

Economic Sanctions against Serbia: Dissonant Strategies and Autonomous
Games of the EU External Relations

Paper presented at the 29th Joint Sessions of Workshops of the European Consortium for
Political Research (ECPR); 6-11 April, 2001; Grenoble, France

FIRST DRAFT

Yves Buchet de Neuilly
Centre de Recherche Politique de la Sorbonne (CRPS)
Université Paris 1 – Panthéon-Sorbonne
17, rue de la Sorbonne
75 231 Paris Cedex 05
yves.bn@noos.fr
Tel: +33 (0)1 39 72 97 30

Introduction

The observation of the uses of economic sanctions is a way to analyze the links between external economic relations and foreign policy. For a long time, actors and commentators are deploring the gap between the European economic strength and its political weakness. The series of sanctions adopted against Serbia from 1998 to 1999 are one attempt of the EU to fill this gap and to transform its economic size and weight into a real and effective foreign policy. It was not the first sanctions taken by the EU (De Wilde d'Estmael 1998, Nuttall 1992), but for the first time they were autonomous and not the implementation of UN Security Council resolutions.

Heavily criticized for their impotence and divisions during the Yugoslav wars, the European governments were prompt to respond rapidly to the troubles in the Serbian province of Kosovo. Besides diplomatic contacts and mediations, they decided to strengthen their action by the use of the sanction tool. However, the aims of the EU in the beginning of the Kosovo crisis were not as clear as expected. Beyond a minimal consensus on the principle of sanctions, there were strong dissensions about their effectiveness and scope, that could blurred the European strategy. Foreign ministers announced tough sanctions and few weeks later signed regulations without any economic impact.

The aim of this contribution is to provide a satisfactory explanation of this apparent contradiction in the EU sanction policy. Although EU common and foreign security policy (CFSP) is generally considered as an intergovernmental area, a realist analysis would be of little help. Divergences came not from the states but from representatives of the same states. The defense of diverging interests was not the result of individual or bureaucratic disagreements, but a consequence of the existence of several autonomous external European bureaucratic games where interests of member states are expressed¹.

The principle of sanction was always decided in the institutional framework of the CFSP pillar of the EU Treaty. Contrary to common anticipations (based on this pillar mechanisms), it was easy to reach a fast agreement. Endless meetings in the Council and tight discussions

¹ This notion of game does not refer to the game theory. I use it to qualify a relatively autonomous social space with specific structures and patterns of action.

began afterwards in the first EC pillar, where the implementation regulations of the sanctions had to be adopted – as long as they fell within the competencies of the European Community. The change of pillar led to deep changes in the conditions of negotiation, not only in terms of constitutional structure but also, and more decisively, in terms of actors configuration and structural distribution of power both at member states and European level.

First, I will briefly summarize the EU diplomatic reaction to the worsening of the situation in Kosovo during the 1998 spring and the use of a sanction strategy. I will then highlight the apparent contradictions between the tough political declarations of the European governments and the empty shell of the economic sanctions. Third, to understand this discrepancy, I will show the necessity to identify the relevant games structuration of the EU external relation field. This will lead me, finally, to explain the EU economic sanctions decisions as the result of negotiations in relatively autonomous European games.

I. Sanctions as a European response to the Kosovo crisis

Troubles in Serbian province of Kosovo intensified in early March 1998. A kosovar albanian demonstration was hardly repressed by the Serbian police. At least 80 civilians were killed. For the first time the events in Kosovo raised a unanimous indignation in the international community. Foreign ministers of six major diplomatic countries met on 9 March in the framework of the *ad hoc* contact group for the former Yugoslavia. The Contact group was set up the 19th of April 1994 to coordinate the positions of the United States, the Federation of Russia, the United Kingdom, France, Germany and the incumbent president of the European Union during the war of Bosnia-Herzgovina [Boidevaix 1997; 64]. After the Dayton agreement, the Contact group activities resumed, focussing on the tensions in Kosovo.

This 9 march 1998, the Contact group condemned the large-scale police action of Serbia and decided to take new measures to increase pressure on the authorities in Belgrade. Ministers called for :

- a) UN Security consideration of a comprehensive arms embargo against the Federal Republic of Yugoslavia (FRY);

- b) Refusal to supply equipment to the FRY which might be used for internal repression or for terrorism;
- c) Denial of visas for senior FRY and Serbian representatives responsible for repressive action by FRY security forces in Kosovo;
- d) A moratorium on government financed export credit support for trade and investment, including government financing for privatizations in Serbia².

