

Just a matter of power?

Explaining EU Member States' commitment to Permanent Structured Cooperation (PESCO)

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Abstract

The EU Member States have generally been reluctant towards a common European security and defence policy, and previous attempts of such inter-state cooperation have been perceived as unsuccessful. Yet, the new European security and defence cooperation have raised high expectations. Implemented in 2017, Permanent Structured Cooperation (PESCO) is a framework for structural integration in the field of security and defence within the EU Common Security and Defence Policy. The aim is to develop defence capabilities and deepen defence cooperation amongst the Member States. Although it is expected to be a “game changer” in the field of security and defence, little research has been devoted to PESCO. With its project-based institutional structure, PESCO enables EU Member States to participate based on their level of ambition. As Member States’ commitment is key for the success of PESCO, research on this is crucial.

This thesis contributes with a theoretical and empirical understanding of Member States’ commitment to PESCO. Theoretically, this was pursued by applying three well-known theories within international relations, namely realism, liberalism and constructivism. Empirical contributions were made by utilising data from the Council of the European Union (2019) to measure the Member States’ commitment to PESCO as well as to investigate determinants that possibly could explain these commitments. Scatter plots, negative binomial regression and multilevel logistic regression examine the variation in the Member States’ commitment to PESCO. The findings confirm that the Member States have different levels of commitment. The analyses imply that commitment seems to be a matter of military power, in line with the realist theory.

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Abbreviations

CARD - Coordinated Annual Review on Defence

CDP – Capability Development Priorities

CINC - Composite Index of National Capabilities

CSDP - Common Security and Defence Policy

EEAS - European External Action Service

EDA - European Defence Agency

EDF – European Defence Fund

EUMC – European Union Military Committee

EUMCWG – European Union Military Committee Working Group

EUMS - European Military Staff

ESDP - European Security and Defence Policy

EU - European Union

EUGS - EU Global Strategy for Foreign and Security Policy

HR – High Representative of the Union for Foreign Affairs and Security Policy

ICC – Intraclass Correlation Coefficient

IR – International Relations

LoA – Level of Ambition

NIP – National Implementation Plan

PESCO - Permanent Structured Cooperation

PSC - Private Security Contractors

pMS – Participating Member States

Country abbreviations

Austria	AT
Belgium	BE
Bulgaria	BG
Croatia	HR
Cyprus	CY
Czech Republic	CZ
Denmark	DK
Estonia	EE
Finland	FI
France	FR
Germany	DE
Greece	EL
Hungary	HU
Ireland	IE
Italy	IT
Latvia	LV
Lithuania	LT
Luxemburg	LU
Malta	MT
Netherlands	NL
Poland	PL
Portugal	PT
Romania	RO
Slovakia	SK
Slovenia	SI
Spain	ES
Sweden	SE

1. Introduction

The EU Common Security and Defence Policy (CSDP) is constantly evolving. With the changing security environment in Europe over the past several years, there has been an understanding that the European countries themselves have had to take responsibility for their security. Recent events such as the Russian annexation of Crimea, the presidency of Donald Trump in the U.S., terror attacks in Paris, Brussels and Nice, rising populism, the migration crisis and Brexit led to the implementation of a new European defence cooperation in 2017. The Permanent Structured Cooperation (PESCO) could potentially initiate a new level of ambition within the European Union's Common Security and Defence Policy (Zandee 2018, 1).

PESCO enables EU Member States that are willing and capable to develop their defence capabilities and improve the ability of their forces through common projects (Nováky 2018, 97). EUROSIM¹, which ensure secure cyberspace by creating a technologically skilled workforce, and Military Mobility, which enable the unhindered movement of military personnel and assets within the borders of the EU, are some of the currently implemented projects. PESCO, with its 25 committed Member States and 47 currently implemented projects, is anticipated to be a “game changer” in European security and defence cooperation (Billon-Galland and Quencez 2017, 3; Fiott, Missiroli and Thierry 2017; Nováky 2018, 97, 51; Zandee 2018, 1). Unlike previous defence initiatives, PESCO is binding and is institutionalised into EU law, it is Member State-driven, and has co-funding from the European Defence Fund (EDF). There are high expectations for this new and promising initiative, and it is anticipated that PESCO could help the European Union achieve strategic autonomy provided that the Member States are determined to do so. The unique institutional structure of PESCO makes it possible for Member States to participate based on own ambitions. Hence, a varying level of commitment among Member States is anticipated. It is project-based, meaning that each of the Members of PESCO choose whether they want to participate in a project or not. The Member States initiate the projects themselves. The objective of this thesis is to investigate how the Member States have committed to PESCO.

¹ See Appendix C for project abbreviations.

1.1 Relevance

There is a lot of optimistic policy research on PESCO. The project is presented as a new and promising initiative and is expected to have a great positive influence on Member States' commitment to a common European security and defence scheme. A closer look in the literature reveals several gaps and shortcomings. The predominance of the literature is not empirical but rather focuses on expectations of the success or failure of PESCO (e.g. Biscop and Coelmont 2011; Fiott, Missiroli and Tardy 2017; Ertürk 2018; Nováky 2018; Zandee 2018; Mills 2019). To my knowledge, there are no studies yet that has generated empirical analysis of the Member States' engagement. As Member States' commitment to PESCO is key for the success of PESCO it is important to account for commitment. This is particularly more important given that PESCO is now a flagship initiative of the CSDP. The success of the CSDP depends on the success of PESCO, which in turn depends on Member States' commitment to PESCO.

To address this gap in the literature, this thesis shall identify determinants for commitment based on a theoretically outlined framework. This thesis aims to contribute theoretically and empirically to the existing literature. By placing PESCO in a broad international relations (IR) framework it makes contributions that can be used in further research. I argue that Member States' commitment to PESCO provides an important new empirical ground for testing IR theories. So far, these theories have struggled to explain the development of the CSDP. This study can reinforce the predominant trend in the literature or show that actually IR theories can be useful. Empirically, by investigating Member States' participation by using data from the Council of the European Union (2019), I can assert facts rather than provide another expectation. Moreover, this paper provides an understanding of the new European security and defence cooperation.

1.2 Research question

I want to map out the commitment to PESCO among the Member States and to identify why and how Member States commit to PESCO. To address the gap in the literature, my research question is the following:

What is EU Member States' commitment to PESCO, what factors explain these commitments, and what type of projects are the Member States committing to?

My research question aspires to contribute empirically in the debate about the future of the CSDP and PESCO. Since PESCO is still at an early stage, it is not appropriate to examine the developments of the policy itself, but rather Member States' promise to participate in specific projects.

While several papers examine which expectations that are to be met in order for PESCO to become successful, this thesis aims to have a theoretically and empirically grounded thesis. This is pursued in two parts. First, by testing the implications of the theories of realism, liberalism and constructivism, I want to see how the different theories can explain various level of commitment to PESCO. Through this, five hypotheses are outlined and tested. In this way I can identify the key theoretical factors explaining the Member States commitment to PESCO. Secondly, to empirically examine Member States' commitment, I will investigate data on the different projects from the Council of the European Union (2019). Scatter plots, negative binomial regression and multilevel logistic regression are utilised to examine the theoretically driven hypotheses on the data. To test the hypotheses, I will develop measures at country and project levels.

1.3 Structure

Chapter 2 seeks to describe PESCO as a part of the broader EU Common Security and Defence Policy. The first section provides a historical background including the emergence of the CSDP and PESCO. The second section explains how PESCO functions, its structure, and its challenges and opportunities. It also emphasises why PESCO is different from previous similar initiatives on defence cooperation. Chapter 3 discuss the theoretical framework. In the first subchapter, a literature review is provided. As PESCO is a relatively new and poorly studied policy area, literature on commitment to the European defence cooperation, in general, are also included. The literature review motivates the research question. The second section of Chapter 3 concerns theory on the existence of the CSDP which is further applied to PESCO. The three most-known approaches of theory on the CSDP's existence have been chosen. Through this, five hypotheses are outlined. The data and research design of this thesis are presented in Chapter 4. Scatter plots, negative binomial regression, and multilevel logistic regression will be utilised. The results of these analyses are presented in Chapter 5 and Chapter 6 after which they are discussed in Chapter 7. Chapter 5 focuses on the country level analyses, while Chapter 6

provides a more intricate analysis at the country-project level. A summary and conclusion answering the research question follows in Chapter 8.

2. Permanent Structured Cooperation

To answer the research question, the historical development and tools of PESCO are described. In this chapter the framework is thoroughly investigated. The first subchapter concerns a historical background. Here, the emergence of the CSDP and PESCO are explained. Although PESCO was written into the 2009 Lisbon Treaty, several events obstructed implementation and it was not set in motion until 2017. In the second subchapter, the structure and tools of PESCO are described. Lastly, the challenges and opportunities of PESCO are discussed.

2.1 Historical background

2.1.1 Development of the Common Security and Defence Policy in the EU

The idea behind European integration was a security and defence project (Richter 2016, 54). There were several attempts to create common security and defence policies, including the European Defence Community and European Political Cooperation, which failed due to the Member States' fear of losing their sovereignty. After several unsuccessful attempts, the European Security and Defence Policy (ESDP) was established in 1999. The Franco-British St. Malo summit was the starting point for the ESDP and the CSDP, as a result of a new security environment after the Cold War. According to Major and Mölling (2020, 41) there are three factors that put pressure on and caused the EU to make progress as a military actor: (1) the US hegemony, (2) the coordinated inter-governmental action by France, Germany, and the UK and (3) external crisis such as the Balkan wars.

Pedro Serrano (2020, 16) argue that there are two main developments in the CSDP over the last 20 years: the creation of ESDP and its initial steps from 1999-2003, and the 2016 Global Strategy that marked the beginning of the second phase. The intermediary period generated a transition to the second phase. Events such as the Arab spring, and the Ukrainian crisis, the UK withdrawal from the EU and the changing security environment following technological change and blurring of borders between external and internal security marked the transition to phase two (Serrano 2020, 27).

The first phase contained many CSDP operations which covered a wide range of the world. Although the effectiveness of the operations is debatable, most of them did have an effect (Serrano 2020, 26). From 2003 to 2008, there were eighteen missions and operations directed

by the CSDP, however, from 2008 the numbers dropped significantly (Richter 2016, 57). Additionally, Member States reduced the part of their national budget devoted to security (Richter 2016, 58). In 2009, the Lisbon Treaty was implemented, which, among other things, formed the basis for the European External Action Service (EEAS) and the Permanent Structured Cooperation (PESCO). It also changed the name of the ESDP to Common Security and Defense Policy (CSDP). However, most of the Member States invested more time and resources into security cooperation outside EU's framework and were reluctant to integrate within the field of security and defence policy (Fiott 2020, 4; Major and Mölling 2020, 42). This changed in 2016. There was an understanding, as a result of the changing security environment that the European countries, themselves, had to take responsibility for their security. The CSDP went into phase two after the 2016 Global Strategy. Although the implementation of PESCO, EDF, and Coordinated Annual Review on Defence (CARD) were major changes in CSDP's level of ambition, it is not yet possible to conclude whether it actually "led to any tangible shift in the Union's capability base or readiness for deployment" (Fiott 2020, 3-4). Nevertheless, the expectations seem promising.

Several scholars argue that the CSDP has been rather ineffective and partly unsuccessful, at least in the recent years (Pertusot 2015; Coelmont 2015; Serrano 2020; Major and Mölling 2020; Zandee 2020). On the other hand, developments such as PESCO, EDF and CARD seem promising. They were all launched as a part of the new EU Global Strategy and are designed to enhance capability development and the coordination of national defence planning (Fiott 2020, 7). Different scholars emphasise what it takes to ensure that these developments work (Biscop and Coelmont 2011; Biscop 2017; Biscop 2018b; Fiott, Missiroli and Tardy 2017; Zandee 2018). In sum, CSDP is constantly evolving, with a promising future. The next section presents one of the most recent developments.

2.1.2 The emergence of PESCO

The European Union's security and defence policy is constantly evolving. According to DeMint (2018, 4), the three most important steps in recent times have been to establish the European Security Defence Policy (ESDP), the European External Action Service (EEAS) and the Permanent Structured Cooperation (PESCO). The 2009 Lisbon Treaty not only changed the name from ESDP to CSDP, but also formalised its existing setup (Keukeleire and Delreux 2014, 57). Furthermore, it created the European External Action Service (EEAS) which was designed

to manage diplomatic relations and conduct EU foreign and security policy (Keukeleire and Delreux 2014, 57; European Union n.d.). Moreover, as a part of CSDP, PESCO was written into the 2009 Lisbon Treaty but scepticism toward deeper integration in the area of security and defence prevented it from being activated. PESCO was termed as “the sleeping beauty” of the Lisbon Treaty because of its unused potential (Nováky 2018, 97).

Before PESCO was implemented there was a disagreement about how it should function. The two leading actors in initiating PESCO – France and Germany – had relatively different views on how they wanted it to work (Whitman 2016, 46). Germany wanted an inclusive approach regardless of military capabilities and willingness to integrate (Nucoń, Dorosh and Ivasechko 2019, 133). This was to avoid more divisions within the EU. France, on the other hand, wanted a more ambitious approach with countries willing to integrate. The solution became an inclusive and ambitious PESCO with restrictions to maintain membership.

