

Abstract

LEGREE, LAWRENCE FREDERICK. Strategic Change for NATO: Incremental Response From an Organizational Perspective. (Under the direction of Dr. Roland Stephen)

In his article on the persistence of NATO after the Cold War, Robert McCalla frames the following question: How do alliances respond to changing strategic circumstances? The focus of this project is to explore McCalla's question from an organizational perspective. The thesis details the following chain of logic: NATO is an institution that possesses bureaucratic characteristics and these characteristics can be understood through theories of organizations. Specifically, the manner in which NATO is evolving is consistent with the descriptive theory of incrementalism.

Political-military policy formation that provides the substance to the debate over NATO's future is described in terms of an incrementalist model to demonstrate that change to the structure and role of NATO will take place under predictable circumstances. Policy makers within the organizational and institutional regime of NATO continue to adapt to new missions that are congruent with patterned expectations. The predominant finding is that NATO shows evidence of change under the mechanism of incrementalism. This mechanism will remain a valid model for future determinations of NATO's persistence.

Strategic Change for NATO: Incremental Response From an Organizational Perspective

by

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Why NATO Endures: Several Perspectives

In Robert McCalla's work regarding the persistence of the North Atlantic Treaty Organization (NATO) after the Cold War, the question of NATO in a post-Cold War security environment is analyzed.¹ He reviews the premises and weaknesses of neorealist, organizational and international institutionalists theories in their application to NATO and draws conclusion about the future of the alliance. By pointing out the shortfalls of neorealist theory, McCalla argues that organizational explanations for NATO's persistence have merit. In particular, the mechanism of adaptation is advanced as a key feature that allows regimes and international organizations to modify their goals and objectives. The direction taken in this paper is to expand on McCalla's discussion about NATO and adaptation using theories from the study of organizations.

The initial conditions under which NATO formed bear little relation to the prevailing conditions under which it endures. Since the implosion of the Soviet Union and the collapse of the Warsaw Pact, few security analysts envision the need to fight the European continental tank war of the past. Indeed, the leaders of NATO have focused on new threats, such as those posed by the proliferation of weapons of mass destruction, the destabilizing effects of ethnic instability, and the role of NATO in out-of-area operations. The important question, as posed by McCalla, becomes examining the form of NATO after the Cold War in light of changed strategic circumstances.

Political complexity, alliance dynamics and national interests obviate a simple answer to this question. Although there is some consensus on the future missions and roles of NATO, there remains no firm consensus on how to achieve these goals. Some view

NATO as a measure of insurance against the revival of Russian power. Others see NATO as a vehicle for politically acceptable German involvement in Europe. Alternatively, NATO is viewed as a means for exporting stability and ensuring democratic development in the new democracies of central Europe, and as an instrument for developing multilateral responses to new security issues in and beyond Europe's borders.² For now, collective defense remains at the core of the alliance. However, conventional wisdom argues that collective defense may lose its primacy as the future security architecture of Europe is redefined in the next century. Given these conflicting premises, the task of determining NATO's response to changed strategic circumstances requires a framework from which to begin analysis.

Robert Koehane has stated that every good political scientist should start any analysis from a standpoint of self-interest.³ In this spirit, self-interest provides an excellent starting point for examining existing arguments about NATO's persistence. A common explanation for the formation of the NATO alliance is the balance of power concept. This concept takes the premise that states enter into alliances⁴ and coalitions with other states to prevent domination by a stronger state. States enter into arrangements because greater influence is to be had by joining the weaker side of an alliance (conceivably, the weaker side needs more help and is likely to allow greater concessions to new members). Furthermore, a dominant power makes for a less reliable ally because incentives to maintain good standing are asymmetrical. Balance of power is made easier when

¹ McCalla, Robert B., "NATO's persistence after the Cold War," *International Organizations*, 50,3, Summer 1996.

² For a presentation of the challenges of articulating a new mission for NATO, see Sloan, pp. 19-23.

³ Remark made during a presentation at North Carolina State University on 26 Oct 1998.

⁴ Using Stephen Walt's definition of an alliance as a formal or informal relationship of security cooperation between two or more sovereign states.

common cultural values exist and objectives are shared.⁵ The story of the Cold War receives straightforward application from this perspective. Bandwagoning behavior is the opposite concept. States ally with the stronger side for defensive reasons to ensure survival or from a desire to share in the success of the strong state. Both of these ideas, balance of power and bandwagoning, tend to orient around capabilities.

Another well-known explanation to explain the persistence of NATO follows from this idea. Stephen Walt suggests states ally to balance against threats rather than against power alone. The safe course from an individual state perspective is to equate capabilities with intentions. This is a variation to the conventional balance of power idea, in which states evoke balancing or bandwagoning behavior based on geostrategic factors. Walt develops the idea that “balancing” and “bandwagoning” deserve revision beyond pure considerations of power into the realm of *perceptions* of power and the attendant *threat* of such power. States enter into alliances and coalitions, not out of pure power considerations, but out of threat perceptions.⁶ Threat perceptions drive state behavior and illuminate reasons why some states evince bandwagoning behavior while others seek to maintain the balance of power. Such a theory readily explains the behavior of states during the Cold War, but does little to anticipate the form an alliance may take once the threat perception is diminished or absent.

A further prevalent explanation for NATO’s continuance is that survival, the most fundamental interest, drives alliance behavior. Indeed, the unacceptable costs of nuclear war ensure NATO’s unique founding and continuance. Applications of game theory weigh this variable heavily when determining possible outcome pairs. One would expect

⁵ Carr & Infantis, p. 106.

⁶ See Stephen Walt, *The Origins of Alliances*.

a multiple play strategic dilemma game to eventually approach an optimal condition. However, the costs of nuclear war as envisioned by strategists during the Cold War simplified the number of possible outcomes. NATO's options were in fact limited by the threat of a nuclear exchange during the Cold War. The standard assumption in game theory is that if the costs of cheating are insignificant, individual actors will act to serve their own best interests. However, the strategic dilemma posed by the nuclear issue essentially negated cheating as an option. The point is not to delve into well-traveled issues of nuclear security, but to remind the reader that no matter the specific form of changing threats, NATO's mission will remain tied to nuclear security at a fundamental level. Though the threat of nuclear war has certainly diminished since the end of the Cold War, one cannot forget that weapons of mass destruction – nuclear, biological and chemical - still exist. Until the costs of ignoring these threats become tenable (which is highly unlikely), nuclear security concerns remain the glue that binds NATO - new and expanding missions and nations notwithstanding. This argument does little to answer the question of NATO's endurance. However, it does support the fundamental idea that alliances form and develop cohesion in response to a specific threat, whether real or perceived.

Another argument that can be considered to explain NATO's persistence is a utilitarian one. The benefits gained from membership within an alliance outweigh the costs. NATO has been a very expensive military alliance whose expenditures were justifiable under the cohesive threat of the Cold War. Alliance members benefited directly from Article Five guarantees coupled with incentives of reduced transaction

costs. Quite simply, it has been less costly to maintain the existing structure than to invent a new one when the need arrives.

Yet another explanation for the continuing role of NATO as the primary defense guarantor in European security affairs is the idea of United States hegemon coupled with the lack of a viable European alternative to NATO.⁷ NATO is an instrument that legitimizes American presence in Europe, and it is one that no ally wishes to remove. NATO is also the only organization with the means and the will to act quickly in a crisis.⁸ Few believe the WEU, in its role as the military arm of the EU, could affect such action.⁹ Lack of security in the face of ethnic conflict in the Balkans, the potential instability poised by widespread Russian nationalism, and fears of a powerful German state leave NATO as the only effective multinational instrument available to maintain stability in Europe.