The Foreign ministers used a strategy of stick-and-carrot. They gave ten days to the FRY President, Slobodan Milosevic, to withdraw its special police units and to cease action by the security forces. They threatened him to move to further international sanctions, and specifically, to pursue a freeze on the funds held abroad by the FRY and Serbian government. This tough statement was not easily finalized and had to be translated into binding norms to get a real efficiency. The contact group has no legal statute and the effects of its strategy depends on other international or national arenas.

The attention immediately turned to the UN security council where substantive discussions began on sanctions. In such diplomatic process, as Drezner stressed out (Drezner 2000), countries often look for a broad multilateral support. But in New York, the divisions expressed during the preparation of the contact group statement were more acute. Hesitation of the Russian federation slowed the decision-making process and made highly unlikely the measures to be adopted within the deadline fixed by the contact group.

European governments decided not to wait the UN security council resolution and took for the first time autonomous sanctions (Karagiannis 1999). A draft common position was drawn up by the CFSP Counsellors working group of the Council and finalized by the Comity of Permanent Representative of the member states (COREPER) in Brussels. The deadline of the contact group statement was met. The 19 March, the Council adopted a common position on restrictive measures against the FRY³. Following the wording of the contact group, sanctions consisted of an interdiction to supply equipment for internal repression, a moratorium on government financed export credit support for trade and investment, and a visa ban for senior FRY and Serbian representatives.

² Contact Group Meeting, *Statement on Kosovo*, London, 9 March 1998, <http://www.ohr.int/docu/d980309a.htm>.

³ 2075th Council meeting – Justice and Home Affairs, Brussels, 19 March 1998, C/98/73. Common position of 19 March 1998 on restrictive measures against the Federal Republic of Yugoslavia, OJEC, L 95, 27/03/98, p. 1-2.

The next week, on 25 March, the Contact group noticed some movement in Belgrade's position⁴. Talks were beginning on the autonomy of Kosovo and an agreement seemed to be reached on the implementation of an education accord. But meanwhile, nationalist radicalism was expected to rise after the appointment as deputy prime minister of the leader of the ultranationalist Serbian Radical Party, Vojislav Seselj. Foreign ministers of the contact group decided to maintain the first restrictive measures and gave Milosevic a new four weeks deadline before adopting further sanctions. The UN security council resolution 1160 was finally adopted the 31 March, imposing an arms embargo on the FRY⁵.

Tensions continued to be high. The FRY government used its army in the border of Kosovo and intensified its police repression. As it stated in its March meeting, the contact group met in Rome on April 29, "to decide on next steps regarding the increasingly dangerous situation in Kosovo"⁶. Foreign ministers (but Russian) noticed the no compliance of Belgrade to the requirements they set out. They decided to put into effect a freeze on the funds of FRY and Serbian government and threatened Milosevic to stop new investment in Serbia by the 9th of May if dialogue was still blocked. The freezing of funds was rapidly approved by the EU in a common position adopted the 7th of May⁷.

In session in London the 8th and 9th of May for the preparation of the G8 Burningham summit, Foreign ministers insisted on "Belgrade's primary responsibility" in the failure to start a dialogue and decided (but Russia) to stop new investment in Serbia⁸. Meanwhile, Kosovo Albanian leader Ibrahim Rugova and his delegation accepted to meet Slobodan Milosevic in Belgrade on May 15. The dialogue was announced to begin with no preconditions. This first move toward pacific talks was welcomed by the withdraw from the agenda of the new EU common position.

It was a short-lived calm. A new level of violence was reached by widespread house-burning and artillery attacks on villages by the Serb security forces. The conflict caused a growing

⁴ Contact Group Meeting, *Statement on Kosovo*, Bonn, 25 March 1998, <http://www.ohr.int/docu/d980325b.htm>.

⁵ Resolution 1160, adopted by the Security Council at its 3868th meeting, on 31 March 1998, S/RES/1160 (1998).

⁶ Contact Group Meeting, *Statement on Kosovo*, Rome, 29 April 1998, <http://www.ohr.int/docu/d980429a.htm>.

⁷ 2091st Council meeting – Industry, Brussels, 7 May 1998, PRES/98/129. Common position of 7 May 1998 concerning the freezing of funds held abroad by the FRY and Serbian Government, 98/326/CFSP.