Several events prevented PESCO from being adopted. First of all, scepticism toward deeper integration was an important factor. Instead of activating PESCO, Member States started to diversify their cooperation outside the EU framework (Major and Mölling 2020, 42). Groupings such as “Weimar Triangle”² and “Visegrad 4”³ moved the focus away from PESCO. Furthermore, the UK prevented PESCO from being adopted (Heisbourg 2016). Even though they were generally supportive of CSDP, they were sceptic toward further integration in the area of defence. They relied on NATO rather than a greater European defence integration (Mills 2019, 7; European Parliament 2018, 6). In the following years the security environment changed, and new security threats occurred. In 2017, PESCO was set in motion. This was the result of several factors (Martill and Sus 2018, 1; Fiott, Missiroli and Tardy 2017, 20; Zandee 2018, 1; Blockmans and Crosson 2019, 2; Kocijancic and Quatresols 2019). As mentioned, the basis of PESCO was implemented in the 2009 Lisbon Treaty, however, the UK previously resisted and prevented it from being adopted (Heisbourg 2016). After the Brexit referendum (2016), the UK no longer had the political capital to block initiatives they opposed. Combined with a changing security environment as a result of the Ukraine crisis, the election of the U.S President, terror attacks, rising populism, and the migration crisis, a new strategy plan was set in motion – EU Global Strategy 2016. In this plan, the EU set a new level of ambition in security

² Cooperation between Poland, Germany and France.

³ Consisted of the Czech Republic, Hungary, Poland and Slovakia.

and defence which resulted in the implementation of PESCO (European Parliament 2018; Kocijancic and Quatresols 2019; Martill and Sus 2018, 1; Fiott, Missiroli and Tardy 2017, 20). Major and Mölling argue that PESCO was not only about defence cooperation, but also about the overall political cohesion of the Union (2020, 44).

PESCO is not the first attempt on increasing military capabilities. Several projects have been proposed, however, none have been successful (Billon-Galland and Quencez 2017, 2; Biscop 2018b, 161; Biscop 2018c). Sven Biscop (2018b; 2018c) argues why PESCO fundamentally differ from previous initiatives. First of all, the Council's decisions are legally binding. Unlike other initiatives, PESCO will not dissolve, which has been the case with a majority of the previous attempts. PESCO is written into EU law and the Member States are, thereby, bound to deliver an annual National Implementation Plan (Biscop 2018b, 162-163). In other words, a PESCO commitment is binding and institutionalised. Secondly, it was the Member States themselves, with France and Germany in front, rather than Brussels, that initiated PESCO. Although they had a different approach to PESCO, they managed to agree on launching an ambitious and inclusive PESCO (European Parliament 2018, 8). Thirdly, Member States that initiate projects can be rewarded with co-funding from the EU budget (Biscop 2018c). This can generate incentives to create projects.

2.2 What is PESCO?

PESCO is a framework for structural integration in the field of security and defence within the CSDP. PESCO is CSDP "brought to life" and its aim is to develop defence capabilities and deepen defence cooperation amongst the Member States (Kocijancic and Quatresols 2019), and is an instrument in support of the CSDP (Fiott, Missiroli and Thierry 2017, 33). As part of the Defence Package, PESCO coordinates with two financial programs: Coordinated Annual Review on Defence (CARD) and European Defence Fund (EDF) (Kocijancic and Quatresols 2019). PESCO has 25 committed Member States, and so far, PESCO has 47 projects that deal with policies in various areas, such as cyber, maritime, training, air, and enabling (PESCO Secretariat 2019). Denmark and Malta are the only non-participating EU members. Should Malta join, PESCO would be equal to the post-Brexit CSDP, but they are currently adopting a wait-and-see approach (Blockmans and Crosson 2019, 5). Denmark, on the other hand, has

opted-out from the CSDP and defence matters since 1992 and is not likely to participate in the cooperation.

Each Member State can choose the projects they want to participate in, but there are nevertheless requirements. Only Member States “whose military capabilities fulfil higher criteria and which have made more binding commitments to one another in this area with a view to the most demanding missions” can join the PESCO initiative (Koutrakos 2013, 73). All participating Member States (pMS) commit to fulfil 20 broader commitments, including increasing defence budgets and defence capabilities expenditure to twenty percent of their total defence spending (Mills 2019, 20). Additionally, each project has a country that coordinate it. Capabilities developed by the PESCO projects will remain under national control and will not be “EU” military assets (Mills 2019, 5). The EU Member States that are not part of PESCO do not have access to these capabilities. For now, there is no third-country participation (Billon-Galland and Quencez 2017, 4). Indications suggest that a case-by-case basis for third-country participation is being considered (Mills 2019, 5). Leuprecht and Hamilton (2019) claim that third-country participation will hinder greater European defence autarky. Furthermore, they argue that third-country participation could mitigate the possible fallout for collective defence (2019, 88).

Currently, three sequences of PESCO projects have been launched; 17 projects in March 2018, 17 in November 2018 and 13 in November 2019 (Council of the European Union 2019). This amounts to a total of 47 projects. After the launch of the third round of projects, the High Representative of the Union for Foreign Affairs and Security Policy, Federica Mogherini, announced that the current focus would be the implementation of these projects (Peruzzi 2019). The impact PESCO has had on European defence policy is not possible to examine yet, however, is expected to take full effect from 2021 and onwards (Béraud-Sudreau 2020, 63).

The projects are divided into seven policy areas; Training and facilities; Land, formations, system; Maritime; Air, systems; Cyber and C4ISR; Enabling and Joint and Space. Some policy areas are larger in scale, such as Enabling, Joint and Cyber, C4ISR, while Space and Air, systems are smaller in scale, as seen in Figure 1. There are grounds to believe that the projects will vary in terms of the number of participating Member States, how capacity demanding the projects are, and how suitable they are for each country. PESCO is “supposed to make the most of the respective strengths of each participating EU Member State, especially regarding the

niche capabilities of smaller Member States” (European Parliament 2018, 6). Participation will probably also vary based on the type of project, as some focus on training while others will focus on developing military hardware. Moreover, there is presumably not only variation between the projects, but also between the Member States. Figure 1 illustrates a great variation of projects. The next section presents the structure of PESCO.

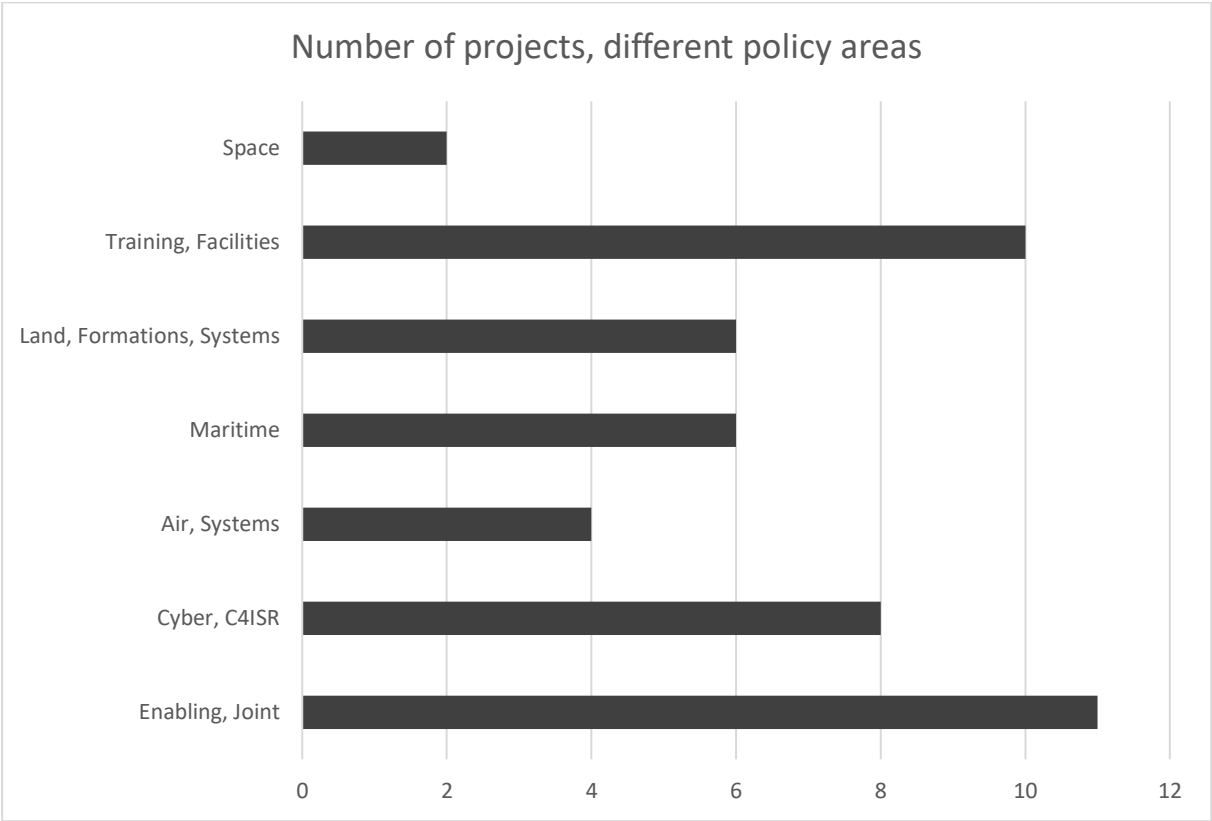


Figure 1: Number of projects distributed in different policy areas. *Source:* Own compilation of data from the Council of the European Union (2019).

2.2.1 The structure of PESCO

PESCO is a Member State-driven process which means that the main decisions are the participating Member States’ responsibility (Fiott, Missiroli and Thierry 2017, 32; Biscop 2018c). Nevertheless, various EU bodies are also used. The structure of PESCO is threefold, consisting of the decision-making and managerial division, the secretariat division and the coordinators and advisors’ division (Pengili 2018, 35). The legally binding nature of the commitments are the key difference between PESCO and other forms of cooperation (PESCO Secretariat 2019).

The decision-making and managerial division

The decision-making division has a two-layer structure, consisting of the Council level and project level. The Council level is responsible for the overall decision-making in which only PESCO members are allowed to vote (Kocijancic and Quatresols 2019). They are responsible for monitoring that the countries meet the criteria. Voting in the Council requires unanimity. On the project level, the participating Member States manage each of the projects under the supervision of the Council. The pMS propose, manage, and coordinate projects' implementation. They are also responsible of submitting National Implementation Plans (NIP) to the PESCO secretariat (Pengili 2018, 35). The NIPs form the basis of the assessment process (Kocijancic and Quatresols 2019) and include information about the individual national binding commitments to PESCO.

According to the guidelines, the projects member shall:

contribute to the project with their own resources and expertise. Depending on the scope of the project, each project member shall determine the nature of its contribution, which may include human resources, financial resources, expertise, equipment or contributions in kind. Such contributions shall support the achievement of the project's objective and shall have an impact on the project (Council of the European Union 2018a).

In other words, there are criteria and binding commitments that need to be fulfilled to participate in PESCO. The High Representative of the Union for Foreign Affairs and Security Policy (HR) in collaboration with the Council are responsible for suspending Member States who no longer fulfil the criteria (Pengili 2018, 35).

The secretariat division

The PESCO Secretariat consist of the European Defence Agency (EDA), the European External Action Service (EEAS) and the EU Military Staff (EUMS). They jointly provide secretariat functions for all PESCO matters (Council of the European Union 2018b; Kocijancic and Quatresols 2019). The PESCO secretariat should provide “supporting and coordination functions related to the assessment of PESCO projects' proposals, and contribute to implementing in a structured way the submission by the participating Member States of the

information required for assessing the projects as well as for the reporting to the Council” (Council of the European Union 2018a). The EDA is responsible to facilitate the capability dimension of the projects, while EEAS and EUMS are responsible for their operational aspects (Council of the European Union 2017).

The coordinators and advisors’ division

The main coordinator of PESCO is the High Representative, who is fully involved in all proceedings regarding the cooperation. The HR is, with support from the secretariat, responsible for presenting PESCO’s annual report to the Council (Council of the European Union 2017). The HR coordinates the work between the Secretariat and the Council. The other coordinators and advisors are Private Security Contractors (PSC), who are the Council’s preparatory body, the European Union Military Committee (EUMC), who provide PSC with military expertise and lastly, the EUMC Working Group (EUMCWG) who advises the EUMC and EUMS (Pengili 2018, 35).

The funding of PESCO

European Defence Fund (EDF) contributes money to intergovernmental research and development. Member States that initiate projects can be rewarded with co-funding from the EU budget (Biscop 2018c). Some Member States may see this opportunity as “a way to subsidise ongoing (multi)national projects, rather than to develop capabilities that are actually required for the EU’s strategic autonomy” (Fiott, Missiroli and Tardy 2017, 49). The EDF funding also creates a great opportunity to be optimistic about PESCO. With funding from EDF, the Member States could create projects without thinking too much on national spending.

