that the concept of using the BTO as a framework, came to him during a bath at his country cottage where he spent the weekend of 4-5 September 1954.<sup>24</sup> David Carlton, Eden's biographer, attributes the original concept to Sir Christopher Steel, the British Ambassador to NATO during the period.<sup>25</sup> Fursden, however, credits Sir Frank Roberts as co-author along with Steel<sup>26</sup>

<sup>22</sup> Dulles had described the WEU as "makeshift" hinting darkly during his European tour in September 1954 about a renewal of the "agonising reappraisal" first threatened in late 1953. See Wheeler-Bennett and Nicholls, 1972 op cit p594; Anthony Eden Full Circle: Memoirs 1960, London: Cassell, pp158-164

<sup>23</sup> Ibid p149

<sup>24</sup> "A diplomatic traveller must have a full quiver. I wanted some new ingredient. In the bath on Sunday morning, it suddenly occurred to me that I might use the Brussels Treaty to do the job. At the Foreign Office a few days before, there had happened to be some discussion of the Treaty in another context, and I expect that this put the idea into my head." Ibid p151.

<sup>25</sup> David Carlton Anthony Eden, A Biography 1981, London: Allen Lane, p361

<sup>26</sup> "..... for some time before the failure of the EDC he (Sir Frank Roberts) had kept in his safe a plan, which he had devised in rough outline only, in conjunction with Sir Christopher Steel, for enlarging the Brussels Treaty to accommodate Germany. Anthony Eden just knew that there was such a plan, but not much else about it." Fursden 1980 op cit p312.

Harold MacMillan also claimed to have raised the idea of using the Brussels Treaty machinery, in conversation with Eden in early September 1954, recording that Eden agreed with the idea.<sup>27</sup> Two French contenders have also claimed credit for the scheme. Rene Massigli, French ambassador to Britain at the time, met Eden before the latter embarked on his tour of four European capitals on September 11th 1954. The ambassador proposed a modified Brussels Treaty with a European as commander in chief, in effect a watered down version of the EDC.<sup>28</sup> Finally Pierre Mendes-France insisted that the concept had been discussed within French government circles for some time, and that

"the impetus for the plan came from the French. It seemed preferable to let it appear that it came from Eden; it was easier for the others to swallow."<sup>29</sup>

It is apparent that a number of different individuals may have considered the BTO as a possible solution should the EDC fail. If the exact paternity of the concept remains confused, its parentage and guiding influence is quite clear. Anthony Eden was the fundamental influence in securing an agreement to his proposed solution in a remarkably short period. Indeed it is arguable that his influence was of greater importance than that exercised by Bevin in the original BTO. Eden's shuttle diplomacy took in Brussels, Bonn, Paris and Rome between September 11th and 17th. During his talks he gained broad based support from everyone but the French, whom he persuaded to acquiesce, whereupon he called a Nine Power Conference in London for late September 1954.<sup>30</sup>

The London Nine Power Conference is particularly notable, in that all the major

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<sup>27</sup> MacMillan dates the conversation as 8 September 1954. See Harold MacMillan The Tides of Fortune 1945 - 1955 1968, London: George Unwin, p481

<sup>28</sup> The Massigli proposal was recorded by Fursden 1980 op cit p311, note 13, in a personal interview with Mr Massigli on 4th May 1977. Eden, although acknowledging the ambassadors input, poured cold water on the proposal of a formal military structure for the BTO parallel with NATO, see Eden, 1960 op cit p153.

<sup>29</sup> Pierre Mendès-France Choisir 1974, Paris: Stock, p77. This explanation appears somewhat Machiavellian. It is, however, possible that the French government did consider some form of solution, which built on the basis of the Brussels Treaty, quite independently from Eden. Mendès-France subsequently announced the plan before the Consultative Assembly of the Council of Europe on 20th September 1954.

<sup>30</sup> Eden 1960 op cit p153-162. The Nine Powers consisted of: the members of the BTO (the United Kingdom, France, Belgium, Luxembourg and the Netherlands), United States, Canada, Germany and Italy.

participants made compromises in their previous positions. The British unveiled a firm commitment to maintain four divisions and a tactical air force on the continent, except in the event of dire financial crisis or extra-European emergencies. This ended the long standing doubts on the part of the French and the Benelux states as to the strength of the British commitment to Europe's defence,<sup>31</sup> and represented a sea change in British strategy unrivalled since the abandonment of "splendid isolation" from European affairs more than fifty years previously. The United States reiterated its willingness to extend a guarantee to the new organisation along the same lines as that which had attached to the EDC, notwithstanding the serious misgivings of the State Department on the lack of supra-national content in the WEU.

The French were prevailed upon to accept that Germany would have to join the BTO and NATO simultaneously, and, therefore, to accept the *de facto* creation of a German army, even if it did lack a General Staff and operate under strict controls.<sup>32</sup> This represented a major climb down for France, made necessary by her potential isolation in the post EDC period. The Federal Republic certainly ceded some of its sovereignty in return for accession to the WEU and NATO, but Adenauer did at least succeed in integrated German units being raised as equals in status with their allied counterparts.

Following the British and American statements at the Conference, agreement on the new structure followed relatively quickly. The Paris agreements instituting the Western European Union were signed on 23 October 1954. The French Assemblée National caused a brief delay by rejecting part of the Treaty during its Christmas Eve debate in 1954, prompting a pre-emptory statement from the British Foreign Office the same day. With clear, even brutal, force Eden promised that any refusal to ratify the whole treaty by *any* of the member states would result in a British style

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<sup>31</sup> It is also likely that Eden saw the change in British Policy as a sweetener to persuade the United States to make a similarly direct commitment, in spite of the noted hostility of Secretary of State Dulles. See Carlton 1981 op cit p362.

<sup>32</sup> Eden had prevailed upon Mendès-France to accept this formula in his September visit, leaving the detailed discussions for the forthcoming conference. This was the first occasion that the French accepted the principle of German integration in NATO. The one stipulation made by Mendès-France, was that all or most of the constraints on German rearmament be placed within the WEU and not NATO. See Eden 1960 op cit p161.

"agonising reappraisal" of her new continental commitment. Faced with such a stark choice, the Assemblée Nationale duly passed the Paris agreements on 29 December 1954, after Mendés-France made the issue a vote of confidence in his government.<sup>33</sup>

The Paris Agreements did not simply establish the WEU, however. The Final Act of the Nine Power Conference comprised six parts and five annexes,<sup>34</sup> and it was these which formed the basis for the final texts of a series of documents signed on 23 October 1954.<sup>35</sup> These included an agreement terminating the occupation regime in the FRG, a convention formalising the presence of foreign troops in the FRG, and a Three Power Declaration on Berlin.<sup>36</sup> In addition a protocol to the North Atlantic Treaty on the accession of the FRG was signed,<sup>37</sup> and a Franco-German agreement on the Saar statute.<sup>38</sup> Finally, the Nine Power Conference produced a declaration by the original five member states of the BTO, inviting the FRG and Italy to accede to the Treaty, and the (by now) seven member states signed a number of protocols modifying and completing the Brussels Treaty.<sup>39</sup>

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<sup>33</sup> Ratifications followed by Belgium on 22 April 1955, France on 5 May, Luxembourg on 4 May, the Netherlands on 1 May, the United Kingdom on 5 May, Italy on 20 April and the FRG on 5 May. The WEU attained legal status on 6 May 1955. See A H Robertson *European Institutions* 1959, London: Stevens and Sons, p297. Eden's statement is reproduced in his *Memoirs* op cit p171.

<sup>34</sup> For the texts of the final acts, see CMD 9289, 1954, (Oct) London: HMSO "Final Act of the Nine Power Conference held in London September 28th - October 3rd 1954."

<sup>35</sup> CMD 9304 1954, (Nov) London: HMSO "Documents agreed on by the Conference of Ministers held in Paris, October 20th - 23rd 1954."

<sup>36</sup> CMD 9368 1955, (Jan) London: HMSO, "Documents relating to the termination of the occupation Regime in the Federal Republic of Germany"

<sup>37</sup> CMD 9501 1955, (Jul) London: HMSO "Protocol to the North Atlantic Treaty of April 4th 1949, on the Accession of the Federal Republic of Germany."

<sup>38</sup> CMD 9306 1954, (Nov). London: HMSO. "Agreement between the Government of the Federal Republic of Germany and the Government of the French Republic on the Saar statute." It was, in fact, envisaged that the WEU would actually administer the Saarland, whose population were expected to endorse this course in a referendum. In the event, the referendum held in 1955 rejected the WEU solution in favour of re-unification with the FRG. The territory was reintegrated between 1957-59.

<sup>39</sup> For the text of the protocols, see CMD 9498 1955, (June) London: HMSO "Protocols to the Treaty signed at Brussels on March 17th, 1948 between the United Kingdom of Great Britain and Northern Ireland, Belgium, France, Luxembourg and the Netherlands. Modifying and extending that treaty to include the Federal Republic of Germany and Italy."

Protocol I dealt with the accession of the FRG and Italy, modifying the wording and numeration of the original Articles, where these were inconsistent with the modified Treaty. It also redefined the Council of the BTO, its authority and voting procedures, and obliged the Council to submit an annual report on its activities, particularly those relating to the control of armaments, to an Assembly of the WEU. This Assembly was to be composed of the member states representatives to the Consultative Assembly of the Council of Europe. Protocol II "On the forces of the Western European Union" set out maximum levels of peacetime armed forces which member states could possess, which could not be varied without unanimous agreement of the other member states. Protocol III "On the Control of Armaments" provided the framework for the renunciation of the production of certain types of weapons by the FRG.

The final Protocol, number IV, provided for the establishment of an Agency for the Control of Armaments (ACA) situated in Paris. This body, responsible to the WEU Council, was charged with the task of verifying that the commitments contained in Protocol III were adhered to. The two main tasks in this verification process were: firstly, the collection and analysis of statistical and budgetary information, from the member states and NATO, on the level of armaments for forces maintained under national command on mainland Europe, and those forces under SACEUR command, secondly the ACA had to physically verify the accuracy of information gained from documentary controls via so called "Field Control Measures." These involved irregular visits to production plants, depots and forces in mainland Europe by ACA investigation teams.<sup>40</sup>

The Standing Armaments Committee (SAC) was not established until 1955, when the WEU Council meeting of 7th May discussed the findings of a working party on the production and standardisation of armaments, and possible common production methods for member states. The French had strongly advocated such a body during the London Nine Power Conference.<sup>41</sup> In the event, however, the SAC proved to

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<sup>40</sup> See *ibid* *passim* for details.

<sup>41</sup> See Eden 1960 *op cit* p169, who notes that:  
"Mendès-France clung tenaciously to his plan of an arms pool to achieve the coordinated production and

be far less ambitious than the fully fledged arms pool proposed by the French. As constituted by the Council it consisted of seven representatives, one from each member state. The SAC was funded from the WEU budget, and was free to establish any working group or sub committee which it saw fit. A small international secretariat was situated in Paris, headed by an Assistant Secretary General of the WEU, who also served as vice chairman of the SAC proper. A biannual report was required by the Council on the activities of the SAC during the preceding months.

### **EARLY ORGANISATIONAL STEPS AND COOPERATIVE MEASURES**

The first NATO body established in the field of defence production was established as early as November 1949. Consisting of national delegates meeting in committee at frequent intervals, the Military Production and Supply Board (MPSB) was charged with examining defence production in NATO member states, and making recommendations for rationalisation and the means of increasing production in those areas where the greatest deficiencies were exposed. The successor to the MPSB, known as the Defence Production Board (DPB), was created in December 1950. This assumed the functions of its predecessor, but introduced two improvements. First, a coordinator of Defence Production was appointed at the head of an international staff. Second, the heads of the national delegations were to be continuously present in London.<sup>42</sup>

In late 1950 a series of reports were produced by Task Forces which had been set up under the auspices of the MPSB and DPB. Nine teams of senior production specialists drew up the reports after an extensive round of visits to NATO armaments producing countries, drawing from site visits and meetings with government officials. The reports aimed to highlight those areas in which "production additional to that already planned by the countries themselves"<sup>43</sup> would be necessary in order to

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standardisation of European armaments, under the aegis of the BTO. The scheme had obvious attractions, but raised endless practical difficulties. In particular the Americans would naturally be reluctant to channel all their supplies through the new Brussels Treaty structure".

<sup>42</sup> See NATO Facts and Figures 1989, Brussels: NATO Information Service p263. Also Francis Beer Integration and Disintegration in NATO 1969, Columbus, Ohio: Ohio State University Press p130-131, and Ismay 1955 op cit pp127-128.

<sup>43</sup> Ismay ibid p128.

satisfy NATO's minimum force levels. The Temporary Council Committee (TCC) set up in 1951, and the Annual and Triennial Review procedures subsequently adopted by NATO, took the DPB reports as a starting point from which to develop proposals. The Military Agency for Standardisation, set up in early 1951 and based in London under the Standing group, had responsibility for the promotion of standardisation of operational and administrative practices and war material. With the creation of the NATO International Staff/Secretariat in 1952, a new Production and Logistics Division was formed to assume the activities of the DPB, chaired by a NATO Assistant Secretary General.<sup>44</sup>

The three chief activities of the Production Division were:

- (1) Long term production planning.
- (2) Acting as export broker for the exchange of information, and guiding technical studies.
- (3) Participating in the Annual Review, which involved analysing equipment requirements and resources for current and future years.<sup>45</sup>

According to Ismay, the aim of the new body was

"to use available resources to the best possible advantage by correlating the production programmes of the member countries multi-laterally at the planning stage."<sup>46</sup>

In 1953 a series of Correlated Production Programmes were undertaken by NATO. These had been planned in 1952, and aimed to achieve a degree of correlation in the programmes of NATO members for a number of major equipment items, ranging

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<sup>44</sup> NATO Facts and Figures 1989 op cit p263. In October 1960 this body became the Production Logistics and Infrastructure Division, and in September 1967 the title was once again changed to the Defence Support Division during the reorganisation which followed the transfer of NATO from Paris to Brussels. The broader group included defence research activities. After January 1979 the Defence Support Division also assumed responsibility for Command Control and Communications, and Air Defence Systems.

<sup>45</sup> Beer 1969 op cit p132, Ismay 1955 op cit pp128-129.

<sup>46</sup> Ismay 1955 op cit p128.

from aircraft, to ships, artillery ordnance and electronic equipment.<sup>47</sup> These programmes developed on the basis of a number of existing bi-lateral projects undertaken in the period after the establishment of NATO. As early as 1949 Belgium manufactured Derwent jet engines for installation in British Meteor aircraft built under licence in the Netherlands, and France manufactured Nene jet engines and Vampire aircraft.<sup>48</sup> Belgium and the Netherlands produced jointly 440 Hawker Hunter aircraft between 1955-58,<sup>49</sup> while Italy produced 221 of the American F-86 fighter under licence, as well as de Havilland Venom and Vampire aircraft, Bell 47 helicopters and Fokker S-11 trainers in smaller numbers.<sup>50</sup> The United Kingdom also produced Hawker Hunter and Vickers Supermarine Swift aircraft, and Dassault produced Mystere aircraft in France as part of the correlated production programme.<sup>51</sup> An interesting (and virtually unique) example of US production of a foreign weapons system, was the phased production of 403 British B57 Canberra bombers in the United States between 1953-59.<sup>52</sup> The 1953 Correlated Production programme, therefore, involved the production of British, French and United States aircraft in five western European states. Other correlated production programmes on electronic equipment and ammunition also produced useful results.<sup>53</sup>

The correlated production programme concept never really took off, however. The programmes were limited in scope, and in scale, involving production of existing systems by more than one NATO member. As NATO itself noted:

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<sup>47</sup> NATO Facts and Figures 1989 op cit p264-265, Ismay pp128-29.

<sup>48</sup> NATO Facts and Figures 1989 op cit p264. See also C J E Harlow The European Armaments Base: A Survey, Part II: National Procurement Policies 1967, London: Institute for Strategic Studies p3, 52 and Ismay 1955 op cit p127.

<sup>49</sup> Harlow *idem*. Fokker were the major contractor for this co-production agreement. Fairey and SABCA in Belgium were the major sub-assembly supplier, with Belgian armaments/engine manufacturer F N manufacturing the Rolls Royce Avon engines under licence.

<sup>50</sup> *ibid* pp58, 60. Of the 221 F86 aircraft produced under US offshore contracts, 63 were for Italy, 60 for France, 88 for the FRG, 4 for Norway and 6 for the Netherlands.

<sup>51</sup> NATO Facts and Figures 1989 op cit p264.

<sup>52</sup> *ibid*. No destination other than the USA is mentioned for these aircraft, in any of the sources. The aircraft were probably re-exported as part of the MDAP-OSP programme.

<sup>53</sup> *ibid* p265

"No attempt was made to draw up any overall master plan for the equipment of all NATO forces which would parcel out production to the most efficient or economical sources. Such ideas canvassed in the early days of NATO, ran into a number of obstacles. National authorities naturally tended to favour home industries and to be reluctant to finance multinational projects. Member countries were at different states of economic development. There were serious security problems. Furthermore, large programmes imposed upon industries would have had the effect of smothering incentive and reducing useful competition in the private industrial sector of many of the countries concerned."<sup>54</sup>

Correlated production was gradually abandoned in favour of individual project collaboration. To some extent, the failure of correlated production to proceed, or to develop further, is indicative of the more general failure of those in favour of a more integrated, or even supranational, armaments collaboration regime to bring about their desired ends. As Vandevanter notes,<sup>55</sup> the period between the establishment of the MPSB in 1949 and the mid 1950's was one of consistent rebuffs for supranational or integrationist plans. Despite early high hopes among those in favour of transforming NATO into a supranational directing mechanism, with broad powers in both the military and economic spheres, the reality was to prove quite different. There is evidence that William Herod, the American Defence Production Coordinator of the DPB, and his British Chief of Staff General Sir Ernest Wood, strongly supported the introduction of a common defence budget for NATO, and the establishment of the DPB as a control mechanism for an international syndicate to take orders, design weapons, let contracts and distribute production. The unwillingness of the member states to countenance such ambitious plans led Herod to resign in 1951, less than a year after taking office.<sup>56</sup> The failure of the EDC in 1954, with its ambitious supranational design, marked the high water mark of plans for integration in financing

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<sup>54</sup> idem

<sup>55</sup> Brig Gen E Vandevanter Common Funding in NATO 1967, RM-5282-PR, Rand Corporation: Santa Monica, California pp13-20.

<sup>56</sup> ibid p15.

and armaments collaboration.