⁸ <http://birmingham.g8summit.gov.uk/forfin/foreign.shtml>.

stream of refugees into northern Albania and appeared as a threat to regional security and stability. EU foreign minister adopted the third sanction common position the 8th of June⁹.

European government were increasingly preoccupied by the deteriorating situation on the Kosovo ground. During the Cardiff European council, the 15th and 16th of June, they agreed to go to further sanctions by imposing a ban on flights by Yugoslav carriers between the FRY and the EU Member States. This fourth restrictive measure was adopted by the council the 29th of June¹⁰.

There were further sanctions imposed to the FRY government during the diplomatic phase of the Kosovo crisis (the non-admission in the Member States of persons in the FRY acting against the independent media¹¹, an oil embargo¹², an extension of visa bans and of freeze of funds, a prohibition of export finance, an extension of the investment ban, a comprehensive flight ban¹³). None of those restrictive measures could have any legal effect on EU economic relations with the FRY as long as they were not implemented by EC regulations. After fast consultations and reactions from the Foreign ministers and the CFSP bureaucratic machinery, the decision-making process slowed down, entering into the EC arenas.

II. Apparent contradictions of the EU sanction policy

A short week was enough to adopt the first EU common position. No more than one meeting was necessary to reach an agreement on the second common position, and the third was also finalized in one meeting after the council conclusions. Contrary to common anticipation about diplomatic negotiations, the process was particularly smooth and fast. Hard talks took place in other arenas, especially in the contact group and in New York. Some EU members states

⁹ 2104th Council meeting – General Affairs – Luxembourg, 8/9 June 1998, PRES/98/190. Common position of 8 June 1998 concerning the prohibition of new investment in Serbia, 98/374/CFSP.

¹⁰ 2111th Council meeting – General Affairs – Luxembourg, 29 June 1998, PRES/98/227. Common position of 29 June 1998 concerning a ban on flights by Yugoslav carriers between the Federal Republic of Yugoslavia and the European Community, 98/426/CFSP.

¹¹ Common position of 14 December on restrictive measures to be taken against persons in the Federal Republic of Yugoslavia acting against the independent media, 98/725/CFSP.

¹² Common position of 23 April 1999 concerning a ban on the supply and sale of petroleum and petroleum products to the Federal Republic of Yugoslavia, 1999/273/CFSP.

¹³ Common position of 10 May 1999 concerning additional restrictive measures against the Federal Republic of Yugoslavia, 1999/318/CFSP.

showed little reluctance to follow decisions devised without them by a “directory” of the “big”, but it was never a brake to the decision.

Things were completely different at the second stage of the sanction’s decision process. To have a legal impact on economic relations with Serbia, sanctions had to be implemented by the adoption of community legislation – as long as their provisions fell within European community competencies. For each common position, an EC regulation was necessary and its negotiation was much harder than was the Common position at the first stage. It was surprising, as far as there was already unanimity votes for the common positions and the EC regulations needed only a majority consent. But in practical, weeks and even months of tireless discussions during endless meetings led to sanctions deprived of any substance.

The first EC regulation was adopted by the Council the 11th of May 1998, that is more than two months after the contact group statement and the coming into force of the Common position and two weeks after the new contact group statement for further restrictive measures. It was even worse for the fourth regulation on the ban of flights which came into force the 7th of September, 83 days after the political decision.

Table 1: Adoption timing of the first economic sanctions against Serbia

Political decision	Nature of economic sanction	CFSP Common Position	Interval	EC Regulation	Interval with Common Position	Interval with Political decision
9 March	Embargo on equipment for repression	19 March	10 days	27 April	39 days	49 days
29 April	Freezing of funds	7 May	8 days	22 June	46 days	54 days
8 June	Prohibition of new Investment	8 June	-	24 July	46 days	46 days
16 June	Ban of flights	29 June	13 days	7 September	70 days	83 days

The same members states who were the first to push for fast and tough sanctions were the first strongly opposed to the adoption of real economic sanctions. Explanation rested in part on fears of adverse consequences for domestic industries. There were complaints from companies “such as Telecom Italia and Siemens, German textile-makers and governments, including Greece, which was funding construction of a motorway in Serbia”¹⁴. Greek and Italian Telecom firms had bought 49 % of Serb Telecom organism (Srbija) and a Greek consortium had signed two significant cooperation contracts with the Mines of Treptka and Bor in Kosovo¹⁵. But this does not explain why member states had wait the implementation regulation stage of the sanction decision making process to raise those objections. Before answering this question, I will show how they reduced the restrictive measures to empty shells.

