Institutional Duality: NATO's Role In The Neo-Neo Debate

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The North Atlantic Treaty Organisation is a unique institution within the context of the intra-paradigm debate between neorealism and neoliberalism. It facilitates state cooperation, and has done so for a sustained period of time. Its purpose is intrinsically tied to security, yet has diversified to incorporate other policy issues. During the Cold War it was a demonstrable example of neorealism in practice, yet its continued persistence casts doubt on the validity of neorealist assumptions.

This paper will examine the development of NATO throughout the post-Cold War era within the framework of the 'neo-neo' debate. Following a brief outline of the two theories, the activities of the alliance will be considered thematically, with conclusions drawn as to the strengths and weaknesses of each perspective in offering explanatory accounts. This analysis will demonstrate that NATO does not fully conform to either paradigm – the institution is characterised by a duality, with both theories impacting upon different elements. This duality will then be accounted for, and used to reflect more broadly on the neo-neo debate as a whole.

Neorealism and Neoliberalism

The neo-neo debate does not concern two diametrically opposed perspectives – indeed, many characteristics of the two viewpoints are the same. In an epistemological sense, both are positivist theories, holding that an objective reality exists independently of our knowledge of it. There is therefore a focus on empirical questions, and these theories are often labelled as 'problem-solving' – offering solutions regarding existing and identifiable social structures (Ashley 1984). Despite evolving from classic liberalism, neoliberalism (and particularly the predominant institutionalist strand) has accepted a number of key realist assumptions. Both theories see states as the primary actors in the international system, which is anarchical in nature. Both concur that the desire to survive is a key motivator for state action, and that states are rational in their pursuit of this goal, looking to maximise their interests (Lamy 2001). The neo-neo debate, therefore, is constituted by issues on which neorealism and neoliberalism diverge – primarily the role of international institutions, and the prospects for sustained cooperation between states (Jervis 1999).

Neorealism focuses on the anarchic structure of the international system, and views the distribution of power as the determining factor in states' behaviour. Given the instinct for survival, and the lack of an overarching authority, states are compelled to pursue 'self-help' policies, and to balance against excessive powers (or threats) where necessary (Walt 1985; Waltz 1979, pp.102-128). This competitive arena impedes cooperation and renders institutions weak and prone to irrelevance. Neorealist theory does not prohibit the existence of institutions or instances of cooperation – indeed where states have strong common interest, they are expected to form. Yet institutions are viewed as tools of statecraft, reflecting the distribution of power in the system (Jervis 1999, p.63). They are likely to be 'created' in pursuit of a specific interest, and discarded when the interest is either met or appears unlikely. Mearsheimer (1995a, pp.12-13) notes that where institutions do come into being, prospects for longevity are threatened by a focus on relative gains and concerns over cheating. States pursue the maximisation of their own position – therefore engaging in cooperation should not advance the relative power of others. This desire to gain relative advantages also makes cheating commonplace, with states liable to break the rules if it results in an immediate gain. Awareness of this

Institutional Duality: NATO's Role In The Neo-Neo Debate
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tendency means that neorealists do not view institutions as likely to engender long term cooperation.

Neoliberals also accept anarchy as the base state of existence in the international system. However, they point to institutions in areas of shared interest as essential mediators facilitating sustained cooperation between states. Institutions will arise wherever the cost of transactions – communication, monitoring, enforcing agreed regulations – are low compared to the benefits of political exchange (Keohane 1988). Moreover, institutions have what Keohane and Martin (1995, p.42) labelled an 'interactive' function – their formation and perpetuation actually changes what states perceive it is possible to achieve. The interplay between states and institutions impacts upon the goals of member states (and indeed those states excluded from the institution). Thus they do not merely reflect state interests but actually help *shape* them. Additionally, institutionalism focuses on absolute rather than relative gains – if the return is substantial and mutually beneficial to members, then states will accept this situation even if some benefit more than others. Involvement in shared institutions lessens the competitive element of inter-state relationships by focusing on collective interests and outcomes, so states are less fearful of gains for fellow members (Grieco 1988).