"By the mid-1950's ..... NATO nations were greatly disillusioned about the future of coordinated defence production. The organisational structure had progressed through the following stages:

- (1) a very loose collection of individual, uncoordinated, national representatives (the Military Production and Supply Board);
- (2) a presumably powerful, but actually relatively impotent, coordinator for Defence Production;
- (3) a prestigious but still powerless Assistant Secretary General for Production and Logistics of the International Staff aided by national delegations of technical staff aided by national delegations of technical assistants; and
- (4) a subministerial Defence Production Committee reminiscent in structure of the original Military Production and Supply Board. Thus, after much experimentation, final authority was once again in the hands of a committee of national representatives.

The system as developed by the end of 1954, with the Defence Production Committee sitting at the apex of the collaboration process, was essentially the one that is in use today (1964), though the name was changed in 1958 to the Armaments Committee."<sup>57</sup>

In the period 1949-54, armaments collaboration was implemented largely, though not exclusively, through American, and in smaller quantities Canadian, military assistance. This helped to raise European stock levels, rebuild European defence production capacity, and promote a degree of standardisation via the dispersal of uniform, generally American, equipment. Ismay notes that the total monetary value of United States and Canadian aid programmes for the period 1948-1954 exceeded \$30 billion (at 1955 prices). Over half of the total was for military equipment, \$11.5 billion was for economic aid (including goods, machinery, training and financial

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<sup>57</sup> Brig Gen E Vandevanter Coordinated Weapons Production in NATO: A Study of Alliance Processes 1964 RM-4169-PR, Rand Corporation: Santa Monica, California. Quote p13.

support) and the balance for military training and "intermediate type aid" for specific projects within the defence budgets of European NATO states.<sup>58</sup> Military equipment expenditure in NATO states rose from 23% of total defence expenditure in 1951 (\$9.7 billion of \$42.04), to 35% in 1952 (\$20.8 billion of \$59.8 billion) to 40% in 1953 (\$24.8 billion of \$62.77 billion).<sup>59</sup>

Most American equipment was by direct transfer, although a proportion was in the form of Offshore Procurement and "defence support" (ie economic). A total of \$17.5 billion of equipment and other items to support the defence efforts of European NATO members was given between 1949-55, although as Ball points out, for every dollar furnished in aid by the United States, the European NATO members were spending \$3 for themselves.<sup>60</sup> Similarly in the period between July 1949 and December 1956, the United States provided \$12.9 billion of military assistance (excluding defence support). This compared to \$81 billion spent by the Europeans themselves.<sup>61</sup>

Canadian aid in the same period amounted to \$1.275 billion (April 1950 - mid 1956), provided to every European NATO member except Iceland, which had no armed forces, with an additional \$143 million for 1956-57.<sup>62</sup> Ismay puts the figure for Canadian assistance between 1950 - 55 at \$850 million for equipment, and \$260 million for training aid. The equipment expenditure included: equipping 3 European ground divisions (one Belgian, one Dutch and one Italian); providing 500 F86 Sabre jets complete with spares; radar sets, minesweepers and a wide range of ammunition and supplies. Much of this equipment was of modern US designs, which enhanced standardisation.<sup>63</sup>

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<sup>58</sup> Ismay 1955 op cit p135.

<sup>59</sup> *ibid* pp111 and 126. All figures are for 1955 US dollars.

<sup>60</sup> M Margaret Ball NATO and the European Union Movement 1959, London: Stevens and Sons Ltd: p88.

<sup>61</sup> *ibid* p89. Defence support aid was discontinued in 1957. No funds were requested for fiscal year 1958.

<sup>62</sup> *ibid* p89. See also "Canada's Mutual Aid Programme" NATO Letter 1956, November 1, Vol 4 (2) pp 19-20.

<sup>63</sup> Ismay 1955 op cit pp135-136.

In respect of American aid in the same period, Ismay details a total of \$15 billion of equipment expenditure, including \$1.73 billion MDAP-OSP aid, and excluding \$388 million Special Military Support for France. The MDAP-OSP aid was made up chiefly of \$852 million for ammunition, \$366 million for aircraft and related equipment, and \$239 million for ships.<sup>64</sup> Vandevanter estimates that, by 1958, over one half of all the heavy equipment in use by the European NATO members had come from either the USA or Canada.<sup>65</sup> By the late 1950's, however, American policy began to change, amounting to a switch, as Beer wryly notes, "from the patron saint of the mid-1950's to most active competitor of the early 1960's."<sup>66</sup> By 1957 American aid began to decline. Assistance programmes to European NATO members were seen by the Americans as less pressing, as the economic position of those countries improved.

Faced with balance of payments problems and increasingly restive domestic defence equipment manufacturers, a policy shift in favour of increasing European defence contributions took place within the US Administration. The arms markets of Europe were an inviting source of contracts for American companies, and much of the equipment provided by the United States in the years 1949-56 was in need of replacement. In addition, the newly rearming Federal Republic of Germany promised to be a large and potentially important source of orders for military equipment during the late 1950's and early 1960's.<sup>67</sup>

Before proceeding to analyse the development of the regime during the 1960's, it is necessary to examine the period discussed above from a process based perspective.

### **CONCLUSION: THE TRIUMPH OF INTERGOVERNMENTALISM**

The institutional character of the armaments collaboration regime can justifiably considered to have been determined by 1955. The intergovernmental, as opposed to

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<sup>64</sup> *ibid* p137.

<sup>65</sup> Vandevanter 1964 *op cit* p14.

<sup>66</sup> Beer 1969, *op cit* p145.

<sup>67</sup> For a discussion of these issues, see Beer 1969 *ibid* pp145-171.

supranational, nature of the regime was directly attributable to the failure of the EDC as the discussion above demonstrates. Other inputs naturally contributed to the triumph of intergovernmentalism over supranationalism, but it is difficult to overstate the centrality of the ill-starred effort to construct an integrated European Army. The period between 1949 and 1954 resulted in an unequivocally inter-governmental structure for the armaments collaboration issue area, and fatally weakened prospects for a strong, integrated armaments collaboration regime.

The organisational structures in place, chiefly NATO, but also after 1954 the WEU, could not provide the engine necessary to drive a supranationally based armaments collaboration regime forward. The hegemonic state, America, could not impose an integrated regime, and none of the European states had either the resources or the political strength to promote such an integrated armaments collaboration regime. The following analysis will account for this outcome, using a process model to demonstrate why the regime was "captured" by intergovernmentalism. In addition to this explanation, the utilisation of a process based model can offer valuable insights into the political processes operative during the period, and help to explain the subsequent lack of progress in the armaments collaboration issue area.

The intergovernmental cast, which the early years of the liberal hegemonic regime, afforded the armaments collaboration regime, cannot be seen as the outcome of American policy. Nor can it be seen as attributable to structural or situational factors alone. As discussed above, the United States began by favouring an Atlantic solution to the problem of what form the new regime should assume. This subsequently changed to an acceptance of, and increasingly strong support for, a Eurocentric regime under the aegis of the EDC. On the collapse of this option, the United States acquiesced in a British brokered compromise solution, which institutionalised an intergovernmental approach and, arguably, fatally damaged future prospects for armaments collaboration by restricting such collaboration to a few, largely unsuccessful, NATO led projects. In all three cases the United States failed to achieve her objectives. Why should this be the case, bearing in mind the continuing centrality of the United States to European security during this period?

As in the previous period of regime negotiation discussed in Chapter 6<sup>68</sup>, the United States retained considerable influence capability during this period. The huge scale of American economic, and, more importantly, from the point of view of this analysis, military equipment aid discussed above, represented the only feasible source of armaments required in the necessary quantities in the early to mid 1950's. Having become involved in the security of the Atlantic area generally, and Western Europe in particular, by joining NATO and giving guarantees to preserve European security from direct and indirect Soviet aggression, the United States was apparently in a position to impose the type of security regime decided upon by the American administration. Conversely, the Europeans had little influence capability with the exception of perceived weakness and exploiting the American fear of communist infiltration. This was particularly true of Italy and France which had large and influential domestic communist parties. This appeal to the weakness and vulnerability of western Europe's democracies could be overplayed, however, and became steadily less convincing as the 1950's progressed and European economies recovered. Stress sensitivity on the part of the United States was apparently low, due to continued European dependence on American aid. The Europeans were unable to bring any great pressure to bear on the Americans in terms of armaments during this period, since they were playing the role of "demandeur". Once again the potential stress sensitivity of the Europeans was relatively great, since they were so heavily, and in some cases almost exclusively, dependant on supplies of American armaments or OSP goods.

In an organisational context, the United States proved unable to mobilise her issue specific power to promote armaments collaboration. In the early stages of the period under discussion, the United States failed to achieve acceptance of an Atlantic based solution to German rearmament in particular, or the organisation of European security more generally.

The Atlantic solution favoured by the United States foundered due to strong opposition from both France and West Germany. The failure of the Spofford Proposals and of the Petersburg Conference between November 1950 and June 1951

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<sup>68</sup> See above pp137 to 164.

epitomised the lack of success on the part of American negotiators to achieve their desired ends. United States policy could not simultaneously satisfy the contradictory aspirations of the French and the West Germans. Acceptance of an Atlantic solution was not linked to American participation in NATO, or continuation of US aid, and no fall back position had been prepared when this solution was abandoned. America did not attempt to coerce the Europeans into acceptance of an Atlanticist approach, seeing the relationship as cooperative. It is arguable that this reflected divisions within the United States administration between "pro-Atlantic" and "pro-European integration" factions, and that such divisions adversely affected the ability of the USA to prevail in these negotiations. Once again, the apparent issue specific power of the United States was not matched by situation specific influence.

Subsequently, American support for the EDC concept signally failed to achieve the desired outcome. The United States, despite initial scepticism, had become a true convert to the EDC plan. The supra-national aspects of the scheme struck chords in certain sections of the US administration, and meshed well with the principle of self help depending on mutual aid. The threat of an agonising reappraisal of US policy towards Europe following the collapse of the EDC is evidence of American impatience with progress toward a solution to the problem of German rearmament, and the organisation of European security more generally. It represents a clear and potent attempted use of issue linkage by the Americans, directed unmistakably toward France, to the effect that failure to ratify the EDC treaty could result in America turning her back on Europe. The threat, however serious, was insufficient to secure French agreement, and plans by the United States to isolate France as punishment were averted by the Europeans - chiefly the United Kingdom - as discussed above.

The fact that France was prepared to "call the bluff" of the United States at such an important juncture, demonstrates that situation specific power lay chiefly with the French, even if issue specific factors favoured the United States. Once again the French were committed, this time to retaining a separate and identifiable French army, and enjoyed enough cohesion to risk rejecting the EDC in the face of American threats and the disapproval of European allies.

On the failure of the EDC, the British brokered compromise of creating a

purposefully intergovernmental body in the form of the WEU, can hardly be seen as a triumph for US policy. The United States was constrained to accept what it regarded as a watered down substitute, since this was the highest common denominator which assured; firstly French acceptance, secondly, direct British involvement and finally a framework for German rearmament. The British were able to capitalise on their previously aloof attitude towards the EDC, whilst large sectors of the political elites in France, Germany and the United States were in disarray, having been tarred with the brush of failure when the EDC collapsed. The French, although previously successful in resisting American pressure, were now effectively isolated and forced to acquiesce in the Atlantic solution hawked around the European capitals by Anthony Eden. The United States, whilst unhappy at the lack of supra-national elements in the WEU, were happy enough in the end to endorse the new scheme, which was not a great deal different from the original Atlanticist proposals of four years earlier. Finally, the West Germans were happy with a scheme which ensured a measure of equality of rights and the opportunity to become a full member of the Western Alliance.

The importance of the foregoing summary, is in its indication that the triumph of intergovernmentalism, epitomised by the formation of the WEU and German rearmament and entry into NATO, prematurely ossified the prospects for armaments collaboration. During the course of the EDC debate, armaments collaboration was restricted almost exclusively to the supply of American equipment or its production under licence. Further, the activities of existing institutions (firstly the BTO and subsequently NATO) in respect of promoting armaments collaboration were negligible. As a result, when the EDC collapsed, the only vehicle suitable for the promotion of armaments collaboration were both firmly inter-governmental in nature.

Earlier in this chapter, it was posited that three general problems could help account for the formation of the armaments collaboration regime in the form detailed above, and that these informed the process based analysis of the issue area.

### Structural Dominance

The first factor was the structural dominance of the United States within the issue area. The hegemonic position of the United States, meant that certain policy

decisions had direct and important influence on the development and progress of armaments collaboration, even if such policies were not consciously intended to impact upon the issue area. Two policies are of particular importance in this regard. First was the introduction of the concept of Mutually Assured Destruction (MAD) and the consequent lessening of the imperative to strengthen conventional forces. Reliance on nuclear weapons, and the effective abandonment of the Lisbon Force Goals set in 1952 by NATO, dealt a severe blow to the prospects for integrated armaments production or collaboration, both within Europe and between Europe and America.

The second policy decision which was to prove of major importance, was the encouragement given by the United States for the re-establishment and/or development of European defence industries after 1945. This policy had a number of aims; chiefly it was expected to provide employment in war ravaged European economies, encourage re-industrialisation and economic growth, and improve the balance of payments of the European states. In addition, production of armaments in Europe would provide alternative sources of supply and avoid overtaxing the "arsenal of democracy". However, since American aid (unlike Canadian) was distributed on a bi-lateral basis, and not under the aegis of NATO or any other organisation, there was little prospect of pursuing any plan to provide collaboration in armaments production among the European States.

As Beer notes:

"The specific pattern of sacrifice implied by this ideology (of armaments collaboration) was one in which - initially - the greatest arms benefits seemed to go to the Europeans and the greatest burdens to the United States"<sup>69</sup>

Throughout most of the 1950's the United States, as hegemon, accepted the burden.<sup>70</sup> Increasingly, however, from the late 1950's onwards, greater emphasis

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<sup>69</sup> Beer 1969 op cit p163.

<sup>70</sup> Eisenhower specifically accepted that even if the trade off between American contributions and European contributions was not even:

was placed on collaborative projects and joint production under the aegis of NATO. These projects will be examined in greater detail in the following chapter. Most were generated in the mid to late 1950's and continued into the 1960's. It had long been realised that the distribution of labour operative during the formative years of the alliance could not last forever. Thus Eisenhower, in his first Annual Report as SACEUR in 1952, had endorsed the report of the Temporary Council Committee which had called for:

"a more equitable pooling of production facilities and for a more equitable sharing of the burdens incident to the defence programme"  
continuing

"Europe must become self-sustaining in military manufactures at the earliest possible date .... America cannot continue to be the primary source of munitions for the entire free world!"<sup>71</sup>

The experience of developing armaments programmes under the NATO umbrella was not a happy one, as the following chapter will demonstrate. This lack of success stemmed from the fact that NATO was an intergovernmental rather than supranational body. As such, it could not push forward armaments collaboration without the permission of the member states. NATO funded programmes implied contributions not only from the United States, but also from the European allies. In both cases, resistance to such expenditure increased steadily during the 1960's. In the case of the United States, this reflected the desire to increase armaments sales to Europe and avoid opening American markets to European or NATO funded systems. For the Europeans, who were increasingly developing their own modern armaments infrastructures, contributions to NATO programmes reduced the funds available to finance national programmes. A Western European Union report on armaments

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"Each of us must do his part. We cannot delay, nationally or individually, while we suspiciously scrutinize the sacrifices made by our neighbour, and, through a weaseling logic, seek some way to avoid our own duties."

See Dwight D Eisenhower "Unity of Purpose Urged for Security of North Atlantic Area" Department of State Bulletin XXIV, No 606 (February 12, 1951) p249.

<sup>71</sup> Dwight Eisenhower "First Anniversary of SHAPE as an Operational Headquarters" Department of State Bulletin XXVI, No 668 (April 14, 1952), pp575, 578.

collaboration quoted SACEUR General Norstad as saying that:

"the three insurmountable obstacles to the joint production of armaments were first the United States, second the United Kingdom, and finally France".<sup>72</sup>

The encouragement of the armaments industries of the European allies given by the United States was not coloured by any plan as to how production could be coordinated. After the failure of the EDC, NATO found itself quite unable to evolve in the direction necessary to promote such action, especially in competition with national authorities.

#### Nature of the Relationship

The second major problem referred to above was the cooperative nature of the relationship between the United States and the Europeans. As previously discussed, this served to drastically reduce the issue specific strength of the United States. Although the French rejection of the EDC had led to an overt American threat to stage an "agonising reappraisal" of US commitments to Europe, the threat had been ineffective. The perceived commonality of interests with the European allies, other than France, exceeded the immediate knee jerk reaction of the US administration to isolate France altogether.

In a situational sense, American ability to promote armaments collaboration was compromised by the differing agendas of the European allies in regard to the issue.

The British displayed an equivocal attitude towards supra-national schemes. Whilst supporting the principle of the EDC for the continental allies, the United Kingdom steadfastly refused to become directly entangled. This undoubtedly contributed towards eventual French rejection of the EDC. As early as 1946, Churchill had called for the creation of a United States of Europe in an address at Zurich

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<sup>72</sup> Western European Union Joint Production of Armaments Document No 336 (April 13, 1965) p7.

University.<sup>73</sup> Taken together with positive sounding noises from the United Kingdom during World War Two about the post war order in Europe<sup>74</sup>, this apparent British enthusiasm proved to be greater in the breach than in the observance. The continental Europeans were, on reflection, over sanguine in their assumption that Great Britain would assume a leading role in the uniting of Europe.<sup>75</sup> It was a role which the British had neither the desire nor the means to fulfill. This unwillingness had two main foundations. The first was essentially intellectual. Churchill epitomised the new, stating bluntly: "we are with them but not of them."<sup>76</sup> To many in Britain, Europe still began at Calais. Britain remained, however precariously, a great power. The "three circles" of the Commonwealth, Europe, and the Anglo-American special relationship, still overlapped in London as far as the British were concerned. The Attlee cabinet which swept to power in 1945 contained no ardent Europeans. Even Bevin, for all his neglected efforts to promote the formation of the BTO and NATO, can hardly be seen as an ardent European. Bevin remained most concerned with the formation of an Atlantic relationship and the preservation of the special relationship between London and Washington.<sup>77</sup> The second source of British ambivalence was the serious politico-economic situation in Great Britain in the post war period. Domestic reconstruction took precedence over building a new Europe. As Rothwell notes, the combination of the horrendous losses to pre war wealth and foreign investments, growing colonial unrest and the pressing need for economic reconstruction made the environment for taking radical steps *vis-a-vis* Europe rather

<sup>73</sup> For the text of this speech, given on 19 Sept 1946 see Keesings Contemporary Archives 1946-48, Vol VI p8138.

<sup>74</sup> See for example F L Schuman "The Council of Europe" American Political Science Review 1951, 45(6): 724-40, especially p725 which discusses Churchill's outline plans for a council of European states.

<sup>75</sup> Anthony Nutting believed that: "There can be no doubt that at the time Great Britain could have had the leadership of Europe on any terms which she cared to name. If we had offered our hand it would have been grasped without question or condition." See A Nutting Europe will not wait 1960, London: Hollis and Carter, p3.