The main strategy of the Member States was the use of legal strike. First they contested the community competencies, putting forward restrictive definitions of the community treaty – mainly article 133 (former 113). A second argument was to contest the binding effect of some part of the regulation.

A third strategy was to accept only restrictive definition of the scope of sanctions. The wording of the common positions was always very vague and could be clarified in the EC regulation in two opposite ways. For instance, financial sanctions could be limited to a freezing of funds or extended to a suspension of capital’s flow. The narrow definition adopted in the regulation threw doubt on the effectiveness of sanctions. The Serbian government had, of course, took precautions to transfer its fund outside the EU before the coming into force of the regulation.

Same problems of interpretation were raised by the notion of “investments”. An extensive definition could lead to a comprehensive economic embargo and a restrictive definition would mean a lack of economic effects. The Commission proposed that EU companies would have been forbidden to “obtain ownership or control, directly or indirectly, of any kind of asset in the Republic of Serbia”, including companies, shares, bonds, loans, and intellectual property rights. This provoked a strong hostility of the Member States who tried “to water down tough

¹⁴ “Discord erodes force of Serbia sanctions”, *European Voice*, 16-22 July 1998.

¹⁵ AFP, Athena, 11/06/98.

European Commission proposals”¹⁶. They only agreed on an interpretation of investment which prohibit the transfer of fund or financial assets to Serbia, but there was no more such type of investment in Serbia.

Finally, they also contested the applicability of the regulation due to international commitments. The much visible example was the UK failure to enforce the European ban on Yugoslav commercial flights. British officials explained that existing air services agreements made between the UK and Yugoslavia in 1959 took precedence over EU law. Therefore the sanction measure could not apply before a notice period of one year ¹⁷.

The economic sanctions against Serbia adopted in 1998 had visibly no economic impact. They were considerably watered-down during the negotiations of the implementation’s EC regulations. How explaining this seeming U-turn ? Had member States changed their mind ? States are of course not unitary actors. Scientific literature on bureaucratic politics has shown that for thirty years (Allison 1971). Foreign policy is the result of compromise, conflict, and confusion of officials with diverse interests and unequal influence. Allison’s model is certainly helpful. But it contains one similar difficulty as most of its competitors : a reasoning based on a separation between national and international (or European) level games.

III. Relevant games of the EU external relation field

In the growing literature on EU public policies and international relations, we could find useful theories offering us insights of the preference formation and decision making process. One of the main contribution to the understanding of EU and international negotiation was the introduction of different levels of analysis. Policies are not formulated in a single arena but are the consequences of multiple games bargaining. Theory of multi-level games and the multi-level governance approach are certainly diverging on many points. But they both share a common interest on the complexity of the EU or international decisional architecture. Negotiations and outcomes are the result of complex linkages between the games and one

¹⁶ “Discord erodes force of Serbia sanctions”, *European Voice*, 16-22 July 1998.

¹⁷ Reuters, Brussels, September 10.

should take into account what is going on in one game to understand the actions of the main protagonist in another game.

In his well-known article published in 1988, Robert Putnam proposed a convincing articulation between the domestic level and the international level to explain the outcomes of multilateral bargaining. He focused on the size of the “win-set” each state is assumed to have, defined as the set of potential international agreement acceptable at domestic level (Putnam 1988; Evans, Jacobson and Putnam 1993). This model was expanded to encompass the European level for the explanation of the agriculture policy reform in 1992 (Patterson 1997). EU is presumed to be a third intermediate level between member state and an international arena. Change in public policy is the result of simultaneous changes in those interlocking levels. The multi-level game theory has been integrated into neo-realist and intergovernmentalist approach of the European construction. As it take into accounts the domestic conflict about what the “national interest” require, the intergovernmentalist theory could not be entirely reduced to a state-centric approach, even though states representatives are considering as the decisive actors connecting the domestic interest to European affairs¹⁸.