2.2.2 Future of PESCO: challenges and opportunities

PESCO is still a new implementation and its possible success remains to be seen (Zandee 2018, 11). There are, however, high expectations to the cooperation. Previous research finds that PESCO has the potential to become a game changer for EU defence cooperation (Billon-Galland and Quencez 2017, 3; Fiott, Missiroli and Thierry 2017; Nováky 2018, 97, 51; Zandee 2018, 1). It could help the Union to achieve strategic autonomy, given that the Member States are putting in effort (Nováky 2018, 102). The basis of PESCO’s success is facilitated and it is up to the Member States to use it wisely. Despite previous failed attempts on defence cooperation, it has been argued that PESCO is different. It differs from previous attempts

institutionally, because it is Member State-driven, and because the EDF funding creates initiatives to establish projects (Biscop 2018b; Biscop 2018c). Rather than being regarded as simply another institution, PESCO should be viewed as a mechanism (Biscop and Coelmont 2011, 155). According to Biscop and Coelmont, "the best PESCO is that which attracts all Member States" (2011, 165). In this way, a two-speed Europe with the larger countries in front could be avoided.

The success of PESCO depends on several factors. Fiott, Missiroli and Thierry states that "the success of PeSCo will depend on participating Member States adhering to the common binding commitments made to each other through the common notification and, eventually, the Council decision establishing PeSCo" (2017, 51-52). According to Biscop (2018b, 164), continued leadership will be necessary to ensure that PESCO fulfils its potential. He further argues that developing a culture of compliance is crucial (Biscop 2018b, 165). There should be other consequences than suspension, as that is unlikely to happen. Additionally, he finds that protectionism should be abandoned (Biscop 2018b, 167). PESCO's effectiveness depends on support from national authorities to make the most of the respective strengths of each country (European Parliament 2018, 6). Nováky emphasises three conditions for PESCO's success: (1) the participating Member States have to do more than the minimum required to fulfil their binding commitments, (2) PESCO's implementation must be monitored at both national and EU levels and (3) the Council should suspend Member States that fail to meet their commitments (Nováky 2018, 100). Furthermore, PESCO might face challenges as some Member States want to quickly move forward, while others are more precautionous (Zandee 2018, 3). Simultaneously, PESCO's project-based structure prevents some of the problems with different ambitions among Member States. The structure makes it possible to participate based on own ambitions.

The goal of this chapter was to give a thorough understanding of the new European defence cooperation. This chapter has provided the historical background of the evolution of PESCO, what it is, and the challenges and opportunities of the policy. The following chapter presents the existing literature on PESCO and defence cooperation in general, as well as the theoretical approaches.

3. Theoretical framework

This chapter presents the thesis' theoretical framework. The first subchapter will provide a literature review of previous findings. The review reveals a gap on theoretical explanations of PESCO development as such, including explanations of Member States' commitment. Moreover, most of the literature focuses on the future of PESCO rather than empirical research (e.g. Biscop and Coelmont 2011; Fiott, Missiroli and Tardy 2017; Ertürk 2018; Nováky 2018; Zandee 2018; Mills 2019). The literature review will present the main literature on PESCO. As the PESCO literature offers no theoretical explanations or empirical evidence on Member States' commitment, literature on the commitment to European defence cooperation in general is also included.

In the second subchapter, the theoretical approaches are outlined. A number of authors have tried with various theoretical approaches to explain the existence of CSDP (Merlingen 2012, Claes and Førlund 2015; Haesebrouck 2015; Cladi and Locatelli 2016a, Dyson 2016; Richter 2016; Pohl, van Willigen and van Vonno 2016; Monteleone 2016; Wagner 2017). However, to my knowledge, these theories have not been applied to PESCO yet. The three most-known approaches that explain the evolution and existence of CSDP are utilised. Several studies suggest that realist, liberalist and constructivist approaches are most suitable to explain the existence of CSDP. These theories will then be applied to PESCO in order to explain Member States' commitment. Afterwards, I will develop hypotheses based on the theoretical framework, and lastly a summary is provided.

3.1 Literature review

3.1.1 Empirical findings (and the lack thereof) in the PESCO literature

The existing literature on PESCO is somewhat incomplete but covers a wide range of topics. The majority of prior research focuses on expectations and debates on why PESCO is different than previous initiatives and what it takes to be successful (Biscop and Coelmont 2011; Biscop 2017; Biscop 2018b; Fiott, Missiroli and Tardy 2017; Zandee 2018). Some scholars focus on third state participation (Keskin 2018; Ertürk 2018; Zandee 2018), while others focus on PESCO's level of ambition (Efstathiou and Billion-Galland 2019; Nádudvari, Etl and Bereczky 2020), network analyses of the projects to examine cooperation among the Member States (Blockmans and Crosson 2019; Nádudvari, Etl and Bereczky 2020), and strategic and cultural

differences in PESCO (Nucoń, Dorosh and Ivasechko 2019). Previous research can be considered a first step toward a more profound understanding of the policy.

As early as in 2011, Biscop and Coelmont wrote about the potential of and expectations to PESCO. They emphasise the importance of PESCO not becoming another layer of bureaucracy of CSDP and argue that PESCO allows “a group of Member States to go further *within* the existing institutions, notably the EDA” (Biscop and Coelmont 2011, 154-155). In other words, PESCO is not another institution but rather a mechanism. Six reasons to commit to PESCO and military integration are outlined: (1) it is inclusive for all Member States, (2) it offers coordination, (3) is cost-effective, (4) EDA will ensure assessment, (5) it will amount significant military contributions and (6) it will effectively deploy more troops for operations (2011, 165-167). Furthermore, in 2017, Biscop argued that PESCO is a possibility to extend cooperation within the treaty. Additionally, expectations of PESCO is outlined in the papers by Fiott, Missiroli and Tardy (2017) and Zandee (2018). Common for all of them is the argument that for PESCO to become successful, the Member States have to be ambitious and be willing to integrate.

Efstathiou and Billion-Galland (2019) examine the connection between PESCO projects and the contribution to the Capability Development Priorities (CDP) and its Level of Ambition (LoA) in the two first rounds of projects. Their findings could be added to the previous literature as they conclude that PESCO projects are headed in the right direction, but their success depends on the Member States’ willingness. Nádudvari, Etl and Bereczky’s (2020) paper further investigates the connection between PESCO projects, CDP, and LoA by cross-referencing all 47 projects with the Capability Development Priorities. Further, they conduct a network analysis of participating Member States in PESCO projects (2020). They find an imbalance between East and West within PESCO projects, mainly due to lack of coordination. Moreover, there is a clear pattern in which the Big Four⁴ is taking control. To avoid this, there is a need to coordinate the Central and Eastern European countries to cooperate more closely (2020, 26).

Nucoń, Dorosh and Ivasechko (2019) have examined Member States positions in PESCO in terms of cultural and strategic differences between the Western and Eastern European countries.

⁴ France, Italy, Spain and Germany.

They argue that the differences in the strategic culture will be important to take into account in the long run. The long-term perspective of Member States will have an impact on the long-term success of PESCO (2019, 129). To what extent they choose to commit decides the impact of PESCO in the European security and defence policy in the longer run. Fiott, Missiroli and Tardy (2017) examines how CSDP operations could be affected by the implementation of PESCO. PESCO capabilities can be used in CSDP operations in several ways: (1) in a traditional CSDP operation with participation from EU Member States consisting of both PESCO members and non-PESCO members, (2) in a traditional CSDP operation with PESCO members only, (3) a CSDP operation with PESCO members only, established under Article 44 of the Lisbon Treaty, (4) a non-EU operation with participation from PESCO members only, (5) a NATO-led operation with PESCO member only, or from PESCO members as well as other European and non-European NATO members, (6) in the same manner as the latter, but UN-led, or finally (7) an internal security operation (Fiott, Missiroli and Tardy 2017, 33-34). In other words, PESCO might develop the prerequisites to work with CSDP operations. It is difficult to determine anything at such an early stage.

Steven Blockmans and Macchiarini Crosson (2019) examine project cluster participation among the three rounds of projects. Based on the clusters previously outlined⁵, they find that clusters with many projects are populated while smaller project clusters are less populated (2019, 11). Furthermore, by using a cross-section analysis, cooperation between Member States is examined. Blockmans and Crosson state that industrial cooperation, Member States' foreign policy orientation, their level of ambition and willingness to use military force are factors that explain cooperation (2019, 23).

Sascha Donath (2019) studies whether PESCO contributes to strategic autonomy of the security and defence policy. To do so, three different perspectives were evaluated: the political perspective, the operational perspective and the inventory perspective. Donath found that PESCO is an important step in improving the military capabilities of the Member States, but the goal of strategic autonomy is not its guiding principle.

⁵ Training and facilities; Land and formations systems; Maritime; Air systems; Enabling and joint capabilities; Cyber capabilities; and Space systems.

Both Keskin (2018) and Ertürk (2018) investigate the relationship between EU/PESCO and Turkey. Unlike most of the existing literature, both have a theoretical approach to PESCO and explain such a security and defence cooperation on the basis of liberal intergovernmentalism. Moreover, Ertürk argues that PESCO might be an opportunity to renew the EU-Turkey relations because the EU now has the flexibility on security cooperation. PESCO can establish a ground for new cooperative schemes. Keskin argues that Turkey could be involved in some of the PESCO projects in the future, as PESCO is project-based (2018, 74). This could, in turn, strengthen European defence. According to Mills, indications suggest that it will be up to the members of each of the individual PESCO projects to consider inviting a third part on a case-by-case basis (2019, 23). Zandee argues that for some participants, it is highly desirable to open up for third state participation (2018, 6).

Although the study of Blockmans and Crosson suggested a few factors that impact Member States' participation, these were based on more exploratory analysis and were not embedded in the key IR theories. Hence, as the literature on PESCO offers little theoretical and empirical evidence on Member States' commitment, there is a need to draw on more general literature on the CSDP. The next section presents literature on commitment to European security and defence in general.

3.1.2 Literature on the commitment to European security and defence cooperation

Previous literature shows that CSDP have had a varying level of commitment among the Member States (Matlary 2009, 73; Nováky 2011; Haesebrouck 2015; Fiott, Missiroli and Tardy 2017; Martill and Sus 2018, 8). Nováky presents a theoretical model explaining why EU Member States participate in CSDP military operations. First, he outlines seven reasons to contribute to CSDP operations, such as the opportunity to show military strength and gain international recognition (2011, 6) or to protecting European trade (2011, 25). He further outlines several reasons for not contributing to CSDP military operations. The most obvious resource constraint is the lack of deployable capabilities (2011, 12), but domestic pressure against military deployments is also an important reason. EU Member States may also sometimes provide resources to CSDP operations because they are pressured to do so by their peers (Nováky 2011, 10). In other words, several factors might explain why CSDP operations have had a varying level of commitment among the Member States. Which of these factors that is most important will vary from operation to operation.

Tim Haesebrouck (2015) provides an explanation for why CSDP has not been used in large-scale operations in response to crises. By using four theories of international relations, namely liberalism, constructivism, rational-choice institutionalism and realism he identifies four determinants. Domestic pressure, diverging strategic cultures, the ineffective institutional design of CSDP and reluctance of states to transfer sovereignty to international organisations are tested (2015, 18). He emphasises that none of these theories are able to fully explain why CSDP has not been used in large-scale operations, but several factors impact this. He argues that domestic pressure, diverging strategic cultures of the Member States and CSDP's ineffective institutional design are important factors (2015, 18), but that the most important factor is the reluctance of states to transfer sovereignty to international organisations – outlined by the realist approach.

Similarly, by examining different international relations theories, Mathias Koenig-Archibugi (2004) explains why some Member States want a supranational foreign and security policy while others oppose any limitation of their national sovereignty. Four determinants that can rationalise this are investigated: the role of power capabilities, foreign policy interests, Europeanized identities and domestic multilevel governance (2004, 137). By using logistic regression and fuzzy-set analysis, he concludes that power capabilities and Europeanized identities are the most remarkable determinants, but in the same way as Haesebrouck (2015), Koenig-Archibugi also concludes that none of these theories can fully explain the commitment to European foreign and security policy.

Alrik Thiem (2011) has a similar approach to armament cooperation. He tries to explain various commitment among the EU Member States in intergovernmental armaments cooperation in Western Europe in 1996-2006 by testing six different models: (1) the constitutional-culture model, (2) homogeneity-trust model, (3) power-differential model, (4) security-dependence model, (5) policy-responsiveness model and (6) the market-competition model. He finds that economic motives and constitutional culture are the most important factors while the policy-responsive model and homogeneity-trust model were less important, but yet had an impact. The power-differential model was the only model that not received support. Both Haesebrouck (2015), Koenig-Archibugi (2004) and Thiem (2011) have outlined determinants from the realist, liberalist and constructivist school.

3.1.3 Summary of the literature review

The abovementioned displayed that the predominance of the literature on PESCO is not empirical but rather focuses on expectations. This is not to say that expectations on PESCO are not valuable. Papers on the effect of PESCO remains limited, which is not surprising as PESCO is a relatively new policy area. A few previous studies have mapped out the commitment to PESCO, but mainly by focusing on clusters (Blockmans and Crosson 2019) or project cooperation among Member States (Blocmans and Crosson 2019; Nádudvari, Etl and Bereczky 2020). PESCO, moreover, launched a new round of projects in November 2019, after most of the existing studies were published, and thus it will be necessary to examine commitment to PESCO after the last round of projects took place. It can be interesting to see if there is a variation in how many projects Member States participate in from the first and second round to the third round.

