Asymmetric interdependence, power and crisis in integrated systems

Ramona Alexandra Roşu

Abstract:
As the interdependence intensifies, the European project is seriously put to test due to asymmetric distribution of power. The asymmetric distribution of power deters each player from pursuing its interests, and therefore power asymmetry will act as factor of systemic rupture. The links between asymmetric interdependence, conflict and mediation remained the subject of little systematic scrutiny. Discord, disputes and crises among Member States due to increased asymmetric interdependence could lead to distrust and eventual fractures in allied states. Greater attention, therefore, need to be focused on specifying the causal mechanisms and the implications of this relationship. Managing asymmetries is a core issue of the politics of interdependence and it is also a complex undertaking. It can represent the most important tool for producing the necessary equilibrium between the interests of states through adequate institutional development.

Keywords: Asymmetric interdependence, crisis, mediation.

Much of the research regarding the phenomena of international interdependence claims that the path to peace and prosperity is to have independent states sharing their common resources and relinquish substantial degrees of sovereignty and autonomy over important policy areas in order to create integrated communities and institutionalized cooperation among states to promote economic growth and to solve regional issues.

The neoliberal institutionalists have been the most strenuous advocates of this thesis and have stressed a variety of different arguments in developing it. One argument – cast primarily at a regional level of interdependence – is that governments proved themselves to be increasingly unable to manage a growing global integration and interdependence alone because these have important international dimensions. This does not mean the erosion of national government but its transformation, including transferring parts of traditional sovereignty to supranational institutions (e.g., Puşcaş, 2010). Furthermore, Rousseau’s “isolationist” solution is no longer valid in a globalized world without enormous economic costs and, as observed in the European Commission’s communication regarding the Europe

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Asymmetric interdependence, power and crisis in integrated systems

2020 Strategy, none of the member states is large enough to keep pace with the emerging economies or to undertake this transformation alone.\(^2\)

In the field of international relations, “interdependence” has two connotations. In the case of a group of countries where the conditions in one country bring costly contagion effects in another is generally referred to as \textit{sensitivity}, and in the case of a group of countries where the relationship is too costly to rupture or forego is usually referred to as \textit{vulnerability}. Therefore, if the first meaning implies merely contingency effects (the effects of changes in one state on other states), the second implies the need to maintain the relationships that would be costly to interrupt (the opportunity costs of breaking a relationship).

The distinction between “sensitivity interdependence” and “vulnerability interdependence” is usually assigned to Robert O. Keohane and Joseph S. Nye. Borrowing neo-realists hypothesis, the institutional neoliberals reject the normative bias in traditional conceptualizations of interdependence and also the defining of interdependence entirely in terms of situations of \textit{evenly balanced} mutual dependence. Furthermore, the authors contend that “in some cases, an interdependent relationship may have such negative consequences that both parties would be quite happy to cease contact with one another entirely, forgoing any benefits that such contact may bring.”\(^3\)

The authors use the spread of the “streaking” from American to European society in 1974, and the development of radical student movements during late 1960, - as examples of \textit{sensitivity interdependence}, and the relations in the petroleum field, precisely, the relations between advanced industrial countries which rely heavily on petroleum imports (Organization of Petroleum Exporting Countries) – as an example of \textit{vulnerability}.

Sensitivity interdependence can be social or political/military as well as economic, and \textit{vulnerability} applies to socio-political as well as to politico-economic relations. Thus, sensitivity involves some degrees of responsiveness within a policy framework – how quickly do changes in one country bring costly changes in another, and how great are the costly effects? – and \textit{vulnerability} rests on the relative availability and costliness of the alternatives that various actors face.\(^4\)

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Asymmetric interdependence, power and crisis in integrated systems

If we concur with the neoliberal institutionalists statement that in the circumstances of an increasingly interdependent world the asymmetries can be a source of power (in IR power being conceived in terms of the ability to get others to do things they would not ordinarily do or to behave in ways they would prefer to avoid) – and, consequently, these represent powerful tools for influencing cooperation and conflict, than it is correct to deduce that the asymmetric interdependence between states influence the possibility of them resorting to force. In this case then, the obvious question, of course, is how and to what extent does asymmetric interdependence influences the outbreak of crisis and conflicts? Moreover, under what circumstances do some asymmetric interdependencies lead to disputes while others do not? Who are the relevant actors (subnational, national, and supranational), and how do their interests and actions link asymmetric interdependence to conflict? A closer examination of the mechanisms on the basis of the connection between asymmetric interdependence and conflict is needed for a better understanding of the modal and causal factors of this relation.