Also putting attention to the multi-tier system of the European Union (Kohler-Koch 1996), the multi-level governance analysis contested explanation based on a state monopolizing the “European level policy-making or the aggregation of domestic interests” (Marks, Hooghe and Blank 1996: 346). Decision-making competencies are shared by state and non state actors – such as supranational institutions and in our case more specifically the European commission – at different levels as well as subnational actors. Transnational interests could act independently in the European scene, shattering the traditional separation between domestic and international politics. While contesting the prominent and exclusive role of the state, the governance approach of course does not call into question the multi-level analysis. The articulation between multiple arenas is at the heart of this model. “Policy-making responsibility is now shared among a variety of actors at European, national and subnational levels” (Sutcliffe 2000: 291) and attention has been focused on the strategies of alliance between actors of those levels (Ansel, Parsons and Darden 1997).

¹⁸ “The prospects for international agreement will depend almost entirely on the configuration of societal preferences ; in negotiations, governments have little flexibility in making concessions, proposing linkages, managing adjustment or otherwise settling on the “lowest common denominator”. International agreement requires that the interests of dominant domestic groups in different countries converge ; where they diverge, co-ordination precluded.” (Moravscik 1993: 487)

When making a difference between the levels of European games, researchers very often focus exclusively on the separation between a European level and a national or domestic level (Moravcsik 1998, Evans, Jacobson and Putnam, 1993). They explore the relation between domestic politics and EU foreign policy (Hill 1996) and the changes of national foreign policy structure caused by the development of the CFSP (Smith 2000). Although there are fundamental differences between multi-level game and multi-level governance theories, both encompass a same pattern of level division : a vertical territorial level distinction. Theories diverge essentially on the articulation between the levels and on the actors involved in the different arenas.

But in the sanction case, such levels division is of little help. Apparent contradiction of the EU sanction policy could not be attributed to the complex relations between member states, EU and international level negotiations, as far as those contradictions appeared between decisions drawn up at the same territorial level. A territorial division of the games could be relevant for the explanation of each decision process (the CFSP common position and the EC Regulation) but not to understand the links and differences between those decisions.

In one recent article, Sarah Collinson combined the vertical game division of Putnam's theory with the horizontal division of James Rosenau's 'issue-systems' model (Collinson 1999). This concept allows her to "steer the analysis to focus on the interaction of overlapping systems and subsystems of political action that form around specific issues or combination of issues" (Collinson 1999: 207). Therefore, attention could be turned to the analysis of "overlapping and interacting policy arenas within the EU governance system" and the effects on policy process and outcomes of this interaction. This distinction of overlapping policy arena and the analysis of their relations is particularly appropriate in the external relation field. The next step is to identify the distinctive systems. Sarah Collinson suggests two different and tying ways to locate them: one is to focus on the legal and institutional framework, second is to focus on the issue.

The constitutional structure is certainly the much visible sign of distinction between the external EU policy areas. The Maastricht Treaty is divided into three pillars with important legal distinctions. Commercial and development policy are based under article 133 (former 113) and article 310 (former 238) while foreign and security policy is defined by the pillar

two provisions. In the first pillar, the European commission has a monopoly of initiative and leads the implementation of decisions often taken under the rule of majority. In the second pillar, Member States keep their faculty to initiate the negotiations and to block the decisions in a so called intergovernmental system. Of course, the decision making process can not be reduced to a legalistic view and we should always be aware of the variation of power in each area. But it seems quite obvious that first and second pillars are dealing with different issues and therefore are constitutive of two separate issue-systems, including several narrowly defined issue-systems or issue-‘subsystem’ – like external commercial policy or development policy (Collinson 99: 213).

Two systems or subsystems may have the same issue on their agenda (Rosenau 1990) and the handling of the issue in one system may have repercussions on its handling in the other system. The political use of economic instrument, as it is the case for economic sanctions, is particularly interesting as far as it spreads some light on the autonomy and interdependency of two important EU external games. The sanctions were at stake at both first and second pillar levels. One of the connection between the two pillars was the effect of CFSP decisions (the sanctions common positions) on the EC agenda setting (the necessity to adopt implementing EC regulations). At the same time this sanction process shows the autonomy of the two games allowing strong differences in the policy outcomes (tough sanctions in the first pillar and very weak sanctions in the second pillar).

