The Security Challenge of Small EU Member States: Interests, Identity and the Development of the EU as a Security Actor*

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Abstract

How are small EU Member States affected by the development of the European Union (EU) as a security actor? This article argues that the European integration project emerged as an almost ideal security organization for the region’s small states after the cold war, but that subsequent development challenges important aspects of the security identity and interests of small EU Member States. Even though the EU continues as an attractive security organization for most small states in the region, they must now reconsider some of their most basic strategic choices in order to meet the challenges and maximize influence over future developments.

Introduction

Small states have played a marginal role in the development of the EU as a security actor. Agreement between two or more big EU Member States has most often been a prerequisite for major initiatives and decisions in the development of a common European foreign, security and defence policy. An agreement between Germany and France initialized the development towards closer co-ordination of the foreign policies of the Member States that led to the European political co-operation in 1970 and, in the immediate aftermath of the cold war, the same two countries put on to the agenda the need for an

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independent European role in the area of security and defence. In the Treaty on European Union this initiative was translated into the objective of a ‘common foreign policy’, but only when Britain changed its position in 1998 was a rapid dynamic set in motion leading to the formulation of a new and increasingly binding policy at the summits in Cologne, Helsinki, Feira and Nice.

When initiatives have failed or the institutional development has stalled, the cause has most often been disagreement between the major powers. Britain’s choice to give priority to its ‘special relationship’ with the United States at the expense of closer European co-operation in foreign and security affairs, and France’s insistence on European autonomy blocked for decades any compromise on European security institutions between the two countries. At the same time, Germany’s continued eagerness to portray itself as a civilian, rather than military, power until recently prevented the kind of Franco–German initiatives that have driven the integration process in other issue areas. In the Gulf War, the early phases of the war in Bosnia, and more recently in regard to Iraq, the incompatibility of general approaches and interests was translated into concrete policy differences blocking effective action.

How are small states affected by the quarrels and compromises of big EU Member States over the development of the EU as a security actor? This article argues that the European integration project emerged as an almost ideal security organization for the region’s small states after the cold war, but that its development over the past decade, and since September 11, 2001, in particular, challenges important aspects of the security identity and interests of small states. Even though the EU continues as an attractive security organization for most small states in the region, small states must now reconsider some of their most basic strategic choices in order to meet the challenges and maximize influence over future developments.

The structure of the article is as follows. Section I clarifies the use of the concept of small states in the article and unpicks the basic assumptions underpinning the analysis. Based on these assumptions, the following two sections explain how the European integration project emerged as an almost ideal security organization for the region’s small states after the cold war (Section II), and how its subsequent development led to a new set of security challenges for these states (Section III). Section IV outlines a set of strategic options for small EU Member States in the future, and the final section sums up and concludes the analysis.

I. The Security Challenge of Small States

The concept of ‘small states’ is contested in the study of international and European politics. There is no agreement on how to define a small state or
what behavioural characteristics may be seen as typical, except for the general
tendencies for small states to adapt to – rather than dominate – their external
environment and seek influence through membership of international institu-
tions.¹ Whereas, the value of ‘small states’ as an analytical concept is debatable,
the concept is useful as a ‘focusing device’ bringing to our attention the char-
acteristic security problems and foreign policy dilemmas of small states (rather
than the characteristics of small states or their behaviour), most importantly
the consequences for the weaker part of an asymmetric power relationship

The security problems and foreign policy dilemmas of small states are
different from those experienced by great powers, because their relative lack
of power gives them less influence over international events and a smaller
margin of time and error (Jervis, 1978, pp. 172–3). Therefore, small states are
usually seen as the main beneficiaries of international institutions (Antola,
2002, pp. 74–5; Wallace, 1999, p. 13). Institutions constrain the actions of
great powers, facilitate peaceful conflict resolution and provide voice oppor-
tunities for the lesser powers, i.e. international institutions cushion the effects
of international anarchy by regulating the use of force and, thereby, reducing
the importance of power asymmetries. Even inside international institutions,
the weaker and stronger actors in an asymmetrical relationship face different
problems. Whereas great powers may be concerned how to use the institutions
to revise the status quo of a regional or global order in accordance with their
preferences, small states tend to accept the conditions of an order created by
the stronger actors in return for the benefits produced by the organization (cf.

This argument suggests that strengthening the European Union in security
and defence is beneficial and rather unproblematic for the region’s small states.
It gives them the opportunity to influence the security policy of regional great
powers or at least voice their concerns and provide an institutionalized means
of solving security problems in the European region. However, at the same
time the prospect of an autonomous European security actor challenges the
traditional security identity and interests of the region’s small states.