As previous research has shown, only a few scholarly articles demonstrate how PESCO can be theorised (e.g. Ertürk 2018; Keskin 2018). To my knowledge, no prior studies have examined factors that explain commitment to PESCO based on a theoretical framework. Nevertheless, the literature on factors that explain cooperation and commitment (Nováky 2011; Haesebrouck 2015; Koenig-Archibugi 2004; Thiem 2011) could be applied to PESCO as well. Nor has it been studied what kind of projects the Member States are participating in, beyond the existing clusters. These are not drawn from theory. To fill this gap in the literature this thesis will identify factors based on a theoretical framework. Furthermore, which type of projects Member States commit to will be examined.

The literature on the commitment to European defence cooperation presented different factors impacting commitment to European security and defence cooperation. Domestic pressure, power capabilities, Europeanized identities and to show military strength are some of the causes mentioned. The following subchapter outline the theoretical framework. As the literature review emphasised that none of the theories is able to fully explain commitment, I will include the three most-known international relations theories.

3.2 Explaining the existence of the CSDP

In order to lay the foundation for different theoretical approaches to PESCO, it is necessary to look at the theoretical approaches explaining the CSDP. PESCO is part of the CSDP, and there is, to my knowledge, no explicit developed theory on PESCO yet. Previous research confirms that existing theories have had great difficulties in explaining the evolution and existence of the CSDP (Howorth 2014, 191; Cladi and Locatelli 2016b; Howorth 2017; Bickerton, Irondelle and Menon 2011; Merlingen 2012; Kurowska 2012, 1). I will consider the three most-known approaches that explain the evolution and existence of the CSDP: realism, liberalism and constructivism. Howorth (2014) emphasise that existing theories have had great difficulty in explaining the existence and evolution of the CSDP (2014, 191). Several scholars have tried to explain the development of a common security and defence policy from various realist perspectives (e.g. Rynning 2011; Hyde-Price 2014; Cladi and Locatelli 2016a; Dyson 2016), liberalist perspectives (e.g. Risse-Kappen 1991; Moravcsik 2008; Mèrand 2008; Pohl, van Willigen and Vonno 2016; Richter 2016) and constructivist perspectives (e.g. Larivé 2014; Haesebrouck 2015; Monteleone 2016). Howorth concludes that none of these theories can fully explain the entire existence of the CSDP individually. In cooperation with each other, however, these theories can provide an explanation on why the CSDP occurred.

In realist theory, the maximization of self-interests is a driving force, while socially constructed norms and the European identity are the main cause of integration in constructivism. The liberal approach focuses on domestic institutions and the will of the domestic societies. The different theoretical approaches that explain the existence of CSDP will form the foundation for outlining theoretical expectations regarding Member States' involvement in PESCO.

3.2.1 The realist school

Realism

Kaufman claims that *power* is the most important concept of realism (2013, 32). The realist view on human relations can be explained by Thomas Hobbes' state of nature. In an anarchic society, individuals try to pursue self-interest and assume that everyone else is doing the same (Kaufman 2013, 42). There is a constant desire for power. In the same manner, we can look at states' constant struggle for power at the international level. Kaufman claims that where liberals encourage cooperation, realists rely on the egocentric and conflictual nature of

society. Surrendering sovereignty is particularly challenging. However, realists' scholars have been criticised for their lack of focus *within* the nation state, and for their major focus on power. Power is a relative concept and is difficult to measure in concrete terms. Similarly, a state's self-interest is difficult to measure (Kaufman 2013, 46-47). In other words, it is challenging to explain cooperation entailing surrendering of sovereignty from a realist approach, yet I argue that it has value. Defence and security cooperation can be beneficial for states with lower power capabilities who do not have the resources to protect themselves. Moreover, states with high power capabilities would have less interest in cooperation. However, if there is a possibility to increase power and influence, increase one's own security or there is a common threat, cooperation may be of interests.

Realist approach to the CSDP and PESCO: the importance of power capabilities

Scholars of the realist school explain the CSDP as a result of the changing security environment after the Cold War, in which Member States wished to safeguard and maximise their respective powers (Richter 2016, 60). Rynning argues that classical realism "sees the CSDP as a result of the changes wrought in Europe's nation-states by Europe's history, political choices and global processes" (Rynning 2011 in Howorth 2014, 197). In other words, the CSDP was a result of major changes and shocks that Member States needed to address and respond to. Preferences, which are mainly geopolitical, are the main driving force (Claes and Førland 2015, 33). States aim to maximize their security given the relative balance of power. Cladi and Locatelli argues, from a structural realist point of view, that the CSDP can be understood as a tool in which the Europeans enhanced their cooperation with the US under unipolarity (2016a, 4). They also emphasise bandwagoning as an explanatory factor of the behaviour of states in the international system. According to neoclassical realism, states of equal size, geopolitical position and material capabilities will respond to a unipolar international system in a similar way (Dyson 2016, 31). A process of reformed bandwagoning has dominated how the EU's great powers (France, Germany and the UK) have coordinated their foreign policy response as a result of the intervention of domestic variables. Dyson argues that there are material factors such as US' power that drive the CSDP process (Cladi and Locatelli 2016a, 4).

There are two main, somewhat contradictory, arguments within the structural realist school. For structural realists, common threat is a cause of collaboration (Cladi and Locatelli 2016a, 4). However, as there have been no significant common threats since the Cold War, such arguments have been prone to criticism. One side argues for *balancing* while the other argues for

bandwagoning. Bandwagoning refers to a situation where “a state forms an alliance with the power in hope that this would benefit its own national interests” (Kopraveva 2019). In other words, weaker Member States in terms of power capabilities chose to cooperate with the stronger, threatening state. Balancing refers to a situation where the states would act to prevent the power from becoming a hegemony (Kopraveva 2019). The CSDP can be explained as a “balancing device” against the US (Cladi and Locatelli 2016a, 4; Dyson 2016, 30; Meyer and Strickmann 2011, 63) which, similarly, also has received criticism (Cladi and Locatelli 2016a; Pohl, van Willigen and van Vonno 2016, 76). However, according to Walt, balancing should be preferred over bandwagoning (1987, 29). Walt argues that balancing should be favoured “for the simple reason that no statesman can be completely sure of what another will do” (1987, 29). He further argues that “it is safer to balance against potential threats than to rely on the hope that a state will remain benevolently disposed” (1987, 29). This line of argumentation is consistent with realist thinking. They expect the worst at all times and would rather be on the safe side.

Despite the criticism, the balancing theory is still relevant. The states with high power capabilities cooperate to resist and help prevent a threat from becoming significant. It is better to work together to manage the threat. Similarly, states who are threatened by states with equal or lower capabilities can be expected to balance (Walt 1987, 30). Weaker states, on the other hand, is more likely to bandwagon if they are not capable to respond to the threat. Smaller states may be overrun by stronger states in a situation of balancing. It should be emphasised that threats are present, even though they might not be at the same threat level as the Cold War. The following hypothesis will be examined:

H1: EU Member States with high power capabilities are more likely to have a high level of commitment in PESCO.

On the other hand, several scholars argue that the balancing argument no longer is relevant. Contrary to the argument of balancing, some scholars would argue that Member States with high power capabilities would rather participate in few PESCO projects because they do not want to be constrained (Koenig-Archnugi 2004, 144). Governments whose power resources allow them to conduct an independent and effective foreign policy should see no need to have their hands tied by supranational institutions (Koenig-Archibugi 2004, 144; Waltz 2000 in Thiem 2011, 9). Asle Toje explains why Member States fear supranational cooperation:

While most member states would like to carry the weight of 27 states when pursuing their own foreign policy objectives, the thought of having foreign policy objectives defined by 26 other states is generally less appealing. (Toje 2010, 138 in Haesebrouck 2015, 15-16).

Weaker countries in terms of power capabilities, should be interested in a high commitment toward a common foreign and security policy (Koenig-Archibugi 2004, 144-145). Smaller countries increase their influence by joining an international collaboration (Koenig-Archibugi 2004, 145). States are sovereign entities and would not choose to give up sovereignty unless they benefit from it. In cases where the state proves to have little opportunity to secure self-interests, cooperation can be profitable. As Koenig-Archibugi examines, embedded in realism, in his article on government preferences, power capabilities can be of great importance (2004, 137). In other words; Member States might cooperate if the benefits from cooperating are greater than the benefits from not cooperating. This is, however, challenging to measure as benefits can be expressed in several ways. Nevertheless, countries with low power capabilities are likely to be more involved in common defence and security policy than countries with high power capacity, and Koenig-Archibugi argues that there are two main reasons for this: Firstly, they can expect to increase influence, given that all Member States in the cooperation act as a unit. Secondly, cooperation over time can become a threat to countries with high power capabilities that are not a part of the cooperation (Koenig-Archibugi 2004, 145). Even though this claim seems reasonable, both the CSDP and PESCO as institutions are different in nature, as the decision-making is at an intergovernmental level. This means that decisions are always taken by the Member States. Other institutions of the EU, such as the European Commission or the European Parliament, are of a more supranational structure, where the decisions are made by the representatives from the institutions rather than the Member States. They represent the interests of the EU rather than the Member States' interests. Koenig-Archibugi's argumentation would be more appropriate with an institution of supranational nature rather than an institution with an intergovernmental structure. With the supranational institutional structure, the Member States are less likely to participate as they do not want to be constrained. In PESCO, the structure makes it possible to participate without necessarily being constrained.

Summarised, the bandwagoning argument could explain if countries with low power capabilities has a higher level of participation in PESCO projects, and vice versa, if countries with high power capabilities has a low level of commitment. The balancing theory explains

why countries with high power capabilities are expected to have a higher level of commitment in PESCO. Common to all the different realist approaches is that power capabilities are of great importance when explaining state behaviour (Koenig-Archibugi 2004, 144). The abovementioned has shown that power capabilities is an important factor, regardless of the direction of the effect. Nevertheless, I anticipate that Member States with high power capabilities will have a high level of commitment to PESCO projects.

Realism and type of commitment to PESCO

Based on the previous sections, this subsection argues that there is an interaction effect of Member States with high power capabilities and projects with the main goal of developing deployable capabilities. Following the argumentation of Walt (1979), countries should balance against a threatening state or states to prevent a hegemony. In this manner, Member States should participate in projects with the main goal of developing deployable capabilities rather than projects where the main goal is to build institutions, training or technological support. In this way, Member States can safeguard themselves from external threats. Although realists are reluctant to cooperate, both the EU, the CSDP and PESCO are examples of how larger states still participate. In such cases, it is possible to assume that they want to participate in projects that are deployable that can secure power and actively work against the threats. Projects that aim to develop institutions, training and support are probably of less interest, as realists do not want to be more involved than necessary. Maximising self-interest is fundamental in realist thinking. However, others believe that joining institutions such as the CSDP and PESCO will decrease the effect of power asymmetry (Wivel 2005 in Menon 2011, 86).

H₂: EU Member States with high power capabilities are more likely to participate in projects where the main goal is to develop deployable capabilities.

This hypothesis helps to isolate the realist explanation as it focuses on deployable projects. H₁ specifically focus on power capabilities' effect on participation in general, while this hypothesis separates between power capabilities as economic power and power capabilities as military potential.

3.2.2 The liberal school

Liberalism

Liberal values differ from those of realism. Unlike realism, liberalism is concerned with common goods, that are not necessarily limited to the individual state. Liberalists encourage cooperation and argues that it is necessary to solve common challenges (Kaufman 2013, 48). This, however, does not suggest that liberalists are not rational in nature, but they rather believe that it is possible to satisfy their needs through cooperation, preferably on an international level. Cooperation, in terms of building international institutions and international trade, can also prevent war and conflict (Kaufman 2013, 48). In other words, they reject the game of power politics and emphasise the importance of international cooperation. Institutions such as the EU and the CSDP can help solve common challenges, such as security challenges. Realists will criticise liberalism for not taking consideration of free riders (Kaufman 2013, 52).

Liberalists emphasise domestic politics and institutions in an international perspective (Richter 2016, 61). Risse-Kappen claims that domestic structures and coalition-building processes are important to understand the impact of public opinion on the foreign policy of liberal democracies (1991, 484). According to liberalism, the government will operate with a foreign policy that the people support. Andrew Moravcsik's new liberalism explains how Member States' foreign policy are outlined, and is based on liberal international theory, but also shares the realists' focus on national interests (Pohl, van Willigen and van Vonno 2016, 65). New liberalism emphasises the link between the government and the society they represent (Pohl, van Willigen and van Vonno 2016, 68; Haesebrouck 2015, 9). In other words, domestic public opinion is important. In this view, foreign policy is the result of "the interaction of a variety of societal actors, including governments, within the context of domestic institutions" (Pohl, van Willigen and van Vonno 2016, 68). New liberalism expects that Western governments predict and respond to conflicting social demand, regarding purposes and acceptable costs in questions regarding foreign policy. The government wants to be perceived as competent to secure the material interests in the society and behave legitimately. There will be occasions where these are in conflict. Unlike realists, who would choose the outcome that would secure power and safety, liberalists include legitimacy in the calculation (Pohl, van Willigen and van Vonno 2016, 71).