A further explanation states that NATO is a relatively “low maintenance” alliance from the standpoint of organizational ideology. All human organizations have ideologies. These are bodies of values and beliefs that eventually serve to guide decisions consciously or unconsciously. Ideology “...distinguishes the human organization from the beehive and the ant colony¹⁰” and has a direct affect on unity. Stephen Walt suggests that alliances between democratic regimes are easily maintained

⁷ This characterization has been quite prevalent since the debate over NATO enlargement. When the United States declared its insistence on including only three candidates in the initial round of enlargement, it did so outside the process of political consultation. Further, the United States declared that its decision was non-negotiable, furthering the characteristic of a hegemonic power using its strength to enforce its will upon weaker European allies. See “Transatlantic Relations: Stormy weather on the way to enlargement?” NATO Review, Sep/Oct 1997, pp. 12-16.

⁸ Josef Joffe paints a rather grim picture of any prospect for collective action absent United States involvement, stating that “Even the French know that the Alliance will continue to play a key role because, so far, the twentieth century has not produced a model of European security that could stand without the United States,” in his discussion on the problems with a collective security regime. Joffe, pp.36-50.

⁹ See Haglund, pp. 119, 186-187 and Kapland, pp 172-175.

¹⁰ Quoted from Thompson in *Bureaucracy and Innovation*, p. 3.

because ideological differences are minimized.¹¹ Democratic regimes do not engage in fractious quarreling over ideological issues, not because they have none, but because they possess similar views. The mechanism of identification is evident.¹² When a nation identifies with its ideology, threats to that ideology represent threats to its national identity. While not an ideologically homogeneous group, the norms and values shared by NATO members are generally congruent. Political and social cleavages based on ideology do not threaten the cohesion of the NATO alliance,¹³ thus making the price of membership easy to bear.

The alternative explanations offered above for the persistence of the NATO alliance are intuitively reasonable and have received much analysis. Neorealist explanations maintain merit because they reflect self-interest in a fundamental way. The obvious conclusion reached by a neorealist approach is that once the causative forces that forged an alliance are absent, the alliance will disband. Yet, this approach is insufficient given that the alliance has maintained itself in a relatively robust form despite the diminished Soviet threat.

The purpose of this paper is not to advance certain explanations for NATO's evolution to the exclusion of others, but rather to demonstrate that there does exist room for "... an appreciation of the utility of a theoretical framework not usually applied to alliance theory."¹⁴ Organizational explanations help understand the dynamic by which identification can drive alliance behavior and support institutional perspectives. If NATO members want the alliance to move beyond its function as an insurance policy against the

¹¹ See Walt, *Origins of Alliances*, p. 280.

¹² Identification is defined as "that part of an individual's self-concept which derives from his knowledge of membership of a social group (or groups) together with an emotional significance attached to that membership." Tajfel, p. 43.

reemergence of a Russian threat and the drive to enlarge NATO continues with its present impetus, NATO members will find the need to address the issue of change to alliance structure and orientation.

¹³ The exception to this is widespread disagreements on multiple issues between Turkey and Greece.

¹⁴ In reference to organizational explanations for NATO's continuance. McCalla, p. 469.

Institutions and Organizations

Organizational and Institutional Dynamics

According to McCalla, in order “ ... to understand NATO, we must understand the dynamics of its behavior as an organization.”¹⁵ In pursuing this rationale, one must consider principles adapted from organizational theorists. The organization of the institution - normally two distinct entities - is important because structure influences interaction along with group knowledge between participants. In this manner, the organization of the institution serves to frame the terms of organizational adaptation. If group identification within an institution is significant to the degree of influencing alliance behavior, then the mechanism whereby this occurs is within an organizational setting. In any case, the manner in which organizations adapt will be the subject for later discussion.

Why is the study of organizations germane to develop an understanding of the role played by NATO in the realm of international relations? It is important because all organizations are not the same. The political, military and economic dynamics under which they operate are fluid, and their power is significant. Moreover, a functional explanation is that organizations form to serve the interests of their creators. Although this is absolutely true, the simple statement only addresses the formation - not the evolution - of organizations. Indeed, it would be naïve to assume that the manner in which an organization serves its founding interests is a constant.¹⁶ Organizations change with time as they react and interact with their environments. The organizational collective develops values and preferences that reflect the aggregate makeup of

¹⁵ McCalla, p. 446.

¹⁶ One can think of the principal-agent dilemma here.

individual members and the orientation of the subsystem goals to which they belong. Just as “all politics are local,”¹⁷ so too is organizational loyalty. Organizations develop a life of their own in which social identification with that organization drives behavior and influences policy decisions.¹⁸ This is the organizational dynamic that can be applied to the evolution of NATO.

Many competing interests serve to stress alliances. Coalition building and the maintenance of one’s standing within an alliance do not belong exclusively to the realm of international relations. Domestic politics introduce considerations that complicate the quest for alliance consensus. Collective benefits are often intangible and must pass the muster of domestic political feasibility. Individual interests can be at odds with those of the collective and introduce a fracture point within the alliance. With the imperative of external threat no longer prevalent, domestic concerns are likely to take center stage. This makes the task of justifying large costs for external commitments difficult. Membership in an organization like NATO alliance affects these stresses in two ways. First, individual state autonomy is ceded in some degree to the collective decision making institutions of NATO. This places bounds on state action, limiting sovereign autonomy. The other side of this dynamic is that membership within a collective allows for any one state to escape responsibility, claiming the legitimacy of the group. Thus, the institutions in which policies are articulated and agreed upon provide the vehicle whereby this legitimacy is maintained.

The problem of collective action within an alliance is simple to describe: to develop a consensus in the face of differing national interests of individual states. The test of action

¹⁷ Thomas “Tip” O’Neill, Former Speaker of the US House of Representatives.

¹⁸ For an indepth discussion of the role of social identification in organizations, see Vertzberger, Chapter 4.

or inaction lies in the analysis of the interests served by such action - both collectively and individually. NATO has held an active and prominent role in European defense matters for five decades. For the better part of four of those decades, its objective was straightforward – to contain the Soviet threat and oppose the Warsaw Block. This objective provided strong incentive for states to join and maintain good standing. This was particularly true when European security was closely tied to the threat of nuclear conflict. Along the way, the NATO alliance developed internal characteristics that transcended those of individual members. Standard operating practices and procedures became institutionalized through systematic joint cooperation and collaboration. Rules to regulate joint collaboration evolved into systems of “secondary rules.”¹⁹

Institutions, as a concept, refer to the rules, compliance procedures and practices that define relationships between actors. Institutions are given a more formal status than cultural norms and form the basis for analyzing the structure of interactions between individuals and groups. From the standpoint of organization theory, the organization of the institution is as important as the function of the institution. Institutional and organizational arguments affect the degree of influence held by any individual or actor over the final policy determination while framing the interests of that same actor.

Most institutional discussions revolve around applications of regime dynamics within a political or strategic environment. The social aspects of this issue are largely ignored because of the natural tendency to consider such dynamics from a structural and relational standpoint. The idea posited here is that institutional dynamics are easily explained in socio-psychological terms when one adapts such a simple concept as the

¹⁹ Primary rules are those that require individuals to act or abstain from certain actions. Secondary rules are “rules about rules” that establish legislative, judicial or executive powers. See Bull, pp. 133-136.

“enemy image” in a broader sense and then allow such perceptions to grow and become fostered over time. In essence, the glue by which institutions become “institutionalized” is the social mechanism of identity. Institutions matter because people come to identify with their function and purpose to the extent that broad identification reaches aggregate scale. Such an institutional approach has merit, because the norms of shared values and identification with a regime (in this case NATO) are readily evident.

Utilizing functional explanations to understand the role of organizations is an easier task from an empirical / observational standpoint because a qualitative assessment of the influence of an organization is problematic. This is compounded because organizational analysis is not unilateral. Organizations not only are affected by their environments, but they also have an effect on their environment. The argument that follows is that NATO has strong organizational characteristics that must be accounted for to understand its persistence in the face of a changed security environment.