Small state security identity – understood as ‘a product of past behaviour and
images and myths linked to it which have been internalized over long periods
of time by the political elite and population of a state’ (Goetschel, 1998, p. 28)
– usually portrays the small state as promoting a multilateral and non-military

¹ In a survey of 55 studies of small states, Amstrup concluded that ‘there is an astonishing lack of cumula-
tion in these contributions’ (Amstrup, 1976, p. 178), and Christmas-Møller, in a general discussion of the
field, finds that the study of small states in international relations is characterized by ‘coexistence without
interdependence’ (Christmas-Møller, 1983, p. 40). In general, more recent discussions by Antola and
this absence of common ground.
approach to security policy based on ideals of conflict resolution, peaceful coexistence and a just world order (in contrast to self-interested great powers). This security identity is characteristic of small EU Member States, no matter whether they are neutral or Nato members. Thus, even though membership of an autonomous European security actor would facilitate the promotion of these values by making the small state part of a powerful international actor, it would also be contradictory to traditional small state security identity (cf. Crowe, 2003, p. 545), because this identity is defined in contrast to the great power politics of strong international actors.

Small states seek to further their security interests by trying to preserve as much autonomy as possible while influencing the actions of the great powers on which their security and survival ultimately depend. They seek to expand their influence over the great powers mainly through international organizations, but participation typically reduces political autonomy (Goetschel, 1998, p. 17). Thus, small states face a dilemma between autonomy and influence. European integration aggravates this dilemma by increasing the potential cost and benefits of institutionalization. Costs and benefits are likely to rise continuously as the process becomes still more binding and encompasses ever more issue areas. A state facing this ‘integration dilemma’ either surrenders autonomy and risks entrapment in a process leading to still more dependency, or preserves autonomy and thereby runs the risk of abandonment, i.e. forgoing the chance of influence over other states and other gains stemming from integration (Kelstrup, 1993; Petersen, 1998).

All Member States experience an integration dilemma, but the integration dilemma of small Member States is more severe than that of the bigger members. If big Member States perceive new initiatives as contradictory to their national interest they may successfully halt or even jeopardize the integration process by refusing to take part. Their power to do so is particularly important in security affairs, where the legitimacy and implementation of new initiatives hinge on the political support and military resources of the great powers. In contrast, small powers may seek to avoid entrapment by opting out of parts of the integration process, but only at a high risk of abandonment, because they have no decisive effect on the integration process or its chance of success.

II. Preventing the Past: Europe’s Soft Security Actor

By the end of the cold war, the European integration project emerged as an almost ideal security organization for the region’s small states. For centuries the security of Europe’s small states had been under threat in the region’s great power wars. Now the institutionalization of great power relations in the European Union seemed to replace ‘a Europe of many centers with a Europe of a
single center’ (Wæver, 1998, p. 54), thereby providing a bulwark against the instability and conflict characteristic of European great power relations prior to the cold war. Moreover, the EU created incentives for non-violence and the peaceful resolution of conflicts in most parts of the European region. Prospective Member States were likely to observe norms of human rights, protection of minorities and peaceful resolution of conflicts with other states, because this was a requirement for membership (Mouritzen et al., 1996). In addition, the EU facilitated international coalition-building as some prospective members actively sought to claim their place in international society by participation in peace operations. In this way, the EU replaced the superpowers as the primary source of order and coalition-building in the region.

The soft, i.e. non-military, nature of the EU allowed small states to avoid marginalization, while preserving their traditional security identity. All west European great powers were Member States, and to the extent that the values and goals of a European approach to security were made clear, they coincided with traditional small state priorities such as the spread of democracy, peace and human rights. Furthermore, EU membership allowed small states to evade the question of Europe’s future division of labour, which was no longer a question of dividing the tasks of international society between great powers and small powers. Instead it was a question of delegating powers from states to institutions.