A brief mention should be made of the different strands of neoliberalism. Although 'institutionalism' is generally focused upon within the context of the neo-neo debate, both commercial neoliberalism (which views economic interdependence as an effective mechanism for reducing the likelihood of conflict) and republican or democratic neoliberalism (which, based on Doyle's democratic peace theory, sees the spread of democracy as an instrument for fostering a more peaceful international environment) have also gained prominence amongst scholars (Lamy 2001).

NATO's Persistence

With the end of the Cold War, the predominant thinking amongst theorists was that NATO had served its purpose and would disintegrate, either consciously or simply over time through a lack of relevance. From a neorealist perspective, dissolution would be the natural order of things. Engaging in any institution or alliance involves significant costs – a loss of full policy control, resources lost to collective actions commitments and so on. These costs are particularly high for NATO members – for instance, Article V means that the decision to go to war is no longer the sole determination of individual states. The interests cohering members must be sufficiently strong for states to accept these costs (McCalla 1996). In the case of NATO, the external power (or threat) being balanced against was this 'common interest', and the level of that power would govern the cohesion of the alliance – Mearsheimer (1990, p.52) labelled Soviet power as 'the glue that holds NATO together'. With this constituting factor removed, states would have no reason to sustain the alliance – conflicts in other areas would no longer be 'accepted' as a trade-off for the fulfilment of the mutual goal. Thus intra-alliance bickering would occur, followed by dissolution. Taking a broader view of neorealist theory, the break up of the alliance should have been striking. The end of the Cold War left America as the only superpower in a unipolar world. Balance of power theory would in fact suggest that the European powers would begin to actively balance against the hegemonic unchecked US. Initial events appeared to lend credence to these neorealist predictions – most NATO states reduced their military forces, and the Europeans looked towards alternative security provisions of their own. Yet NATO, after a slightly sluggish start, persisted and adapted (Kay 1998, pp.59-88).

The Strategic Concept adopted in Rome in November 1991 outlined the new issues facing the organisation (NATO 1991). Challenges to the stability of Europe could arise from 'economic, social or political differences', provoking intra-state conflicts on the periphery of the alliance. The focus was still firmly on security threats to alliance members – an undoubtedly neorealist concern, albeit with new and broader definitions. Yet crucially, the means for meeting these new threats would be NATO and other existing organisations – substantiating neoliberal claims about the sustainability of institutions. Neoliberalists see institutions (particularly established, formalised ones such as NATO) as significantly reducing transaction costs. Therefore existing institutions are likely to be utilised to meet emerging challenges, as start up costs for new associations are particularly high (Keohane 1984). NATO already had a wide variety of core mechanisms (such as political consultation under Article IV), and thus would be effective in addressing new issues such as out-of-area peacekeeping. Note too the part that the organisation itself played in this reorientation. Institution employees will unsurprisingly favour the continuation of their organisation regardless of the change in circumstances. McCalla (1996, pp.456-461) points to the active lobbying role of Secretary-General Manfred Wörner during discussions over the alliance's future in the early 1990s. The tacit acceptance of the new

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alliance objectives into the 'national interest' of member states' can in part be attributed to the influence of NATO officials. Institutionalists accept this 'interactivity' – organisations *can* play an independent role in shaping their own direction.

Enlargement

The enlargement of NATO has seen ten former communist nations admitted to the alliance, with further invitations likely to be extended in 2008. This process appears to ask searching questions of neorealist theory. In the 1990s, enlargement was a clear sign that NATO was adapting, in spite of realist predictions. More specifically, the admission of so many 'lesser' members casts doubt upon the notion that states focus primarily on relative gains. By accepting nations such as Estonia into NATO and guaranteeing their security, the larger powers have gained little, whereas the new members benefit greatly (Riim 2006). Moreover, this behaviour goes very much against the balance of power theory – these states are aligning themselves alongside the United States, as opposed to balancing against her unchecked power.