Liberal approach to the CSDP and PESCO: public opinion and institutions matter

Liberalism offers a more comprehensive analytical perspective on EU's external relations and constraints imposed by interest, institutions and ideas on EU actions (Wagner 2017, 1409)., Wagner argues that norms are “not only understood as driving forces but also as constraints on foreign policy” (2017, 1398). Liberalism, moreover, emphasise institutions rather than states as the main actor (Moravcsik 1997, 514; Larivé 2014, 22). Scholars of the liberal school believe that challenges can best be solved through collaboration. The CSDP, as such a collaboration, offers three principal purposes: Firstly, the CSDP serves as a mean to protect against transnational security threats. Secondly, the CSDP equips the EU with abilities to deal with low-intensity conflicts, and thirdly, CSDP works as a capability that contribute to liberal projects (Merlingen 2012, 18). Wallander, Haftendorn and Keohane (1999) argue that “institutions play an important role in security relations, as they help states to overcome the problem of uncertainty linked to the lack of information” (Wallander, Haftendorn and Keohane 1999 in Larivé 2014, 23). Pohl, van Willigen and van Vonno (2016) claim that the CSDP represents a mix of overlapping and divergent national preferences. Cross-national differences in societal expectations is the main difference between separate national interests. In other words, not positions of power, but rather preferences of the societies that the governments represent. Governments operate with foreign policy that reflects the opinion of the society (Pohl, van Willigen and van Vonno 2016, 65). Moreover, to tackle security threats states should, according to liberalism, organize in a joint cooperation (Merlingen 2012, 18). The CSDP functions as a mean for Member States to protect themselves from both domestic and international threats (Larivé 2014, 26). PESCO, with its aim to develop defence capabilities and deepen defence cooperation amongst the Member States (Kocijancic and Quatresols 2019), will probably seem appealing for Member States with a high security threat level.

The liberal approach to PESCO claims that the governments take domestic public opinion into account, and further, participation in projects will be affected by the public opinion. Considering that liberal scholars, unlike realists, are positive toward cooperation, there is reason to believe that democratic states are positive to participation in PESCO. PESCO members all have democratic institutions, as that is one of the essential conditions for being an EU member, following the Copenhagen criteria (European Commission 2016). Democratic governments focus on what their domestic societies want when they formulate foreign policy and the public opinion oblige leaders to keep their commitments (Tomz 2002, 16; Haesebrouck 2015, 9). In other words, Member States whose domestic societies are supportive of European defence

cooperation are more likely to be positive toward PESCO commitment. Tomz, nevertheless, argues that public opinion's impact on international commitments depend on three assumptions: (1) voters know their positioning on the question of compliance, (2) it should be important enough to sway their vote and (3) they should prefer compliance to default. The latter refers to recognizing international agreements. If one of these assumptions fail, public opinion could have either a negative or neutral effect on the outcome (Tomz 2002, 16). As they are EU citizens, one could argue that common security and defence policy should be of interest for the public in the Member States. As this is issues that are related to sovereignty, it is not inconceivable that voters find the issue important. Whether it is important enough to sway their vote is difficult to predict, but it is not unlikely. As they are used to international agreements with the EU, it is possible to assume that the public will comply. It is plausible that these assumptions are met. The following hypothesis will be examined:

H3: EU Member States with high public support rates for European defence cooperation are more likely to have a high level of commitment in PESCO.

Liberalism and type of commitment to PESCO

According to liberalism, the role of the non-state actors is also important. Governments may follow public opinion but could also reflect the interest of powerful economic actors. As mentioned, Tomz (2002) argues that there are three assumptions that must be met in order for public opinion to have an impact on international commitments. In cases where these are not met, it can be expected that the governments will respond to the interest of powerful economic actors in the society. Such actors can affect the economy of the country and thus the chances of re-election. In this case, a relevant actor will be the defence industry. If the industry is of significant size, it will have an impact on investment in the country and the jobs (Klüver 2013, 49). This will be of the interest of both the governments and the defence industries. It is expected that PESCO participation will be of interest to such industries.

Several scholars state that PESCO could help to make the European defence industry more competitive (Biscop 2018b, 162; European Parliament 2018; Zandee 2018; Maulny 2020, 130). Following the argumentation of Thiem (2011) and the market-competition model, I argue that there is an anticipated interaction effect between Member States with defence industries and projects with the main goal of developing military hardware. The market-competition model focuses on the role of industrial interests. There is a lack of literature on industrial interest in

relation to defence cooperation among the EU Member States (Thiem 2011, 11). Nonetheless, the existing literature suggest that a state has two options regarding the acquisition of military capabilities: (1) import equipment from other countries or (2) acquiring equipment domestically. PESCO projects can help to develop equipment that has traditionally been imported from outside the EU (Nucoń, Dorosh and Ivasechko 2019, 133). In the second option, and the most used practice among the larger EU countries, the government wants to be a part of the process: “due to security reasons, balance of payments considerations, and concerns about technological advantage, governments want to retain a say in the activities of national armaments producers” (Thiem 2011, 12). However, they also want their national producers to be able to export products. This presupposes that the country has an internationally competitive defence industry. To make the process easier, they will participate in project cooperation concerning military hardware. In other words, a country with a competitive defence industry can benefit from participating in projects that produce military hardware. This way they can make the process of competing in the market a little easier. Export opportunities are facilitated through cooperation. Moreover, the EDF funding of PESCO projects is expected to create a strong incentive for defence industry cooperation (Maulny 2020, 130).

Based on the state’s desire to support the interests of powerful economic actors in the society, the Member States with defence industries are expected to participate in projects that are of interest of the industry. Hence, the following interaction effect will be examined:

H4: EU Member States with a competitive domestic defence industry are more likely to participate in projects where the goal is to create a military hardware.

3.2.3 The constructivist school

Constructivism

A completely different approach explaining CSDP is constructivism. Constructivism differs from the liberalist and realist approach due to its focus on national interest and preferences. Following this approach, preferences are either from ideological or cultural norms. Preferences are socially constructed through “forces as identity, ideas, normative beliefs and socialization – which are in state of constant evolution” (Howorth 2017, 345; Larivé 2014, 37). Adler argues, that embedded in constructivism is the idea that “the identities, interests and behaviors of political agents are socially constructed by collective meanings, interpretations and assumptions

about the world” (Adler 1997, 324 in Merlingen 2012, 9). Constructivism can be seen from both a bottom-up and a top-down perspective (Koenig-Archibugi 2004, 145). The bottom-up perspective emphasises domestic actors as an important part of creating norms and forming the identity of the government, while the top-down perspective focuses on identity formation from interaction between states (2004, 145). Contrary to the liberal approach, states are the most important actors. Constructivists, however, also take domestic processes into account. Realists do this to a smaller extent, which has received criticism (Kaufman 2013, 46).

Logic of appropriateness, an important concept of constructivism, suggest that states and institutions behave in a particular way to construct a normative outcome which “fits a given cultural framework or context” (Howorth 2014, 209). Actions are rule-based (March and Olsen 1998, 951). In other words, norms structure behaviour. Hence, Member States with a tradition of cooperation will, to a greater extent, be more positive to cooperate. Logic of expected consequences, the opposite of logic of appropriateness, suggests that action is driven by rational actors who seek to choose alternatives based on the expected outcome (March and Olsen 1998, 949). This fits with liberal and realist accounts. Thus, the realist scholars would argue not to participate in such cooperation unless there was nothing to gain, such as overcoming a threat. As mentioned, liberalists would also take legitimacy and public opinion into consideration. Constructivists, however, would argue that the continuance of European identity, norms and traditions are the driving forces toward a common defence cooperation, rather than cost-benefit calculation.

Constructivist approach to the CSDP and PESCO: the importance of norms and traditions

Constructivists would argue that Member States launched the CSDP to “enlarge the tool box for the EU’s external action, thereby facilitating the implementation of the community’s normative objectives in crisis management” (Richter 2016, 60). The sense of security that has been created as part of the EU has led to the establishment of the CSDP (Merlingen 2012, 13). To make sense of PESCO participation from a constructivist perspective, it is essential to look at a country’s traditions and norms. Based on logic of appropriateness I anticipate that commitment to PESCO is positively correlated to the length of a country’s EU membership.

Based on tradition of cooperation and sharing sovereignty, as well as continuance of European identity, Member States with a long history of European integration are more likely to be positive toward PESCO. This is due to both social interaction between Member States with

common values, as well as a norm of participating and logic of appropriateness. The CSDP is aimed at strengthening support for the EU and to create a European identity (Merlingen 2012, 12). Social constructivism argues that the structure shapes the identity of the agents and the choices available to them (Larivé 2014, 36). Social constructivists understand cooperation as “a result of social interaction and collective identity formation rather than inter-state relations or bargaining power” (Rieker 2004, 6, in Larivé 2014, 37).

To explain the different level of commitment to the CSDP and PESCO, constructivists would draw attention to the importance of different norms and traditions (Haesebrouck 2015, 11). Differences between Member States may for instance be based on the size of the state, who the state is allied to or whether these are nuclear and non-nuclear states (Howorth 2002 in Haesebrouck 2015, 11-12). In defence cooperation such as PESCO, there are grounds to believe that European identity and history of European integration are of great significance. The most straightforward way to measure this is by looking at history of membership in the European Union. Hence, Member States that have been members of the EU for a long period of time are more likely to feel responsible for participating in EU-designed projects. Based on this, the following hypothesis will be examined:

H5: EU Member States with long tradition of EU Membership are more likely to have a high level of commitment in PESCO projects.

Contrary to the two aforementioned approaches, no hypothesis is outlined in relation to the type of projects derived from the constructivist approach. Following the constructivist school of thought, Member States would participate in all kind of projects, not limited to a specific type. This is because they focus on the common experience rather than the type of project.

3.2.4 Summary of the theoretical framework

The goal of this chapter was to gain an understanding of what has been studied in the past, and then to create a theoretical framework for PESCO. Firstly, this chapter provided a literature review which revealed a gap in the literature regarding Member States’ commitment to PESCO. Few academic works have had a theoretical approach to PESCO. Hence, there is a need to address these gaps. Secondly, this chapter laid the foundation for the analyses by identifying the different factors which are anticipated to have an impact on commitment to PESCO. The

realist approach explains the different commitment to PESCO with different power capabilities. States have different needs according to the different recourses the state has. Constructivism describes the differences between Member States as a consequence of different norms and traditions, focusing on the duration of EU membership. Liberalism explains different commitment by focusing on public opinion. The government has a desire to stay in government, and emphasises the public opinion, but are in general more positive to cooperation than realists.

It is expected that none of these three approaches are able to fully explain the participation in PESCO alone. All three approaches have their weaknesses and have been prone to criticism. The realist approach is criticised for not taking the domestic level in to account, in addition to the fact that the term “power”, which is highly important for realism, is hard to identify. Constructivism is, in a similar manner, hard to measure, especially as norms and values are difficult to identify. Tradition, on the other hand, is easier to measure, and is in this case where it is measured by length on membership in the European Union. The length of membership in the EU does not explain why some Member States participates in multiple projects while others do not, but it is possible to anticipate a correlation. This is based on European identity, affiliation to the EU and cooperation. The liberal approach does not take free-riders into account, even though PESCO, institutionally, has rules to suspend free-riders. There are binding commitments that need to be fulfilled in order to participate in PESCO. At the same time, it is hard to measure if it is public opinion or other mechanisms of domestic politics that affect participation.

In addition to identify what influences participation in PESCO, it is also interesting to see if there is a variation in the type of projects that the Member States participate in. Two hypotheses on the project level are outlined. H₂ helps to isolate the realist explanation by testing whether power capabilities have an effect on participation for deployable projects. Furthermore, the EDF funding of PESCO has created great incentives for the Member States with a competitive defence industry to participate in military hardware projects. H₄ tests if there are defence industries have an effect on participation for military hardware projects. An overview of the hypotheses is provided in Table 1.

	Realism	Liberalism	Constructivism
Country level	H1: EU Member States with high power capabilities are more likely to have a high level of commitment in PESCO.	H3: EU Member States with high public support rates for European defence cooperation are more likely to have a high level of commitment in PESCO.	H5: EU Member States with long tradition of EU Membership are more likely to have a high level of commitment in PESCO.
Project/Country level	H2: EU Member States with high power capabilities are more likely to participate in projects where the main goal is to develop deployable capabilities.	H4: EU Member States with a competitive domestic defence industry are more likely to participate in projects where the main goal is to create military hardware.	

Table 1: Overview of hypotheses

4. Data and research design

This chapter will present the data and the methodological approach used in the following analyses. Information about how the different data is operationalised and which methods that are used will be provided. In the first subchapter the data is outlined. A summary of the variables is provided in Table 3. In the second subchapter the reliability and validity of the data is discussed. Lastly, the third subchapter concerns the different methods and explain why they are utilised. To answer the research question, scatter plots, negative binomial regression and multilevel logistic regression will be adopted.

4.1 Data

4.1.1 Dependent variables

As the research question is three-fold, the dependent variable will also vary. To measure Member States' commitment, the dependent variable will be commitment in terms of *number of participating projects per country* with data from Council of the European Union (2019). Commitment in general, and in PESCO as such, is difficult to measure. I choose to measure Member States' commitment to PESCO by number of participating projects per country. This is not an optimal way to measure commitment, but I argue that none of the options are flawless. Commitment could be measured in several ways, both through quantitative and qualitative approaches. One of the most obvious ways would be to examine the National Implementation Plans (NIPs) which includes information about the national binding commitments to PESCO. Nevertheless, the lack of access limits this option. NIPs are only available for the participating Member States, with the exception of a few countries that have made them public available⁶. This is because they are containing sensitive information from the national point of view. Another option would be to measure commitment based on how extensive the projects are. However, this could be challenging to measure. To weight the different projects in terms of responsibility or commitment would be difficult and could cause coding errors. Consequently, using numbers of projects as a proxy for commitment appears to be the most suitable option.