According to Nye (2007), “being less dependent can be a source of power. If two parties are interdependent but one is less dependent than the other, the less dependent party has a source of power as long as both value the interdependent relationship.” In the same work, the author recognizes that “struggles over power go on, even in a world of interdependence”.

Hence, if the relationship interdependence-conflict would be included, the “chart demonstrating the asymmetric nature of interdependence” formulated by J. Nye (2007) would look as follows:

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Asymmetric interdependence, power and crisis in integrated systems

Institutional neoliberalism, although oriented towards cooperation in international relations, rejects the interpretation of cooperation as the absence of conflict and vice versa; therefore the effects of interdependence are not signally benign. Conversely, neoliberal institutionalists recognize the existence of a certain probability of conflict – being more aware of the costly effects of interdependence than other versions of liberalism, and they also recognize that the marxist, word-system or neorealist theorists were correct in indicating that interdependence may produce as well as it may deter conflict.

Relevant empirical evidence for supporting the proposition formulated above, namely that the asymmetries in relationships are the ones which can lead to disputes – are brought by studies such as Katherine Barbieri’s work of 1996. Barbieri used groups of dyadic relationships for the period prior the World War II (1870-1938), measuring conflicts in two ways: (1) analyzing 270 militarized interstate disputes and (14) wars. The variables included: contiguity, regime type (joint democracy), relative capabilities and alliance commitments. The results of this study show that “extensive linkages foster both peace and conflict” and that “the greatest hope for peace appears to arise from symmetrical relationships.” Also, not interdependence per se has differing effects, but some sub-forms of interdependence, more precisely, asymmetry: “Clearly, there must be some underlying factors that influence the tendency for some forms of interdependence to inhibit conflict, while others increase conflict. That means that, it is not interdependence itself that determines the impact on interstate relations, but some characteristic of the type of interdependence present in the relationship”.

Although this study focuses exclusively on the pre-World War II period, the author brings evidence that the relevant relations analyzed here can also be observed in the post World War II period and in an extended period. Lois Sayrs (1989) supports Barbieri’s study results showing that while symmetrical relationships may create incentives to reduce conflict, asymmetrical relations may increase tensions and consequently, conflicts.

As already mentioned above, Keohane also points to the mistake of viewing cooperation as the absence of conflict, and conflict as the absence of cooperation. Thus,

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cooperation should not be viewed as the absence of conflict but rather as a reaction to conflict or potential conflict⁹.

Some authors, like in the case of the classic writers on social conflict theories such as Georg Simmel or Lewis A. Coser, are more skeptical regarding this assertion. The latter, theorizing on the causes of conflicts in general, argues that “a conflict is more passionate and more radical when it arises out of close relationships. The coexistence of union and opposition makes for the peculiar sharpness of the conflict”¹⁰.

If we focus exclusively on the union – opposition aspect, or in other terms, cooperation – conflict, than is important to clarify the fact that it is not in the harmonious relations where cooperation is needed, but in those subject to the prospect of conflict. Cooperation is illogical in the absence of competing interests. Cooperation takes place only in situations in which actors perceive that their policies are actually or potentially in conflict, not where there is harmony”¹¹.

Supporting the proposition formulated by Keohane, William Zartman and Saadia Touval clearly remark that “while there is conflict without cooperation, it appears that there is no cooperation without conflict. Cooperation is dependent on these being conflict to overcome. Indeed, attempts at cooperation may create conflict (to be overcome), since the parties’ attempt to work together brings out differing interests to be tailored to fit – the costs of cooperation. (...) Cooperating nations generally perceive both common and conflicting interests.”¹²

The “dependence of the conflict to overcome” or, in more neutral terms, “reaction to conflict” represented one of the necessities for the development of international cooperation (often strongly institutionalized, in diverse forms such as the European Union, the World Trade Organization, the North American Free Trade Association, the North Atlantic Treaty Organization, or the United Nations Security Council etc.) designed to establish international bodies in which large and small states to have equal weight in decision-making.