Bureaucratic Expansion and Organization Survival

Conventional wisdom holds that once the causative forces that forged an alliance are absent, the focus of the alliance will become irrelevant and the alliance will cease to exist. The fact that NATO has not followed this course has spawned theories to explain the continuing survival of NATO in the face of a significantly reduced nuclear and conventional military threat. One answer presented here is simple and unqualified. NATO survives as an alliance because it is evincing aspects of organizational adaptation centered on identification with the “institution” of NATO. As suggested earlier, mechanisms of organization adaptation occur due to structural considerations. Applying such organizational consideration to NATO receives straightforward application through the adaptation mechanism of incrementalism and an understanding of what constitutes a bureaucracy.

So, what is a bureaucracy? A bureaucracy is simply a form of a complex organization. Organizations produce goods or services. The service that governmental bureaucracies produce is the public good of governance. This service contains a multitude of associated specializations, national defense being one. A bureaucratic organization is a particular kind of ordered human social system. The study of organization theory is essentially an attempt to explain the part of human behavior that is determined by the social structures that create order within these social systems. Bureaucracies tend to factor problems, avoid uncertainty, and look for satisfactory or optimal solutions while carrying out standard operating procedures. At any time an organization’s program for performing its task are part of its structure.²⁰ Bureaucratic structure influences behaviors that are relatively static and change only slowly.

Bureaucracies form when a group needs an administrative structure to pursue common interests and common goals. The common goal of containment provided the focus for the formation of the organization of NATO.

Common misconceptions about bureaucracy associate negative perceptions of the “thousand dollar toilet seat” to the exclusion of the aggregate efficiencies gained when large-scale activities are organized. Max Weber described the role of large organizations that possessed an impersonal and professional framework where hierarchy and specialization were dominant characteristics as being essential features of a modern society. Government organizations process information and take action as these organizations enact routines.²¹ Bureaucratic delineation defines organizational boundaries and provides sensors by which governments perceive problems. This is important, because the way in which an organization receives input from its environment determines how alternatives are defined and consequences estimated. It also determines the feedback loop from which corrective action is taken to minimize the error function.

It is unusual to hear of references to NATO in bureaucratic terms. Therefore, is it accurate and appropriate to utilize organizational analysis of the bureaucratic structure of the NATO alliance? The answer is “yes” and this becomes evident when one examines features that characterize a bureaucracy. Within a bureaucracy, formally established systems of rules govern official decisions and actions. This ensures standardization of operations and continuity of authority in spite of personal changes. Organizational tasks

²⁰ Herbert Simon, *Administrative Behavior* (New York: Free Press, 1957), pp. 195-199 in Farrell.

²¹ For an accounting of the dynamics of bureaucratic action in a military setting, William Farrell gives an accounting of the failures of the Iranian Hostage Rescue Mission in 1979. In this analysis, he shows how the *ad hoc* nature of the plan bypassed the existing Joint Task Force Organization such that “the application of the existing plan and doctrinal precepts could have improved the organization, planning and preparation of the force through unity of command and cohesion of efforts.” The very flexibility and speed of response

are distributed among various positions as official duties. This implies a clear-cut division of labor among positions, resulting in a high degree of specialization. Another characteristic of a bureaucracy is the organization of positions and offices into hierarchical authority structures. Officials assume an impersonal orientation based on identification with their position within the bureaucracy. Career bureaucrats are nothing more than officials appointed to positions within a hierarchical structure for whom mobility and job security are dependent upon an internal adherence to the goals fostered by the organization.²² Bureaucratic arrangements, the existence of specific departments with specialized functions, the distribution of power among departments, and the procedures for communication all determine how effectively organizational goals and objectives are represented and executed.

NATO is an organization with substantive organizational arrangements. Within NATO, the organization possesses standard operating procedures, career employees, a structure that is both hierarchical and specialized, and a significant body of codified procedures and rules to govern operations. The North Atlantic Treaty is a treaty of alliance within the framework of the United Nations Charter that is defined by the original preamble and fourteen articles signed by the twelve founding members on April 4, 1949. Indeed, Article Four of the North Atlantic Treaty establishes a formal system of rules to govern decision and action through political consultation. Allowance for the establishment of any necessary additional bodies needed to implement the treaty were codified within Article Nine and provided the legal basis for the existence of specialized

desired for the rescue ensured its failure, because bureaucratic systems were bypassed that would have anticipated the failures of the rescue plan.

²² For a detailed development of these characteristics of a bureaucracy, see Thompson, *Bureaucracy and the Modern World*, pp. 8-14, 30-54 and Thompson, *Bureaucracy and Innovation*, pp. 15-28.

groups and committees, the creation of the North Atlantic Council, the secretariat that services these groups, the military commands and the various military and civilian agencies. Article Ten established procedural rules for the expansion of NATO. The formal mechanism of treaty review is established in Article Twelve²³ and detailed procedural guidelines for the establishment and coordination of military evolutions were first transcribed in the 1951 Status of Forces Agreement.²⁴

The process of bureaucratic expansion is often a subject of criticism. A prevalent explanation from the field of organization theory is that bureaucracies are self-reinforcing and self-perpetuating entities. Upon further examination, the mechanism behind this phenomenon and the natural progression by which it occurs becomes easier to understand. As a bureaucracy is given new tasks, it grows to meet those tasks by developing an internal division of labor that tends to embody increased specialization. This creates more difficult coordination problems because more people become involved in each decision. Increased specialization leads to an overall loss of perspective because each task becomes fragmented into smaller parts. As a result of increased specialization, management decisions must be shifted upward in the hierarchy in order for coordination to occur. The greater the hierarchical distance between low-level officials and the points where final approval of their decisions can be obtained, the more difficult and time consuming it is for them to carry out their functions. As bureaucracy expands, these key decision points tend to gravitate higher and higher within the hierarchical chain. As a

²³ See *NATO: Facts and Figures*, Appendix 4, pp. 238- 241 for full text of the North Atlantic Treaty.

²⁴ The codification of this agreement is significant. Fiscal measures for taxation, contract specifications for military damages, rules governing military conduct and interaction with civil authority, procurement practices and customs duties are specified. See Appendix 6, pp. 244-257 in *NATO: Facts and Figures*.

result of this phenomenon, the increasing size of bureaucracies leads to the gradual ossification of decision-making, flexibility and operational execution.

It is difficult to empirically demonstrate a correlation between the number of persons employed in administration of a bureaucracy and the size of the task to be administered.²⁵

A similar nonrelationship exists between the number of persons monitoring bureau functions and the magnitude of those functions.²⁶ Consequently, shrinkage of the basic activity of a bureaucracy does not lead to a proportional decline in its size.

As a bureaucracy achieves success in carrying out particular tasks, it generates requirements for interaction with portions of other bureaucracies, some of which will be ossified as well. Interaction involves the transfer of some measure of decision-making authority that compounds the cycle. A new task is then imposed upon a bureaucracy for which current structure is ill-suited to handle. The task may be too complex, call for unique specialization, or require significant resources that are unavailable. Therefore, a new organization is set up for this task outside the normal operations of the bureau. As time passes and the cycle of ossification occurs, this new organization becomes merely another subsection of the larger bureau faced with the normal weight of rules, regulations and slow decision-making procedures.²⁷

An example of this phenomenon of bureaucratic growth is evident in the *1951 Agreement on the Status of the North Atlantic Treaty Organization, National Representatives and International Staff*. In this proclamation, the realm of tasks assigned

²⁵ As an example, a study performed by C. Parkington demonstrated that the British Admiralty and the Colonial Office experienced significant and continuous growth during periods when the navy and the British Empire were shrinking.

²⁶ For an explanation of the “rigidity cycle” of bureaucracies, see Downs, pp. 158-166.