The Treaty on European Union raised the perspective of a common defence for the first time and incorporated the objective of a ‘common foreign policy’, but stated the foreign policy goals of the Union in a tentative and rather vague language pointing to its intention to assert its identity on the international scene. The goals of the common foreign and security policy (CFSP) as stated in the Treaty of Amsterdam were only slightly more specific. They stressed the ambition of strengthening the security of the Union in all ways, i.e. safeguarding common values as well as the fundamental interests and independence and integrity of the Union, and even more ambitious goals such as the desire to preserve peace and strengthen international security and co-operation, and to develop and consolidate democracy and respect for human rights and fundamental freedoms. The Treaty bound the Member States legally to the so-called Petersberg tasks, which had been politically embraced by the foreign and defence ministers of the Western European Union. However, ‘on paper, the Petersberg tasks include virtually any military operation not undertaken as a result of a collective-defence commitment, since they embrace peacekeeping, humanitarian intervention and peace-establishment’ (Heisbourg, 2000, p. 6). In essence, the EU took care of important security functions in the region, but remained a civilian power without an army and the ability to act effectively in military affairs.
This security identity was highly compatible with that of the region’s small states. Ireland, a member since 1973, was able to maintain neutrality as well as a ‘progressive’ security identity promoting ‘nuclear disarmament, decolonization, peaceful resolution of disputes and a broad commitment to international economic justice’ (Rees and Holmes, 2002, p. 55). Three other neutral small states – Sweden, Finland and Austria – could now re-enter the European core and at the same time postpone the decision to give up neutrality. In a joint declaration the three countries agreed to ‘participate fully and actively’ in the CFSP. At the same time all three states rejected membership of Nato, because this would force them to give up neutrality. As noted in a recent analysis of Austrian foreign policy, the solution to the problems raised by the combination of new security challenges and a security identity closely associated with neutrality, ‘was the EU. With its objectives of common foreign, security and defence policies, the EU was seen by the Austrians as an embryonic European security system. As such it could provide Austria with security without requiring membership, at least in the short-term, of a military alliance. Given the desire to retain neutrality, the EU provided the most realistic security option for the Austrians’ (Phinnemore, 2000, p. 206). Thus, the EU’s weak military capabilities combined with its explicit intention to be a civilian power concerned with the new security agenda and the stability of all of Europe – rather than just a small part of it – made it the perfect security organization for Europe’s neutral and semi-neutral small powers. Even though the end of the cold war had undermined neutrality, the formal decision to abandon the strategy could be evaded and the traditional security identity was preserved.

The soft security agenda of the European integration project also had an almost perfect fit with the security identity of the non-neutral small Member States, which allowed them to pursue a traditional small state security policy through the EU, focusing on diplomacy, human rights and creating a stable security environment. For instance, Portugal was able to promote human rights and national self-determination in its former colonies, East Timor in particular, and to play an active role in the dialogue between countries on the northern and southern fringe of the Mediterranean. Greece acted as a bridge-builder between the EU and the Balkan states and initiated a common European response to humanitarian assistance and reconstruction arrangements (Kavakas, 2000, pp. 149, 155). Belgium used the EU to pursue a framework of negotiation and diplomacy – rather than military confrontation – in the Middle East and Africa. The Netherlands played an active role in particular in the early EC involvement in the crisis in former Yugoslavia, and Denmark – together with Sweden – actively pursued an agenda of stabilizing and integrating central and eastern Europe through EU enlargement.
The development of the EU as a security actor in the first decade after the cold war presented the small states with a particularly mild integration dilemma. The risk of entrapment in a military conflict was almost non-existent as long as the EU great powers did not agree on the exact role of the organization and had not established an institutional framework that could effectively translate political decisions into military operations. The focus on soft security problems such as political and economic instability and civil war meant that small states were already entrapped in the security problems dealt with by the EU, and that the EU did not challenge the commitment of Nato Member States. The formal equality of small and big Member States, including the lack of a European equivalent to the UN Security Council, ensured small states a unique voice opportunity in the decision-making process. Because of the possibility of opt-outs, the integration dilemma in security affairs could be separated from the integration process in general. Even though concerns about the risks of entrapment and abandonment played an important role in the formulation of small state strategy towards the EU as a security actor, they could now follow a number of successful strategies allowing them to preserve autonomy while maximizing influence.

This was important to neutral Member States Sweden, Finland, Austria and Ireland, which were allowed to stay out of the WEU – thereby preserving their autonomy – at the same time as they joined the EU – thereby increasing their potential influence and reducing the risk of abandonment. In Finland, in particular, the fear of abandonment was prominent because of the country’s peripheral location in Europe (Möttöla, 2001, p. 138). All four countries supported the intergovernmental nature of the CFSP. Sweden and Finland worked actively to influence the future of EU security policy by strengthening its role in crisis management (Miles, 2000, p. 196), and Ireland used the EU to promote initiatives on arms control and nuclear disarmament (Tonra, 2000, p. 240).