Enlargement then can perhaps be seen as the continuation of a new neoliberal direction for member states, both in terms of means and ends. By utilising NATO as a mechanism for incorporating countries into the European security regime, Western states again indicated their preference for maintaining existing institutions as methods of meeting their goals (Aggarwal 2001). But it is not merely the *approach* to enlargement that can be seen as neoliberal in nature – key *objectives* of the process can also be viewed in this light. The overarching aim was to increase stability and security, and NATO members viewed this as 'a broad concept, embracing political and economic components' (NATO 1999). The Membership Action Plan required applicant states to meet significant political and economic criteria before entry would be approved. Enlargement therefore sees NATO fostering the spread of democracy and facilitating greater economic interaction, with a view to these initiatives mitigating the possibility of conflict. These are key premises of the commercial and republican strands of neoliberalism – enlargement in this sense is a very neoliberal process. NATO's expansion also reinforces the notion that institutions help shape the interest of states rather than just reflect them. If NATO was not present, the cost of integrating eastern European nations into the continental security regime may have been too high for states to fully engage with. The alliance's existence and reform determined that the challenge be met on a collective basis (Mattox 2001).

Enlargement, though, is another area where NATO demonstrates an institutional duality due to an additional neorealist dimension. Waltz (2001) believes NATO to be an American instrument preserved to enable US determinacy of European foreign and military policies. This is a credible contention – American reactions to exclusively European security initiatives indicate a continued desire to maintain a leadership position in the region. In this interpretation, enlargement is the manifestation of unchecked US power being exerted further afield – the continued expansion of a hegemon, in fact, albeit via 'softer' methods. Additionally, Skalnes (1998) suggests that the exclusion of Russia is an aspect of enlargement that neorealism can explain and neoliberal institutionalism cannot. This is probably a valid assessment – institutionalists would not view Russian admission as significantly different in character to, say, Polish admission. European stability would be heightened by Russian involvement in NATO, and Russia in turn would benefit greatly, so why does the prospect remain off the agenda? The answer is that a resurgent Russia remains a distinct possibility (Kay 1998, p.60). Thus neorealism can view NATO enlargement either in a regional context – where eastern European states are balancing against a local power – or on a global scale as American-encouraged bandwagoning, with states siding with the 'victorious' side for short term gain.

NATO and the Balkans

NATO's activities in the Balkans throws up challenges to both neorealism and neoliberalism. The alliance's involvement in this region embodies a significant shift in focus from a defensive military agreement towards a broader security organisation. The very involvement of NATO in these 'out-of-area', peacekeeping missions therefore represents the adaptation of an existing institution (Kay 1998), and thus conforms to neoliberal thinking. Neorealism struggles to explain adequately the intervention of the alliance in these intra-state conflicts.

Neorealism suggests that states act according to rational, *nationally defined* interests. The Balkans crises would

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have to pose a significant threat to European security – were NATO member states concerned the conflict may 'spillover' from the region? To an extent this holds true – the US in particular was mindful of the destabilising effect the Balkans had historically had on European security (Riim 2006). Yet these fears were not the determining factor. For instance, in the case of Bosnia, the two nations to whom the danger would be most acute – Italy and Greece – were fairly reluctant towards NATO involvement in the area (Bono 2003, p.136). Neorealism cannot account for why certain members of the alliance would be more concerned about the 'threat' of conflict in the Balkans than others.

One instead has to turn to a neoliberal explanation of alliance intervention. In analysing NATO's reaction to the Balkan conflicts, Bono (2003) demonstrates the existence of 'policy communities' – networks of authoritative experts operating within international and national bureaucracies. These communities played an important role in bringing the Bosnian and Kosovan conflicts to the domestic agendas of states, and the concerns they raised (maintaining European stability, maintaining the credibility of NATO and avoiding humanitarian disasters) were gradually accepted as concerns of the member states themselves. The suggestion is that direction came primarily from individuals and groups within the alliance – again, lending credence to the notion that institutions shape states' interests.

Where neorealists do make ground here is in the emergence of significant internal differences within the alliance. NATO was extremely lethargic in its response to the Bosnian conflict, and subject to much division over the best course of action to take (Kay 1998, p.60). Here we can return again to the idea of 'common interests' governing the cohesion of institutions. Intervention in the Balkans is not as constituting a factor as the threat of Soviet invasion – thus unanimity was much more difficult to achieve in these situations. It is worth noting, however, that despite similar concerns over Kosovo, there was a conscious effort on behalf of the allies to maintain a united front. There is an institutional motive behind this – the desire to maintain the credibility of the alliance – which again demonstrates the active role institutions have in the consideration of state policy. Again, the dual nature of NATO is highlighted – neorealist behaviour is still present within neoliberal alliance activity.