Such divergent policy outcomes are generally attributed to the differences of constitutional structures. A widely accepted hypothesis about the effect of institutional rules in the Council is that, under the rule of unanimity voting, the common position eventually reached is the lowest common denominator. By contrast, the majority rule has the effect of mitigating extreme position (Garrett and Tsebelis 1996; Meunier 2000). In the sanction case, the institutional hypothesis does not work. Tough economic sanctions were easily adopted under the rule of unanimity in the CFSP pillar and weak economic sanctions were more difficult to adopt under the majority rule of the EC pillar. It was the exact opposite of what Sophie Meunier noticed about trade negotiations decisions: common positions were not the voice of the more conservative EU member state (Greece, for example, was very reluctant but didn’t threat to use its veto right in the CFSP pillar) and in the first pillar, EC regulations under qualified majority voting were radically different of the proposal originally made by the Commission, and were limited to the lowest common denominator.

These facts either damage the link between institutional rule and outcome of Council decisions, or mean that institutional rules are less decisive than other variables to explain the variation of degree in EU decisions. I incline towards the second hypothesis: to understand the reduction of the scope of the EU economic sanction against Serbia, voting rules are not very helpful. One of the tacit assumption of an institutional explanation would have been that national interest of a state would be the same in all games. But in our case, the representatives of the *same* states pushed for a fast adoption of tough sanctions when they took part of the CFSP common position negotiation game. They were strongly opposed to any substantial sanction during the EC regulations adoption game. The problem came not precisely from the multiplicity of national interests but from the diversity of games where a national interest had to be expressed. This distinction is fundamental. The different points of view of the interest of a same state was the result of the existence of two different games, one generally referring as traditional foreign policy and the other as external economic policy. The differentiation is not caused by the institutional structure of the Maastricht Treaty (if both were under the rule of EC pillar they will stay autonomous, like, for instance, common agriculture policy is autonomous from education and culture policy). The institutional properties of the pillar are not relevant variables for the distinction between the systems of external relations. They are only signs. The pillar structure of the Treaty is above all an institutional translation at one time of a pre-existing structural differentiation, with the effect to reinforce it.

I do not deny that institutional structures have consequences on the negotiation process and contribute to explain the outcomes as I will show in the next part. But my point is to underline that we can not put the policy system differentiation down to the institutional differences, otherwise we should explain the opposite positions of a same member state in the two games by institutional arguments.

One other significant sign of structural change between CFSP diplomatic game and EC economic relation game was the mobilization capacity of interests. This change enables to explain why private or public industrial interests are domestic or transnational constraints during the EC regulation negotiations and not during the CFSP common positions negotiations. According to the game, a same issue (economic sanction) may or may not be an activator for domestic or transnational interests. Strategies of private or public industrial interests to gain access to the decision-makers is a significant clue of the line of

differentiation between the relevant games of the EU external relation field. They used multiple channels of contact, simultaneously at national and European level. But they did so mainly during the implementation EC regulation negotiation, where their capability to be heard is far more important.

EU economic sanction decisions are issues simultaneously localized in two EU external games: foreign policy and external economic relations. It is essential to identify this horizontal game division in order to explain how it is possible at the same time to adopt strong and weak measures.

IV. Explaining the EU decisions of sanction

Why has the European Union not always been able to transform its economic size and weight into a real and effective foreign policy ? The question is on everyone lips and falls into the agenda of many intergovernmental conferences for the revision of the European Treaties. The failure of the European foreign policy is generally put down to the institutional framework of its decision making process. Unlike external economic action, the Common Foreign and Security Policy (CFSP) would remain in the hands of the States in the intergovernmental second pillar of the Maastricht Treaty. It is certainly true for the security part of the CFSP (today called European Security and Defense Policy (ESDP)) but not so clear for the foreign part. As I have stated above, the watering-down of sanctions does not originate in the constitutional pillar structures.

The change of sanctions was first and foremost a change of game. It was not necessarily a change of players (Foreign ministers and CFSP Counselors participate in the two games, but in the capitals there were quite different actors involved), nor necessarily a change of institutions, nor of course a change of visible issue. Differences between the foreign policy game and the external economic relation game are structural: positions and power of the actors are different, so are effective means of action, expectations and concerns. In the first game, they negotiate the economic sanctions as political issue, having in mind their impact on the diplomatic arena. In the second game, they negotiate the sanctions mainly as economic issue, having in mind their impact on trade and financial relations between the EU and the

FRY. Political consequences are the priority in the CFSP game, whereas economic consequences are the principal concern in the external economic relation game.