Small Nato members followed a similar strategy of preserving autonomy while maximizing influence. Denmark negotiated an opt-out of the defence dimension, thereby preserving autonomy and reducing the risk of entrapment and, furthermore, sought to reduce this risk by maintaining a strong Atlantic dimension in its security policy. This policy was balanced by an active engagement in most other aspects of security, thereby seeking to reduce the risk of being abandoned in the decision-making process because of its opt-out. Greece promoted the integration of foreign and security policy in the EU policy process and the development of the defence dimension – thereby maximizing influence and reducing the risk of abandonment – but nonetheless worked to keep decision-making in these policy areas intergovernmental due to the fear of entrapment undermining Greek autonomy (Kavakas, 2000, pp. 157–8). The Netherlands and Belgium consistently fought the idea of great power
directorates in EU security policy-making, i.e. the abandonment of small states in the decision-making process. At the same time the Netherlands maintained a strong Atlantic dimension in its security policy in order to reduce dependence on the European great powers, i.e. to minimize the risk of entrapment. Thus, small states could enjoy the benefits of the new Europe without enduring the costs of alliance membership.

In conclusion, the development of EU security policy in the first decade after the cold war was highly compatible with the identity and interests of the region’s small states.

III. Back to the Future: Flexibility and the Prospect of a Great Power Directorate

The 1990s exposed an important gap between the expectations of the EU as a security actor and its ability to act effectively (cf. Hill, 1993; Hoffmann, 2000). The EU was largely irrelevant during the Gulf War of 1990–91. All Member States were part of the international coalition against Iraq, but their support varied from the substantial political and military engagement of Britain to the reluctant support of Germany. EU Member States contributed actively in military conflict management in Iraq, Somalia, Rwanda, Bosnia and Albania, but the most important EU security institutions at the time, the CFSP and WEU, played only an insignificant role (Jakobsen, 1998). When Yugoslavia collapsed, the EU failed to prevent war and thereby proved its inability to act effectively in security affairs, even within the European region. A solution to the Balkan conflict was found only with the establishment of the Contact Group for Bosnia and Kosovo – including Britain, France, Germany, the United States and Russia (and from 1996 Italy) – which took over after the failure of the UN and the EU.

The string of embarrassments in international security crises led to attempts to create a more effective European security actor, most importantly the Franco–British initiative to create a European Security and Defence Policy in December 1998, and the rapid development that followed. The Cologne European Council in June 1999 asserted that the EU should be able to act autonomously in defence affairs, when Nato decided not to act. The European Councils in Helsinki, Feira and Nice gradually gave substance to the objective of creating a capacity for autonomous action in international crises, including the necessary military force and decision-making procedures.²

² If ratified, the Constitutional Treaty agreed at the Brussels European Council in June 2004 will strengthen this development by creating a Minister of Foreign Affairs, combining the posts of High Representative of CFSP and External Affairs Commissioner, by committing the members to a progressive framing of a common defence policy, and by relaxing the restrictions on flexibility in decision-making (Missiroli, 2004).
The development of the EU as a security actor culminating in the Treaty of Nice and the subsequent EU response to the events of September 11 have important implications for the security challenges of small EU Member States. Most importantly, the Nice negotiations and the war in Afghanistan against Al-Qaeda and the Taleban exposed the conflicting interests of the EU’s small and great powers in institutional design and during crises, and reinforced the prospect of a great power directorate in EU security policy. This may take the form of either formalized co-operation inside the provisions of the Treaty or informal co-operation between big EU Member States outside the Treaty but with *de facto* effects on the EU as a security actor. The EU moved closer to a directorate on both of these dimensions.

The Nice European Council asserted the objectives of the CFSP and sought to improve the EU’s overall crisis management and conflict-prevention capability in support of it. It was emphasized that developing an autonomous capacity would enable the EU to carry out the full range of Petersberg tasks, and the military means necessary to act autonomously were strengthened. The organization of the EU’s second pillar was strengthened considerably by a specification of the command structure. The military capabilities allocated for European defence were specified as each country (except Denmark) announced how many troops and what material they would earmark for the ESDP. Contributions included a pool of more than 100,000 persons and approximately 400 combat aircraft and 100 vessels (Presidency Conclusions, 2000, Annex I-VI). At the same time agreement was reached on future planning and arrangements for EU–Nato consultation and a review mechanism for military capabilities.