<sup>76</sup> Hansard 5th Series, Vol 515, Col 891, 11th May 1953.

<sup>77</sup> John Baylis "Britain, the Brussels Pact and the continental commitment." International Affairs 1984, 60(4): 615-629. See also Allan Bullock Ernest Bevin: Foreign Secretary 1945-51 1983, London: Heineman, and John Baylis "British wartime thinking about a post war European security group". Review of International Studies 1983, 9: 263-281.

hostile.<sup>78</sup>

British ambivalence towards the general movement towards European collaboration, was reflected in the armaments collaboration issue area during this period. In his detailed analysis of the European armaments base of the seven major western European states between 1955-64, Harlow details a telling critique of British policy.<sup>79</sup> This demonstrates convincingly that the United Kingdom attempted during this period to spread limited resources too thinly, in a vain attempt to remain a world wide power.

In the period 1949-64 British defence expenditure was greater, both in absolute terms and as a percentage of GNP, than any other European state. Further, the British were the only state to attempt to maintain a range of weapons systems compatible with that of the superpowers, both nuclear and conventional.<sup>80</sup> As Harlow notes:

"It is plain today (1967) that the attempt has failed, and Britain must more realistically be compared with France than with the United States or the USSR ..... Nevertheless, the procurement policy of the last twenty years, and to some extent of the last ten years, must be seen as part of an attempt to remain the smallest of the great powers rather than the strongest of the middle powers."<sup>81</sup>

In the ten year period from 1955-64, the United Kingdom spend \$20.3 billion at 1967 prices on defence procurement. This was roughly one tenth of the figure spent by the United States in a single year on defence production, excluding defence research which accounted for 32% of the British total of \$20.3 billion.<sup>82</sup> The disparity between resources and ambitions resulted in longer lead times for the introduction of

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<sup>78</sup> Victor Rothwell Britain and the Cold War 1941-47 1982, London: Cape, pp40-45.

<sup>79</sup> Harlow 1967, Part 2, op cit pp7-25.

<sup>80</sup> *ibid* p8.

<sup>81</sup> *idem*.

<sup>82</sup> Figures are from Harlow 1967 Part 2 op cit p9, and Table 1 p 24. He concludes that "the difference in absolute expenditure is so much greater than the difference in military ambitions that one must draw the conclusion that Britain has been trying to do too much." *ibid* p9.

systems and a greater likelihood of cancellation as a result of reductions in defence expenditure or technical hitches in the programme. Any delays or postponements risked making the system obsolete even before it entered service. The total cost of weapons systems cancelled between 1952-62 was \$672 million in 1963 prices.<sup>83</sup> British procurement policy appeared to be altered with bewildering frequency. Thus, in 1957 a shift in emphasis toward nuclear forces and missiles resulted in the cancellation of the Avro 730 bomber and reduced emphasis on aircraft. By 1959 the manned bomber had been reinstated, this time in the guise of the TSR/2. In 1960 the Blue Streak missile programme was scrapped, but in 1962 Polaris was procured from the United States. Finally in 1964 the American Phantom aircraft was procured for the Royal Navy in preference to the TSR/2, and almost inevitably as a result of the TSR/2 was scrapped in favour of options (never to be fulfilled) on American F111 bombers.<sup>84</sup>

Such difficulties did not, however, encourage either greater cooperation with Britain's European allies, or even production of American systems or components under licence. Only during the early to mid 1960's did Britain begin to purchase any great amount of foreign equipment - almost invariably of American origin - and this tended to replace cancelled British projects rather than supplement domestic requirements. It is worth quoting Harlow at some length on this subject:

".... the successful examples of building weapons under licence in France, Germany, Italy, Sweden, Belgium and Holland since 1955 were either ignored by Britain, or regarded as a course of action open only to countries without a world financial role to play and with industries which could not develop all weapons independently. This point of view, apart from being proved wrong by events (Britain's policy of independent development has led to a position where she is forced to purchase directly from the United States), fails to realise the potential gains from trade."<sup>85</sup>

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<sup>83</sup> Harlow 1967, Part 2 op cit p10.

<sup>84</sup> Harlow 1967, Part 2, op cit p10.

<sup>85</sup> Harlow 1967, Part 2 op cit p11.

There was virtually no interest in Britain in fulfilling defence requirement by collaboration with advanced European states before the mid 1960's.

In the case of France a similar attachment to independence in armaments production can be seen, if from a somewhat difference perspective. Whereas the United Kingdom can be seen to have moved steadily away from a position of self reliance in the period 1955-64, France moved towards the same position. Despite an apparently weak position in the immediate post World War Two period, France had a number of hidden assets which she used to particularly good effect in the field of defence technology and production. French defence industries did not suffer to the same extent as those of most other Western European states, since French industrial centres emerged from the war relatively unscathed. Further, France could concentrate her admittedly limited resources on innovation and developing new systems, since she was unencumbered by surplus wartime inventory requiring maintenance and renewal. Her immediate needs were met with American equipment, much of which was supplied free. Importantly French policy, even during the far from stable Fourth Republic, exhibited a strength of direction which stands in marked contrast to that of its British counterpart. Decisions were frequently taken by the technocratic élites, frequently products of the *Écoles Nationale d'Administration*, with scant reference to the government itself.<sup>86</sup>

Another important factor in France's favour was the steady diminution of her overseas commitments, and therefore spending, especially after the independence of Algeria. As Harlow notes:

"once the Algerian war had been settled, France could not only rid herself of the incubus of a large army but concentrate all her defence expenditure within metropolitan France or nearby Germany. This had the dual effect of eliminating the element of overseas support costs in the French defence budget, thus liberating resources for research, development and production, and also of freeing foreign exchange for

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<sup>86</sup> This is particularly true of the *Commissariat à l'Énergie Atomique (CEA)*. See for example: Peter Craig "Frédéric Joliot and France's nuclear heritage." *New Scientist* 1985, February 7th: 16-19 and also David Marsh "France Tests its atomic might". *New Scientist* 1985, February 14th: 18-22. These articles explain how the French nuclear weapons programme came to fruition despite the opposition of both Faure and Mollet, Prime Ministers between February 1955 and May 1957.

defence procurement or support of the franc."<sup>87</sup>

Lacking British overseas commitments after the early 1960's, or German sensibilities to the immediate Soviet threat or American pressure to participate in NATO armaments programmes (or to buy American systems), France was able to pursue a much more independent policy in terms of armaments production. Systems were developed according to a timescale and specification which suited French purposes.

Both Italy and the Federal Republic of Germany started to become active in armaments production relatively late, due to their status as defeated belligerents. The FRG did not begin spending money on her own armaments until after 1955. Thereafter, her policy was consciously designed to demonstrate her loyalty both to NATO, and more especially the United States, by supporting armaments collaboration and standardisation. A major part of the motive to buy a large amount of American equipment was to help offset the costs of US troops stationed in West Germany. The emphasis also made operational sense, since German forces in NATO were deployed in the main to operate in concert with American forces. This *de facto* standardisation was regarded as beneficial by NATO authorities.<sup>88</sup> The Federal Republic also acted during the period 1955-60 as the most enthusiastic advocate of collaborative projects initiated during this period for example: the NATO standard ground support fighter, the G91 designed by Italy<sup>89</sup>; the F104 Starfighter project; and the Hawk ground-to-air missile project. Between 1955-60 Harlow estimates that more than half of German procurement expenditure went to foreign states.<sup>90</sup> The procurement of large amounts of foreign produced items, as well as political considerations, inhibited the development of a strong armaments industry during the 1950's. Germany was, therefore, not well placed to act as a motor to drive greater armaments collaboration, except insofar as her participation in the main NATO led projects is concerned. Since most of these did not come on stream until after 1960, the German role in this earlier period was restricted mainly to the purchase of large amounts of equipment

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<sup>87</sup> Harlow 1967, Part 2 op cit p26.

<sup>88</sup> Harlow 1967 op cit p39.

<sup>89</sup> Harlow 1967 Part 2 op cit p42 puts the number of Fiat G91's procured at 150. All were manufactured in Germany.

<sup>90</sup> *ibid* p41.

from the USA and other allies, as well as some military aid.<sup>91</sup>

Italian policy on the procurement of armaments during the 1950's laid greater stress on licenced production within Italy, than did those of her NATO allies. Government intervention was commonly much more direct in Italy than in other European states, being channelled through the Istituto per la Riconstruzioni Industriale (IRI). Many defence contractors in Italy were part owned by one of IRI's two main holding companies, Finmeccanica and Fincantieri. The latter operated almost exclusively in the shipbuilding industry, whilst the former coordinated production and investment in general engineering, electronics and aviation. The purpose of this system was twofold. First was to encourage industrialisation, especially in the poorer South. Second was to give preference in defence procurement to Italian companies, since the IRI's role had encouraged private and public interests to combine. Italy was the largest recipient of American grant aid under the MAP between 1956-65, with a total of \$1,149.60 million.<sup>92</sup> As such, much of her military equipment was American, with limited amounts from other European NATO members. Harlow notes that:

"Italy's procurement policy has remained basically unchanged since 1955. The basis of this policy seems to have been that if the equipment required was not of Italian design, it and its spares should be capable of being wholly or partly produced in Italy under licence..... Even with licenced production the country is unable and unwilling to underwrite major production programmes for procurement on its own, and prefers to form consortia."<sup>93</sup>

Like Germany, Italy joined both the Hawk missile and F104 Starfighter projects, and

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<sup>91</sup> Harlow points out that: "It is sometimes assumed in general discussions of the problem that the United states rearmed Germany out of her own pocket through her Military Assistance Programme. This was clearly not the case. American aid to Germany has been mostly economic, not military. A considerable portion of this was in loans which have been repaid. Military aid received under MAP has been about \$900million between 1945 and 1965. This is less than one quarter of what France received in all forms of military aid, less than both Britain and Belgium and under half of the aid received by Italy." *ibid* p41. For full details and figures on aid given to the various states, see C J Harlow The European Armaments Base: A Survey, Part I: Economic Aspects of Defence Procurement 1967, London: Institute for Strategic Studies, Table 4, p7.

<sup>92</sup> *ibid*.

<sup>93</sup> Harlow 1967 Part 2 *op cit* p57.

received a boost when NATO chose both the Fiat G91 as standard ground support fighter, and the 105mm Howitzer gun as a NATO standard. It can be seen, therefore, that Italian policy in relation to arms procurement concentrated on the development of Italian industry via production under licence, procurement from the USA, and the manufacture of parts and assemblies for foreign systems by Italian subcontractors.<sup>94</sup>

This review of the four major European NATO states demonstrates the differing agendas which each actor had. The small states such as the Netherlands and Belgium had even less latitude in armaments collaboration terms due to their relatively small defence industrial bases, and the smaller quantities of end items required. Both Holland and Belgium relied primarily in the late 1950's on American and British equipment either bought, transferred as aid, or produced under licence. Before 1960 both states found it difficult to sustain large defence expenditures, and as a concomitant, procurement expenditure was relatively low.<sup>95</sup>

#### Issue Linkage

Explicit issue linkages were not a feature of the early period of the regime discussed above. Whilst it is true that the USA did explicitly tie aid to European measures of self help, the amount of American aid was far exceeded by European expenditure. The US threat of an "agonising reappraisal" when the French rejected the EDC, apart from being notably unsuccessful, represented a threat to withdraw US forces and support from Europe rather than a realistic attempt to construct a replacement for the EDC. American pique at French intransigence left the field open for the British to make the best of a bad situation. American policy, from the signature of the North Atlantic Treaty to the late 1950's, contributed to the lack of armaments collaboration

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<sup>94</sup> See Harlow *ibid* pp57-65.

<sup>95</sup> In Belgium, procurement expenditure as a percentage of defence expenditure averaged only 7.4% between 1955 and 1959, compared with 14.8% between 1960 and 1964. The corresponding figures for the Netherlands are 20.2% and 32.5% respectively. Figures from Harlow *ibid* pp2, Table 1 p5 (for Belgium) pp51-52 and Table 1 p55 (for Holland). The higher figures for the Netherlands are 20.2% and 32.6% respectively. Figures from Harlow *ibid* pp2, Table 1, p5 (for Belgium) pp51-52 and Table 1 p55 (for Holland). The higher figures for the Netherlands reflect the larger amount of equipment bought from abroad. As Harlow notes: "Dutch companies in the aerospace, shipbuilding, electronics and vehicles industries are far less dependent on defence orders (than those of Sweden) ..... with less procurement money available, the defence industries have less chance of growing. A deliberate decision not to build an independent arms base must be seen as an essential characteristic of Dutch defence policy" *ibid* p52.

both within Europe and between the USA and Europe. Only the United States had the issue specific power to promote a fully integrated armaments collaboration regime. Instead, American policy encouraged a renaissance of European defence industries, and failed to promote the establishment of any structure which could act as an engine of integration within the issue area.

The potential benefits of such a policy seem to have been neither investigated nor indeed appreciated by the US administration. As a result, American aid was not linked to progress towards any degree of armaments collaboration, except that carried out under the limited aegis of NATO. Both Britain and France were far from positive toward the concept of armaments collaboration, due to their insistence on retaining their world role and maintaining the ability to produce the widest possible range of armaments. Only Germany, Italy and the smaller European states had a real interest in promoting armaments collaboration during this period. It was hardly possible, however, for such objectively weak actors to attempt issue linkages which could have promoted any form of integrated armaments collaboration regime. Rather, all of these states adopted in their own way to the intergovernmental structure which emerged after 1954.

The bargaining and coalition building aspects of the process explanation are again highlighted during this period. The negotiations which attended the EDC plan involved compromises on all sides. To the French, the EDC represented a method of preventing immediate German rearmament and entry into NATO. Further it would ensure that no independent Germany army or general staff could be created. The United States, despite its earlier support for an immediate Atlantic solution to the problem, was constrained to support the EDC when the Spofford Proposals failed. It subsequently became a "cheerleader" for the concept of an integrated European Army. The British, although supporting the principle of the EDC, made it quite plain that they intended to stay aloof, and resisted giving any unequivocal guarantee of British commitment to the defence of Europe. This ambivalence was to have serious consequences, as events in 1954 were to prove.

The scramble to salvage something from the ruins of the EDC demonstrate rather well the importance of bargaining, compromise, coalition building and the role of

individuals. The role of Eden and his shuttle diplomacy can hardly be overestimated in this regard. Not only did the United Kingdom use her influence to mollify the United States, she compromised the "splendid isolation" which had characterised her earlier policy toward continental Europe by agreeing to an explicit commitment of forces to Europe. The French accepted the creation of a German army, whilst the Federal Republic accepted limitations to her sovereignty in return for the political respectability signified by membership of the WEU and NATO.

The apparent failure of the early organisational steps and cooperative measures, discussed earlier in this Chapter, to evolve into a fully fledged armaments collaboration regime is not difficult to account for. During the early days of NATO, the body was limited, inasmuch as it was not considered likely that it would be required to fulfil the range of roles which were to be assigned to it from the late 1950's. As a result, the regime which emerged reflected the inter governmental features of the NATO structures evolved in the early 1950's. NATO's role in promoting collaborative projects in the late 1950's and 1960's reflect the absence of any other suitable vehicle for such projects to be carried out. The WEU was hobbled from birth by a lack of resources, and of the infrastructure and staff which would have allowed it to play a more vibrant role. The problem for NATO was that its role as promoter of armaments collaboration was one for which it was ill-suited. NATO found itself hamstrung by the failure of member states to surrender control over the process of armaments production to any other authority than themselves. In addition, there was little chance of NATO being able to force the pace in this regard. The hegemon would not (or could not) invest NATO with the necessary authority. Neither would the United States make any commitment to buy armaments developed and/or produced in Europe in any significant quantities. As the following Chapter will indicate, NATO led projects were limited, and frequently left the participants wary of joining further NATO controlled collaborative projects.

If any period can be said to have been the ideal time for the development of an integrated armaments collaboration, it was the period between 1949 and 1955. The failure of the EDC and the triumph of intergovernmentalism discussed above demonstrate how effectively the prospects for armaments collaboration were limited at this early date. This is not to say that had the EDC succeeded, armaments

collaboration would automatically have ensued. What can be argued with a reasonable degree of confidence however, is that had the EDC actually come into being, prospects for armaments collaboration would have been considerably brighter.

**CHAPTER EIGHT**  
**REGIME CHANGE: FROM LIBERAL HEGEMONY**  
**TO COMPETITIVE COLLABORATION**

**INTRODUCTION**

In examining regime change within the armaments collaboration issue area, it is not possible to point to one particular date or event which precipitated an observable alteration in the regime. The process, as discussed in Chapter 4 above must be regarded as evolutionary rather than revolutionary.<sup>1</sup> It is, however, possible to narrow the focus of the search and attempt to account for such change using the process model developed earlier.<sup>2</sup> Once the parameters of the regime had been established as discussed in Chapters 6 and 7 above, the next significant attempted change in existing structures emanated from the United States during the late 1950's.

In the early years of NATO, the new liberal hegemonic regime saw the United States drawn into close involvement in Europe's security and, more specifically, into being the primary source of military equipment for the European allies. The scale of this commitment was such that by 1958 more than half of the heavy equipment in the armed forces of European states had been supplied by the United States and Canada, whilst the Off Shore Procurement (OSP) Programme had helped revitalise European defence industries by building equipment (financed by the United States) in European

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<sup>1</sup> See Chapter 4 p94.

<sup>2</sup> This is not to say that regime change cannot be a concomitant of a single event or series of events. Jönsson notes that in international relations, changes in payoff structures between states involved in negotiating regimes are frequently the result of major wars. Such conflicts both change the distribution of power and: "dramatically demonstrate the costs of interstate conflict, and the yearning for cooperative arrangements becomes particularly strong after a devastating war." See C Jönsson International Aviation and the Politics of Regime Change 1987, London: Frances Pinter. Quote p23. Similarly, Beer notes in his study of NATO armaments collaboration that "Resources in this sphere were limited to portions of national defence budgets; utilitarian sanctions and specialized personnel were involved in the research, development, and production of military material. Nevertheless, the political element proved strong while the technical element was weak. Advances took place mainly in situations of crisis. Otherwise the benefits of cooperation were outweighed by the costs." F A Beer Integration and Disintegration in NATO 1969, Columbus: Ohio University Press. Quote p171-172. Beer goes on to claim that after the Soviet military threat of the late 1940's and early 1950's initiated American military aid, subsequent crises such as Suez in 1956, the launch of Sputnik in 1957 and even the Berlin crises of the early 1960's were major contributing factors in attempted broadening of European participation. See pp171-175.

facilities for distribution to European armed forces.<sup>3</sup>

Initially at least the United States government was strongly in favour of building up NATO's role in the armaments production issue area, such that by December 1950, the Financial Times could report that:

"Mr Dean Acheson, United States Secretary of State, envisages the appointment as Chairman of the Defence Production Board, of a production specialist with powers in the economic field parallel to the military powers of General Eisenhower."<sup>4</sup>

However, over the course of the 1950's the scale of American assistance did decline<sup>5</sup> and American government departments came to favour increasing European contributions toward the defence of western Europe. As Beer notes, balance of payments problems and the increasingly attractive prospect of European armaments markets from the mid 1950's onwards, made policy makers and defence industries in the United States push for a change in American policy.<sup>6</sup>

### THE JOINT PRODUCTION PHASE

The change was embodied in two differing, through complimentary, ways. Firstly was a heavy emphasis on NATO joint production projects. The United States and the

<sup>3</sup> Figure from Brig Gen E Vandevanter Coordinated Weapons Production in NATO: A Study of Alliance Processes RM4169-PR, 1964, Santa Monica: Rand p14.