²⁷ It is worth crossing theoretical lines at this point to suggest that the process of bureaucratic growth is somewhat similar to the mechanisms of “institutionalism” in groups. The common thread is that rational self-interest based on the advancement of goals and interests drives the dynamic of both.

to the organization was expanded, and the mechanisms whereby that expansion occurs were formalized through the creation of new bodies to monitor and control such expansion. The status of the organization of NATO was expanded to assign it powers normally reserved for states. The organization was given juridical power to conclude contracts, acquire property and institute legal proceedings. Its property and assets were not subject to search from any other governmental body. The organization was authorized to hold currency and operate accounts. The same diplomatic immunities and privileges as those enjoyed by states were given to this organization.²⁸

One could argue that the process of bureaucratic expansion applied to coalitions is akin to comparing apples to oranges. After all, in a coalition each individual member has the ability to leave the organization and take its resources with it. This is true, but until NATO member nations begin leaving the alliance, the effects described earlier remain valid. Just because members maintain the ability to leave does not affect the organizational dynamics of their inclusion while still members. The principal of bureaucratic expansion is applicable to NATO, just as are other explanations based in sociology and organization theory. Therefore, it is entirely feasible that the functional explanations advanced by traditional alliance theory can be complemented through the use of organization theory. One prominent argument for the continuation of NATO after the demise of the Soviet threat is the “sunk cost” argument. The tremendous resource investment over five decades provides incentive for the member states to maintain their commitment to the alliance despite the absence of the stronger incentive of a tangible security threat. A different, and not necessarily competing, argument is that membership in this organization has effected the values of its members to the point where

²⁸ See *NATO: Facts and Figures*, Appendix 7 for the full text of the Ottawa Agreement.

identification with the “institution” of NATO, and the organizational dynamics through which membership is articulated, provide sufficient incentive to justify the investment required to maintain membership.

Organizational Incrementalism

Incrementalism is typically associated with domestic public policy formation as opposed to a nation's policies with regard to other states. Nevertheless, incrementalism is a descriptive theory applied to organizations. In this case, the organization is an alliance. Indeed, the "institution" of NATO, while not a government per se, does possess "state-like" characteristics. The famous definition of the modern state attributed to Max Weber is that: "The state is an association that claims the monopoly on the legitimate use of violence."²⁹ When considering this statement in light of the use of violence today, one must give credence to the "state-like" attributes of NATO. Indeed, NATO is an association charged with the legitimate use of force, most often under the auspices of United Nations Resolutions. In today's security environment, the legitimate use of force is a NATO hallmark, perhaps in a truer application than in a Westphalian sense for states on the periphery of political legitimacy.

The theory of incrementalism does contain elements applicable to discussions concerning the future shape of the NATO alliance. This theory recognizes that drastic change in policy decisions rarely occurs in an environment of political compromise and poor information. Rather, political decisions tend to occur incrementally at the margins of current practice. This theory is best applied when decisions must be framed in the realm of poor information of cause and effect and one where marginal change will produce relatively minor effects.

²⁹ Weber, "Religious Rejections of the World and Their Directions," in Gerth and Mills, p. 334.

The central aspiration raised by applying this type of theoretical framework remains to bring some rigor to the analysis of current events. The evolution NATO faces in both substance and form is a perfect test bed for the theory of incrementalism. It would be wonderfully convenient if the X's and the O's in international politics could be tabulated and quantified sufficiently to provide decision-makers with solid empirical support by which to steer a course. However, the X's and O's simply do not cooperate for such a task. Politics is eventually about people, and that is where the variance begins. Couple this with information deficits, shifting national preferences, and unanticipated political complications, and the likelihood of clear decision direction is compounded beyond rational comprehension. Here is where the descriptive framework of the concept of incrementalism provides the greatest utility. A simplistic understanding of incrementalism is that "things change slowly, and not very much." However, there is a great deal more to understanding this concept. The first step in understanding the application of incrementalism to NATO begins with a thorough analysis of this theory. The better the understanding of the concepts, the clearer the path for understanding the evolution of the political decisions that will shape the future of NATO.

The Theory of Incrementalism³⁰

Incrementalism is less of a philosophy or a theory and more of an apt description of the realities of political decision-making. Fundamentally, it is about how decisions are made, not in an ideal sense, but in their actual application. The theory of incrementalism presents a process that is less comprehensive but more practical than conventional means of policy formation. First identified by Dr. Charles Lindblom in a 1958 article in the *Journal of Public Administration* titled "The Science of Muddling Through,"

incrementalism provides a guide for understanding policy formulation and execution. This approach did not establish giant leaps of understanding nor did it inspire faddish decision-making models. Rather, it served to provide articulation of the differences between the ideal and the actual when applied to political decisions.

Incrementalism developed the concept of successive-limited comparisons as a counterpoint to the conventional framework for exploring questions of policy. The conventional process to which the incremental method is contrasted, the rational-comprehensive method, is commonly referred to as a system of *ends, ways* and *means* analysis. The *ends* (the objectives or the goals or the desired values) are articulated and agreed upon. The *means* (the tools or the resources) available to obtain these ends are evaluated in light of their applicability toward the goals. The *ways* (the concepts of employment) are then formulated to link the resources to the objectives. This conventional and rational method of policy determination is described as the “root” method of policy determination. Incrementalism contrasts the “root” method with the system of successive-limited comparisons, known as the “branch” method.

Incrementalism involves five basic premises. The first premise is that the only alternatives considered are those that provide small or incremental adjustments to current practice. Rather than “futile attempts to achieve a comprehensiveness beyond human capability”³¹ the “branch” method only considers alternatives that vary slightly from existing policy. Thus, the term incrementalism is coined. Magnitudes of departure from current practice provide the difference between the scope of consideration initiated by the

³⁰ Also commonly referred to Successive Limited Comparisons

³¹ Lindblom, “The Science of Muddling Through”, p. 209.

rational-comprehensive method and that of successive-limited comparisons. New policy is considered only via increments of slight change from current practice.

The second premise of the “branch” method is the recognition that choices are made within political environments at the margins of the *status quo*. This can be illustrated through analysis of the American political process. Relevance demands that political decisions be made within the realm of the acceptable. This is only possible if the fundamental concerns of the policy makers are in general agreement. By default, the only differences subject to policy change are those that occur at the margins of current practice, where concurrence already exists.

The third and fourth premises of the “branch” method involve the relationship between ends and means. The third premise is that the objectives of a policy are adjusted in order to conform to the given means of that policy. The fourth premise strengthens the close relationship between objectives and policy making. Decisions are framed by considering the means, ends and ways, not as separate entities, but as being closely intertwined. Just as ends are adjusted to meet the means, so also are ends framed in terms of means. These elements provide extreme divergence from conventional thinking in a rational-comprehensive model. As opposed to the rational-comprehensive technique of first clarifying ends and then determining means, incrementalism models the realities of political decision making very differently. There exists a reciprocal relationship between ends and means that runs counter to the rational method. The ends are adjusted based on the functionality of the means. This provides a tremendous break with the intuitively attractive method of choosing the objectives first and then determining how best to employ resources toward that end.

The final premise of the successive-limited comparison approach can be paraphrased as “the best policy is that which everyone agrees upon.” This characterization could easily be dismissed as an unimaginative sellout to the political decision-making process because it is neither an enlightening statement nor one that identifies an ideal standard toward which policy makers should aspire. However, when considered in light of the actual versus the ideal realm of policy-making, it becomes readily apparent that such a statement is valid. Concurrence among policy makers is as relevant a test as comparing a policy to its objective as any other method if for no other reason than the objectives themselves are only as valid as the degree of their political concurrence. The nature of the value judgments and concessions by which objectives are established and agreed upon (the first step in the rational-comprehensive approach) is akin to the same process by which policy is agreed upon in the final analysis. Why then should the determinate of what makes a policy “good” be set at the “ends” stage of the process rather than at the “ways”? Incrementalism incorporates this concept as the final comprehensive determinate of “good” policy.