Decision-making procedures were revised. Even though decisions are generally taken unanimously – and always in matters with military or defence implications – the Treaty includes three measures to overcome this obstacle to effective action. First, the measure of ‘constructive abstention’ (introduced in the Amsterdam Treaty) allows the Union to proceed when one Member State couples its abstention with a formal declaration. The Member State is not required to apply the decision, but it does acknowledge that the decision is binding on the Union. Second, the use of qualified majority voting has been extended to cases where the Council implements common strategies decided on by the European Council and to decisions on the implementation of joint actions and common positions. Third, the measure of ‘enhanced co-operation’ allows at least eight Member States to proceed with the implementation of a joint action, a common position, arms initiatives and security and defence initiatives contributing to the acquisition of crisis management capabilities.

3 In addition, the number of votes in the Council of Ministers was redistributed. This moderately favoured the big Member States, but had little practical relevance (Moberg, 2002, pp. 275–6; cf. Galloway, 2002).

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In principle, the changes apply equally to big and small Member States, and serve as a guarantee against big member directorates, because a coalition of big Member States cannot alone reach the threshold of eight necessary for enhanced co-operation. In reality, big countries have a much better chance of initiating or blocking action than small countries, because only the European great powers have sufficient capabilities to implement missions. It makes a big difference, whether it is the United Kingdom and France, or Denmark and Ireland, who decides not to take part (Wivel, 2002, pp. 17–18). Without great power participation, actions will be without much effect and, furthermore, increase the risk that big Member States will pursue their interests outside the Treaty. In reality it has become more difficult for small states to stop the actions of great powers and, therefore, the institutional changes increase the probability that small states will be marginalized in the decision-making process. This development is further strengthened in the Constitutional Treaty with the introduction of ‘permanent structured co-operation’, which is established through qualified majority voting and sets no threshold for the minimum level of participants (Missiroli, 2004, p. 151).

At the same time as the changed decision-making procedures threaten to reduce small state influence over EU security affairs, the development of the EU’s military capabilities may increase their dependence on bigger Member States. If EU Member States are to allocate money for European defence most effectively, pooling of defence expenditure is essential. For small EU Member States this implies taking on specific functional roles in the future, when roles are specialized for both forces and matériel. Even though this will not happen in the short or medium term, the provisions that exclude enhanced co-operation from defence and military affairs are likely to be relaxed in order to ‘permit limited and pre-determined forms for specific industrial projects in such categories as space, surveillance and strategic lift’ (Missiroli, 2002, p. 33). This increases small state dependence on the big EU Member States in security affairs and is likely to lead to the gradual integration of military and quasi-military traditions of EU Member States (Deighton, 2002, p. 729). Most likely, this will challenge the traditions of those states contributing the least to the common defence and playing the most marginal role in the decision-making process.

Even before the Treaty of Nice was ratified, the terrorist attacks on Washington and New York in September 2001, and the subsequent war on terror exposed the weaknesses as well as the strengths of the EU as a security actor. On the one hand, these events highlighted the Union’s continued lack of military capabilities and exposed the weaknesses of a civilian power when ‘hard’

\[^4\] This development is strengthened by the Constitutional Treaty, which breaks with the principle of unanimity in defence and military affairs in parts of the text (Missiroli, 2004, p. 151).
security issues such as terrorism dominate the international security agenda. On the other hand, the EU acted immediately and was united in support of the United States. It supported the campaign against Al-Qaeda and the Taliban with diplomatic and military support and the sharing of intelligence, and helped to locate terrorists and their funding. Thus, the initial EU response to September 11 was a remarkable display of unity and effectiveness, which the organization had lacked throughout the 1990s. However, a gap between great power and small state interests soon became visible.

Three incidents in the first months of the war in Afghanistan underlined this development. On 19 October, immediately before the informal Ghent European summit, the UK, France and Germany held a mini-summit coordinating military support to the US. The meeting was followed up by a dinner in London on 4 November to discuss the progress of the war in Afghanistan. Initially the British Prime Minister invited only the political leaders of France and Germany, but after political pressure the leaders of Italy, Spain and the Netherlands were invited, and so was the Belgian Presidency and the High Representative Javier Solana.

The great powers’ mini-summits in October and November resulted in a complaint from the small EU members to the European Commission President Romano Prodi. They found the exclusion of eight small states from the decision-making process unacceptable and demanded to be treated as equals. Speaking on behalf of Portugal, Sweden, Finland, Denmark, Greece, Ireland, Luxembourg and his own country, the Austrian Chancellor Wolfang Schüssel insisted that all EU countries have the same rights and should be ‘fully participating in the European decision-shaping process’. Even though Prodi publicly agreed with the criticism, this seemed to have little effect on the great powers. On 14 December, the Belgian Presidency tried to restore unity when it announced that the EU would send a multinational force to Afghanistan. However, the United Kingdom and Germany stressed that it was an international force under British command with contributions from some Member States, but no formal role for the EU.