<sup>4</sup> Financial Times, December 12th 1950.

<sup>5</sup> American military and economic assistance to NATO allies totalled \$9.7 billion between 1946 and 1948, rose to \$15.2 billion in the period 1949-1952 and subsequently fell to \$12.3 billion for 1953-1957, and \$4.25 billion for 1958-1961. See Table 6 US Military and Economic Assistance to NATO Allies 1946-1966 in Beer, 1969 op cit p146 Figures in 1966 \$.

<sup>6</sup> Ibid pp145-147. See also E Van der Beugel From Marshall Aid to Atlantic Partnership: European Integration as a Concern of American Policy 1966, Amsterdam: Elsevier Publishing for an interesting treatment of American policy and attitudes. Van der Beugel was closely involved in the establishment of the OEEC; W Diebold "The changed economic position of western Europe: some implications for US policy and international organization". International Organization 1960, 14(1): 1-19 and also L Gordon "Economic Aspects of coalition diplomacy: the NATO experience". International Organization 1956, 10(4): 529-543.

Federal Republic of Germany represented the nexus of this effort. With few exceptions the systems produced were American, and the major customer was the Federal Republic.<sup>7</sup> The emphasis on individual projects followed the abandonment of the correlated production programme discussed in Chapter 7 above,<sup>8</sup> and aimed to improve chances for collaborative projects to bear fruit by involving NATO authorities more directly and, where possible, involving the parties to each project from the development stage.<sup>9</sup> The various projects and weapons systems procured under the NATO aegis over the next decade constituted the core of collaborative armaments production and acquisition in the North Atlantic area.<sup>10</sup>

The second embodiment of America's changing policy was the adoption of an increasingly active military sales programme. This began during the Eisenhower administration, but became particularly intense after the inauguration of President Kennedy.<sup>11</sup> Within the United States administration a number of organisational steps reinforced the drive towards sales. In October 1961 the Department of Defence established an International Logistic Negotiations (ILN) office. The ILN had a sales force of 21 professional officers organised into four teams - red, blue, white and grey - each with different functional and regional responsibilities. Such was the success

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<sup>7</sup> The projects themselves will be discussed below. Germany was the major customer during the late 1950's and early 1960's as she required replacements for much of the early equipment which had been supplied in her immediate post rearmament period. See also Vandevanter 1964 op cit passim; Beer 1969 op cit Chapter 4 pp131-175; NATO Facts and Figures 1989 1989, Brussels: NATO Information Service, Chapter 15 pp263-283.

<sup>8</sup> See Chapter 7 pp183-185 above.

<sup>9</sup> See the description in NATO Facts and Figures 1989 op cit pp265-266.

<sup>10</sup> Treatments of this important area are, perhaps surprisingly, rather rare. The most detailed discussions can be found in Beer 1969 op cit, C J Harlow The European Armaments Base: A Survey. Part 1 Economic Aspects of Defence Procurement and Part 2 National Procurement Policies. 1967, London: Institute for strategic studies. Both of these pamphlets form Issue 2 of the Defence, Technology and the western Alliance series; Vandevanter 1964 op cit; and R Facer "The Alliance and Europe: Part 3 Weapons Procurement in Europe Capabilities and Choices." Adelphi Paper 108, 1975, London: Institute for Strategic Studies.

<sup>11</sup> Beer 1969 op cit attributes pressure for such sales to the Department of Defence, and places the initiation of the new policy in the late 1950's pp146-147. The first overt indication was the sudden reversal of previous American policy, in July 1958, to allow US firms to compete for the NATO Maritime Patrol Aircraft at the terminal states of the design competition. Before this, only European companies had been invited to enter designs. The episode is detailed by Vandevanter 1964 op cit p62-63.

of the ILN that by 1964 its director, Henry J Kuss, was promoted to Deputy Assistant Secretary of Defence. This was widely seen as a reward for boosting military sales.<sup>12</sup> The Defense Department also sponsored a liaison group with private industry known as the Committee on Military Exports of the Defence Industry Advisory Committee.<sup>13</sup>

Finally, the shift in American policy from aid to sales was specifically linked to US government support for NATO projects which involved joint production of American systems. This support was both direct, in that financial assistance was given to the projects,<sup>14</sup> and indirect where

"Americans supplied technical assistance, testing equipment and valuable engineering drawings. The United States provided funds for equipment, waived reimbursement for R&D expenditures, and agreed to pay licence fees and royalties. The United States also pledged itself to purchase some of the product for distribution as military assistance to other European countries."<sup>15</sup>

Such assistance acted as a powerful incentive for potential buyers to "buy American". It was also, as Harlow notes, most probably recouped by American industry via the

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<sup>12</sup> A staff study for the Foreign Relations Committee of the Senate notes that:

"The white team, for example, devotes almost its entire efforts to selling military equipment to West Germany in an effort to offset by military sales the approximately \$775 million it costs the United States in dollars to keep our troops in the Federal Republic (West Germany has bought some \$3 billion worth of military equipment in the last 4 years 1964-1967. The measure of the ILN's success is the 600 per cent increase in annual military sales over the levels of the 1950s".

US Senate "Arms Sales and Foreign Policy: Staff Study Prepared for the use of the Committee on Foreign Relations" 1967, 90th Congress, 1st session January 25th p3.

<sup>13</sup> See Beer 1969 op cit p147.

<sup>14</sup> Exact financial contributions to specific projects are difficult to assess and vary according to source. See for example Robert Rhodes James Standardization and Common Production of Weapons in NATO 1967 London: Institute for International Studies pp14-19, and, for slightly different figures, Beer 1969 op cit p149.

<sup>15</sup> Vandevanter 1967 op cit p43-44. The quotation is specifically in relation to the Hawk missile programme but the types of support detailed are applicable across the board to the different NATO systems.

provision of support services, spare parts supplies and training.<sup>16</sup>

### DECLINING COOPERATION AND THE ROLE OF AC 253

By the mid 1960's the Joint Production phase introduced above began to founder as the programmes initiated under the aegis of NATO began to dry up. There were, however, two other important motivations for the decline in cooperation, and the failure of further projects to take the place of those which were coming to an end. First was the increasing unwillingness of the United States to cooperate with the Allies on advanced systems, or on basic research. This reflected the continuing emphasis on exports and a disenchantment among American manufacturers with the collaborative projects which had been organised under the NATO flag.<sup>17</sup> The second motivation was attributable to changing German attitudes toward collaboration in the procurement of armaments generally, and toward NATO sponsored projects in particular.<sup>18</sup> As German rearmament programmes drew to a close during the mid 1960's, the emphasis of German policy switched from the large scale procurement which had characterised the period from 1955-1965 towards the maintenance of existing material. Further, future procurement was expected to help advance German access to high technology areas such as computers, electronics and space.<sup>19</sup>

<sup>16</sup> Harlow, Part 1. 1967 op cit p19.

<sup>17</sup> Beer 1969 op cit pp150-152 discusses these problems in relation to the United States, and in relation to the Federal Republic pp156-158. For a somewhat fuller treatment, see John Calmann European Cooperation in Defence Technology: The Political Aspect 1967 London: Institute for Strategic Studies.

<sup>18</sup> German centrality in this context is explained by the fact that the Federal Republic provided the backbone of the NATO armaments programme. The Western European Union estimated in 1964 that Germany accounted for 69% of European NATO expenditure on the five major NATO procurement programmes (Atlantique aircraft, Hawk and sidewinder missiles, F104 aircraft and the Bullpup missile) for 1960-1963. See Western European Union Joint Production of Armaments. Document No 304, February 26, 1964 table p13. The actual figure in 1964 US dollars was \$1,218 million of a total of \$1,770 million. The percentage shares of Great Britain and France were 0.42% and 5.25% respectively.

<sup>19</sup> Calmann 1967 *ibid* pp12-13 discusses changing German attitudes to these issues. On the importance of German-American relations more generally see R Morgan The United States and West Germany 1945-1973 1974, London: Oxford University Press. This subject has attracted less attention than it deserves in the literature. See, for example: R McGeehan The German Rearmament Question: American Diplomacy and European Defense after World War II. 1971, Urbana, Ill: University of Illinois Press; P Johnson "Washington and Bonn: Dimensions of Change in Bilateral Relations" International Organization 1979, 33(4): 451-480 and H Gatzke Germany and the United States: A "Special Relationship?" 1980, Cambridge Mass.: Harvard University Press. On the domestic political implications in Germany of integration into NATO see J Richardson on Germany and the Atlantic Alliance: The Interaction of Strategy and Politics. 1966, Cambridge Mass: Harvard University Press.

As Beer notes:

"Most NATO production programmes - the Fiat G91, Bréguet Atlantique, and the F104G aircraft; the Hawk, Sidewinder, Bullpup and AS30 missiles; and the Mark 44 Torpedo - had been approved in the late 1950's and early 1960's. In the mid-1960's these projects were approaching completion without agreement having been reached on Allied co-operation for succeeding generations (of production)."<sup>20</sup>

This problem was recognised by the NATO authorities. Their first attempt at reform was to formulate what NATO Secretary General Stikker called the "doctrine of flexibility". The new doctrine aimed to reduce the dominance of national delegates to the Armaments Committee, and embodied a change of philosophy. According to NATO this was

"based on recognition of the fact that the countries cannot be compelled to cooperate nor constrained to observe rigid procedural rules. They emphasised flexibility and the need to make cooperation as easy and as advantageous as possible. The mandatory aspects of the earlier system were abandoned."<sup>21</sup>

As a result NATO undertook what was acknowledged to be a "fundamental reappraisal of the whole approach to cooperation".<sup>22</sup> In October 1965 a high level committee known as AC 253 was established under the chairmanship of James Roberts, a Deputy Secretary General. Its purpose was to review current NATO activities in arms research, development and production, and to propose new solutions. The Committee prepared a report which set out the principles on which cooperation should be based, procedures which should be followed and a proposed

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<sup>20</sup> Beer 1969 op cit p135.

<sup>21</sup> NATO Facts and Figures 1989, Brussels: NATO Information Service p269-270.

<sup>22</sup> *ibid* p269.

new structure for this approach.<sup>23</sup> The new initiative was not to prove a great success however. As an attempt at changing the existing regime the AC 253 report, and the institutional changes which it brought about, signally failed. Not only did the "flexible approach" fail to kick start a new round of NATO collaborative projects, it actually oversaw a decline in such projects at the expense of non-NATO bi-lateral and tri-lateral projects or production under licence.

Before proceeding to a process based analysis of both the joint production phase, and the attempted change engendered by AC 253, the various NATO collaborative projects of the late 1950's and 1960's will be introduced. In addition the institutional procedures which governed such projects will be discussed.

#### **EARLY INSTITUTIONAL MEASURES: THE ESTABLISHMENT OF "NBMR'S"**

The joint production phase introduced above had its origins in the mid-1950's. The United States began, towards the end of 1956, "to make suggestions for coordinated efforts for the introduction of advanced weapons."<sup>24</sup> Although NATO attributes this to American worries about cost constraints,<sup>25</sup> others have attributed the motivation to a desire to increase Alliance cohesion in the wake of the Suez and Sputnik crises.<sup>26</sup> At the NATO Council meeting of December 1957, the Heads of Government emphasized the importance of greater standardization and integration both of defence equipment and logistics and support functions. The final communiqué of the council noted the offer by the United States to undertake significant sharing, as well as the scheduling of a ministerial armaments conference for April 1958. Finally the council called for "increasing coordination of Allied

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<sup>23</sup> The AC 253 Report was presented to the NATO Council of Ministers in May 1966 and approved as the basis for reforming the existing structure. See NATO Facts and Figures 1989 op cit p269. Beer, 1969 op cit p134 places the meeting in June 1966. The text of the report was not published by NATO, but its contents were based closely on the report of Brigadier General Vandevanter, an external expert who worked for the Rand Corporation. Vandevanter Co-ordinated Weapons Production in NATO 1964 op cit.

<sup>24</sup> NATO Facts and Figures op cit p266.

<sup>25</sup> Ibid. This cites American awareness of her own expenses incurred during the planning and production of increasingly costly modern armaments.

<sup>26</sup> Beer 1969 op cit pp132-133.

research, development and manufacture of modern weapons."<sup>27</sup>

The European NATO members submitted a proposal to the April 1958 Defence Ministers meeting for a list of specific items which they believed might be produced jointly. The proposal was passed to the Defence Production Committee (DPC) for consideration. Before long, however, it was realised that the Committee's terms of reference were not wide enough, since they excluded research and development. As a result, the Council extended the terms of reference of the DPC to include R&D matters, and changed its name to the Armaments Committee. Finally, a special group of civilian and military specialists was established by the Council to recommend future developments in the armaments collaboration field.<sup>28</sup>

The report produced by this group led directly to the adoption of new standing procedures by the council at its meeting on November 4th 1959.<sup>29</sup> The most important recommendation of this report was that the potential advantages of joint production could only be realised if cooperative planning were to be adopted at the earliest stage. Projects would have to be from "cradle to grave". In order to operationalize this new approach the NATO Basic Military Requirement (NBMR) was introduced. According to NATO,

"it represented a determined effort to improve cooperation. Under this system, the NATO Military Authorities established agreed NATO-wide basic military requirements, as the starting point from which operational characteristics and their technical specifications could be derived. Common equipment could then be developed to meet these requirements."<sup>30</sup>

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<sup>27</sup> See NATO Final Communiqués 1949-1974. 1974 Brussels: NATO Information Service p221. See also NATO Facts and Figures 1989 op cit p266.

<sup>28</sup> Ibid p267, Beer 1969 op cit p133.

<sup>29</sup> See Rhodes James 1967 op cit p27. The report was titled "NATO Cooperation in Research Development and Production of Military Equipment." No published source of this report could be found, although its contents are discussed by Rhodes James and also Beer 1969 op cit p136.

<sup>30</sup> NATO Facts and Figures 1989 op cit p267.

The procedure drawn up for NBMR's encompassed up to nine different phases through which a given project would pass. The Armaments Committee and the three Service Advisory Groups<sup>31</sup> took the lead in trying to identify possibilities for collaborative production of new or existing weapons systems. As a result, some of the systems which were eventually given the NBMR label did not in fact go through all of the phases associated with the drawing up of a new NBMR.

The first stage of an NBMR involved a proposal from a member state or NATO agency for research prior to the establishment of an official requirement being drawn up, after consultations with other member states, NATO agencies and the relevant NATO commands. If suitable, the proposed NBMR was then officially accepted. Stage two covered the issue of the NBMR, during which the Standing Group, made up of representatives of the member states, acted as coordinator between national authorities and the NATO commanders concerned with the given requirement. This Group studied draft plans and outline proposals, evaluated them and finally chose either to reject the proposal or to publicize it as an NBMR.

The succeeding three phases, three, four and five, constituted in depth analysis of the technical specification of the proposed systems, the operational characteristics and types of roles the system was required to fulfil. The best option was then chosen by multi-national agreement. The NATO secretariat provided the chairman and secretarial back up for each NBMR, and each NBMR had a Project Military Advisor (PMA), usually a senior NATO Military Commander. Decision making within each NBMR was in the hands of the awkwardly titled Ad Hoc Mixed Working Groups composed of national delegates.

The final three stages saw the NBMR come to fruition, dealing as they did with prototype production, military evaluation and tests, production of the system and operational testing. Each stage was a national rather than NATO responsibility, although a certain amount of administrative supervision of the NBMR was carried out

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<sup>31</sup> The Naval Service Advisory Group was established in 1958, followed by one each for the Army and Air Force in 1962. The purpose of the groups was to act as support for the Armaments Committee on matters pertaining to each service, using serving officers as the advisors. Ibid p267.

by NATO. The major role however was played by the Standing Group of national government representatives. As Beer notes:

"Once NATO had approved a proposal as an NBMR, then the control or authority of NATO as such was limited to the administrator and observer functions of the International Staff (secretariat) and the advisory role of the major NATO commander concerned (the Project Military Advisor)".<sup>32</sup>

A number of different systems came under the NBMR umbrella. In the seven years the procedure was used, between 1959 and 1966, 49 projects were produced and progressed through the early stages to be promulgated as NBMR's.<sup>33</sup> Of this number, however, none progressed further than stage five, and only two advanced that far.<sup>34</sup> Not one of the NBMR's actually resulted directly in the cooperative development or production of equipment items. Seven of the NBMR's did lead to production of equipment by one or more member states which fully or partially fulfilled the original requirement. Of the balance, 19 were closed or allowed to lapse and 23 "remained under study", a euphemism for having been quietly dropped without actually admitting that no result had been achieved.<sup>35</sup>

As NATO itself admitted:

The NBMR approach had proved unsatisfactory and the NATO Military Authorities found themselves in a situation which was both illogical and uncomfortable in that they were approving NATO Basic Military Requirements without having responsibility for developing and producing the resulting equipment, and in many cases without having adequate scientific and technical advice or political and economic

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<sup>32</sup> Beer 1969 op cit p137. The procedural aspects of the NBMR process as they were, theoretically, supposed to operate are discussed in Beer *ibid* pp136-138 - See also Rhodes James 1967 op cit pp10-15 and Vandevanter 1964 op cit pp17-28, 56.

<sup>33</sup> See NATO Facts and Figures 1989 op cit p268.

<sup>34</sup> NBMR's 3 and 4 were for Vertical Take Off/Short Take Off and Landing (VISTOL) strike/reconnaissance and tactical transport aircraft. Each will be discussed further below. Beer 1969 op cit p141.