According to Robert Pape, what policymakers “most want to know [is] when the strategy of economic sanction can change another state’s behavior without resorting to military force” (Pape 1997: 95). The change of state behavior is a political change, expected in the diplomatic game. It is not an economic change. The political and economic impact of a sanction is not necessarily connected. An economic sanction could have diplomatic effects without any economic effect. Talks between Milosevic and Rugova began just after the announcement of new economic sanctions and before the adoption of the implementation measure of the previous sanction. This economic sanction was a success although it was not implemented and therefore could not have any economic impact. Success was just political and it was not problematic as long as the real economic impact was not directly connected to the political impact. Economic sanctions may have political costs for the target with or without economic costs. It is not for economic purpose that the Contact group or the UN security council decided on economic restrictions. Their ultimate aim could not be discussed exclusively in economic terms. It should activate “resonant norms” (Drezner 2000: 81), which I define as a legitimate vision of action shared by the diplomatic community.

A priority in the foreign relation game is not necessarily a priority in the external economic game. In the classical diplomatic game, the timing is very important. One should react quickly to any event in the international scene. Deadlines are fixed and respecting them gives credibility. To press on Milosevic in a tense situation, diplomats and foreign ministers fixed very short deadlines (9 days to withdraw security forces, etc.). Considering the strong reservations of the Russian federation, it was a too short deadline for a UN security resolution. In the absence of consensus, European and American decided, each one for their part, to adopt the sanctions. The first EU Common position on restrictive measures against the FRY met the deadline. This was in itself a success. It contribute to “maintain credible pressure on Belgrade to end repression and restore autonomy (in Kosovo)”, as US Foreign Secretary of State Madeleine Albright said¹⁹. The deadline was a first signal and the respect of the deadline a second signal to show diplomatic determination. And its effect was noticeable on the diplomatic negotiations. Things were different in the economic implementation game.

¹⁹ Inter Press Service, Bonn, 25 Mars 1998, http://www.oneworld.org/ips2/mar98/20_58_081.html.

The interval between the political decision and the economic implementation was far most important. Pressures were made to accelerate the negotiation process but the expectation for fast action could not overcome the defense of economic interests. The hierarchy of priority was not the same in this game.

The identification of those two autonomous games is not sufficient to explain why the EC regulation was hard to negotiate when it was easy to adopt the CFSP common position. As far as the principle member states were all on the same line in both games, why was it so difficult to adopt the EC regulations ? Here we should introduce the constitutional variable in the analysis. The move from the second pillar to the first pillar comes with a change of the relative power position in the game. This change lies partly on the redistribution of institutional resources, and the most sensible evolution occurred for the representative of the European Commission. Weak and often marginalized in the CFSP game, he has a strong position in the EC game. Its formal monopoly of initiative gives him the means of formulating strong proposals, allowing him to play a major role in the sanction policy. Tough economic sanctions were not acceptable for the representatives of the principal member state. But they had firstly to wait for the official adoption of the commission proposal. Secondly, they needed to find unanimity on all points to overcome the Commission's text.

Conclusion

Economic relations with third states is a EU competence well established, while foreign policy is still considered as an intergovernmental matter. The use of economic pressure for political goals is one of the most visible link of the chain between those areas. Many authors have shown the complexity of the 'hydra of European Foreign Policy' (Hill and Wallace 1996: 2; Holland 1997), but they tend to focus almost exclusively on the states, trying to understand their strategies and interests whether they act under CFSP or community arenas (adding the European Commission in the second case). In order to understand the role of the EU in international relations and its capacity to lean on its economic power to increase its political weight, it is useful to identify the relevant games of the external relations field. We could move our attention from the articulation between national and European levels to the relations between political and economic bureaucratic games.

During the year 1998, while foreign ministers and EU diplomats were engaged on a test of strength with the Yugoslav government, ministries and bureaucrats charging of the defense of EU economic interest were trying to minimize the economic cost for EU of the retaliation measures taken against Milosevic. What appears as a contradiction of EU foreign policy was only the effect of the differentiation of the games of the EU external relations. Diplomatic and External economic policies could peacefully coexist and develop in different directions. It is only in specific situations, where calls for more consistency are made, that divergent outcomes of the structurally differentiated EU external relation field becomes a problem. Expectation for consistency is one way of thinking the competence's struggles between COREPER and Political comity witch often characterizes the interpillar relations (Ginsberg 1997). It was not the case during the first diplomatic stage of the Kosovo crises. Economic sanctions were issues of the two games but the horizontal repercussion was essentially limited to the impulse of the negotiation in the EC external economic game after the adoption of the CFSP common positions. Thus, there was every chance that actors (sometimes the same) involved in two distinctive and relatively autonomous games of the EU external relations produce dissonant strategies.