This was not the first example of a directorate in the history of EU security policy. Unofficial communication and negotiation between the European great powers have played an important role in EU security policy as the ‘big Member States are especially known to negotiate amongst themselves before going to the Council table’ (Gegout, 2002, pp. 331–2; cf. Keukeleire, 2001). Over the years, and in particular since the establishment of the contact group for the Balkans, France, the United Kingdom, Germany and Italy have co-operated...
among themselves and with the United States in order to co-ordinate policies and agree on a common position if possible. Thus, the most discernible pattern regarding small states and European security in recent years is the ‘extent to which the smaller states were excluded from the ad hoc decision-making processes and military action’ (Duke, 2001, p. 41). Even when big Member States disagree – as in the recent case of Iraq – the institutions fail to provide a forum for co-ordination or even consultation.

However, the mini-summits were important for three reasons. First, they appeared at what seemed to be the beginning of a new era in EU security policy as the terrorist attacks effectively ended the post-cold war era. Therefore, they had great symbolic value and were perceived as an important forerunner of how the co-ordination of EU security policy may take place in the future. Second, the European great powers made no effort to hide or downplay their desire to co-ordinate among themselves without the interference of small Member States. The contact group and the informal talks between the United States, the UK, France, Germany and Italy growing out of its work had a ‘non-communication strategy’ with ‘very few officials [acknowledging] its existence’ (Gegout, 2002, p. 336). In contrast the meetings in autumn 2001 were high-profile mini-summits intended to demonstrate the unity and effectiveness of the EU as a security actor. Finally, in contrast to the contact group, which was never recognized officially, the existence of a directorate after the events of September 11 was acknowledged by those EU Member States left out. The prospect of a directorate was now openly debated among Member States. Even though disagreement over Iraq in 2002 and 2003 prevented the formation of a big Member State directorate on this issue, Iraq may just have been too tough a test at that moment, because it ‘involved taking positions on, inter alia, the choice between war and peace, the legitimacy of military action, democratic control, the nature of the transatlantic relationship, the viability and future of the UN, stability in the whole Middle East region, and the effects on the world economy’ (Crowe, 2003, p. 535). The reconciliation process between Britain, France and Germany in the autumn and winter of 2003 leading to a common proposal for EU planning headquarters shows that, despite their differences over Iraq, big Member States are still eager to co-operate on the future of European security and defence without the interference of small Member States.

This development transforms the integration dilemma for small EU Member States who no longer face a dilemma between entrapment and abandonment. Instead they risk being abandoned and entrapped at the same time. Small Member States risk being abandoned in the decision-making process, because big Member States make the important decisions inside or outside the institutions. At the same time, they risk being entrapped in the consequences, because many of the costs following from the decisions (just like the benefits)
are difficult to isolate from those who made the decision. The type of security tasks performed by the European Union exacerbates the risk of entrapment, because they are related mainly to issues such as specialized force operations and peace-keeping, rather than high intensity warfare. These issues are not easily resolved, and it is difficult to know for how long a conflict or security crisis will continue, and how many resources it will absorb from the Union once a decision to engage in it is taken. Even when this is not the case, the decision to engage in a conflict or crisis soaks up military and diplomatic resources that may have been used for other purposes.

The policy recommendation following most analyses of small states in international relations is that small EU Member States should aim to strengthen the institutions governing EU security policy in order to mitigate the effects of power asymmetries following from this development. However, judging from the behaviour of the European great powers over the past decade in general, and since September 11, 2001 in particular, this strategy may create more problems than it solves. EU security institutions have been strengthened significantly during this period, but that is not reflected in the actions of the great powers.

This points to a second dilemma facing small EU Member States today. Small states have an interest in strong international institutions that allow them to voice their preferences and commit the great powers to multilateral action. However, if institutional constraints are too narrow, great powers may decide that their interests are best promoted unilaterally or in concert-like great power co-operation. Even though EU security institutions have been formally strengthened, they have been de facto marginalized in the sense that it has become still more acceptable for big EU Member States to create informal ad hoc directorates as illustrated in the cases of Bosnia, Kosovo and Afghanistan. The more the small states try to strengthen the formal powers of institutions, the more they risk undermining the real influence of institutions over great power policy.