<sup>35</sup> NATO Facts and Figures 1989 op cit pp268-269. Beer 1969 op cit p138.

guidance.<sup>36</sup>

In short, NATO found itself in the unenviable position of being responsible for choosing which system best fulfilled a given NBMR, thus alienating the unsuccessful candidates, and of having little effective control over a system once it began, and yet still being criticised for the shortcomings of others in failing to make a success of the NBMR process. It was a no-win situation for NATO, unsatisfactory in terms of filling the Basic Military Requirements previously set out and wasteful of previous resources as collaboration failed to become the norm among the member states. Before proceeding to examine the attempted change represented by the AC 253 reforms it is pertinent to briefly examine the major collaborative projects which did take place under NATO's aegis from the late 1950's to the mid 1960's, since their progress gives an insight into the problems associated with the promotion of armaments collaboration in the North Atlantic area.

#### **Fiat G91**

The project for an aircraft which would be capable of operating in the roles of close ground support, reconnaissance and some interdiction and counter-air missions, was begun in 1954. The requirement was for a very light weight jet fighter, and was coordinated by a board of officers assigned to SHAPE and Allied Forces Central Europe (AFCENT) Headquarters.<sup>37</sup> After soliciting designs from allied aircraft companies, and elaborating on the military role required of the proposed aircraft, NATO was faced with a range of 10 designs from companies in France, Great Britain and Italy. Of these designs, five were developed as prototypes and evaluated during 1957 by an international group of test pilots from European NATO states and the United States which had been appointed by the NATO Advisory Group for Aeronautical Research and Development (AGARD).

Three aircraft were chosen as being closest to fulfilling SHAPE's operational

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<sup>36</sup> NATO Facts and Figures 1989 op cit p269.

<sup>37</sup> Ibid p265. Beer 1969 op cit pp138-140, Vandevanter 1964 op cit p17-19. The G91 project began before the NBMR process was initiated.

requirements; the French Dassault Edendard VI and the Bréguet 1001 Taon, and the Italian Fiat G91. Interestingly, the United States subsidised all the three finalists, contributing \$5 million towards the development and construction costs of the two French entries and \$4 million towards the development of the Bristol Orpheus engine which powered the G91. In addition the three prototypes and 27 pre-production aircraft for the competition were financed by the United States.<sup>38</sup> As a result of the competition AGARD recommended the adoption of the G91 as NATO's standard light ground-support fighter, and in November 1958 SACEUR confirmed that the Fiat G91, powered by a Bristol Orpheus turbojet,

"had been adapted as the standard lightweight tactical strike/reconnaissance aircraft for employment in the European theatre of NATO."<sup>39</sup>

During the summer of 1958 an international squadron of pilots put the G91 through an extensive series of tactical tests in Italy, before moving on to train with AFCENT forces in the Central European front. Further to these tests, 40 aircraft were ordered by Italy and the Federal Republic of Germany.<sup>40</sup> Fiat eventually produced 348 G91 aircraft in total, including 94 for delivery to the Federal Republic and 50 for the United States which were delivered to the German Luftwaffe.<sup>41</sup> Apart from Italy and Germany, no other NATO member states procured the G91. The French in particular were bitter about the selection of the Italian G91, arguing that since none of the three aircraft had fully met the NATO requirement, all of the finalists should be given the NATO label. The French objected to last minute changes in the requirements for the competition which they believed favoured the Italian entrant, and

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<sup>38</sup> See Harlow Part 2, 1967 op cit p60, and Beer 1969 op cit p139.

<sup>39</sup> Vandevanter 1964 op cit p17.

<sup>40</sup> Ibid p19.

<sup>41</sup> As Vandevanter notes (1964 op cit p18) NATO announced in December 1958 that "in consideration of the orders placed by other countries, the United States will procure fifty G91 Lightweight Strike fighter aircraft for deployment with the forces of its Allies."

These aircraft were not for American use, as Beer 1969 op cit p139 realises, but were delivered to the Luftwaffe as military aid, which Beer appears not to have discovered. See Harlow (Part 2), 1967 op cit p60, and NATO Facts and Figures 1989 op cit p265.

believed that the United States had pushed the G91 for political reasons reflecting the apparent weakness of Italy's economy and political instability. Such was the strength of French disapproval, that the French representative to the committee which evaluated the three aircraft disassociated himself from both the report of the competition, and the choice of the Italian aircraft.<sup>42</sup>

It is possible, although all but impossible to prove, that the United States did favour the Italian design for motives that were not strictly military. The real reason is likely to be more prosaic however. According to Harlow, when licensed production of the American F-86 Sabre aircraft came to an end in Italy in 1958,

"series production of the G-91 was introduced. The fact that production facilities were available at that time may have been one of the reasons why the G-91 design (which was similar to the F-86) was chosen as the NATO standard light ground support fighter in competition with two French designs."<sup>43</sup>

### **Bréguet Atlantique 1150**

The requirement for a modern maritime patrol aircraft with an anti-submarine capacity was identified by NATO in 1956 to replace obsolete American P2V Neptune aircraft which dated from the mid 1940's. The project began in earnest when the NATO Defence Production Committee established a group of experts in early 1957 to convert the basic military requirement into a detailed set of operational characteristics required for the maritime patrol role.<sup>44</sup> Technical specifications were issued to aircraft companies in Europe and America, resulting in the submission of fifteen projects.<sup>45</sup>

The Armaments Committee evaluated the various designs and selected the French

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<sup>42</sup> French attitudes are discussed by Beer 1969 op cit pp139-140, and by Vandevanter 1964 op cit pp17-19.

<sup>43</sup> Harlow (Part 2), 1967 op cit p60. Italian produced F86 Sabre aircraft had been supplied to Germany which may also help explain German procurement of the G91.

<sup>44</sup> NATO Facts and Figures 1989 op cit p265.

<sup>45</sup> Beer 1969 op cit p140.

Brégnét 1150 on January 30th 1959, adopting the name Atlantique for the project. The original four producing nations, Belgium, France, the Federal Republic of Germany and the Netherlands assumed responsibility for managing the project and financing development along with the United States. Detailed design planning and manufacture was handled by an industrial consortium. Work on the prototypes and on production models was shared between firms from all four European members, with participation from British companies. Much of the vital electronic equipment for the aircraft was of American origin but was built under licence in Europe.<sup>46</sup>

Although early estimates of the planned production of the Atlantique were between 126 and 144 aircraft,<sup>47</sup> a total of only 87 aircraft were in fact produced; 20 for the French Navy, 9 for the navy of the Netherlands and 18 for that of Italy.<sup>48</sup> Spare parts and logistics for all the users of Atlantique aircraft are provided via an international warehouse controlled by an International Supply and Logistics Centre. Overall the French were disappointed with the response to the project. The scarcity of orders did much to disillusion France as to the value of NATO programmes.<sup>49</sup> The British, although absent as buyers of the aircraft, contributed both the engine supplier, Rolls Royce, and the manufacturer of the propeller, De Havilland.<sup>50</sup> In summary, the Atlantique project is frequently held up as an example of successful application of the NBMR concept, representing as it did a multinational collaborative project, producing a successful end product.<sup>51</sup> As Beer notes in contrast;

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<sup>46</sup> Vandevanter 1964 op cit pp27-28; NATO Facts and Figures 1989 op cit pp265-266; Rhodes James 1967 op cit pp11-12. Beer 1969 op cit p140.

<sup>47</sup> Rhodes James 1967 op cit p12, who had access to NATO files estimates provisional procurement planned at the start of the project as follows; France 70, Netherlands 20, Germany 18, Portugal 12-24, Norway 6, Belgium up to 6.

<sup>48</sup> Italy jointed the project in 1968. See NATO Facts and Figures 1989 op cit p265-266 which also details procurement figures.

<sup>49</sup> See Beer 1969 op cit pp158-159, who quotes French Defence Minister Messmer on his disappointment on the project. Harlow Part 2 1967 op cit, estimates that Bréquet handled only 45% of Atlantique production, with the balance spread across partners in Belgium, the Netherlands and Germany, see p34.

<sup>50</sup> See Beer 1969 op cit p154, who places the value to the companies of Atlantique orders as £10 million for Rolls Royce and £2 million for De Havilland.

<sup>51</sup> This positive, not to say idealised, conception of the project is well illustrated in NATO Facts and Figures 1989 op cit pp265-266 and 268.

"The Bréguet Atlantique was the only project developed from its earliest stages within NATO. However, the Atlantique predated the NBMR procedure and was less the result of than the inspiration for its adoption."<sup>52</sup>

### NBMRs 3 and 4

These two projects can be discussed together as they were seen at the time of the promulgation as linked. The requirement for a NATO V/STOL strike reconnaissance and also a tactical transport aircraft was drafted in 1958 and allocated the code NBMR 3 for the former and NBMR 4 for the latter.<sup>53</sup>

NBMR 3 was drawn up by June 1961 on the basis of an estimated 1000 aircraft requirement for NATO airforces in the strike and reconnaissance role. The ensuing competition attracted 12 entrants from companies in France, Germany, Italy, the Netherlands and Great Britain. At this point the project aborted as a result of the incompatible positions taken up by the national delegations involved in the project.<sup>54</sup> Both the French and British delegations made no secret of the fact that they had no intention of abiding by the outcome of the competition, and would equip their forces with the Mirage III-V and Hawker P-1127 (later renamed the Harrier) respectively.<sup>55</sup> Even the Federal Republic hinted that they were considering production of the VJ-101D which was being test flown during 1962.<sup>56</sup>

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<sup>52</sup> Beer 1969 op cit p138.

<sup>53</sup> Ibid p141.

<sup>54</sup> Vandevanter 1964 op cit p57-59.

<sup>55</sup> Ibid p59. It is significant that France and the United Kingdom acted effectively as "spoilers" in this regard, resulting in the failure of the project, and that the projects which had succeeded had excluded both countries in the case of the G91, and one of them (Great Britain) in the case of the Atlantique. Beer 1969 op cit notes that from a British perspective;

"the failure of NBMR's 3 and 4 to progress beyond the stage of preliminary evaluation had a negative effect on the aerospace perspective. In order to enter the competition firms had undertaken substantial expenses estimated as high as £100,000 in some cases. When there was no authoritative outcome, airframe and engine companies lost interest in the NATO arena." Quote p155.

<sup>56</sup> See J W Taylor "VTOL: The Key to NATO Air Power" NATO's Fifteen Nations 1967, 7(6): 90-97. Harlow also discussed attempted German development of aircraft in his European Armaments Base: A Survey Part 2 1967 op cit p46, noting that:

The experience in NBMR 4 echoed that of NBMR 3. After paring down the initial projects entered to a short list of two or three designs, the parties involved again failed to agree on which should be developed and allowed the whole project to lapse.<sup>57</sup>

### Further Cooperative Programmes

The remainder of collaborative projects of the late 1950s and 1960s will be considered together since in all cases they represented projects which began life outside the NATO framework with no initial input from NATO institutions. Rather, national authorities or companies came together independently of NATO to establish the projects which later assumed the NATO mantle. The systems concerned were, with one exception, of American origin.<sup>58</sup> The Hawk surface-to-air missile and Sidewinder air-to-air missile were both existing American projects chosen by different combinations of European NATO member states in the late 1950's. The F104 G Starfighter fighter-bomber was adopted as a NATO programme in June 1961, having been agreed upon by four European states in December 1960.<sup>59</sup> The Bullpup air-to-surface missile and the M-72 Light Anti-tank weapon were both of US origin and were adopted in May 1962 and July 1963 respectively by the NATO Council following discussions between countries interested in the systems. The only non-American system involved was the French AS-30 air-to-surface missile which was subject to a NATO Steering Committee for production after June 1962.<sup>60</sup>

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"the (German) Defence Ministry has had a disconcerting habit - familiar in other countries - of deciding that there is not really any requirement for a design they have supported, such as the DO-31 or the VJ-101, even when the prototype has been reasonably successful."

None of the independent German projects of the period progressed past the prototype stage. Beer 1969 op cit p157 also notes that Germany decided in 1961 to issue its own military aircraft requirements, independently of NATO, for the first time. Beer considers the change as a result of growing German reluctance to become involved in NATO projects, which had not returned the benefits expected, and that this in turn contributed to NATO's failure to initiate new armaments programmes in the mid 1960's.

<sup>57</sup> Beer *ibid* p141.

<sup>58</sup> See; NATO Facts and Figures 1989 op cit pp266-269, and Beer 1969 op cit p141-142.

<sup>59</sup> NATO Facts and Figures 1989 op cit p268.

<sup>60</sup> *Ibid* p268-269.

With the exception of the Starfighter and Hawk programmes, most of these projects were relatively small scale.<sup>61</sup> In the case of the Hawk missile, the United States offered the system to interested European states for production in Europe. Five states accepted the offer in 1958; France, Germany, Italy, Belgium and the Netherlands. Five European companies participated in production of the missiles with coordination from a Board of Directors of the NATO Hawk Management Organisation. The initial phase of the programme was completed in 1967.<sup>62</sup>

The Starfighter programme began with a German decision to procure the American Lockheed F104 G fighter bomber.<sup>63</sup> Subsequently, Italy, Belgium and the Netherlands agreed to participate in a joint production programme. This was accepted as a NATO programme in June 1961. Almost 1,000 aircraft were produced before the completion of the programme in 1966.<sup>64</sup> The aircraft were produced in Europe on two different production lines, one in Italy and one in Germany,<sup>65</sup> by different consortia organised on regional lines. The South-West group was headed by Fiat as main contractor, with responsibility for assembling parts produced by Italian sub-suppliers, as well as responsibility for integrating production and assembly of parts with the west group of companies from Belgium, consisting of Avions Fairey

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<sup>61</sup> Rhodes James 1967 op cit estimates the relative expenditures at \$1500 million for the Starfighter, \$660 for the Hawk missile, \$40 million for the Sidewinder and \$30 million for the Bullpup. pp14-19 (Figures in 1967\$). NATO estimates that the M72 Light Anti-Tank weapon cost just over \$10 million, but puts expenditure on the Bullpup at \$38 million. The extra \$8 million is probably accounted for by the changing value of the US dollar, and spare parts orders placed after the completion of the programme in 1967. See NATO Facts and Figures 1989 op cit p268. It is not clear whether the figures are in 1989 values.

<sup>62</sup> Ibid p266. Subsequently, the participating states embarked upon an improvement programme for the system to enhance its capabilities and prolong its service life via the Hawk Limited Improvement Programme (HELIP). These efforts continued through the 1970's. Greece, Denmark and Norway joined the HAWK organisation in 1972, 1973 and 1986 respectively.

<sup>63</sup> Harlow (Part 2) 1964 op cit p39, for example, notes of Germany that "her decision to build the Lockheed F104 G in Europe started the European consortium for that aircraft." Further, Beer notes (see Beer 1969 op cit p157) that:

"In the case of the F104 G, the German government accepted some financial losses in its ratio of contracts to contributions in order to entice Belgium and the Netherlands to participate, because Germany had insufficient domestic capacity to undertake a larger share of the project herself."

<sup>64</sup> NATO Facts and Figures 1989 op cit p268. For details of the number of aircraft procured by each country, see Harlow (part 2) 1964 op cit pp3, 39-42, 52 and 58.

<sup>65</sup> Harlow ibid p3.

and SABCA.<sup>66</sup>

It is important to note in relation to the Starfighter programme that parts produced for completed aircraft were frequently manufactured by one group of companies for the use of all the others involved in the project. For example, all the General Electric J-79 engines for the European produced aircraft were produced by three companies; FN of Belgium, Fiat of Italy and MAN Turbo of Germany.<sup>67</sup>

Of the total number of F 104 G's procured, Italy received 125, Holland around 120, Belgium 100 and Germany around 700. The exact delivered numbers are subject to dispute, as certain aircraft were either supplied direct by Lockheed from the USA, or sent in knock down form to begin production on the European assembly lines.<sup>68</sup> On completion of the Italian production, Italy ordered a further 165 F104 S aircraft, which was an improved version of the F104 G capable of performing an interceptor role. It had been hoped that other members of the project would follow suit.<sup>69</sup> In the event, however, only Italy actually ordered this version.

In total, the Starfighter programme is estimated to have cost at least \$1.5 billion, of which \$40 million was contributed by the US government.<sup>70</sup> Harlow estimates that Germany alone paid between 500 and 600 million US dollars to the United States for direct purchases, licencing fees, spares and training, while 200-300 F104 G aircraft for Germany were actually built wholly or partly by Italy, Belgium and the

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<sup>66</sup> Ibid pp3, 58 and 60.

<sup>67</sup> Ibid p3.

<sup>68</sup> Harlow puts the numbers of aircraft supplied in these ways as follows; 3 TF 104 G trainer versions bought by Belgium direct from Lockheed (p3), 96 F104 G's bought direct by Germany from the USA (p39), 25 F104 G's supplied free to the Netherlands by the US government and 18 TF 104 G trainers bought direct from Lockheed (p52). The United States also financed 25 F104 G's produced for the Italian Air Force as part of MAP, and a further 25 were financed directly by the US government which supplied the electronics and technical assistance. It seems likely that these aircraft represented the initial 50 aircraft produced in Italy (p58).

<sup>69</sup> Ibid p58 and 60.

<sup>70</sup> See Rhodes James 1967 op cit pp14-19.

Netherlands at a cost of \$100 million to Germany in *each* case.<sup>71</sup> It is difficult to quantify the exact amount of revenue from licence fees and sale of parts) for the total project paid to the United States, but one estimate puts the figure at approximately \$1.15 billion. It is possible that the figure could be a good deal more as this does not include the cost of training pilots in the USA.<sup>72</sup> The programme ended in 1966 after the production of almost 1000 aircraft.<sup>73</sup>

#### THE END OF NBMR'S AND ATTEMPTED REGIME CHANGE VIA AC 253

The failure of the NBMR procedure was amply demonstrated by the fact that none of the 49 requirements formulated actually resulted directly in cooperative development or production of equipment. A scheme originally intended to increase flexibility had, in fact, become too rigid. Further the projects which had been undertaken, such as the G91, Atlantique and Starfighter were coming to an end in the mid 1960s with no sign of a successor generation of collaborative projects.<sup>74</sup> As a result, NATO decided to attempt to change the existing structure. The "flexible approach" announced by Secretary General Stikker, in summer 1965,<sup>75</sup> although it represented a start, could not be seen as an end in itself. The formation of AC 253 under the chairmanship of James Robers, a deputy Secretary General of NATO, was specifically aimed to reform the existing system and improve prospects for armaments collaboration. As NATO notes, the new procedures "emphasised flexibility and the need to make cooperation as easy and as advantageous as possible."<sup>76</sup>

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<sup>71</sup> Harlow (Part 2) 1967 op cit p39.

<sup>72</sup> See Beer 1969 op cit p150. All such figures remain largely informed guesswork, as the participating nations did not generally identify licence expenditure or receipts separately in defence spending figures.

<sup>73</sup> NATO Facts and Figures 1989 p268 is not more specific as to the exact production figure. The figures quoted by Harlow (Part 2) 1967 op cit passim, put the total at around 970 aircraft excluding aircraft supplied direct from the USA.