Commitment in terms of number of participating projects per country will also be a dependent variable in the analysis that attempts to uncover the determinants of commitment. The variable

⁶ E.g. Finland and The Netherlands.

varies from 0 to 47 projects per country and can be considered as a count variable. The total number of projects is 47, but the highest observed number of participations is 30. This analysis will be at the country level. All of the EU Member States will be included, not limited to PESCO members. I include the entire universe of interest, which avoids the problem of having to choose samples of analysis (Grønmo 2011, 84). In other words, Malta and Denmark are also included in the analysis. This way, I can also see if there is a correlation between the independent variables and non-participation, as well as increase the number of units. The European Union counts 27 countries; therefore, the analysis is limited to 27 units. The UK has formally left the EU in 2020. Hence, they will not be included in the analysis. Moreover, they were planning an exit since the creation of PESCO, and PESCO was facilitated by the Brexit referendum.

The final analysis, concerning the type of projects, is more comprehensive. Here, the dependent variable will be a dichotomous variable: whether a country is participating in a PESCO project (1) or not participating in a PESCO project (0). The variable is at project level and is a country-project dyad. The units consist of each country in each project. This amounts to 47 projects * 27 Member States, in total 1269 units. 243 of 1296 are participations.

4.1.2 Independent variables

Power capabilities

To measure power capabilities I rely on the Composite Index of National Capabilities (CINC)⁷ developed by Singer, Bremer and Stuckey (1972) as a part of the Correlates of War (COW) Project (Correlates of War Project 2012). This is probably the most commonly used power index in the international relations literature (Koenig-Archibugi 2004, 154; Kadera and Sorokin 2004, 211). In this index, power is defined as “the ability of a nation to exercise and resist influence” (Greig and Enterline 2017, 2). The CINC measures national material capabilities into one single value, and reflects military expenditure, military personnel, energy consumption, iron and steel production, urban population and total population. The values range between 0 and 1. 1 indicate that a state had all the capabilities in that given year, while 0 indicate zero percent of the total capabilities in the world. COW includes around 193⁸ countries with values covering (almost) each year from 1816 to 2012. For this purpose, it is only necessary to

⁷ Version 5.0, except data from Cyprus and Malta, who uses v 4.0 due to lack of significant data in v5.0.

⁸ This varies from year to year.

use the values from 2012. Ideally, the data should have been from 2017 to reflect the power capabilities when the Member States decided to participate in PESCO projects. I will use CINC values from all of the European Union Members, including Malta and Denmark who are not participating in PESCO. CINC includes, as mentioned, not only Europe, and therefore the CINC score will not reflect power capabilities relative to Europe, but rather to the whole world.

CINC has been widely used, but the index is also criticised (Kadera and Sorokin 2004, 226; Rauch 2017; Baldwin 2002). Kadera and Sorokin claim that errors in CINC can result in “revealed or masked power transitions, alterations in the magnitude of transitions, and shifts in their timing”. However, single indicator alternatives such as GDP tend to not be useful (Kadera and Sorokin 2004, 226). Rauch argues that an index with three power dimensions would be more capable of providing a realistic power picture than a single indicator such as GDP (2017, 664). Other factors such as nuclear weapons are not included in CINC and may be useful and important (Baldwin 2002, 181). Consequently, CINC is not an ideal option. CINC, however, is to my knowledge the best currently available option.

I choose to multiply the CINC values by a hundred to make the regression coefficient better fit the coefficients of the other variables in the regression. This will have no effect on the regression parameter or the constant (Skog 2004, 233). The values will then range from 0 to 100. The empirically observed values range from 0.003 to 1.79.

Public support for defence cooperation

Public opinion will be measured through data from the European Commission (2017). In April 2017 they conducted interviews as a part of the Special Eurobarometer 461 concerning Europe’s future (European Commission 2017). More specifically, I will use data from the following question:

What is your opinion on each of the following statements? Please tell me for each statement, whether you are for it or against it. -A common defence and security policy of the 28 Member States of the EU. (European Commission 2017, 3).

The respondents get three response options: for, against or don’t know. I will include the variable from the European Commission (2017) which includes the percentage of the country

that support a common defence and security policy. This will be the *public support* variable. There has not been formulated questions explicit about PESCO, and I therefore rather focus on the question about common defence and security policy. Survey data does, however, have a few shortcomings. Although the number of units is relatively high (28 501), there is always a risk that the answers are not representative for the entire population. There may also be challenges as part of the survey itself with unreliable answers due to lack of understanding or lack of ability to answer (Grønmo 2011, 160). This survey did, simultaneously, conduct face-to-face interviews which makes it possible to avoid such errors. The values are presented as percent and range from 0 to 100. The empirically observed values range from 57 to 87.

Length of EU membership

The variable will be the length of membership from year of entry to 2017, when the first PESCO projects were implemented. I will use data from the European Union (European Union 2020). The values range from 0 to 59 years as members.

Defence industry

Defence industry will be measured by the amount of sales of arms by major companies with data from SIPRI Arms Industry Database (Fleurant et al. 2016), collected by Stockholm International Peace Research Institute (SIPRI) and further provided by Alexander Roth (2017). Roth and Bruegel have used the data from SIPRI to illustrate sales of arms by major companies in the European defence industry in 2015. The data only contain the top 100 arms-producing and military companies in the world. It is more difficult to look at smaller companies, due to the lack of information (Roth 2017). Nevertheless, this should not be problematic as the smaller companies can be considered as less competitive. Thus, I will argue that SIPRI and Roth's data is sufficient to measure defence industry in this case. The data range from 0 to 33.5 billion EURO. According to the dataset from SIPRI, only six of twenty-seven countries have a defence industry of a competitive size. The dataset includes both public and private companies. It should be noted that the amount of sales of arms does not measure the whole picture. Arms of sales is probably not the only factor that indicate whether they are competitive or not.

Main goal of the projects

In order to identify the main goal of the PESCO projects, they will be coded based on their purpose. The coding is based on information of the projects from the Council of the European Union (2019) and the material is publicly available to everyone. As there are quite few projects,

and the wording in the project may be ambiguous, a human coding is appropriate. Also, the information on each project is limited, containing an average of approximately 200 words per project. This, on the other hand, also means that there is little to base the coding on. At the same time, the project descriptions appear concise and it is clear what is desired to be achieved with the project. In some cases, however, there have been gray zones. Human coding might cause problems in terms of reliability because different readers may find different meanings to the same text (Mikhaylov, Laver and Benoit 2012, 79). To minimise this risk, a fellow student has attempted to code some projects independently. With computer coding such issues could possibly have been avoided. However, given that the wording in the project descriptions may be ambiguous, a computer coding is not appropriate (Ward 2012). The result of the coding led to four categories. Either as (1) Training support, supporting technology, (2) Achieving better coordination between national and military forces without developing joint forces, (3) Building military hardware or (4) Designing joint forces, as seen in Table 2.

Systematic coding must be based on certain common characteristics that must first be identified (Grønmo 2011, 248). The coding is thus based on whether the goal of the project was training, coordination, military hardware or joint forces. These categories are outlined on the basis of both theory of realism and liberalism as well as characteristics that were repetitive in the various projects.

After going through all of the projects several times, I first distinguished two types of projects: projects with the goal of developing *institutions, structures, and training projects* and projects focusing on *deployable capabilities*. Within institutions, structures, and training projects, I separate between projects where the main goal is developing (1) training support and supporting technology and projects focusing on (2) achieving better coordination between national and military forces without developing joint forces. The coding is partly based on the presence of words that are relevant to the specific project categories⁹. These characteristics is only indicative, as several words are common for several categories. Words such as *troops* and *forces* indicate a more deployable project, while *sharing knowledge* and *evaluation* indicate a more institutional oriented project. Most of these words are common for several of the categories, but the combination of several words from one category indicates where the project belongs. The evaluations are based on discretion. Projects such as The Integrated European Joint Training

⁹ See Appendix A for coding scheme.

and simulation Centre (EUROSIM) and European Union Network of Diving Centres (EUNDC) are examples of projects categorised as training, support, supporting technology. These would not fit in the *deployable* category because the main objective is to coordinate and to establish network and systems. Following the same line, projects such as Upgrade of Maritime Surveillance and Military Mobility fits in the category named *achieving better coordination between national and military forces without developing joint forces*.

Within deployable projects, I further separate projects focusing on (3) building military hardware and projects where the main goal is to (4) design joint forces. Following the liberal school, there should be an interaction effect between Member States with defence industry and projects where the main goal is to create a military hardware on PESCO participation, as outlined in H4. To participate in military hardware projects would, according to the market-competition model, provide an easier way for Member States with defence industry to be more competitive. Based on the theoretical expectations, there should be an interaction effect between Member States with high power capabilities and projects where the main goal is to develop deployable capabilities, as outlined in H2. The main focus, following the realist school, is for Member States to safeguard themselves from external threats rather than participate in projects where the main goal is to build institutions. Projects such as Indirect Fire Support Capability (EUROARTILLERY) and Counter Unmanned Aerial System (C-UAS) are examples of projects with the main goal of building military hardware. Moreover, examples of projects where the main goal is designing joint forces are EUFOR Crisis Response Operation Core (EUFOR CROC) and Strategic Command and Control (C2) System for CSDP Missions and Operations. These projects are more deployable than institutional. There is, needless to say, a grey zone here, as all the projects have some institutional aspects. However, following the realist school of thought, they would rather participate in projects where it is possible to ensure power and work against threats. Projects whose main goal is to develop institutional structures, training and support are of little interest to realist thinkers, as they do not want to be more involved or lose more sovereignty than necessary.

Category	Main goal
Institutions, structures, and training	Training support, supporting technology
	Achieving better coordination between national and military forces without developing joint forces
Deployable capabilities	Building military hardware
	Designing joint forces

Table 2: Main goal of the PESCO projects. *Source:* Own compilation of data from the Council of the European Union (2019).

Deployable projects

To measure the interaction effect of power capabilities and deployable projects on participation in PESCO, a dichotomous variable has been created. Each of the projects are coded as either deployable (1) or institutional (0). Of 47 projects in total, 16 of these are considered as deployable. This results in 432 deployable participations out of a total of 1269 observations.

Military hardware projects

To measure the interaction effect of Member States with a defence industry and projects where the main goal is to create military hardware on participation in PESCO projects, another dichotomous variable is created. Each of the projects are coded as either projects where the main goal is to create a military hardware (1) or not (0). Of 47 projects in total, 6 of these are considered as military hardware. This results in 162 military hardware participations out of a total of 1269 observations.

4.1.3 Control variables

NATO membership

Membership in NATO will be coded as a dichotomous variable. Either a country is a member of NATO (1) or they are not (0), based on data gathered from NATO (2018). There are differing views on the effect of NATO membership on PESCO. Although the EU is now focusing on security and defence, some EU members rely on NATO rather than PESCO (Billon-Galland and Quencez 2017, 4; DeMint 2018 in Nucoń, Dorosh and Ivasechko 2019, 130). There are disagreements on whether PESCO is duplicating NATO (Nucoń, Dorosh and Ivasechko 2019, 135; DeMint 2018; Zandee 2018, 6; Helwig 2018, 3; Mercer 2018). Nevertheless, 20 out of 25

countries that are members of PESCO are also members of NATO. Several scholars believe that it strengthens defence cooperation in Europe and that PESCO and NATO do not duplicate or threaten each other, but rather complement each other (DeMint 2018; Zandee 2018, 6; Helwig 2018, 3; Mercer 2018). According to Sven Biscop “PESCO doesn’t threaten NATO – it strengthens the European pillar of NATO” (Biscop 2018a). Hence, the variable NATO membership will be included in the analysis as a control variable.

Border to Russia

Several states, especially those bordering Russia, have to deal with Russian security challenges. States bordering to Russia will have other primary security concerns than countries such as Italy and Spain, who have to cope with the immigration crisis (Zandee 2015, 105). The security environment is affected by Russian aggression (Šešelgytė 2019, 1). Countries in the EU’s eastern flank which are directly threatened by Russian aggression and rely on NATO, are afraid of undermining NATO (Blockmans and Crosson 2019, 22). Nevertheless, some suggest that PESCO “was the answer to an alleged withdrawal of the U.S. from Europe” (Terlikowski 2018, 3). Also, PESCO could close some capability gaps identified by NATO (Terlikowski 2018, 10). Having a border to Russia seems have an impact on PESCO participation, one way or another. Hence, border to Russia will be included as a control variable. The variable will be coded as a dichotomous, either as border to Russia (1) or no border to Russia (0).

Domestic institutional structure

According to Risse-Kappen, domestic institutional structure is one of the intervening variables explaining the impact public opinion has on foreign policy (1991, 511). He argues:

Under given international conditions and despite relatively similar public attitudes across countries, variances in the interaction between the general public and elites in the foreign policy-making process can be explained by differences in domestic structures. The degree to which political institutions are centralized seem to be one of the determining factors (Risse-Kappen 1991, 511).