Small state security identity is challenged by the efforts to transform the EU into a military actor. Primarily, this development poses a threat to the neutral and non-aligned members of the Union, because membership of a military organization is seen as incompatible with neutral and non-aligned security postures. The importance of this issue was stressed recently when fears that Ireland cannot sustain its position as a neutral country played a major role at the two referendums on the Treaty of Nice in this country in 2001 and 2002. For fellow neutral EU members Sweden, Austria and Finland, the issue is of similar importance. In regard to the military sector, Sweden and Finland have continued a policy of ‘non-participation in collective security guarantees’, despite an active engagement in the development of the soft security aspects of the Union (Miles, 2000). As pointed out by one analyst, a genuine
common EU defence would demand a ‘national identity change’ in Finland, even though this might be cushioned by a common identity formation within the Union (Möttölä, 2001, p. 142). In Sweden and Austria, policies of non-alignment are associated with highly successful historical eras. The policy is seen as decisive for keeping Sweden out of interstate wars for almost two centuries, and in Austria’s case it has become synonymous with the country’s re-entry into the international system after the Second World War and a period of peace, democracy and economic welfare contrasting sharply with the inter-war years (Lassinantti, 2001; Gärtner and Höll, 2001).

The security identity of small Nato members may be challenged as well if the creation of an EU military actor is seen as akin to creating a European superpower challenging the transatlantic relationship. This issue is likely to become more important if the Union acquires the necessary military capabilities to match its ambitions, but it has already played an important role over the past decade. For instance, the Netherlands has been reluctant to give up its Atlanticist defence policy despite its position as a core country in EU policy-making. To the extent that closer EU defence co-operation is viewed as desirable, it is seen as a means to preserving and strengthening the Atlantic alliance, not weakening it (cf. Staden, 1997). More radically, excluding defence matters from the Treaty was part of the original Danish negotiating position at Maastricht. The Treaty was turned down in a referendum and accepted only in a second referendum after a special agreement was negotiated allowing Denmark to opt out of defence matters. In future, this challenge to small state identity may be intensified as a result of defence specialization and the integration of military cultures stemming from the attempt to create a European army.

Despite their importance for small state influence on the decision-making process, the challenges may not always be visible in European security policy outcomes. In many of the most prolific security conflicts, the decisive cleavage is between Europeanists and Atlanticists or between hawks and doves rather than between small and big Member States. Even though big Member States share a commitment to EU security integration and have co-operated closely on creating an important role for the EU in international peace-keeping, they often disagree over missions in the high end of the Petersberg tasks. Thus, Germany and France quarrelled openly over Bosnia in the early 1990s, and more recently a strong divergence emerged between Germany and France on one side and the United Kingdom on the other over the war in Iraq.

In addition, the United States and Europe disagree on an increasing number of issues, including global governance of the environment, international criminal justice, the strategy against terrorism and the spread of weapons of mass destruction. Americans focus to an increasing degree on the importance of military preponderance. This is reflected, in particular, in American strategy after
September 11, which has resulted in the biggest increase in defence funding in 20 years and an unprecedented emphasis on the military aspects of strategy (Gärtner, 2003). In contrast, the EU countries have emphasized the promotion of the norms and institutions of an international society based on the rule of law. In this sense all EU Member States seem to behave like small states, and to promote an international order favourable to the small Member States.

The importance of alternative cleavages within the EU and the emerging difference between the United States and Europe mean that the challenges to small state strategy do not always set their mark on policy outcome. However, in the policy process small states are likely to lose influence unless they revise their strategies to match the institutional development. The next section discusses how this might be done.

IV. Strategic Options for Europe’s Small States

The integration dilemma suggests that the most basic strategic choice facing small EU Member States is between protecting autonomy and maximizing influence, i.e. between an offensive and a defensive strategy (Mouritzen, 1997, pp. 101–6). The lesson of the past decade is that the defensive strategy has become a still more ineffective national approach to EU security policy. Defending autonomy by means of institutional opt-outs has little effect when the greatest threat against state autonomy is the ability of other states to carry out their agenda either inside or outside EU institutions. As noted above, the attempt to strengthen institutions in order to delimit the actions of the great powers may even prove to be counterproductive. Under these circumstances an offensive strategy focusing on coalition-building may prove a better route to maximizing influence and preserving autonomy. What should be the main components of an offensive small state strategy in EU security policy? The above analysis has implications for the substance as well as the tactics of an offensive small state strategy.

Substance

Despite recent developments challenging small state interests and identity, the EU continues to provide at least two vital security functions for the region’s small states: it helps to prevent a return to the military great power competition of the past and it mitigates instability in the European periphery. As a result of this stable security order, small EU Member States avoid some of the traditional problems of small states in international relations. Power asymmetry is less important in a stable and peaceful region such as Europe than in a region characterized by political instability and a high risk of war. This leaves the
small states with more room for manoeuvre in their foreign policy, because the consequences of wrong or risky decisions are less likely to be fatal for the security of the state. For these reasons small EU Member States should make the preservation of these two security functions the core of their strategy towards the EU as a security actor.