<sup>74</sup> Beer 1969 op cit 0135 notes the importance of this motive to NATO decision makers.

<sup>75</sup> NATO Facts and Figures 1989 op cit p269; Beer 1969 op cit p167. Beer notes *ibid* pp167-168 "Although the doctrine of flexibility attempted to cut down the number of instructed delegates sitting at any given table, it did little to bring them there in the first place."

<sup>76</sup> NATO Facts and Figures 1989 op cit p269.

The prospects for change did not look particularly bright. Large sections of the NATO bureaucracy had a vested interest in the existing system of NBMR's and could not be expected to favour radical change. SHAPE played a more neutral role, as it was not opposed to reform of the system. It had, however, been closely involved in drawing up the military requirements which formed the basis of the existing procedure. Beer also notes that General Fischer, the French Director of Armaments on the NATO International Secretariat, and also Chairman of the Armaments Committee, opposed any change to the system with which he was closely associated.<sup>77</sup>

In spite of this unpromising prospect, Roberts aimed to radically alter the system to not only allow, but also encourage, real collaboration in research, development and production phases of armaments. Using the influential report by Brigadier General Vandevanter as Support,<sup>78</sup> Roberts advocated the scrapping of the NBMR concept and the substitution of a system which was at once more flexible but also binding on the participating states. This vision of a new approach stood in marked contrast to the previous NBMR procedure, but aimed to progress beyond the limited scope of earlier projects which had been outside the official NBMR framework.

"Roberts favoured a system of partial membership which would overcome problems of unanimity; he also supported the principle of time limits on participation without contribution. If, by the second meeting of a given working group, a nation had not committed itself to participate in research and development expenses, he hoped that it might be required to withdraw."<sup>79</sup>

The proposed new system drew heavily on Vandevanter's study, particularly with reference to the inability of the existing institutions and organisational framework to accommodate the frequently contradictory aims of buyer and seller nations. Vandevanter's solution to the problem of choosing between more than one state

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<sup>77</sup> Beer 1969 op cit pp168-169.

<sup>78</sup> Vandevanter 1964 op cit.

<sup>79</sup> Beer 1969 op cit p168.

sponsored candidate for production, and encouraging unsuccessful candidates to accept the opposing project, was the introduction of a partial and binding "permissive system". The innovation was to be that the weight each nation had in a given project for collaborative armaments production, was to be proportional to the amount that nation had committed itself to purchase.<sup>80</sup>

Despite opposition within the NATO and SHAPE bureaucracy, and the fact that AC 253 actually consisted of national representatives at a higher level than those generally serving on the Armaments Committee, Roberts succeeded in having the report approved by the NATO Council in June 1966. By giving this approval the Council of Ministers consigned both the Armaments Committee and the NBMR procedure to oblivion. Henceforward, cooperative action took the form of proposals from any member state or NATO Military Authority being discussed by a group formed specifically for that purpose, as long as at least two states sponsored the group.<sup>81</sup> Participating states could decide against participation during these discussions and simply pull out of the working group. Those states remaining would then proceed to develop detailed production plans and operational characteristics.

At the point when a final commitment to the project was imminent, the working group would present a report to NATO asking that the project be officially designated as a NATO project. The designation brought with it an obligation to submit an annual report to NATO and agreement that other member states be allowed to join the project at a later date on equitable terms. The body managing the project was called a NATO Steering Committee, and could take whatever form the participants wished. Otherwise the arrangements within the project were left to the discretion of the members of the given project.<sup>82</sup>

The other major institutional innovation which emerged from AC 253 was the creation of a new high level Committee of National Armaments Directors (CNAD)

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<sup>80</sup> Vandevanter 1964 op cit pp90-95.

<sup>81</sup> NATO Facts and Figures 1989 op cit p269-270.

<sup>82</sup> *Ibid.* The basic structure remains in place to this day.

to replace the Armaments Committee. This was to meet twice a year to establish high level policy, whilst the more mundane functional matters would be dealt with by National Armaments Directors Representatives (NADREPS). Beneath this level the three Service Advisory Groups were changed into Service Armaments Groups, which considered military criteria, and the old committee of Defence Research Directors, established in 1964, was replaced with the Defence Research Group which focused its efforts on cooperative research.<sup>83</sup>

Given the inbuilt structural obstacles which AC 253 had to overcome, it is somewhat surprising that Roberts succeeded in pushing his recommendations through to final approval. Beer notes that although national representatives to AC 253 were "heavily instructed" by national governments, the fact that they spent two weeks at a time visiting NATO, and that they tended to be at higher levels than normal delegates to the a Armaments Committee, meant that they had a degree of latitude with which to change their instructions.<sup>84</sup> On constructing an agreement within AC 253 Roberts also persuaded the NATO Military Committee in Washington DC to endorse his recommendations, a factor which undoubtedly aided the approval at the subsequent Council of Ministers meeting.<sup>85</sup>

In retrospect AC 253, whilst it represents a real attempt to revitalise the springs of cooperation, promised considerably more than it was subsequently to deliver. Roberts himself did not maintain his involvement in the issue area, robbing the new structure of an important and charismatic actor. The new CNAD met too infrequently to be of use in the minutiae of day to day armaments collaboration, largely obviating its potential as a focus for reducing the instruction of national representatives within the issue area. What was worse, the NADREPS who fulfilled the more permanent

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<sup>83</sup> Ibid p270 discusses the original changes in 1966 and developments thereafter. See also Beer 1969 op cit p134-135 and 169. NATO identifies the new Service Armaments Groups as follows; NATO Naval Armaments Group (NNAG), NATO Airforce Armaments Group (NAFAG) and NATO Army Armaments Group (NAAG).

<sup>84</sup> Beer 1969 op cit p169.

<sup>85</sup> Ibid. The discussion which follows is reliant on Beer's dissection of why AC 253's recommendations were accepted by NATO, and why they failed to achieve their aims. Such an analysis is absent both from official NATO sources, and from the other documentary sources consulted.

requirements were generally military officers of the rank of Colonel or above, a situation which was little advanced from the Armaments Committee the new structure had replaced.

Ultimately Roberts had been forced to compromise on important aspects of his proposals to make them acceptable to national representatives. Weighted voting therefore became not the norm, but an option available for use. Notwithstanding the new institutional arrangements resulting from AC 253 "voting was left to *ad hoc* arrangements by the members of each particular project, scarcely an improvement on what had gone before."<sup>86</sup> To a large extent, AC 253 and its attendant institutional developments simply represented a scaling down of the more inclusive NBMR approach, since it aimed to bypass the strictures of unanimity which had hobbled the NBMR programme at lower levels.

At higher levels, however, whether in the Armaments Committee or in CNAD, decisions were still required to be unanimous.<sup>87</sup> National governments remained pre-eminent, both due to the continued centrality of national representatives in the bureaucracy, but more importantly because states and not NATO remained ultimately responsible for planning, researching, ordering and buying armaments. Indeed the most radical solution to the failure of NATO to evolve a coherent armaments collaboration policy, that is to say some form of NATO central procurement agency with or without a central budget, was simply not considered by AC 253. The report produced by Robert Rhodes James between 1965 and 1966 advocated just such a solution. Rhodes James had been a NATO Research fellow during the period, with access to NATO personnel and confidential files. Beer goes as far as to speculate that the report was expressly commissioned by the NATO hierarchy.<sup>88</sup> The report concluded that "little success can be achieved in the field of major *ab initio* joint equipment projects in the future without central funding arrangements, at least for feasibility and design studies," and continued that this could be achieved for as little

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<sup>86</sup> Ibid p171.

<sup>87</sup> Ibid p135, 137.

<sup>88</sup> Ibid p169.

as £50 million per annum. The alternative was to leave NATO completely dependent on national governments or individual firms for even the most basic programmes.<sup>89</sup>

Support for AC 253 had come mainly from the principal producers of armaments; the United States, France and Great Britain. All three had much to gain from the doctrine of flexibility in armaments collaboration, since confining production to two or three powers, who then sold the armaments on to the other NATO members, would be far more effective than attempting to coordinate unwieldy projects with up to 15 members. The concept of weighted voting was particularly attractive in this regard, as demonstrated by the Department of Defense in the USA backing Vandevanter's study which had proposed such a scheme.<sup>90</sup> The smaller NATO member states which would have constituted the buyers of much of the collaboratively produced equipment, were generally unimpressed by the change. The NBMR programme had provided access to high-technology areas which would have been otherwise beyond their reach. In addition, the existing system gave the smaller states an effective veto power which they would have lost under the proposed new system. Although Canada and the Netherlands were more positive toward the change, most of the smaller states attempted to halt, or at least modify, the changes which came from AC 253. In conclusion, an analysis will be attempted from a process based perspective of the attempted regime change engendered by the AC 253 episode. This will aim to highlight why the changes, supported by the three major armaments producers, were effectively watered down by the other member states despite the institutional changes which did take place.

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<sup>89</sup> Rhodes James 1967 op cit p22.

<sup>90</sup> Vandevanter 1964 op cit pp91-93.

## CONCLUSION

This Chapter has focused particularly on the NATO experience of armaments collaboration during the 1960's. This concentration is a function of the fact that the collaborative projects which did take place during this period were, almost without exception, carried on within either the direct or indirect scope of NATO. Further the progress, or to be more precise the *lack* of progress, within the armaments collaboration issue area throughout this period, in spite of both the NBMR structure and the attempted changes put forward by AC 253, ensured that collaborative production of armaments in the future would actually decrease both in scale and scope. A direct correlation between the institutional failure of NATO as a nexus for the promotion of an integrated armaments collaboration regime, and the resultant diminution of collaborative ventures, can be defended.

After the late 1950's only NATO presented any realistic platform for the promotion of armaments collaboration. As such, the issue area became hitched to the success with which NATO could transform itself from what was, to all intents and purposes, a semi-integrated alliance, into a supra-national authority responsible for the procurement of armaments from initial planning through to delivery of finished items.<sup>91</sup> In short, the failure of the attempted regime change represented by the recommendation of AC 253 represents an important discontinuity in the analysis, and also, therefore, a fitting point at which to conclude both the current Chapter and the thesis as a whole.

In analysing both the joint production phase and the attempted changes of AC 253 discussed above, structural and situational explanations once again prove to be relatively poor indicators of the outcomes within the armaments collaboration issue area. Structurally the United States still dominated the issue area due to her continued advantage of scale over the European allies. Harlow and Facer writing some eight years apart, in 1967 and 1975, both attest to the relatively small scale of

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<sup>91</sup> Rhodes James 1967 op cit p22-25 discussed the measures regarded as necessary for the promotion of such a "NATO procurement agency", concentrating on the relatively basic and inexpensive step of empowering CNAD to undertake studies which would determine which projects were viable. Once again, the importance of promoting collaboration from the earliest possible point - and preferably at the planning stage - was stressed.

individual European armaments companies compared with those of the United States, as well as the huge disparity in defence spending both in absolute terms and in percentage of GNP terms between the hegemonic actor and the European NATO states.<sup>92</sup> This continued centrality in structural terms did not, however, translate into control over either the joint production phase or the AC 253 episode.

In the former case the United States could not impose a solution which encouraged greater collaboration through NATO. The conspicuous successes of the joint production phase rested mainly on the role of the Federal Republic of Germany as loyal ally attempting to offset American costs by procuring American defence equipment as a *quid pro quo* for the continuing presence of American forces in Europe. The parallel military equipment sales drive by the United States exhibits how the United States attempted to hedge its bets by, on the one hand encouraging joint production through NATO, whilst on the other undertaking an increasingly active sales programme.<sup>93</sup>

The United States was able in the short term to utilise situation specific strengths as discussed above, to subsidise American armaments systems both in direct financial terms and via technical assistance. This made such systems an attractive, one might almost say irresistible, option to European NATO states such as Germany, Italy and the Benelux group. Once more however, the situational strength possessed by the United States cannot explain why the joint production phase came to an end on terms which were not dictated by the hegemon. America was unable to use her structural or situational dominance to force or entice an increasingly sceptical Germany into another round of joint production, nor was she able to convince domestic American defence contractors of the potential benefits of collaborative projects organised via NATO. Finally the United States could not give up the addictive drug of military

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<sup>92</sup> Facer 1975 op cit p11, 13-28; Harlow (Parts 1 and 2) 1967 op cit passim.

<sup>93</sup> The British were particularly critical of what was seen as high pressure American salesmanship to NATO partners. This no doubt reflected the fact that Britain had more to lose than most if her military exports to Europe were faced with the full force of American competition. This conviction helps explain the findings of the Plowden Report on the state of the British aircraft industry in 1965 which advocated a switch to European collaboration from Atlantic collaboration. See "Report of the Committee of Inquiry into the Aircraft Industry Appointed by the Aviation Minister under the Chairmanship of Lord Plowden 1964-1965." CMND 2853, 1965 London: HMSO pp44-48, 55-56 and 91-95.

equipment exports for the "cold turkey" of participation in collaborative projects, still less the purchase of such systems for use by United States forces.

The case of AC 253 demonstrates that although a powerful combination of the three largest armaments producing states, the United States, France and Great Britain, could help push the recommendations of the Committee through, they could not see them operationalized in the face of determined opposition from the other buyer states within NATO. This combination of the three major armaments producers, together with the parts of the NATO bureaucracy which supported the AC 253 proposals ought logically to have carried the day from a structural and situational standpoint. Since the reforms detailed by AC 253 failed to bring about a new lease of life for armaments collaboration in the late 1960's, the new institutional arrangements notwithstanding, an explanation of the actual outcome must be sought elsewhere.

#### **A Process Based Explanation**

In the earlier discussion of the process model it was noted that bargaining, coalition building and the organisational context were the primary determinants of such an analysis.<sup>94</sup> These factors can help explain aspects of the situation discussed above which are not well served in an analytical sense by existing structural or functional/situational models. Both the joint production phase and the AC 253 period analysed above are particularly suited to such a treatment. Firstly they have not previously been examined from this standpoint. Secondly the role of this period as a "make or break" one for the prospect of developing armaments collaboration within the North Atlantic community of states from the late 1960's onwards, appears to have been overlooked. It is the contention of this analysis that a more thorough examination of the episodes discussed above can provide valuable insights into the present state of armaments collaboration.

Influence capability in the period under discussion appears at first sight to lie largely with the United States, as had been the case in earlier episodes. However, European influence capability had also increased relative to the hegemon since the 1950's. The

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<sup>94</sup> See above pp 114-117, 135-136 and 159.

disparity both in general economic/industrial terms, and in armaments production capacity more specifically, between the United States and the European NATO States, had decreased, which allowed the Europeans greater scope to attempt to influence American policy. Indeed, the influence capability of the Europeans was increased by the growing dependance of the United States on European markets for armaments from the early 1960's onwards.

The stress sensitivity of the Europeans rested primarily on fears of losing access to high technology areas without collaboration with the United States, and, particularly in the case of the Federal Republic of Germany, the perceived necessity to use the purchase of American armaments to offset the cost of the American forces stationed in Europe. For the United States areas of stress sensitivity centred on the fear of being excluded from European armaments markets, and a desire to decrease the cost of hegemony by promoting increased efficiency in the armaments production capabilities of the allies.

The advantages of collaborative armaments development and production were potentially substantial. As Beer summarized:

"Politically it should help to cement the Alliance. Militarily there should be a better fit between strategy and available means; increased tactical mobility from better availability of spare parts, fuel and ammunition; and consolidated training. Economically, pooled efforts should involve cost reductions from economies of scale and shared costs of research and development. Technologically, the Allies would be provided with the best equipment available"<sup>95</sup>

What Beer neglects to mention is the possibility that the United States might have an interest in promoting armaments collaboration which had more to do with attempting to offload some of the financial burden of hegemony onto the European allies, than it did with concerns for the efficiency of NATO forces. The major problem with

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<sup>95</sup> Beer 1969 op at p 173. See also Vandevanter (1964 op cit pp 2-3, 54).

such an approach was the lack of agreement between the major supplier nations and the buyers of the end items. Their motives for entering collaborative projects were different and often contradictory.

Issue specific power during this period still lay with the United States. Although the basic relationship between the United States and the European states which were members of NATO was still regarded as co-operative, this was less important in the period under discussion than in earlier periods. As noted above <sup>96</sup> from the late 1950's, and more noticeably in the 1960's, the United States changed its policy into a two pronged assault which represented nothing less than an attempt to co-opt European armaments industries into an American dominated regime. The points of this assault were, on the one hand, the strong support for joint production schemes, and on the other hand a marked increase in the sales efforts of the United States within Europe. This more assertive American approach signalled the end of the years of American aid and direct transfers, and the emergence of a more hard nosed, commercially aware and competitive approach.<sup>97</sup>

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<sup>96</sup> Discussed in pp 208-210 above.

<sup>97</sup> It is important to highlight the potential importance of domestic political constraints on the formulation of United States foreign policy generally, and on the prospects for promoting armaments collaboration specifically. Eisenhower's farewell address as President on January 17th 1961 had warned of the dangers inherent in the "military industrial complex", (see Public Papers of the Presidents of the United States: Dwight D Eisenhower 1960-61 1961 Washington DC: GPO pp1038-1039) reinforcing C Wright Mills contention (in his book The Power Elite 1956 New York: Basic Books p360) that an interlocking relationship of businessmen, politicians and military officers had imposed a form of "naked and arbitrary power" upon the world.

It is, of course, arguable that the operation of a military industrial complex could help explain the failure of armaments collaboration to develop. The issues of a revolving door for military personnel into defence and armaments industries, easy access to the Pentagon and Pork barrelling in the US congress could all be seen to conspire against European manufacturers in this regard. There are problems however in trying to attribute the failure of armaments collaboration to develop to the action of the US military industrial complex. Firstly, many of the same arguments could be held true for European nations. Secondly, the concept of the military industrial complex has been attacked since it does not readily explain the low military budgets of the 1945-50 period, or the dramatic switch from defence to welfare spending overseen by the Nixon administration. Thus, although the military industrial complex generally, or the revolving door, pork barrelling and access to the Pentagon specifically, may help explain the failure of armaments collaboration to develop to some extent, it cannot be seen as a central theme. See also, Seymour Melman The Permanent War Economy: American Capitalism in Decline 1974 New York: Free Press; W Carroll Pursell Jr (ed) The Military Industrial Complex 1972 New York: Random House, Fred Cook The Warfare State 1962 New York: Columbia University Press; Bruce M Russett and Alfred Stepan Military Force and American Society 1973 New York: John Wiley.