According to the model presented by the “branch” method, it is possible to frame decisions within the context of scarce information and incomplete consensus of purpose in a group setting. The mathematical, information-driven science of operations research, management information systems development, and computerization of the decision modeling process incorporated within the “root” method is attractive for its completeness and scientific appeal. However, the ability to refer to data analysis, graphical predictors of policy effect and other quantitative measures to aid the decision process often overshadows the presence of flawed assumptions, threats to internal and external validity,

and multiple variances of unknown factors that provide the foundations upon which quantitative pronouncements are made. The simple idea that “figures don’t lie, but liars can figure” is often lost in the general deference given that which carries the tag of empirical legitimacy. Hence, there exists a natural appeal to the rational-comprehensive method based on an ordered approach to the policy process.

The “branch” method carries little of this tag of empirical legitimacy with it. Upon initial examination, it would appear to the uninitiated that the “branch” method relies much less on science than on abstraction by providing a break from the rational. This is a misnomer. The human psyche naturally looks for “data” that is quantifiable and able to be categorized. Unintentionally, the merits of successive-limited comparisons can be easily dismissed for their lack of neatness and completeness. Successive limited comparisons provide an uncomfortable decision-making method when compared with the perceived legitimacy and attractiveness of defaulting to the rational-comprehensive method. This is a very human characteristic because man cannot think without classifying, without subsuming one experience under a more general category of experiences.³²

Accounting for this quality of the human experience, incrementalism shows its applicability in spite of this tendency. Incrementalism provides an accurate depiction of the actual environment in which policy is decided. Even though there exist a myriad of “real-world” abstractions and conflicting values that defy quantification and consensus, this does not make the “branch” approach any more attractive. It does provide recognition that the “paper” solution of the rational-comprehensive approach must incorporate tremendous flexibility and a broad mandate in order to see true effectiveness

in the real world of policy implementation. Decision-making is neither orderly nor neat and choices rarely correspond with convenient categorization. Likewise, political or social realities can limit available options for policy makers. Hence, politics, means, and vision all set constraints on the eventual course, speed and implementation of policy.

The Utility of an Incremental Approach

There are two general problems that accompany the search for understanding in a rational-comprehensive approach to policy making. First, one must account for the compounding nature of analysis that contains assumptions and generalizations. When the rational-comprehensive method attempts to tackle any but the simplest of problems, it faces a range of difficulties. The quest to achieve total situational awareness of all decision alternatives quickly results in too broad a spectrum of analysis. No matter how hard one tries, it is impossible to achieve scientific precision in most professional decision making.³³ As the width and breadth of analysis increases to include more policy options and associated variables, the contribution of the error function also increases. Unknown or unaccounted factors reduce the validity of such an approach in its practical application to the policy decision-making process. The second common problem is the prohibitive costs associated with in-depth study and data analysis. There exists a direct correlation between the quality of information upon which decision alternatives are based and the costs of obtaining that information. Thus, the rational-comprehensive method runs into problems of accurate analysis and cost prohibitiveness when used for anything but straightforward and relatively simple analysis.

³² Lindblom, "The Science of Muddling Through", p. 211.

³³ Balzer, p. 543.

A successive-limited comparison approach is an effective strategy for decision making even when players differ over the values they wish to promote. For example, policy makers at different ends of the political spectrum will unite for a common purpose by supporting legislation that has multiple perceived benefits to their respective groups. That these groups may be miles apart ideologically and philosophically does not undermine their support. This example merely demonstrates that the marginal nature of incrementalism involves seeking change through that which is politically feasible. Players may possess different values by which they seek the ends of a policy, but lack of concurrence of those values need not prevent progress toward the common end.

Within the context of ordinary political decision making, incrementalism demonstrates that decision making is most often made through small moves and adjustments to known policies. The political landscape validates this aspect of policy change. Battles are fought at the margins of current policy to reform and reshape a policy. This process can be characterized as moving away from known social ills rather than as moving toward a known and relatively stable end.³⁴ The rational model would first consider the stable end, and then choose the means to get there. The politically unfeasible aspect of this model remains that “ends” are likely to be unknown or have experienced change or better understanding by the time the policy becomes effective.

If the “ends” are unknown, the rational-comprehensive model fails from the very inception, illustrating the interesting phenomena of “a solution in search of a problem.”³⁵ This reverses the ordinary order of rational decision-making in which one starts with a problem and works toward a solution. So, is this an unconventional way to view problem

³⁴ Braybrooke, p. 71.

³⁵ Goodin, p. 5.

solving? It would seem intuitively obvious that one must understand the goal of a policy (its end), before determining a solution. However, this is predicated upon a clear understanding of the problem, and the recognition of the best path to get there. What about the dilemma of shifting ends and unanticipated externalities in the inexact science of political decision-making? Governments have no bottom line by which to benchmark goals and objectives. It is here that a rational-comprehensive analysis of ends, ways and means falls prey to the disjointed nature of political expedience, poor information, and limited ability to mobilize means toward desired ends.

The Best Environment for Successive Limited Comparisons

Incrementalism does not provide a catchall model for all political decision-making. The utility of incrementalism as a decision making tool is most effective in an environment of unknown ends. Figure 1 provides a framework within which political decisions exist to demonstrate the best environment for an incremental approach.³⁶

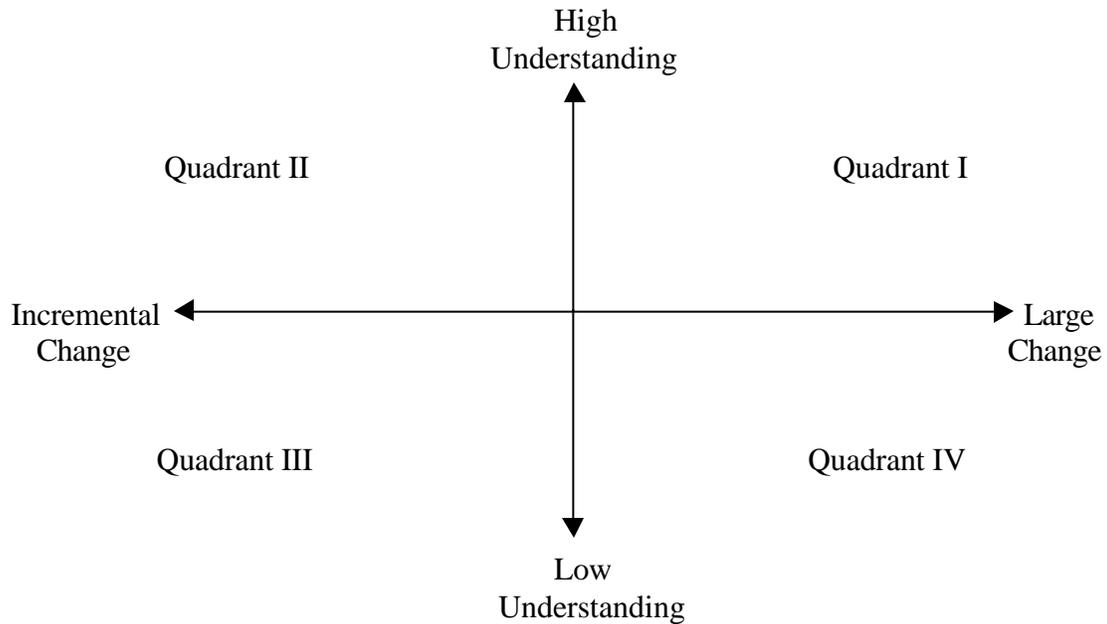


Figure 1: Policy Decision Matrix

The vertical axis represents the degree of understanding of a problem and its solution. The lower the position on the vertical axis, the less clear the information, values (or goals and objectives) are neither well understood nor clearly defined and intellectual analysis is insufficient to capture the full extent of the problem. The higher the position on the vertical axis, the closer one moves to the realm of full situation awareness, clear understanding of the problem and solution and a distinct relationship between the cause

³⁶ Adopted from Lindblom, "Contexts for Change and Strategy", p. 158.

and effect of decision making. In essence, the vertical axis represents a continuum from little knowledge and low understanding to great knowledge and high understanding.