In other words, the impact of public opinion may vary between Member States based on their governmental structure. Federal states have fragmented political institutions and are more open to pressure from their citizens, while unitary, centralized states are able to resist public demands (Risse-Kappen 1991, 484). Coalition-building processes within societies and the political

system may also influence the degree of impact of public opinion has on foreign policy (Risse-Kappen 1991). Ideally this should also be included in the analysis, however it is difficult to measure with a quantitative approach. However, both Risse-Kappen (1991), Gourevitch (1986) and Katzenstein (1978) argue that state structure is of great importance when analysing the link between public opinion and foreign policy.

To measure domestic institutional structure, I will use the government structure variable from 2012, outlined by Wig, Hegre and Regan (2015) from the Quality of Government Dataset (Dahlberg et al. 2019). Here, the government structure is coded as either a federal system (1) or a unitary system (0). Table 3 provides an overview of the variables, including variable description, how they are coded as well as the mean and standard deviation. Six of the variables are dichotomous, while the others are continuous. The next section discusses the reliability and validity of the data.

Variable	Variable description	Coding	Coding details	Mean/Standard deviation	Source
Member States' commitment (Country level analysis)	<i>Number of participating projects per country</i>	0-47	-	9 /7.61	Council of the European Union (2019)
Member States' commitment (Country-project level analysis)	<i>Member States' participation/no participation in each project</i>	0/1	0: not participating 1: participating	0.19/0.39	Council of the European Union (2019)
Power capabilities	<i>Military expenditure, military personnel, energy consumption, iron and steel production, urban population, total population measured in percent</i>	0-100	0: indicates no power capabilities ... 100: indicates that the country had all the power capabilities	0.32/0.46	Correlates of War Project (2012)
Public support for defence cooperation	<i>How many percent in a country support a common defence and security policy</i>	0-100	0: No support ... 100: Full support	74.74/7.94	European Commission (2017)
Length of EU membership	<i>Year of membership in the European Union</i>	0-59	-	28 /19.55	European Union (2020)
Defence industry	<i>Amount of sales of arms of major companies (billion EURO)</i>	0-33.5	-	2.13/6.86	Fleurant et al. (2016); Roth (2017)
Deployable projects	<i>Including projects with the main goal of building military hardware and with the main goal of designing joint forces</i>	0/1	0: Not deployable project 1: Deployable project	0.34/0.47	Own coding with data from the Council of the European Union (2019).
Military hardware projects	<i>A PESCO project with the main goal of developing military hardware</i>	0/1	0: Not military hardware project 1: Military hardware project	0.12/0.33	Own coding with data from the Council of the European Union (2019)
NATO membership	<i>Whether a country is a member or not of NATO</i>	0/1	0: Not a member of NATO 1: Member of NATO	0.77/0.42	NATO (2018)
Border to Russia	<i>Whether a country border to Russia or not</i>	0/1	0: No border 1: Border to Russia	0.18/0.39	Yegorov (2019)
Federal structure	<i>Whether a country has a unitary system of government or a federal system of government</i>	0/1	0: Unitary system 1: Federal system:	0.37/0.49	Dahlberg et al. (2019)

Table 3: Overview of variables.

4.2 Reliability and validity

Two criteria are important for the quality of data, namely reliability and validity (Grønmo 2011, 240). Reliability is defined as the extent to which measurements can be replicated (Koo and Li 2016, 155). The data must also be appropriate for the factual information to be obtained (Grønmo 2011, 221). Validity is defined as the legitimacy of the data material for the issues and the population to be investigated (Grønmo 2011, 221). In this thesis, the whole population of interest is included, as PESCO is limited to EU Members – at least for now. It is unclear to what extent the findings could be applied to similar settings. In terms of external validity, there is no institution similar to the EU (Hix and Høyland 2011, 12), and PESCO is a relatively institutionally unique phenomenon compared to other defence cooperation frameworks.

By combining five hypotheses from three different schools of thought, the risk of confirmation bias through intra-paradigmatic reasoning is reduced (Thiem 2011). The data used in this thesis is largely unambiguous, with some exceptions. This applies to four cases: Power capabilities can be measured in several ways. The CINC measurement is thus one of the most commonly used power indexes in the international relations literature. Furthermore, power capabilities is a broad term. As it includes total population, this will not be included as an explicit variable. To isolate the realist explanation, H₂ is examined. It is to be expected that population size may have an impact on the level of participation, and this will be taken into account when the results are discussed. Moreover, the power capabilities variable should optimally have been from 2017, not from 2012. Furthermore, the defence industry variable could also be measured in several ways. The data from SIPRI includes only the top 100 arms-producing and military companies in the world. Optimally, smaller companies should also have been included. The lack of data availability limits this option. Lastly, the human coding of the military hardware projects and the deployable projects may affect the variables. As mentioned, this is one of the trade-offs with human coding. Yet, I argue that human coding was the best option, as computer coding was not an option in this case, because the wording in the project description may be ambiguous. Moreover, the evaluations are based on discretion. All these possible limitations will be taken into account when the results are discussed.

4.3 Methodological approach

The formulation of the research question is the most important decision when designing research design (George and Bennett 2005, 229). To answer the research question, I will apply a quantitative approach. A quantitative approach facilitates the testing of hypotheses and theories, which is where the literature review reveals gaps in the PESCO literature. Furthermore, a quantitative approach can handle large amounts of data. This analysis does not have the largest number of units, but simultaneously has an amount that would make the use of a qualitative approach less valuable. In qualitative analyses, there is a risk that the material may become unclear (Grønmo 2011, 336). The goal is to gain an in-depth comprehensive understanding. When it comes to PESCO and security policy issues as such, it can be difficult to access in-depth information due to lack of available data. It could also be challenging to find interview subjects who are willing to be interviewed. This subchapter presents the three methods chosen to test the hypotheses, namely scatter plots, negative binomial regression and multilevel logistic regression.

4.3.1 Scatter plots

Scatter plots are used to observe if there is a relationship between the variables (Yi 2016). Here, it will be used to show the relationship between the number of participating projects and the different independent variables. However, only H₁, H₃ and H₅ will be illustrated with scatter plots, as H₂ and H₄ includes interaction effects and use multilevel data. H₁, H₃ and H₅ concern the relationship between the number of participating projects and power capabilities, public support for defence cooperation, and duration of EU membership, respectively. By using scatter plots, patterns or clusters can be identified. Furthermore, scatter plots can be used as a prior step to the negative binomial regression. It makes it possible to explore the extent of correlation and create expectations for the following analysis. It could also be used to identify outliers. A common problem with scatter plots is the issue with overplotting (Yi 2016). However, due to a small data set with 27 units, this is not likely to be an issue here.

4.3.2 Negative binomial regression

To examine H₁, H₃ and H₅, negative binomial regression is applied. H₂ and H₄ require a multilevel analysis which will be conducted in the next analysis. As the dependent variable is a count variable, it is appropriate to use Poisson regression. Poisson regression has a number of

extensions useful for count models. It is estimated by maximum likelihood estimation and usually requires a large sample size. One consequence of a lack of independence is that the variance often exceeds the mean for count variables (Hoffmann 2016, 133). In case of overdispersion, however, Poisson regression might not be appropriate (Yang and Berdine 2015, 50). Poisson regression require an equal mean – variance relationship (Cameron and Trivedi 1990, 347). If not, there is a problem with overdispersion. In this case, because the variance exceeded the nominal mean, negative binomial regression is used instead of Poisson regression. Negative binomial regression is a generalisation of Poisson regression, and is more flexible in regard to overdispersion. Negative binomial regression is also appropriate on count data. It has one more parameter than Poisson regression, which adjust the variance independently from the mean (Emmanuel 2015, 14). The negative binomial estimator is more efficient (Hilbe and Greene 2008, 227). Both Poisson regression and negative binomial regression require linearity in model parameters and independence of individual observations. Also, the dependent variable should be non-negative (Yang and Berdine 2015, 52). The main difference is that negative binomial regression allows a greater variance than the conditional mean. As opposed to the scatter plot analysis, negative binomial regression is not recommended to be applied to small samples, as this might bias the results. However, the unit of analysis is limited to the EU Member States, as these are the only potential PESCO members - at least for now. A potential bias will be taken into consideration by taking caution when interpreting the negative binomial results. Moreover, I also include a multilevel logistic regression to control the results.

Hoffmann argues that even though Poisson and negative binomial models have been frequently used the last years, there is not sufficient information on examining their assumptions (2016, 158). Hence, it is difficult to say whether there are assumptions, beyond those already mentioned, that are not taken into account here. AIC, BIC and log likelihood are used to measure the models' explanatory powers.

4.3.3 Multilevel logistic regression

To further examine the hypotheses at the country level, but also at the country-project level, multilevel logistic regression is utilised. It is appropriate to use multilevel logistic regression for this purpose for two main reasons. Firstly, logistic regression is used when the dependent variable is dichotomous (Skog 2004, 377). In this case, the dependent variable concerns whether a country is participating or not in a specific project. Using linear regression on a dichotomous

variable may cause problems with unrealistic predictions above 1 or below 0 (Sommet and Morselli 2017, 204). Secondly, multilevel regression is appropriate when the data is organized at several levels. In this case, this means at both the project level and the country level. The individual observations are nested within both countries and projects. For this purpose, it is appropriate to combine these two methods, as there both is a dichotomous variable and variables at both the individual level and country level. Moreover, as identified by the theory outlined in Chapter 2, cross-level interaction effects are anticipated. The variables at the project level are *deployable projects* and *military hardware projects*. *Power capabilities* and *defence industry* are the variables included at the country level. A single-level analysis would not be able to provide sufficient answers with these variables.

Logistic regression

As previously mentioned, logistic regression is appropriate when the dependent variable only has two values. In such a case, linear regression would give incorrect estimates and might also cause problems with heteroscedasticity. The linear regression gives the predicted means of an outcome variable, while a logistic regression gives the conditional probability that an outcome variable equals one at a particular value of a predictor variable (Sommet and Morselli 2017, 204). To test whether a logistic regression is appropriate, a Homser-Lemeshow goodness-of-fit test is utilised (Cohen et al. 2003, 506). It tests whether the relationship is S-curved rather than linear. Non-significant results indicate an S-curve (Skog 2004, 404). The findings must have a p-value of at least 0.05 to be considered as suitable for logistic regression, but preferably higher. Nevertheless, this test has been criticised, also by the authors behind the test. The test might not be suitable if there are few numbers of observations (Long and Freese 2006, 156).

Multilevel analysis

There are three main assumptions that must be met in order to conduct a multilevel analysis (Luke 2004, 17). First, there should be empirical evidence across different levels. According to Steenbergen and Jones, the goal of a multilevel analysis is to “account for variance in a dependent variable that is measured at the lowest level of analysis by considering information from all levels of analysis.” (Steenbergen and Jones 2002, 219). Hence, there is a need to check for a variance in the dependent variable, which is if a country has participated or not in a specific project. To measure variance in the dependent variable intraclass correlation coefficient (ICC) is interpreted. It reflects both the degree of correlation and the agreement between measurements (Koo and Li 2016, 162). Moreover, ICC indicates “the degree to which a

multilevel data structure may impact the outcome variable of interests.” (Finch, Bolin and Kelley 2014, 28). According to Theall et al., ICC at or above 2 percent is worth examining in a multilevel model (2011, 689). An ICC close to 1 indicates high correlation between values from the same group, while an ICC close to 0 indicates that the values from the same group are dissimilar. The second assumption requires that the individual observations and the standard errors are independent from one another. This “comes from recognizing that the cases in our study are not independent, are clustered by state, and are likely to exhibit correlated errors” (Luke 2004, 21-23). Thirdly, there should be theoretical grounds for conducting a multilevel analysis (Luke 2004, 22).

As the project level variables are embedded in the country level variables, random intercepts for both projects and countries are included. Random effects can be used when the data is clustered. Otherwise, problems with the estimates and variation in the model may occur (Pillinger n.d.). Furthermore, multilevel modelling makes it possible to examine cross-level interaction effects. Cross-level interactions between the two levels makes it possible to determine if the causal effect of lower-level predictors is conditioned by higher-level predictors (Steenbergen and Jones 2002, 219). This is one reason to use multilevel modelling. In this case, an interaction effect of power capabilities/defence industry and deployable projects/military hardware projects are to be tested.

I will run a linear regression and a logistic regression to test if the correct method is selected. Furthermore, I will include random effects for country and projects to see if some projects are more popular, and if some countries are more likely to participate in projects than others. There is no goodness-of-fit test similar to R^2 in a multilevel logistic regression. AIC, BIC and log likelihood are used to measure the explanatory power of the models. AIC and BIC are useful when comparing models. Smaller AIC and BIC values reflect better model fit (Finch, Bolin and Kelley 2014, 47). Log likelihood will always be negative, with higher values – closer to zero – indicating a better fitting model (UCLA 2020).

5. Member States' commitment to PESCO: country level analysis

The research question consists of three interrelated parts: (1) What is EU Member States' commitments to PESCO, (2) what factors explain these commitments and (3) what type of projects are the Member States committing to? To answer the first question, it is necessary to map out the commitments. These commitments will be illustrated by descriptive statistics using data from the Council of the European Union (2019). The second question seeks to explain these commitments. In order to do so, the determining factors identified in the theory chapter will be examined. By using both scatter plots and negative binomial regression, determinants are examined. The two first questions include variables at the country level. To answer the third question, which seeks to identify which type of projects the Member States are committing to, a multilevel logistic regression will be conducted. The multilevel analysis includes variables at both project level and country level.