The issue specific and situation specific power of the United States is further evinced by the adoption of the AC 253 recommendations. In spite of determined opposition from most of the smaller European NATO members, and outright hostility from sections of the NATO bureaucracy, the United States was able to bring her issue specific strength to bear in an attempt to promote continued collaboration, backed by the United Kingdom, France and the US. Department of Defence.<sup>98</sup>

Thus in both issue and situation specific terms, the United States had, if anything, increased her influence when compared with previous episodes within the issue area. This increased power did not necessarily translate, however, into control over outcomes. Despite the fact that the Americans pushed both joint production and the AC 253 changes, and succeeded in seeing both projects bear fruit, they were unable to operationalise either into the type of armaments collaboration regime which would have brought about some of the benefits detailed by Beer above.<sup>99</sup>

Organisational context cannot therefore be expected to provide sufficient independent explanation of the paradox of increased American issue and situation specific influence being unable to ensure the success of American sponsored outcomes during the period in question. Once again it is necessary to seek the presence of intervening variables which can help explain the process of regime formation or change during the 1960's.

### **Structural Dominance**

The United States role in the introduction of the joint production phase discussed above reflected the continuing structural dominance of the hegemon within the issue

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<sup>98</sup> Detailed discussions of this period are hampered by a serious lack of primary documentary evidence, and a dearth of analyses of the issues involved. Unlike the earlier periods discussed in Chapters 6 and 7 above, the 1960's have attracted relatively little attention in relation to the types of questions this analysis attempts to address. As a result, the conclusions in this Chapter as to specific policy positions and negotiations are necessarily speculative, but grounded in the treatment of the earlier episodes already discussed.

<sup>99</sup> It follows from the discussion of American motives above that altruism, in terms of increasing the efficiency and effectiveness of NATO and the allied defence effort, was only part of the reason that the United States remained interested in armaments collaboration. Self interest played as great a role, even if this was not explicit policy.

area. The switch of policies from the granting of military aid to the sponsoring of joint production and an increased emphasis on armaments sales, was due both to domestic pressures in the United States to reduce the financial burdens attendant on the American commitment to Europe, and an indication that these pressures were strong enough to encourage an attempted alteration to the intergovernmental armaments regime established during the 1950's.

The existing structures within NATO which were available for the operationalisation of armaments collaboration after the late 1950's, were simply not equal to the task. The intergovernmental nature of the available structures, the origins of which were discussed above<sup>100</sup>, could not extend the joint production programme to its logical conclusion, as NATO lacked the institutional autonomy, the authority and the leadership to evolve into the focus for a truly integrated armaments collaboration effort amongst the NATO member states.<sup>101</sup> The obvious shortcomings of the joint production programme led directly to the attempted revitalisation of the process through the AC 253 structure. Once again, however, the introduction of the institutional changes did not *ipso facto* bring about the desired regime.

The United States was able to use its structural dominance inasmuch as it could easily dominate the joint production programmes which involved systems of American origin. Further, programmes such as the Starfighter, Hawk missile and Sidewinder missile were generally more attractive to the Federal Republic of Germany and smaller NATO states such as Belgium, Italy and the Netherlands who constituted the major armaments buyers, due to their competitive price and/or more advanced technology than equivalent systems produced by Britain or France. Neither the United Kingdom nor France were involved in the joint production programmes to any great extent, and in both cases their experience of the competitions and of production

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<sup>100</sup> See Chapter 7 above.

<sup>101</sup> For two interesting early treatments of these issues see Beer 1969 op cit pp 131-165, and Rhodes James 1967 op cit pp 9-20.

phases made them sceptical of the value of such arrangements.<sup>102</sup>

The buyer/seller dichotomy is important to the discussion since it had profound effects on the regime. Not only were the three major seller nations in competition, and therefore unlikely to agree to integrate their efforts, but the buyer nations had different agendas to the United States, Britain and France as sellers. Most importantly, however, the United States, despite her dominant position, was unable to enforce armaments collaboration and was unwilling to open her domestic armaments market to European competition, or to procure the systems produced as a result of joint production programmes.<sup>103</sup> Facer succinctly points out the concomitants of American structural dominance within the issue area:

"The truth is that, for the time being at any rate, the United States does not need to collaborate with other countries in weapons development, while all European countries must do so, at least in some fields. While financial pressures on American defence procurement are indeed increasing, economic and industrial factors are continuing to pull strongly away from collaboration, and there is no sign that the research and development base in the United States will be so reduced as to be unable to meet the vast bulk of the American military's likely requirements"<sup>104</sup>

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<sup>102</sup> The British aircraft industry was hostile to the joint production process due to the expense of preparing entries for the competitions which did not result in any return. They were also critical of the Plowden Report which implied that the United Kingdom should buy larger complex aircraft from the United States to produce under licence. See CMND 2853, 1965 op cit pp 12, 44-48, 55-60, 71-95, and Beer 1969 op at pp 153-155. Similarly the French were disappointed with the small returns on projects such as the Atlantique, and critical of the F104 being chosen in preference to the Mirage III. As Beer points out:

"The experience of Dassault in the competition for the lightweight Strike Reconnaissance Aircraft, the F 104 G, and NBMR's 3 and 4 - and that of Breguet, especially with regard to the Atlantique - could have done little to increase the legitimacy of NATO in their eyes" *ibid* p 159.

<sup>103</sup> The United States never bought any weapons system which was the result of a NATO collaborative production programme for the use of its own forces, preferring to "buy American". Although differences in specification required, the possible world-wide usage required by the US forces, and differences in the procurement cycle doubtless all contributed to this lack of enthusiasm for European produced systems, it should be remembered that the United States also imposed a swingeing 50% price differential on offshore procurements for American use. This militated against the purchase of non-American goods. See Vandevanter 1964 op cit pp 29-30; *The Economist*, June 5th 1965 p 12 discusses the effects of US price discrimination against European armaments.

<sup>104</sup> See Facer 1975 op cit p33. This argument would appear to be just as valid in 1991 as it was when Facer published his study in 1975. Whether this will continue to be the case in the past Cold War international system remains to be seen.

The importance of the differences in scale between the armaments production capability of the United States, and that of the European NATO states, cannot be underestimated in this context. It is not the purpose of this study to examine the vexed question of the "Two Way Street" between the United States and Europe in defence equipment, since such an analysis could easily comprise a thesis in itself. From the standpoint of the present study however, the startling imbalance in the defence equipment trade across the Atlantic must be regarded as an important indication of American structural dominance within the issue area and also an important aspect in the failure of an integrated armaments collaboration regime to develop. Throughout the 1960's the relative strength of American defence industries when compared with those of Western Europe, combined with high levels of American sales and the desire of the United States to offset the stationing costs of American forces in Europe, led to increasing European resentment and heightened resistance to buying American armaments.<sup>105</sup>

Structural dominance in terms of the differences in scale between the United States and Europe in armaments production, but also as a result of conscious policy decisions by different states, had an impact on the issue area which adversely affected the prospects for collaborative development and production of armaments. In the case of the United States, the most important policy decision was the erection of high discriminatory barriers against defence equipment not produced in the United States, with the exception of offset agreements negotiated for particular projects.<sup>106</sup> The United Kingdom, on the other hand, removed barriers to the purchase of foreign

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<sup>105</sup> See Ibid p31 where Facer notes that during the 1960's the Europeans bought \$8 billion of aircraft, weapons and electronics from the United States, whilst the United States bought only \$700 million of equipment from Europe, mainly components and less sophisticated equipment.

<sup>106</sup> The abortive British purchase of F111 aircraft from the United States in 1965 involved the negotiation of generous offset terms for British industry. Ibid p31. A useful discussion of offsets as a production method can be found in Stephanie Neuman "Offsets in the International Arms Market" in World Military Expenditures and Arms Transfers 1985 United States Arms Control and Disarmament Agency, 1985, Publication Number 123, Washington DC: General Printing Office pp35-40. See also Carl Groth "The Economics of Weapons Co-production" in Martin Edmonds (ed) International Arms Procurement: New Directions 1981 Oxford: Pergamon Press pp71-83.

Similarly Keith Hartley discusses the British purchase of Phantom aircraft in "The Political Economy of NATO Defence Procurement Policies" in Edmonds 1981 op cit pp98-114. He notes on p.106 that had the British purchases the aircraft "off the shelf" from McAir (McDonnell-Douglas), their unit cost could have been between 23 and 43 percent lower than production under an offset agreement.

equipment, whilst the Federal Republic of Germany accepted specific obligations to buy American armaments to help offset the cost of US forces in Germany. Other states, particularly the smaller NATO states frequently bought American equipment for financial reasons.<sup>107</sup>

This dominance can, therefore, help explain how the United States was able to promote the joint production phase of armaments collaboration, and how the changes inherent in the AC 253 report were approved. The fact that neither episode led in the end to further armaments collaboration, however, is more difficult to account for in these terms.

### **Nature of the Relationship**

As in previous episodes discussed above the nature of the relationship between the United States and European NATO members remained co-operative. Once again this limited the scope of coercive measures which the United States might otherwise have used to achieve desired policy outcomes. The co-operative relationship did not, however, prevent the United States instituting a high pressure sales campaign during the 1960's, nor did it encourage the Americans to lower barriers to European systems being procured for the American forces.

Indeed in certain respects the relationship, although generally co-operative, contained important elements of competition not present in the previous periods discussed in earlier chapters. As the title of the present chapter indicates, during the 1960's, the United States shifted its position from that of a liberal hegemon dispensing largesse in the form of MDAP/OSP aid and promoting the reconstruction of European defence industries, to that of a competitive collaborator. This new policy aimed both to encourage increased collaboration in the design and procurement of armaments within Europe and across the Atlantic, but also to make sure that such collaboration did not occur at the expense of the United States ability to penetrate European markets for armaments.

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<sup>107</sup> Facer 1975 op cit p31-32.

The analysis of the joint production programme and the changes engendered by the AC 253 report discussed above demonstrate how difficult it was to reconcile the agendas of the actors within the issue area. Perhaps predictably the outcome of both episodes was a marked difference between the smaller NATO states, and the larger producers such as France, the United Kingdom and, increasingly as the 1960's passed, the Federal Republic of Germany. The United States appears to have been content with the level of penetration of the European armaments market she already enjoyed, calculating that for buyers such as Belgium, the Netherlands and Italy, American armaments would generally be cheaper and therefore more attractive in view of their limited resources.

Even when Germany began to be more assertive from the mid 1960's in demands for participation in high technology areas, and built up an indigenous defence production capability, the United States did not push the proposed changes set forth by AC 253 to their logical conclusion. It is at least arguable, as noted by Facer above,<sup>108</sup> that armaments collaboration was simply not particularly important to the United States. The "game" of armaments collaboration was simply not worth the "candle" of the investment of time and resources which would have been required to institute a truly integrated regime. The type of regime and organisational set up which emerged by the late 1960's, according to this scenario, represented the highest common denominator which could be sold successfully to all the participants.<sup>109</sup>

The compromises which would have been required from the United States in order to promote greater collaboration do not appear likely, since they would have necessitated a much more open, if not actually free, market for European armaments in the United States, and a reduction of the imbalance in the Two Way Street. Similarly the Europeans, particularly France and Great Britain, would have had to accept the rationalisation and closure of parts of their defence industrial bases, and specialisation within Europe on production of a more limited range of weapons

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<sup>108</sup> See note 103 above.

<sup>109</sup> This is not to say that United States policy explicitly called for such outcomes, merely that structural factors and the effects of policy decisions taken both by the United States and the Europeans, resulted in outcomes which can rationally be explained in these terms.

systems.

Such compromises were highly unlikely by end of the 1960's. Indeed, they were considerably less likely at this stage than they might have been at previous points in the development of the regime discussed above, before it was "captured" by intergovernmentalism.

### **Issue Linkage**

The United States did not explicitly use issue linkage for either the joint production phase, or for the AC 253 episode. No linkages were forged to issues outwith the armaments collaboration issue area, and even within the said issue area, the United States never tied progress or participation in either joint production, or the proposals of AC 253, to continued American participation in the issue area generally. This left progress within the issue area in the hands of NATO which, as a result of its intergovernmental character, was ill-suited to the task. Authority within the issue area remained largely in the hands of national governments and their representatives.<sup>110</sup>

Both Britain and France were ill disposed toward the joint production programme carried out under the NATO banner, but had little issue specific power to influence either the United States, or the European participants in the projects involved. The independent production stances assumed by both Britain and France limited both their interest in collaborative projects, except where these held out the prospect of a nationally developed system being adopted as part of a collaborative venture, and their ability to collaborate in the first instance, since neither was willing to relinquish control to either NATO or a specially formed collaborative organisation for specific projects.<sup>111</sup>

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<sup>110</sup> See for example Beer's discussion of the authority structure of NATO armaments programmes, in Beer 1969 op cit pp136-144.

<sup>111</sup> For detailed discussions of the policies of both states see Harlow Part 2 1967 op cit; and Beer 1969 op cit pp152-155 and 158-160.

In the early period, Germany was a relatively enthusiastic participant in the joint production phase, and could, at least indirectly, link this enthusiasm to efforts to appear a loyal and reliable ally to the United States. By spending large amounts on armaments of American origin, the Germans hoped to avert any criticism in the United States of the cost of keeping American forces in Europe. Increasingly, however, as the 1960's saw Germany become increasingly assertive politically and more advanced industrially, this linkage began to dissolve. Germany became more interested in promoting her own defence industrial capacity, and turned increasingly to projects involving other European states. The lack of success in promoting collaboration through NATO played a part in this, as did the desire to use collaborative projects as political capital with France and Great Britain.

The Germans appear to have adopted an opportunistic approach, participating in early NATO projects to gain experience and access to advanced technology, but turning away from these after the mid 1960's in search of projects which promised to provide greater returns in basic research and development, training in, and information about, state of the art technology, and the prospect of a more competitive position in international markets.<sup>112</sup>

The negotiations which resulted in the approval of the AC 253 report saw a rare incidence of the three major sellers of armaments, namely the United States, Britain and France, agreeing to promote the same policy, if for different motives. This apparent unanimity did not, in the end, achieve the desired result, since the buyers of armaments remained sceptical of the motives for the change, and feared that the changes sought under AC 253 would simply have resulted in them being denied access to joint production of advanced systems. Although it may never have been explicitly stated by the smaller NATO states who bought most of the equipment, the changes which AC 253 sought to bring about never had a chance of receiving their support. Generally states such as Belgium, the Netherlands and Italy favoured leaving things much as they were under the old joint production programmes, since these well suited their needs.

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<sup>112</sup> See Beer 1969 *ibid* p155-158.

The role of bargaining, compromise, coalition building and the part played by individuals is well demonstrated by the efforts of Roberts and the AC 253 committee to have the proposals accepted by the NATO authorities in the teeth of both national opposition and the inertia of the NATO bureaucracy which had developed and operated the previous system.

The events of the 1960's within the issue area, including the failure of the joint production programmes to evolve into anything more than project-by-project collaboration, and the abortive reforms proposed by AC 253, simply confirmed existing patterns. The United States, despite continued centrality within the issue area, could not impose armaments collaboration on the unwilling European allies. Hegemonic decline may help to explain the inability of America to prevail in desired policy outcomes discussed in the chapters above to some extent. It is important, however, not to overestimate the rapidity of this decline, and to recognise that its effects may have been less obvious within the defence and security issue areas than in the economic and industrial spheres.

The organisations operative within the armaments collaboration issue area failed to coalesce into a focus for the establishment of an integrated regime. Neither NATO nor the WEU could break free of the essentially intergovernmental nature which had been imparted to them at birth. They signally failed to construct linkages to external groupings, whether domestic interest groups within the member states, armaments producers or other international organisations.

In summary the episodes discussed above effectively ended any realistic prospect for the development of an armaments collaboration regime within the North Atlantic community of states. The present condition of armaments collaboration can be directly traced to the events discussed above, such that later developments in the institutional field such as the Eurogroup and the Independent European Programme Group (IE. PG), simply serve to highlight the futility of attempting to change the regime via existing organisational structures, or through governmental actors who represent states with different and often competing agendas.

## CHAPTER NINE

### CONCLUSION

Comme quelqu'un pourrait dire de moi que j'ai seulement fait ici un amas de fleurs étrangères, n'y ayant fourni du mien qu le filet à les lier.

Montaigne<sup>1</sup>

The preceding analysis has detailed the role of a number of different models in terms of their explanatory power in relation to discrete episodes of regime formation and change within the armaments collaboration issue area in the North Atlantic community of states between roughly 1949 and the late 1960's. As a general point, the analysis has consciously eschewed reliance on one specific model to help explain observable episodes of regime change. Rather the study has attempted to recognise the centrality of the phenomenon first considered in detail in Graham Allison's seminal study of the Cuban missile crisis,<sup>2</sup> and apply this in relation to an issue area with impeccable "high political" credentials.

Allison's central thesis was that great care must be exercised in the use and application of a given theoretical framework, since such constructs can be at once illuminating and obfuscating to the student of politics. It is, in a theoretical sense, highly dangerous to assume that one particular model will be applicable across a range of issues, time scales or international settings. As Allison noted:

"Conceptual models not only fix the mesh of the nets that the analyst drags through the material in order to explain a particular action, they also direct him to cast his nets in select ponds, at certain depths, in

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<sup>1</sup> One could say that I have only gathered a bunch of other people's flowers, my own being no more than the string that binds them.

<sup>2</sup> G. T. Allison Essence of Decision: Explaining the Cuban Missile Crisis 1971, Boston: Little, Brown.

order to catch the fish he is after"<sup>3</sup>.

In reality the search for one overarching conceptual model with universal applicability across the whole spectrum of political phenomenon is doomed to failure. Stafford Beer illustrated this point well in his attempt to highlight the dilemmas inherent in constructing a generally applicable "theory of organisations". He invited us to imagine:

"We are in the countryside, surrounded by all the intricate multicolored ever changing complexities of the natural environment. A specialist comes along. "Can you understand it all then?" he asks. No we agree, it is all a great mystery. "What you need", says the specialist, "is a pair of my truth spectacles". We buy them for a small sum - though it is more than they are worth, because the truth spectacles are simply dark, red tinted glasses. "What do you see?" asks the specialist. We tell him that we see everything is red. What is more, we cannot any longer see a lot of the complicated details that we saw before. "Exactly! That is our triumph" says the specialist. "What you are seeing is the truth which underlies all the confusion. The world is really red. And the rules which govern it are actually quite simple"<sup>4</sup>.

If, as is often espoused, parsimony is a scientific virtue<sup>5</sup>, then the role of alternative explanatory models is to add complexity as necessary to existing simpler models which fail to adequately account for real situations. Following the work of both Keohane and Nye, and of Jönsson, where simplified models are found wanting,

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<sup>3</sup> Ibid p4.

<sup>4</sup> S Beer "Death is Equifinal: Eighth Annual Bertalanffy Lecture". Behavioral Science 1981, 26: 185-196. Quote p 187.

<sup>5</sup> See for example C Jönsson International Aviation and the Politics of Regime Change 1987, London: Frances Pinter, pp 152-153.

complexity may be added step by step, relaxing the assumptions of the original model<sup>6</sup>.