The horizontal axis represents the degree to which decisions achieve either large or small change. Policies whose results provide drastic departure from current practice would lie to the right on this continuum. Those whose outcomes varied only marginally from current practice would fall to the left. By placing decisions within this structure, a matrix is formed in which policy decisions can be framed by capacity for change versus understanding of the problem and solution.³⁷

Quadrant I implies an environment in which decisions have large capacity to affect change and the mechanism for change is well understood. Quadrant I choices fall in the realm of black and white. Unfortunately, this type of policy decision is generally unrealistic. Evaluating the effects of all possible courses of action and alternatives tends to lie beyond the realm of rational analysis. If the path to achieve great ends were obvious and viable, there would be little art to decision-making. Directly beneath Quadrant I is Quadrant IV. Decisions framed in this region are characterized by the capability to cause large change in an environment of poor understanding of the consequences of action. These types of decisions are those in which the consequences of wrong action are strongest. Decisions are made without the benefit of adequate information or proper consideration of alternatives and their effects.

Within Quadrant II lie decisions whose capability to cause change is small and whose understanding of an effective path to achieve objectives is strong. Decisions within this quadrant are characterized by good information, reliable predictors of outcomes based on known factors, and concrete causal links. This area is where the best application of the

rational-comprehensive model fits. One hesitates to even include these types of decisions within the realm of political decision-making, because their functioning is most likely to involve routine practices and established procedures. The realm of decisions for which the desirable quality of minimizing “big” mistakes through small change assisted by absolute knowledge of full consequences of all alternatives is minimal. Decisions in Quadrant II will tend to be either administrative or technical in nature.

Quadrant III provides the home for decisions of political reality. The best environment within which to use an incremental approach is identified by placing political choices along the two continuums of degree of understanding and magnitude of change as demonstrated above. The ability to effect change is relatively small - or incremental - and the foundation of Quadrant III decisions are based on limited understanding and knowledge. It is this environment in which the strategy of successive-limited comparisons is most applicable. Here, the limited capacity of decision-makers to understand and solve complex problems is identified. Although incrementalism is not a decision model for all situations, it is best applied within an environment of poor information, uncertain effects and a low understanding of the consequences of policy.

³⁷ Braybrooke, pp. 66-71.

NATO and Incrementalism

Analysis

It remains difficult to find an historic parallel to NATO. As an alliance whose function and purpose was relatively constant through the Cold War, NATO has been forced to evolve in response to fundamental changes to the European security environment. Debate on the role of NATO in a new world order has been prevalent since the breakup of the former Soviet Union. Recently, NATO has undergone significant structural and organizational change. It has not, however, clearly indicated where it is heading. The argument advanced by this paper is that there is nothing wrong with such a lack of focus. Just because the objectives of Soviet containment are no longer obvious does not mean that NATO is no longer relevant. It only indicates that the future form of NATO development is not clear. Seen through the lenses of an organizational and institutional perspective, analysis of the manner in which NATO will evolve provides some headway toward this goal. Understanding the mechanism of incrementalism demonstrates the manner within which change to the NATO alliance must occur.

McCalla examines neorealist, organizational and internationalist institutionalists explanations to explain the persistence of NATO. While presenting an overview of organizational explanations, McCalla suggests that there are limits to such arguments. He cites the inability of organizational explanations to account for NATO's military reorganization, its downsizing and its willingness to seek expanded ties with other international organizations. In fact, organizations are complicated creatures, and the three characteristics posed by McCalla³⁸ are oversimplistic of the actual dynamics under

³⁸ Namely, that organizations will (1) resist change, (2) Affirm the value of the organization to gain resources and (3) only modify objectives when organizational survival is at stake.

which organizations operate. By considering the descriptive theory of incrementalism, the limits to the organizational arguments presented by McCalla are overcome.

Regardless of which theoretical school one espouses, the policies that one observes NATO practicing are closely aligned with incrementalist practices and the theory of successive limited comparisons. As a mechanism for policy formation, incrementalism reflects the structural, political and military changes that have been evident since the early 1990's. Change occurs at the margins of current practice and the direction of that change is a function of organizational and institutional needs and perceptions.

How is NATO changing currently, and in what direction will it evolve? Three central components of change in Europe are readily observable: (1) the de-escalation of military conflict between East and West, (2) the achievement of German re-unification, and (3) the emergence of the European Community. These were major milestones which to the casual eye confound the theory of incrementalism. However, when one takes a closer look at recent practice, validation of the descriptive theories of incrementalism are readily evident. For example, the creation of the North Atlantic Coordination Council provided a politically feasible means of expanding the sphere of NATO influence to Eastern European states. If the new democracies of Eastern Europe could not become a part of NATO, then NATO itself could become a key partner in a larger organization that would further its goals. This organization became the Conference for Security and Cooperation in Europe (CSCE) which is now the Organization for Security and Cooperation in Europe (OSCE.) In place of conflict, the OSCE establishes standards of cooperation on multiple levels. Many of the founding principals of the NATO alliance are evident in the OSCE. This is not a surprise when one considers that the London Declaration of June 1990

proposed that NATO “work together not only for common defense, but to build new partnerships with all nations of Europe.”³⁹

Further evidence of an incrementalist characteristic to recent NATO force changes are seen through the establishment of multi-national rapid reaction forces. The inaction of the NATO alliance in the Gulf War spawned debate over NATO Out-of-Area Operations. The response was a three-layered structural arrangement in which a rapid reaction force was created. Two British divisions comprise the core of the rapid reaction force and the United States provides the logistical resources. The augmentation forces are to be designated from all NATO members. Such a reorientation of force structure reflected political realities of “that which was feasible.”⁴⁰ The Gulf War demonstrated that the cohesion of collective action alone was insufficient to combat a geographically distant threat. Barring dissolution, the organizational structures of NATO transformed to reflect “that which everyone could live with” and still maintain a degree of its function.

Perhaps the most important tenant of incrementalism directly applies to the potential costs of plunging into an unknown future without being equipped properly. The reunification of Germany marked the completion of the original military role of the NATO alliance. Soviet power was dissipated and the Warsaw Block became non-existent. NATO leaders agreed that the “threat of a simultaneous, full-scale attack on all of NATO’s European fronts has effectively been removed and is thus no longer a focus for Allied security.”⁴¹ Dissolution of NATO was discussed, but never received serious consideration by national political leaders. After providing a security umbrella for Europe for five decades, the highly non-incremental proposal of dissolution was

³⁹ Quoted in *NATO Review* 4, August 1990, pp. 32-33.

⁴⁰ Political feasibility being one of the tenants of an incremental decision process.

politically unacceptable because of unknown future strategic considerations. Potential security risks such as ethnic strife in the new republics, a counterrevolutionary coup in the former Soviet Union and territorial disputes between former Warsaw Pact members sparked a strategic reorientation under which NATO may very well evolve into the “crisis manager” for Europe. Barring the drastic step of dissolution, the incremental transition from security umbrella to crisis management falls well within the tenets of incrementalism (the first principle of incrementalism being that the only alternatives considered are those that provide small adjustments to current practice.) The politically unacceptable choice of dissolution fell prey to the marginal choice of crisis management, a choice much closer to the *status quo* (the second principle of an incremental model.)