NATO Post-9/11

9/11 represented the most direct threat to American security since the end of the Cold War. Neoliberal theory would suggest that NATO, as a military organisation with developed capabilities, would be at the forefront of meeting this new security threat, as it had been in the 90s. In Article V, the alliance had an institutional mechanism for confronting direct attacks. Moreover, the initial worldwide support for the USA should have facilitated international cooperation and allowed for a collective response. Yet instead the US has reverted to neorealist behaviour in acting unilaterally, and as such NATO has been 'left behind' on major issues. As opposed to the Balkan conflicts, NATO members were united in their support for action in Afghanistan in 2001 – but instead, a US-dominated coalition was favoured. This is not surprising in neorealist terms. We return to the idea that institutions are tools of statecraft, created with specific interests in mind. In this instance, the Bush administration judged NATO to be lacking in the capacity to successfully pursue American interests – thus NATO was discarded (Glaser 2003, p.411). The Iraq conflict again adheres to neorealist theories on institutions. In this instance, NATO was paralysed with divisions as opposed to united in support. Military intervention in Iraq was not seen to be in the interests of France and Germany, whereas it was of prime importance to America and Britain. Without a strong constituting factor cohering the organisation, member states were not willing to compromise on the matter. Moreover, with a strong enough imperative (action in Iraq being defined as crucial for state security), the US and Britain were prepared to act outside of the institution (Glaser 2003). In a response to these divisions and US unilateralism, neorealist tendencies may also be taking hold in Europe again. The EU has undertaken peacekeeping in both Bosnia and the Congo, and the new Reform Treaty gives more authority to the European Security and Defence Policy – clear moves towards a military structure that does not directly involve the Americans (Schmidt 2007). Although this hardly constitutes a balance against the US, it is indicative of the fragmentation of the transatlantic partnership and emergence of a more multipolar structure.

Aspects of neoliberalism – and thus dual nature of NATO – do remain. Out-of-area peacekeeping continues in the Balkans and Afghanistan; the alliance is actively involved with combating terrorism through operations such as Active Endeavour; enlargement continues, with a sustained focus on political and economic development (NATO 2006). Yet the institution is no longer being utilised to directly meet the security concerns of its most prominent members. This

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cannot be explained in neoliberal terms, such as an increase in transaction costs, and instead must be viewed as a direct result of the renewed primacy of national interest.

Conclusion

It is plain that neither neorealism nor neoliberalism can fully account for the development of NATO since the end of the Cold War. Broadly, neoliberal theories offer the best explanation for events in the 1990s, whereas neorealism is most appropriate in understanding the alliance's fortunes in the aftermath of 9/11. Elements of both theories are evident throughout though – for example, enlargement is largely an institutionalist process in pursuit of neoliberal goals, yet intrinsically tied to traditional notions of security, and clearly neorealist in nature with regards the treatment of Russia. How then can we interpret these findings? A consistent explanation can be made by focusing on the flexibility of neorealism. Waltz (2001 p.24) suggests that the absence of 'serious threats' to security gives states extensive freedom in determining foreign policy. One of the directions this policy could therefore feasibly take is a neoliberal one. In the case of NATO, reduced dangers in the 1990s allowed institutionalists to take lead in directing the alliance. When international terrorism posed a new security threat, neorealist tendencies were reasserted. In both situations though, elements of the 'secondary' theory remain valid. This illustrates a significant point – the intra-paradigm dichotomy, even in the 'divisive' area of institutions and cooperation, is not marked by particularly sharp differences. There are specific issues which each paradigm has problems in addressing. Neorealism cannot fully account for the interactive nature of institutions in policy formation, nor collective intervention where there is no immediate threat. Neoliberalism is unable to expand on why certain states join institutions where others don't, or to differentiate between threats that will be met institutionally and those that will be met unilaterally. Yet accepting neoliberalism as an explanatory tool for one aspect of an institution does not invalidate neorealism, or vice versa – the two can coexist. With so many shared assumptions – in particular, the notion that states act rationally in the pursuit of their interests – neoliberalism can sit within the framework of neorealism. It is this contention – that rationalist IR theories do not differ drastically from one another – that has directly prompted the growth of reflectivist paradigms in the field in recent years. The duality of NATO highlights acutely the narrowness of the neo-neo debate.

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Institutional Duality: NATO's Role In The Neo-Neo Debate
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