Economic models for example regard regime change as a function of changing technology or supply and demand dynamics. Political explanations are deemed irrelevant in this model. Since these types of explanation were found to be unsatisfactory, the next level of aggregation was to insert politics as a concern, with the overall or issue specific structure. This structural model, either alone or in conjunction with economic factors, was also tested for explanatory power.

Since this level of explanation was found wanting in the explanation of regime formation and change within the armaments collaboration issue area, situational factors were added to the reckoning. These suggest that regimes are rational responses by governments in dilemma type situations, and are not simply the result of power structures. The perceived shortcomings of all the existing explanations led to a concentration on the processes which engender international regimes. Process models relax the assumption of functional/situational and of structural models that state actors are invariably rational and unitary. Rather, regimes are viewed as the result of bargaining processes at various levels where transnational networks and boundary role occupants are of particular importance.

In summary, the foregoing analysis has demonstrated not that the process model can displace extant models, but that it can play an important part *in conjunction with* such models. The challenge for students of political science generally, and of regime analysis in particular, is similar to that facing any professional; the possession of the correct tools for the job at hand, and the judgement necessary to use the right tools at the right time<sup>7</sup>.

Development of the process model can be largely attributed to the work of

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<sup>6</sup> Ibid pp 152-165; R. O. Keohane and J. S. Nye Power and Interdependence 1977, Boston: Little, Brown p58.

<sup>7</sup> Keohane and Nye 1977 op cit p162.

Christer Jönsson, although the framework of the concept had been developed in earlier works.<sup>8</sup> A clear progression can be observed in Jönsson's published works relating to the international aviation issue area, culminating in his book "International Aviation and the Politics of Regime Change" published in 1987. This work applied the process model Jönsson had done so much to formalise in his earlier articles.<sup>9</sup> As a "first cut" Jönsson's analysis, and indeed this thesis, must be seen as necessarily preliminary in nature. Further development in relation to other issue areas may reinforce the claims of organisation theory to play a useful role in the study of international organisations.<sup>10</sup> In the event that the opposite should prove to be the case, such analyses will at least have served the purpose of allowing the study of international organisations from a fresh perspective.

With the collapse of the Cold War world order, the role of international organisations, particularly in relation to security and defence issues, has been thrown into stark relief. The role of the United Nations, the International Atomic Energy Authority (IAEA) and the European Community, to name only the most prominent, will be increasingly called into question and criticised as a result of their involvement in, for example, the Gulf War 1989-90, the break up of the former Yugoslavia and

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<sup>8</sup> See the discussion in Chapter 5 pp107-112, and especially the arguments of Keohane and Nye 1977 op cit.

<sup>9</sup> Jönsson 1987 op cit, but see also his "A Cognitive Approach to International Negotiation" European Journal of Political Research 1983, 11:139-50; "Interorganization Theory and International Organization" International Studies Quarterly 1986, 30:39-55 and "Sphere of Flying: The Politics of International Aviation" International Organization 1981, 35: 273-302.

<sup>10</sup> For example, Jönsson 1987 op cit p164, suggests

"the final answer to the question (of what generalizable lessons concerning issue - areas and organizations can be learned from the process model) ... has to await further comparable case studies of other international issue-areas. Some steps have already been taken in that direction. Tentative findings from the atomic energy, refugees and maritime issue areas tend to confirm the importance of the hypothesized issue - specific and organization - specific factors in accounting for variance in network structure and performance."

Another likely candidate issue-area could be in space, particularly with reference to the role of the European Space Agency (ESA) in promoting an autonomous European presence in the space industry. ESA exhibits all the necessary qualifications to be the subject of such an analysis as an international organisation representing European states, with its own bureaucracy, national delegates, a budget given by the member states and strong links with organisations in the aerospace and space fields such as Inmarsat and NASA, as well as links to commercial companies and governmental agencies.

in Somalia. There can be little doubt that other agencies and organisations, and other issue areas, will come under similar scrutiny as the new international order is established.

It is, perhaps, in the matter of contextuality that the process model can be found wanting. The concentration engendered by the process model on issue areas, organisations, regimes and the role of individuals and networks in international organisations, tends to obscure the political context within which the putative regimes and international organisations operate. This is not to say that the process model is thereby invalidated. Nor does it assume that the actors within an issue area operate within a rarefied atmosphere with little or no connection to the *realpolitik* of the international system. Rather, it accepts that there is a certain danger inherent in the process model of not being able to see the wood for the trees. Just as contemporary international organisations and regimes will have to contend with a fast changing, post Cold War international system lacking the certainties of a "comfortable" bi polar order, the subjects of this analysis must be placed firmly in their context; an *evolving* bi-polar system and the onset of the Cold War in the immediate post World War Two period.

In general this analysis has, for the sake of brevity, tended to take the external environment if not as a given factor, then as more "rational" than is actually the case. This reification is defensible in terms of the process model being developed if for no other reason than that certain background, "historical" information (what might be termed the issue-setting) must be assumed to avoid the analysis becoming bogged down in the minutiae of everyday political interaction in international relations. Whilst every endeavour was made in the second section of this analysis, beginning with Chapter Six, to highlight the external environment's role in regime formation and change, it was absolutely necessary to set limits on how far outside the ambit of the particular issue area at hand the analysis could afford to go in a theoretical sense.

The potential shortcomings of the process model should not blind researchers, however, to the shortcomings of the various competing models discussed during the

earlier analysis. It is this very fact which emerges most clearly from the theoretical study detailed in Chapters Two and Four above.

The issues which this study attempted to address were, fundamentally, those of why the armaments collaboration issue area in the North Atlantic community evolved in the manner it did, what role, if any, American hegemony and international regimes had in this evolution, and finally, whether organisation theory could play a useful role in the analysis. Chapters One to Five address the basic theoretical concerns of the analysis, and Chapters Six to Nine apply the process model developed to a specific issue area.

The first Chapter discussed the concept of complex interdependence and hegemonic stability with particular reference to the paradigm shift in international relations away from the state centric approach. As a result the analysis was focused on an issue based approach. Finally, the Chapter concluded with an explanation of the rationale for the choice of the armaments collaboration issue area in particular, highlighting the fact that by examining an area of "high politics" the study specifically set out to answer criticisms of regime analysis as being "doomed to success" by virtue of their previous concentration on relatively less conspicuous areas of low politics.

Chapter Two concentrated on the definition of the international regime concept, and examined critically the existing theories of regimes. The conclusion reached was that the relative lack of theoretical development of the concept of international regime could not be used as a bar to the application of regime characteristics to the armaments collaboration issue area. It would be anomalous to posit the utility of a concept in one discrete area of political science, and thereafter deny its applicability in related fields. As an issue area exhibiting collaboration and co-operation in a number of different forms over the period 1949 to the late 1960's, armaments collaboration is presumed to be *a fortiori* a candidate for analysis in regime terms.

Chapter Three examines the debate on the status of the American hegemony, particularly as it pertains to the armaments collaboration issue area. The analysis

posits two contending views on the state of the said hegemony. Firstly the traditionalist conventional wisdom which holds that the days of American hegemony are numbered, that this descent from preeminence is inevitable, and that the concomitants of this decline are increasing instability within the global political economy. Further, declining hegemony is seen as inimical to the formation or alteration of regimes.

Secondly the radical view epitomises a conservative view of the prospects for continuing American dominance, viewing American predominance in the global political economy as a long term, structural phenomenon, and seeing a fundamentally healthy, if not immortal, hegemony. The conclusion reached in the Chapter is that whilst the radical case can alert us to the shortcomings of hegemonic stability theory, and to the continuing centrality of the American political economy within the international system, "the end of history" has not yet been reached.

The fourth Chapter represented a first cut of the explanation of regime change, examining in turn the technological, surplus capacity, structural and functional/situational explanations of regime change. Concluding that none of these explanations in and of themselves were sufficient, Chapter Five proceeded to introduce the process model of regime evolution. This new model highlighted the importance of bargaining and of coalition building and the centrality of the study of organisations as structures, and organisation as a process. The heretofore neglected role of organisation theory in the analysis of international organisation was examined, in an attempt to explain their apparent lack of synergy despite similar areas of concern. Finally the importance of transnational networks and the organisational context were discussed, and a summary of the new dynamic process based model presented. This process model, it was posited, may provide important insights into the creation and transformation of regimes, by virtue of its concentration on the vital role of bargaining as an intervening variable between divergent interests, and the role of networks in encouraging such action.

Chapter Six introduced the first episode of regime formation or change within the

issue area, discussing the negotiations which led upto the signature of both the Brussels and North Atlantic treaties. The conclusion examines these events in relation to the models presented earlier, finding that the process based model has considerable utility in accounting for the failure of the United States to obtain desired policy outcomes notwithstanding her dominant structural and functional/situational position. The United States found herself much more closely linked to European security than she had wished, and this had important implications for the future progress of armaments collaboration both within Europe and between Europe and the United States.

Chapter Seven considered the operation of what had been styled the liberal hegemonic regime, examining the debates centring on the EDC, the collapse of the EDC concept and the birth of the WEU. Early organisational steps within the NATO framework are set out and finally the conclusion examines the construction of an intergovernmental form of regime and attempts to account for this outcome using a process based analysis. The study of this early period is held to be vital to a full understanding of the later process within the armaments collaboration issue area, although the actual level of co-operation in the production of armaments during the early to mid 1950's was relatively small. Future developments can only be meaningfully analysed with reference to the organisational context within which earlier developments took place.

The Chapter ends with a discussion of three general problems introduced early in the chapter which were deemed to have had an influence on the formation of the armaments regime as it evolved during the period. These were; the structural dominance of the United States within the issue area, the co-operative nature of the relationship between the United States and the European NATO members, and the use or otherwise of issue linkage within the issue area. In summary the period between 1949 and 1955 is seen as fundamental to the lack of development in armaments collaboration. The success of intergovernmental solutions discussed in the chapter demonstrate how effectively the prospects for an integrated armaments collaboration regime were stunted at an early stage.

Finally Chapter Eight examines two particular episodes within the armaments collaboration issue area during the 1960's. Firstly, the joint production phase, in which the various collaborative projects carried out under NATO's aegis are studied, and the NBMR process is critically examined. Secondly the attempted regime change represented by AC 253 and its findings is discussed, and the reasons for the failure of the attempted change are examined. The conclusion of the chapter applies the process based model to these episodes in an attempt to account for the outcomes described earlier in the chapter.

The models used in this analysis not only give different answers but also pose different questions in relation to the basic queries posed in this study of regime evolution in the armaments collaboration issue area. The type of questions for which an explanation have been sought - "Why did the United States become more directly involved in European security after 1945 than wartime policy would predict?"; "Why was collaboration in armaments production not achieved between 1949 and 1955?"; "Why did the demise of the EDC and the formation of the WEU not lead to a new armaments collaboration regime?"; "Why did the attempted changes engendered by the NBMR programme and AC 253 report during the 1960's fail to promote changes to the existing regime?" are interpreted in different ways according to the model used.

Economic and structural models attempt to provide "because of" replies to such questions. The former searches for basic technological or supply and demand factors which might lead to regime creation, maintenance or change. In contrast, the latter attempts to account for such changes with reference to shifts in the issue specific power structure within which the issue area is set. Situational models, in contrast, provide answers of an "in order to" kind. Regimes are regarded as coping mechanisms constructed by actors, usually governments, to broker a collectively rational result from the conflicting demands of individual national actors whose disputes would otherwise result in collectively irrational outcomes.

Finally the process model suggests "as a result of" answers by studying the dynamics of the political processes which result in agreements or failures to create, maintain

or change regimes. The basis of this model is an examination of the bargaining processes which lead to decisions to form, or indeed not to form, regimes within a given issue area.

Whilst it can be argued that the models used in this study are, in fact, incompatible since they would predict different outcomes for the same episode<sup>11</sup>, they also exhibit areas of commonality. The conclusion suggested by this study is that the models are complimentary since "neither model can provide a full explanation, ... a combination of models is warranted. One model may apply quite well for one episode, but poorly for another".<sup>12</sup>

The conclusions attendant on the episodes of regime formation and change within the armaments collaboration issue area are, therefore, relativistic. Each of the models has utility in accounting for alterations in the regime at certain times, but none can be held to have universal applicability. Economic models were found to be of limited usefulness. The structural model has utility in accounting for American centrality in the regime after 1955 via the MDAP/OSP programme, and for the joint production projects of the early 1960's and the AC 253 report being adopted. It is less successful, however, in accounting for the limits placed on American action throughout the period and, in particular, the fact that the European states were able to draw the United States into a direct commitment to defend Europe on terms which were often contrary to stated American policy.

Situational models have some value in that they illuminate the reasons why regimes are created in a general sense. They are less valuable, however, in predicting outcomes in individual cases, especially where situations are ambiguous. As Jönsson

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<sup>11</sup> Jönsson 1987 op cit p154 raises this possibility in relation to the attempted change of the Chicago-Bermuda regime in international aviation in the 1970's. According to structural models, the United States ought to have succeeded in attempts to change the regime by virtue of its issue - specific power, while the process model explains why the United States failed.

<sup>12</sup> Ibid.

notes<sup>13</sup> this is particularly true of situations where the number of actors multiply and/or the choices facing actors are not of a clear cut either/or nature.

The process model developed in this analysis demonstrates its utility in terms of amplifying the importance of bargaining processes and the existence or effectiveness of transnational networks in a given issue-area. The contention that non-state actors are commonly excluded from playing significant roles in high political issue areas is confirmed to some extent by the lack of regime development in armaments collaboration. Transnational networks had difficulty in playing independent roles due to the security aspects of the issue-area, and its high political credentials. It is, as a result, more difficult to apply experiences in the armaments collaboration issue area to other issue areas which lack this high political content, or *vice versa*.

The theoretical task of this study has undoubtedly been made more difficult to complete as a result of the chosen issue area. Despite the fact that certain factors are common across various different issue areas<sup>14</sup>, the unique characteristics of the armaments collaboration issue area obviously have an effect on the explanatory power of the model.

The possible criticism of the process model discussed above beg the question as to what corrective action might be taken to improve the apparent lack of contextuality in the process based analysis discussed in earlier Chapters. In particular the wider processes at work within the armaments collaboration issue area appear to deserve closer examination than the process model presented above has allowed. Reference has previously been made<sup>15</sup> to the role of nationalistic impulses in protecting indigenous armaments production capabilities, as well as to the "revolving door" syndrome linking defence contractors, military personnel, civil servants and elected

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<sup>13</sup> Ibid p157.

<sup>14</sup> Jönsson, in his study of international aviation issue area identified the lack of East-West polarization, the pluralistic setting in which the regime evolved and, finally, the ability of linking pin organisations to assume the role of intervening variables within the network. Ibid pp160-161.

<sup>15</sup> See Chapter 6 above pp133-137.

representatives. The many possible linkages between such groupings, not only in the United States but in Western Europe, comprise a thesis in themselves. Any treatment of such a complex series of issues must await further analysis.

Another problem lies in the fact that treatments of procurement processes in the armaments production area tend to deal with more recent periods than the time scale of this analysis. One of the most thorough treatments was contained in Martin Edmonds book on international arms procurement, an edited volume containing a number of interesting Chapters on various different weapons systems and the problems of promoting cooperative procurement.<sup>16</sup> Other treatments have concentrated on particular weapons systems, as for example Dörfer's analysis of the F16 fighter sale to various European countries in the face of competing European produced alternatives.<sup>17</sup> The problem with such analyses, however, is that they are all *ex post facto* in that the basic organisation structure of the armaments collaboration issue area had been decided before the subjects of these works were on the drawing board, let alone being produced. The process based model detailed above, and the regime which it engendered, cast a long shadow over the prospects for the development of more integrated armaments collaboration in the North Atlantic area.<sup>18</sup>

Obviously, the process model alone cannot describe the totality of factors which ensured that armaments collaboration in this area was a relative failure. It is important not to attempt to over-reach the explanatory power of any model. What can, with some justification, be claimed, is that the process model highlights some

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<sup>16</sup> Martin Edmonds International Arms Procurement: New Directions 1981 Oxford: Pergamon Press, and two of the contributing authors William Bajusz "International Arms Procurement: Multiple Actors, Multiple Objectives"; and Cindy Cannizzo "Procurement via the Two-Way Street: Can it achieve its objectives?"

<sup>17</sup> Ingemar Dörfer Arms Sale: The Selling of the F-16 1983, New York: Praeger.

<sup>18</sup> Indicative of this fact is the somewhat plaintive conclusion in most works relating to later organisational attempts to promote greater European collaboration in armaments production, that prospects were hobbled from the start by the pre-existing organisational environment. See for example: C Gorden "The WEU and European Defence Cooperation" Orbis 1978, 18(1):254-265, Herbert Wulf "West European Cooperation and Competition in Arms Procurement: Experiments, Problems, Prospects." Arms Control 1986, 7(2):177-196, Phil Williams "Nato and the Eurogroup" in K Twitchett (ed) European Cooperation Today 1980, London: Europa Publications, and S Kirby "The IEPG: The Failure of Low Profile High Politics". Journal of Common Market Studies 1980, 18: 175-196.

factors which may heretofore have been hidden or neglected by existing analysis.

In a general sense the failure of an explicit regime to develop within the armaments collaboration issue area can be explained with reference to process based variables detailed above. As Krasner notes;

"Once a regime is actually in place, it may develop a dynamic of its own that can alter not only related behaviour and outcomes but also basic causal variables".<sup>19</sup>

An explicit regime, based on written documents with legal force which identifies an independent organisation as decision maker, and which has a membership of all the potential states within the given issue area, gives the greatest scope for linking pin organisations to play a significant role. It follows that in issue-areas characterized by non-regime situations or diffuse regimes based on tacit understandings provide less fertile ground for linking pin organisations to play a role. Most importantly from the perspective of this analysis.

"the worst kind of regime, from the view point of a prospective linking-pin organisation, is probably an explicit and widely adhered to regime which does not bestow any significant role upon that organisation".<sup>20</sup>

This study does not, in conclusion, provide a definitive answer to the general problem of the utility of contending theories of regime creation, maintenance and change. The process model cannot be regarded as a panacea to the shortcomings of existing regime analyses. It can serve, however, as a corrective to extant models. To summarize, the analysis may beg more questions than it answers in relation to what fresh insights can be gleaned on organisations and issue areas generally from the study of

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<sup>19</sup> See Stephen Krasner "Regimes and the Limits of Realism: Regimes as Autonomous variables", International Organisation 1982, 36: 497-510. Quote p500.

<sup>20</sup> Jönsson 1987 op cit p161.

armaments collaboration.

The final word on the subject must be sought in future analyses of other issue-areas utilizing different case studies, in an attempt to add not only more strings to the bow of students of international relations, but to clarify the situations in which different theoretical arrows should be fired.

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