Without a clearly articulated security threat, the objectives of the NATO alliance were called into question.⁴² Returning to the earlier discussion about the rational-comprehensive model of decision making (the root method), one sees the problem. The end of policy was essentially containment. The way to do this was through military alliance in Europe. The means to do this was through a structured force disposition designed to counter that of the East. Framed in rational-comprehensive terms, the NATO alliance was falling prey to the concept of “a solution in search of a problem” with the break-up of the Warsaw Pact.⁴³ However, when one considers NATO policies from a perspective of successive-limited comparisons, this dilemma is solved. Incrementalism necessitates that the objectives of a policy are adjusted to conform to the given means of that policy. This is the exact opposite of the rational-comprehensive method. Evidence

⁴¹ “The Alliances New Strategic Concept,” *NATO Review* 6, December 1991, p. 26.

⁴² One cannot help but think of the well-known quote by Georgy Arbatov who states “we have a secret weapon that will work almost regardless of the America response – we would deprive America of the Enemy,” in Carr & Infantis, p. 132.

of this incrementalist slant is evident in the new force structure adapted by NATO. Participants desired to devote fewer resources to the military obligations of the alliance. Given this decrease in means, the objectives of the force structure reflect a more limited objective – crisis management (the third element of incrementalism is that policy objectives are adjusted in order to conform to the given means of that policy.) Not only did this reflect considerations of means, ways and ends as intertwined elements (the fourth principle of incrementalism), but it reflected a means for concurrence among political decision-makers faced with domestic constraints (the final element of incrementalism being that the best policy is that which everyone agrees upon.)

⁴³ Joffe states that the dilemma of European security is that NATO has the means, but is losing its mission while the EC/WEU and the CSCE have a mission, but not the means. p. 67.

The Decision Matrix and NATO

Several conventional arguments concerning NATO's persistence after the Cold War were highlighted earlier. By superimposing a stylized representation of these arguments upon the decision matrix provided earlier, further evidence of the utility of an incremental approach is validated. Consider the table below as a summary of the principal arguments to explain NATO's persistence. By entering the decision matrix with these arguments according to their degree of understanding and the magnitude of their ability to affect change, it is possible to visibly represent these arguments within a useful framework.

Table 1: Summary of arguments for NATO's persistence ⁴⁴

NO.	Argument	Level of Understanding	Degree of Change	Quadrant
1	Balance of Power	Low	Large	IV
2	Bandwagoning	Low	Large	IV
3	Balance of Threat	Low	Large	IV
4	Nuclear Security	Low	Large	IV
5	Utilitarian Approach	Low	Large	IV
6	Lack of Alternative	Low	Large	IV
7	Similar Ideology	Low	Large	IV
8	Incrementalism	Low	Small	III

If one applies the table above to the matrix of political decision-making in Figure 2, further evidence of the utility of an incremental decision approach to NATO is evident. Moving up the vertical axis of the matrix implies greater understanding of the relationship between cause and effect. Given the uncertainties of an emerging European security entity, there can be no level of understanding sufficient to predict the manner in which disorder and instability can be resolved. In security affairs, stakes are very high. This implies that those decisions with large capability to affect change should be avoided,

because change begets insecurity. When considering the retained security threat of nuclear weapons, the danger of drastic policy change becomes even more significant. Thus, avoiding these types of political decisions eliminates Quadrants I and IV from consideration. Quadrant II decisions are those of a technical or administrative nature. By default, Quadrant III remains the best environment in which security decisions are formulated.

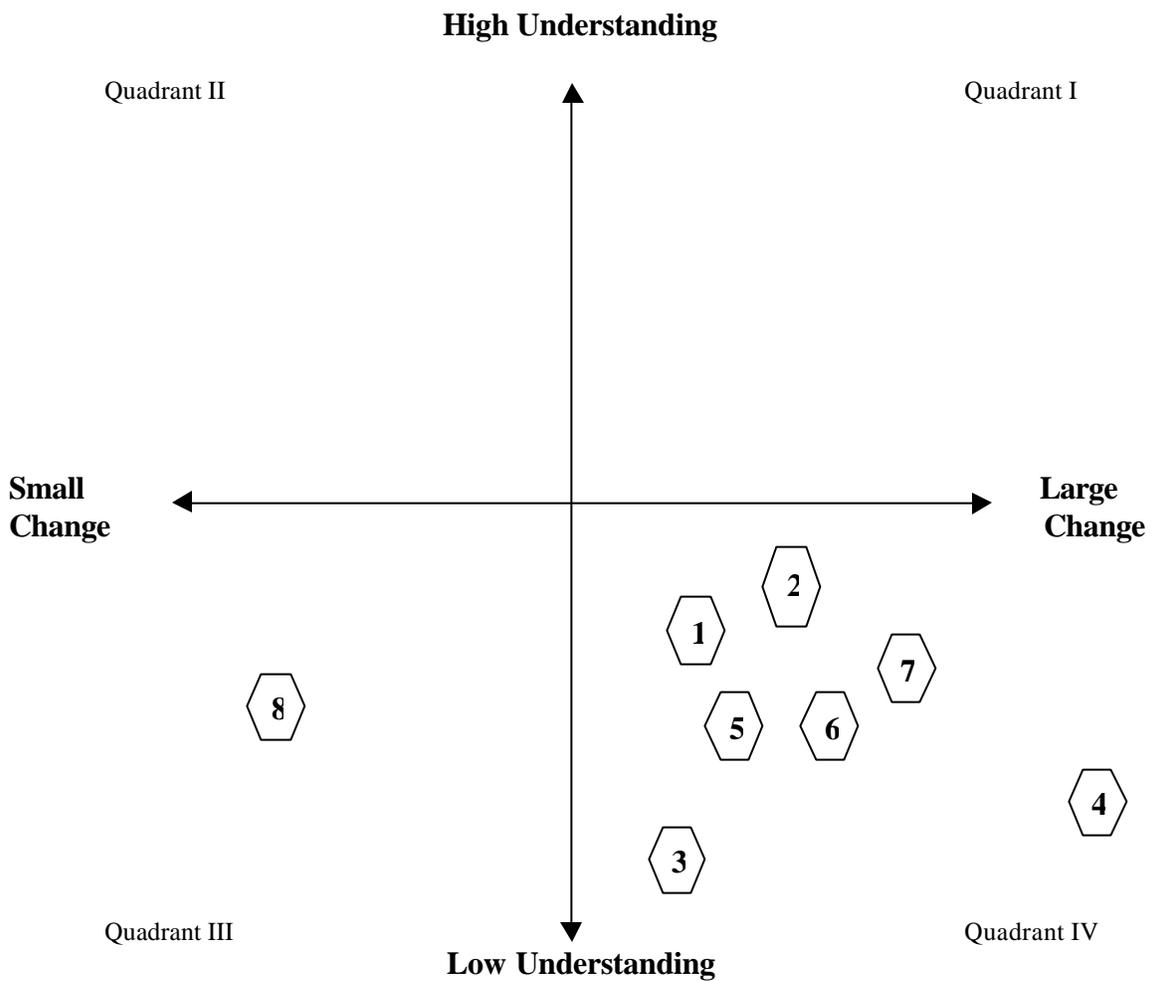


Figure 2: Policy Decision Matrix for NATO

Quadrant III is the home for decisions of political reality because the stakes of change are small, the ability to affect drastic change are minimal, and such decisions are made in

⁴⁴ Refer to pages 1-7 for an explanation of these arguments.

an environment of limited understanding of consequences. One benefit of the practice of successive limited comparisons is that the danger of drastic deviance from current practice is avoided. In this example, the desirable current condition is security and deviance from this condition is insecurity. According to this method, the best context for an incremental approach to political decision making is in an environment of scarce information and incomplete consensus of purpose. This is an accurate description of the current and likely future security environment in Europe.

The practice of successive limited comparisons describes the realities of decision making in a political environment. While application of this concept to strategic change to NATO has been the focus of this analysis, security affairs do not exist in a vacuum. Other political considerations factor into security decisions, and analysis that excludes such considerations would be remiss. For example, considerations of political feasibility are closely associated with domestic support. The political and social support available to politicians governs their effectiveness to enact policies. In a broader sense, this is an apt summary of the social basis of the state. The relative strength or weakness of a state can be articulated through these means. Conventional measures of the strength of a state tend to be framed in terms of economic or military power or degree of centralization and control. However, the actuality of state action through its social basis for autonomy must surely be as important as its capability to act through the conventional measures of state strength. This point highlights an important truth – when support for state policy disappears, so to does the strength of the state.