The different forms of multilateral cooperation represent simultaneously a reaction to conflict and a permanent exposure to the prospect of conflict.

¹¹ Ibid 8, p. 53-54
One example of cooperation as a Janus-faced issue is that emerging from the case of the European Union model - created as a “reaction to conflict”, more precisely, as a reaction to the profoundly antagonistic traditional European relations. Yet, even through the establishment of the rules of the game – as in the case of European Union’s foreign and security policy which, theoretically, is based on decision-making by unanimity – some argue that reality demonstrates the contrary.

Multilateral cooperation is seen as producing costs and benefits, for both the small and the large states. As Charles Doran observes “for the small state, multilateralism is desirable because it creates a foreign policy role for that state. On the other hand, for the small state, multilateralism is a burden because it drags the small state into responsibilities, as in peacekeeping that many small states would prefer to abjure. Likewise, for the large state, multilateralism may be looked upon as desirable because it smoothes the way for policy agreement. But multilateralism also is a problem for the large state because of the difficulty of “getting everybody on board” in support of a particular policy.\textsuperscript{13}

The European Union was frequently mentioned as an example of effective multilateral cooperation, and in 2012, this recognition culminated with the Nobel Peace Prize award because “for over six decades (EU) contributed to the advancement of peace and reconciliation, democracy and human rights in Europe”.\textsuperscript{14}

Certainly, we are living, historically, very peaceful times today, and although there are voices often prophesying the European decline, the European Union is still a force in international politics. The lessons learned from the devastating wars of the twentieth-century Europe made Europeans very conflict-adverse and cooperation, after the Armageddon of two world wars, seems to be the only solution because, clearly, war does not pay.

However, as the interdependence intensifies, the European project is seriously put to test due to asymmetric distribution of power. The asymmetric distribution of power deters each player from pursuing its interests, and therefore power asymmetry will act as factor of systemic rupture. Yet, this is not an unpredictable phenomenon for total symmetry (total equilibrium) within an integrated system is relatively rare – thus, managing asymmetries can represent the most important tool for producing the necessary equilibrium.

Managing asymmetric interdependence is a core issue of the politics of interdependence and it is also a complex undertaking given the fact that (1) asymmetries


Asymmetric interdependence, power and crisis in integrated systems

manifest in multiple sectors – the European Commission, in the communication regarding the Europe 2020 Strategy (2010) clearly recognizes different sectors of interdependence such as: interdependence between member states, interdependence between different levels of government, interdependence between different policies, interdependence between policies and instruments and interdependence at global level\(^{15}\) – and that (2) asymmetric interdependence also manifests inter-sectoral (cross-sectors) – as resulting, for instance, from the implications of the Lisbon treaty revision case.

The proposal launched in October 2010 at Deauville by European Union’s two most powerful leaders (the German Chancellor and French President Nicolas Sarkozy) regarding the revision of the Lisbon treaty, materialized in the establishment of the “European Stability Mechanism” which will succeed the temporary “European Financial Stability Facility – EFSF” in 2013.

The negative effects generated by the European sovereign debt crisis at the level of some EU member states, indicated the need for the establishment of a crisis management mechanism in the financial sector. Through the revision of the Lisbon treaty by implementing a new European institution equipped with new instruments the increase of the intervention efficiency in crises situations is expected.

But the Franco-German plan created visible tensions between the member states. In an interview for the “Die Welt”, the EU justice commissioner Viviane Reding signaled the existing asymmetry in the decision making process within the European Union, interpreting the gesture of the two large states as being insulting towards the rest of the member states: “European decisions are not taken in Deauville, also not by two members alone. They are taken in Brussels, Luxembourg and Strasbourg by 27 member states, based on a solid proposal which is in the interest of all 500 million citizens”\(^{16}\). At the European summit in Brussels, in October 28, 2010, the Luxembourg Foreign Minister Jean Asselborn recognized that “The deal "leaves a bad taste" for other EU states, which feel they are being told what to do”\(^{17}\).

Thus, as observed above, the complexity of interdependence in an integrated system and its cross-sectors manifestation makes ESM’s sector-based mission and limited at a single


area, to have an as limited efficiency. For this reason, such a permanent crisis mechanism within the EU should be cross-sectors, cross-pillar and cross-institutional.

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Asymmetric interdependence, power and crisis in integrated systems

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