References

- Allison Graham T. (1971) *Essence of Decision: Explaining the Cuban Missile Crisis*, New York, Harper Collins, 338 p.
- Ansell Christopher K., Parsons Craig A., Darden Keith A. (1997) 'Dual Networks in European Regional Development Policy', *Journal of Common Market Studies*, 35(3): 347-372.
- Boidevaix Francine (1997) *Une diplomatie pour l'Europe. Le Groupe de Contact Bosnie*, Paris, Fondation pour les études de défense, 1997, 192 p.
- Collinson Sarah (1999) 'Issue-systems', 'multi-level games' and the analysis of the EU's external commercial and associated policies: a research agenda', *Journal of European Public Policy* 6(2): 206-24.
- De Wilde d'Estmael, Tanguy (1998) *La dimension politique des relations économiques extérieures de la communauté européenne. Sanctions et incitants économiques comme moyens de politique étrangère*, Bruxelles, Etablissements Emile Bruylant, 445 p.
- Drezner Daniel W. (2000) 'Bargaining, Enforcement, and Multilateral Sanctions: When Is Cooperation Counterproductive?', *International Organization* 54(1): 73-102.
- Evans Peter B., Jacobson Harold K. and Putnam Robert D. (eds.), *Double-Edged Diplomacy*, Berkeley, Los Angeles and London: University of California Press, 490 p.
- Garett, Geoffrey and George Tsebelis (1996) 'An Institutional Critique of Intergovernmentalism', *International Organization* 50(2): 269-99.
- Ginsberg Roy (1997) 'The EU's CFSP: the Politics of Procedure', in Martin Holland (ed.), *Common Foreign and Security Policy. The Records and Reforms*, London and Washington: Pinter, pp. 12-33.
- Hill Christopher and Wallace William (1996) 'Introduction. Actors and actions', in Christopher Hill (ed.), *The Actors in Europe's Foreign Policy*, London: Routledge, pp. 1-16.
- Holland Martin (ed.) (1997) *Common Foreign and Security Policy. The Records and Reforms*, London and Washington: Pinter, 210 p.
- Karagiannis Syméon (1999) 'Sanctions internationales et droit communautaire. A propos du règlement 1901/98 sur l'interdiction de vol des transporteurs yougoslaves', *Revue trimestrielle de droit européen* 35(3): 363-94.

- Kohler-Koch Beate (1996) 'Catching up with change: the transformation of governance in the European Union', *Journal of European Public Policy* 3(3): 359-80.
- Marks Gary, Hooghe Liesbet and Blank Kermit (1996) 'European Integration from the 1980s: State-Centric v. Multi-level Governance', *Journal of Common Market Studies* 34(3): 341-78.
- Meunier, Sophie. (2000) 'What Single Voice? European Institutions and EU-US Trade Negotiations', *International Organization* 54(1): 103-35.
- Moravcsik, Andrew (1998) *The Choice for Europe: Social Purpose & State Power from Messina to Maastricht*, Ithaca, New York: Cornell University Press, 514 p.
- Moravcsik, Andrew (1993) 'Preference and Power in the European Community: A Liberal Intergovernmental Approach', *Journal of Common Market Studies* 31(4): 473-524.
- Nuttall, Simon (1992) *European political co-operation*, Oxford: Clarendon Press, 342 p.
- Pape, Robert. (1997) 'Why economic sanctions do not work', *International Security* 22(2): 90-136.
- Patterson, Lee Ann (1997) 'Agriculture policy reform in the European Community: a three-level game analysis', *International Organization* 51(1): 135-65.
- Rosenau, James (1990) *Turbulence in World Politics: A Theory of Change and Continuity*, Princeton, N.J.: Princeton University Press, 480 p.
- Smith, Michael E. (2000) 'Conforming to Europe: the domestic impact of EU foreign policy co-operation', *Journal of European Public Policy* 7(4): 613-31.
- Sutcliffe, John B. (2000) 'The 1999 reform of the structural fund regulations: multi-level governance or renationalization?', *Journal of European Public Policy* 7(2): 290-309.