The manner in which national institutional structures and organizations mediate differences between societal actors and policy choice are important because national

responses are unique between countries due to historical circumstance. Critical realignments in relations among societal actors, the role of the state in society and in the scope of policy making, the expanded role of associations and organizations with strong structural links to society, the increased role of ideology in its role of shaping public policy through political debate, and the pivotal constraints placed by the international system upon domestic politics are important factors that affect national trajectories. The actual mechanisms of policy prescription may be markedly different across national bounds and types of government institutions, but these features mark consistent issue areas subject to change under a framework of successive limited comparisons. The manner in which decisions are arrived at, whether purely security related or not, are still subject to the same dynamics described by the political decision matrix: capacity to cause greater than marginal change and the difficulties of comprehensively determining cause and effect.

Institutional Engagement and NATO's Small States

Functional arguments offer explanations that show how states see their preferences articulated through NATO membership. Examining national incentives upon which NATO membership is structured suggests another phenomenon: small states have as great of an incentive to advance the position of NATO as do large states. The United States, Britain and Germany utilize NATO as a vehicle for the advancement of their national preferences.⁴⁵ The smaller states of the NATO alliance have different incentives. The politics of alliance membership are difficult to formulate when a nation's security is interdependent with those of other nations. Crises become international in

nature, and decisions have exogenous negative consequences. The small size and relative vulnerability of NATO's smaller members provides the very imperative whereby alliance membership is desirable.

Membership and active support for multinational coalitions and international organizations are a natural and predictable result of military (and economic) vulnerability. In small states, common ground and compromise are the policy watchwords. Such a mentality has developed through necessity. National priorities revolve around choosing military, economic and social policies that maintain political stability despite the inevitability of hardship. This is a markedly different approach than policy formulations designed to control, moderate or obviate the effects of strategic change. "Consocialism" and "Amicable Agreement" are terms used to describe this culture of political compromise on national issues.⁴⁶ Compromise occurs across social, political and ideological cleavages out of necessity and historic circumstance, economic reality, and political survival. The consequences of internal discord on issues that affect national outputs are too strong for these vulnerable nations.

Here again, this sets the stage for the incremental nature of NATO's evolution. Political change in NATO's small states is both reactive and incremental in nature. The vulnerability of small states prevents useful proactive policy formulation and sets the framework for policy adaptation based on the limits of practical effect and execution. The characteristic attributed to the policy choices made by the small states in Europe is a

⁴⁵ McCalla suggests that this is a natural expectation, based on organizational resource dependency. Organizations seek expanded resources and thus adapt their policies to reflect the preferences of those from whom the most resources are received.

⁴⁶ In his work on small states, Katzenstein examines the policies of industrial adjustment strategy of small, corporatist European states. Although written from an economic perspective, he presents many ideas that characterize small state policy toward security concerns as well. Consocialism and amicable agreement are

strategy of flexible adjustment. Empirical evidence supports the observation that policy adjustment correlates to political stability.⁴⁷ In other words, the forces that create political regimes are different than those that maintain them. States adapt to maintain political stability. This is a telling statement as a descriptive summary of the mechanism of membership in the NATO alliance. The initial conditions under which institutions form bear little resemblance to those under which they endure. Just as successful organizations reallocate resources according to the realities of physical, fiscal or manpower limitations, so too do successful states reallocate policies that affect resources and distribution of wealth according to the opportunity sets they face.

As a guide for marginal adjustment of policy to changing circumstances, incrementalism is once again evident when evaluating the successful flexible adjustments made by NATO's small states. Successful policy tends to be evolutionary rather than revolutionary because public policy making rarely results in unique and drastic changes. Thus, marginal change in an environment of compromise is the political reality of effective decision making. A confluence of interests usually carries the day over the bold new course. Application of this philosophy is very appropriate as a model to describe the behavior of the small European states in their "Amicable Agreement" approach to policy response. The risks associated with marginal policy adjustment are smaller than those posed by choosing the bold new course. The gains may be lesser as well, but the stakes are high in the arena of international security and the conservative mechanisms of this type of decision apparatus and policy response provides the prudent (and proven) path.

two such concepts. They refer to the distinctive political structures and practices of small European states, where groups are held together by pragmatic bargains. pp. 34-35.

⁴⁷ Katzenstein, pp. 133-134.

The policies of flexible adjustment provide reactive motivation for problem solution under the philosophy that problems not only have to be solved; they have to be lived with. The incremental nature of policy adjustment recognizes that security policy and political change must work hand in hand for the greatest good over narrow interests when application is sought in a domestic environment threatened by external threats.

An example from a standpoint of economic clout, military strength, and influence by which this dynamic of flexible adjustment is readily evident is the addition of the three newest NATO members. The Czech Republic, Hungary and Poland signed the Protocols of Accession in December 1998. These nations confirmed their intention to commit the bulk of their armed forces to the Alliance.⁴⁸ It is here where one can see the difference between the organizational influence on NATO upon small nations as compared to the large nations. Within the organization of the United States military, an individual can progress through an entire military career with very little interoperational training, exercises, or experience with NATO members. For a member of one of the smaller NATO states, this is far from the norm. Small states generally do not possess sufficient organic logistical, operational, and intelligence capabilities to act independently on a large scale. Thus, the military structure of these nations has evolved to reflect dependence on resources provided by the greater NATO alliance.

Given this incremental flavor to the story of NATO, one phenomenon that one could expect to see is increased collaboration with international organizations and institutions. Political freedom to act centers around the ability to form coalitions. Yet, political support carries opportunity costs. The price of gaining support carries a price tag, and this becomes the mechanism whereby domestic actors exercise their political preferences.

As growing international institutions have come to have a greater effect on the national policies of governments, the realities of the international security landscape have become more closely linked to the individual welfare of domestic actors. Thus, the cycle of influence evolves from the international security regime, via domestic actors, to national political preferences. By widening the net of institutional entanglement, states are allowed to extend their influence and have a voice without having to take direct responsibility for action. The function of the organization serves its needs. Evidence is readily apparent through such vehicles as the Partnership for Peace initiative, the NATO-Russian Founding Act and the expansion of the OSCE.

⁴⁸ Javier Solana, "On course for a NATO of 19 nations in 1999," *NATO Review*, Spring 1998, p. 2.

Conclusion

One premise taken in this analysis is that the question of NATO's future is not "if" but "in what form." The manner in which this international institution will adapt to changing security environments, shifting political allegiances, and reflect the domestic preferences of its large and small members can be described through a process of incrementalism. The utility of understanding such a process is that it provides a descriptive framework for determining the form of NATO as strategic factors change.

Organizational theory evaluates bureaucratic tendencies toward expansion and self-preservation. Institutional arguments relate the formation of regimes of shared values and norms to the function of the institution. Organizational and institutional theories for NATO's continued existence are closely related - perhaps not from a theoretical standpoint, but from one of characteristic practice. A frequently cited explanation for bureaucratic survival is that organizations adapt. The contention is that the organizational dynamic of incrementalism provides excellent guidance from which to explain the direction of NATO's evolution in the new European security environment.

Balance of power and balance of threat assessments have in one respect validated the neorealist contention that alliances will not survive absent a strong threat. The adaptive process that NATO is currently undergoing demonstrates that the Cold War form of NATO no longer exists in terms of capabilities and strategic orientation. However, the regime that has replaced the militarily oriented NATO alliance is alive and well. NATO survives because it has demonstrated innovation with respect to its strategic orientation. The adaptation mechanism that describes NATO's persistence after the Cold War is the practice of incrementalism.

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