The above analysis shows how the attempt to strengthen the EU in military affairs challenges the security identity and interests of small states at the same time as small states benefit from the presence of a strong European security actor. If small states do not accept the current development and try to tie down the strongest actors, big Member States may make their decisions outside the European institutions. An important lesson of this development is that small states need to accept some inequality in decision-making power, reflecting the inequality in resources provided for operations and risks taken to implement them (Crowe, 2003, p. 546). They might even benefit from formalizing this inequality in order to reduce the level of uncertainty and avoid ad hoc exclusion from the decision-making process. At the same time, small Member States should focus their attention on strengthening EU policy on trans-national security problems such as terrorism, organized crime, pollution and illegal immigration. Finding viable solutions to trans-national security problems depends more on political competence than military resources and small states may maximize influence on these issues by acting as ‘smart states’, focusing on institutional innovation and flexibility (cf. Joenniemi, 1998; Arter, 2000). If successful, this strategy will keep soft security aspects firmly on the EU’s security agenda and provide a unique platform for small states to influence the international agenda and co-ordinate a common effort between Member States.

**Tactics**

One important lesson of the above analysis is that small states should use their position as marginal players to influence selected issues rather than try to tie down the great powers or act as ‘great powers writ small’. The formal equality of the EU institutions matters less in security policy than in other issue areas because of the inequality of military resources and the greater risk involved when implementing policy decisions. Small states are likely to become even more marginalized as the EU assumes responsibility for more military operations and even moves towards a common defence policy. However, small states may use their lack of power to gain influence over selected issues because it enables them to be viewed by competing great powers as ‘honest brokers’ able to promote the general interest of the Union (cf. Antola and Lehtimäki, 2001, p. 38; Arter, 2000, p. 679).
Second, small states should seek to build consensus around issues, which do not conflict with any major EU initiatives or initiatives of any of the big Member States. This process involves picking the right issue as well as forging a viable coalition. The most successful example is the Finnish Northern Dimension Initiative, which involves a number of soft security measures to enhance co-operation and stability in the north eastern part of Europe accepted as official EU policy in 1998. The Finnish initiative was carefully planned and lobbied over a long period of time and, despite initial scepticism, Finland successfully built a viable coalition after convincing the big EU Member States that they need not fear the consequences of the new initiative (Arter, 2000). Other recent small state initiatives have fared less well. These include the Swedish EU Presidency’s initiative on North Korea in the spring of 2001, the above-mentioned attempt by the Belgian Presidency to forge a common EU position on the war in Afghanistan in autumn 2001, the Danish Presidency’s peace plan for the Middle East in autumn 2002, and the attempt by the Greek Presidency to create a common EU position on Iraq by convening an extraordinary meeting of the European Council in February 2003. These four initiatives were ad hoc responses to current events, and even though they briefly set the agenda for discussions inside and outside the EU, they failed to make a lasting impact on EU security policy. It is worth noticing that even the Northern Dimension Initiative has had difficulties in the implementation phase. Thus, small states should make sure they have the support of the strong throughout the decision-making and implementation phases.

These core elements of a small state strategy will help small EU Member States to navigate the institutional landscape of EU security policy-making more successfully in the future than they have done in the past. In particular, a revised strategy will help small states to mitigate the dilemmas created by the development of the EU as a security actor more effectively than a traditional small state strategy focused on binding the great powers.

Conclusion

The end of the cold war created a uniquely attractive European security actor for Europe’s small states. Today, the European Union continues to provide a bulwark against a return to the military great power competition of the past and to mitigate instability in the European periphery. The result is a stable regional security order allowing the small EU Member States to avoid some of the traditional security problems of small states in international relations.

At the same time, the development of the EU as a security actor over the past decade challenges the security identity and interests of Europe’s small states. The integration dilemma has been transformed by increased inequality
and flexibility of decision-making procedures and today small states risk being abandoned and entrapped at the same time. The attempt to strengthen EU institutions in order to restrain great power actions will most probably prove to be counterproductive and small state security identity is challenged by the development of a European military actor. Facing these challenges, small EU Member States should focus less on restraining the great powers and more on the potential benefits of an offensive strategy to EU security policy.

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THE SECURITY CHALLENGE OF SMALL EU MEMBER STATES


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