In this chapter, the results from the analyses focusing the two first questions are presented. The results will be further discussed in Chapter 7. The goal of this chapter is twofold. The first subchapter shows the Member States' commitment to PESCO in terms of the number of participating projects per Member State. The participation across all three rounds of projects will be compared. In line with the second part of the research question, the second part of the goal is to identify the determinants that explain these commitments.

The first subchapter presents a descriptive overview of commitment. In the second subchapter, the results from the scatter plots and negative binomial regression are presented. The scatter plots are used to observe the relationship between variables (Yi 2016). To give an indication of what to expect, scatter plots are used as a prior step to the negative binomial regression. The negative binomial regression is used to test the factors that are anticipated to explain varying commitment to PESCO. This method is appropriate for data where the dependent variable is a count variable, as is the case here, where the dependent variable is the number of participating projects per country. Lastly, a summary is provided.

5.1 Level of commitment

Given the institutional structure where Member States can participate on a project-to-project basis, a varying level of commitment among EU Member States is anticipated. This subchapter

lays the foundation for the following subchapters. The main focus will be on the three rounds, including all 47 projects launched by the Member States. However, I will also investigate the three rounds of launched PESCO projects individually to compare the level of commitment. It should be emphasised that this subchapter focuses on commitment in terms of number of participating projects and does not take the size or resources of each country into account. Neither does it consider that the different project may demand different levels of commitment. Such implications will be discussed in Chapter 7.

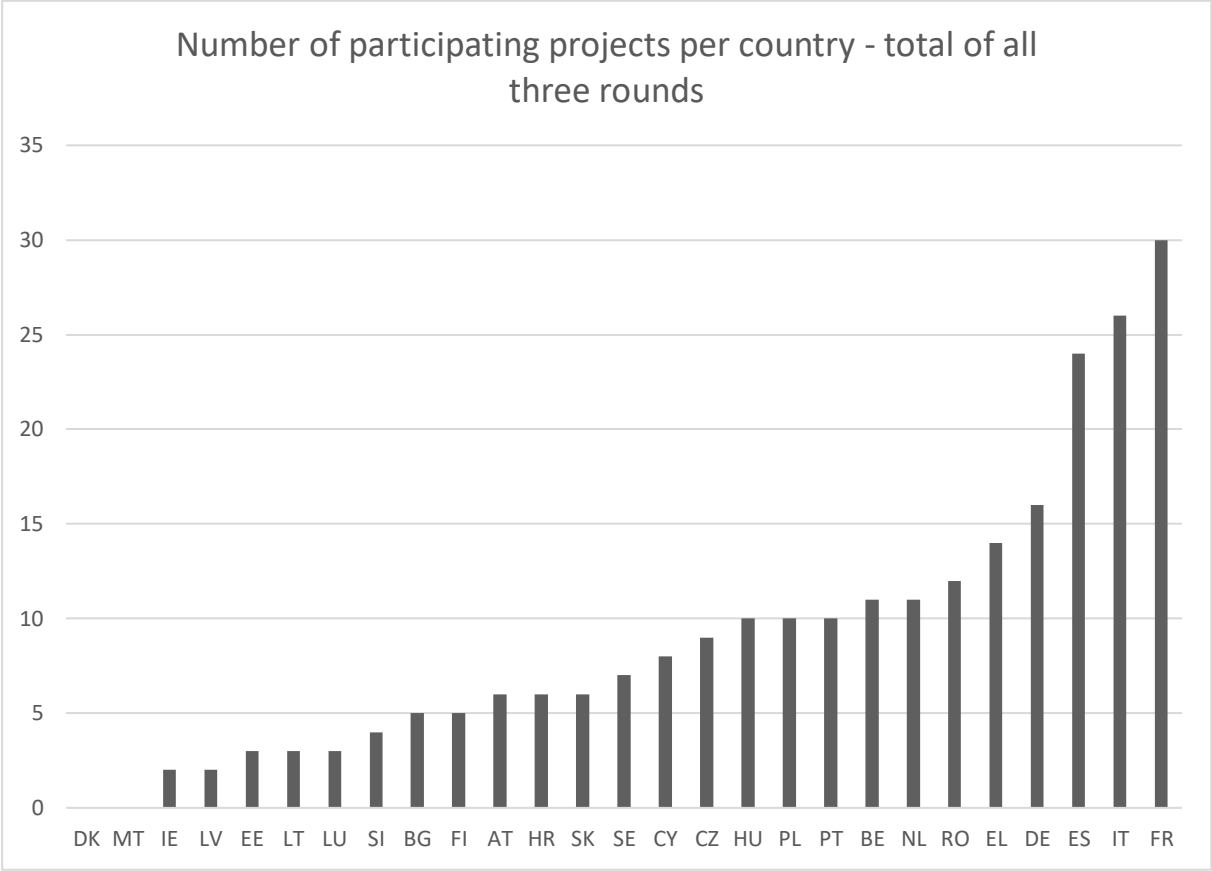


Figure 2: Commitment to PESCO in terms of number of participating projects, total across round 1-3. *Note:* The Members of PESCO have launched three rounds of projects: In March 2018; November 2018 and November 2019. *Source:* Own compilation of data from the Council of the European Union (2019).

Figure 2 illustrates a descriptive overview of the Member States’ commitment to PESCO including all three rounds of projects. Thirteen additional projects were added in the third round in November 2019. France, Italy, Spain and Germany are the main actors in terms of numbers of participating projects. More surprisingly, smaller states such as Greece and Romania have a relatively high level of commitment with fourteen and twelve projects, respectively. With the

exception of Malta and Denmark, Ireland is the least committed member, together with Estonia, Latvia, Lithuania and Luxemburg who are all participating in three projects. Eastern European countries are generally less committed to PESCO. Additional attention should also be provided Denmark and Malta. Denmark has opt-out from the CSDP and defence matters since 1992. Hence, the lack of participation is expected. Malta is adopting a wait-and-see approach. As the country's former Prime Minister, Joseph Muscat, stated: "PESCO membership for Malta could potentially conflict with the country's constitutional neutrality" (Costa 2017). Moreover, the former Prime Minister specified that he "did not foresee any particular neutrality-related issue related to membership, but it was not known exactly how the defence pact would work" (Costa 2017). In other words, it appears that Malta do not want to participate until PESCO has been further developed.

Figure 3 compares the level of commitment across all three rounds of PESCO projects. The first round, launched in March 2018, included seventeen projects. Here, Italy is by far the leading actor with sixteen participations. Spain is part of eleven projects while France is participating in eight projects. Greece has committed to nine projects. Germany and the Netherlands are participating in seven projects each. On the other side of the scale is Ireland, Latvia, Lithuania and Luxemburg who only participate in two or three projects, and do not increase their commitment in the following rounds. Most of the countries were more engaged in the first round, with the exception of France and Czechia.

The second round was launched in November 2018 with another seventeen projects. PESCO amounted 32 projects in total. In this round, Italy remains one of the leading actors with France as the second-most committed actor in terms of the number of projects. Spain is participating in eighteen projects, Greece in fourteen and Germany in thirteen. Of the participating members, Ireland, Slovenia, Latvia, Lithuania, Luxemburg are the least committed in terms of number of projects.

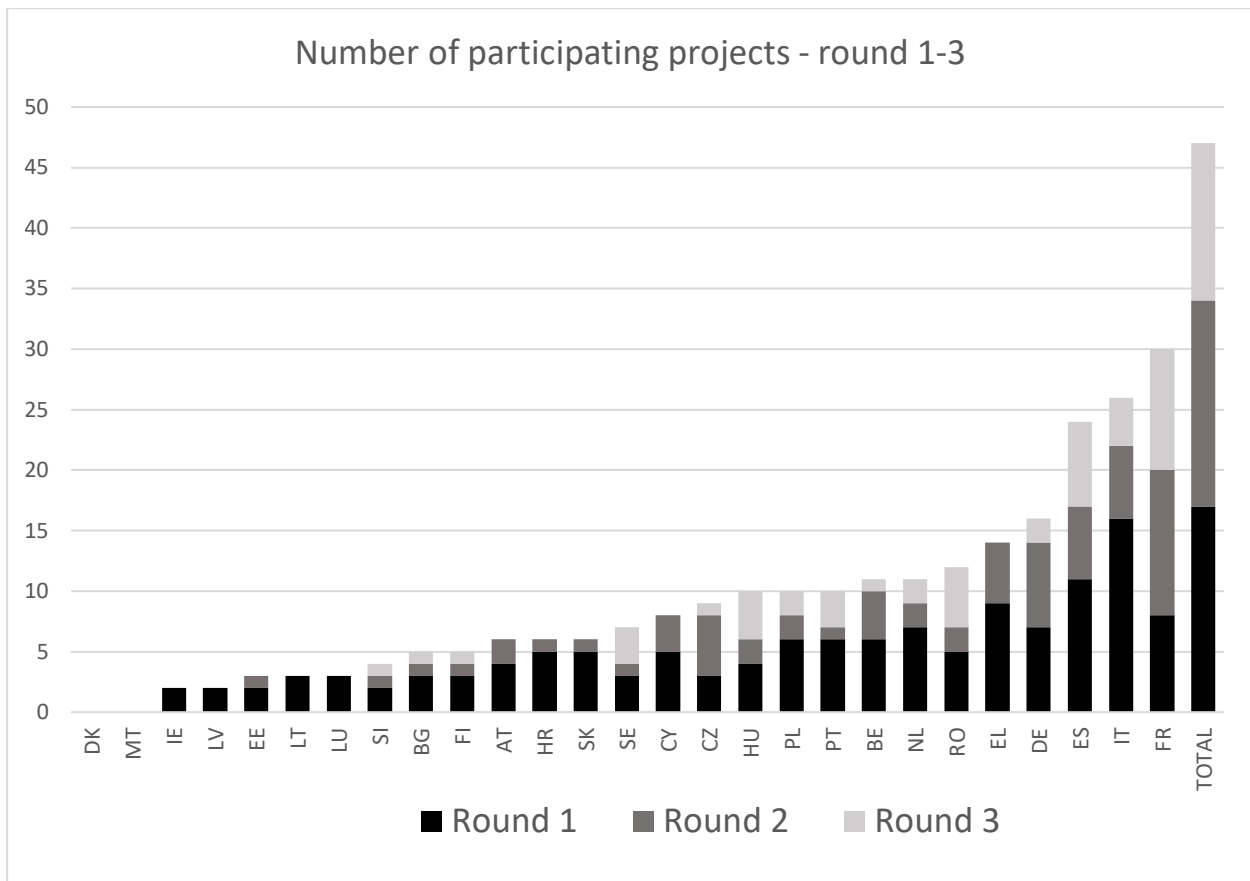


Figure 3: Number of participating projects per country – comparing round 1-3. *Note:* The Members of PESCO have launched three rounds of projects: In March 2018; November 2018 and November 2019. *Source:* Own compilation of data from the Council of the European Union (2019).

The third round was launched in November 2019 adopting thirteen new projects. PESCO now consists of 47 projects. Compared to the second bunch of projects, Croatia, Cyprus, Estonia, Greece, Ireland and Slovakia chose to not get further involved with PESCO in the third round. On the other hand, France, Italy, Hungary, Italy, Spain, Romania have increased their participation by five projects or higher. Hungary doubled their number of projects from the second to the third round. Sweden increased their commitment from participating in four projects, to participating in seven. Austria, Belgium, Czechia, Finland, Germany, Netherland, Poland, Portugal slightly increased their level of commitment with a few projects. Many countries chose to not further participate when the third round of projects was launched. Croatia, Cyprus, Estonia, Greece, Ireland and Slovakia chose to not get more involved in this round. There could be several reasons for this; they want to commit to the already participated projects, the newly launched projects were not of interest, or they were not satisfied with the general

performance of PESCO. The increase in the number of participating projects was most evident in Hungary, but also remarkable in France, Italy, Hungary, Spain and Romania. The countries with previously high levels of participation are further increasing their commitment.

In short, Member States have different commitment to PESCO. While some countries participate in many projects, others only participate in a few. On average, countries participate in 8.6 projects each. However, there are five to six countries that increase this average. The next subchapter will discuss which factors that explain this varying level of commitment.

5.2 What are the factors that explain these commitments?

Chapter 3 identified the variables included in the analyses. First, to see if there are any trends, I will plot the data. This way it is possible to see if there is a correlation between power capabilities/support for a common defence cooperation/ the length of EU membership and the number of PESCO projects each Member State participate in. Subsequently, the results from the negative binomial regression analysis will be presented.

5.2.1 Scatter plots

In Figure 4 the correlation between a country's power capabilities and number of participating PESCO projects is shown. There seems to be a steady correlation between power capabilities and number of participating projects. Countries with high power capabilities such as France, Italy and Spain are participating in substantially more projects than countries with lower power capabilities. Such countries, like Ireland, Slovenia and Finland are participating in fewer PESCO projects. There are no extreme outliers, however, some are somewhat diverging from the regression line. Germany is participating in particularly less projects than expected with regards to their power capabilities. Additionally, a linear regression line is added. It seems to be a linear relationship between power capabilities and the number of participating projects.

The correlation between power capabilities and number of PESCO projects

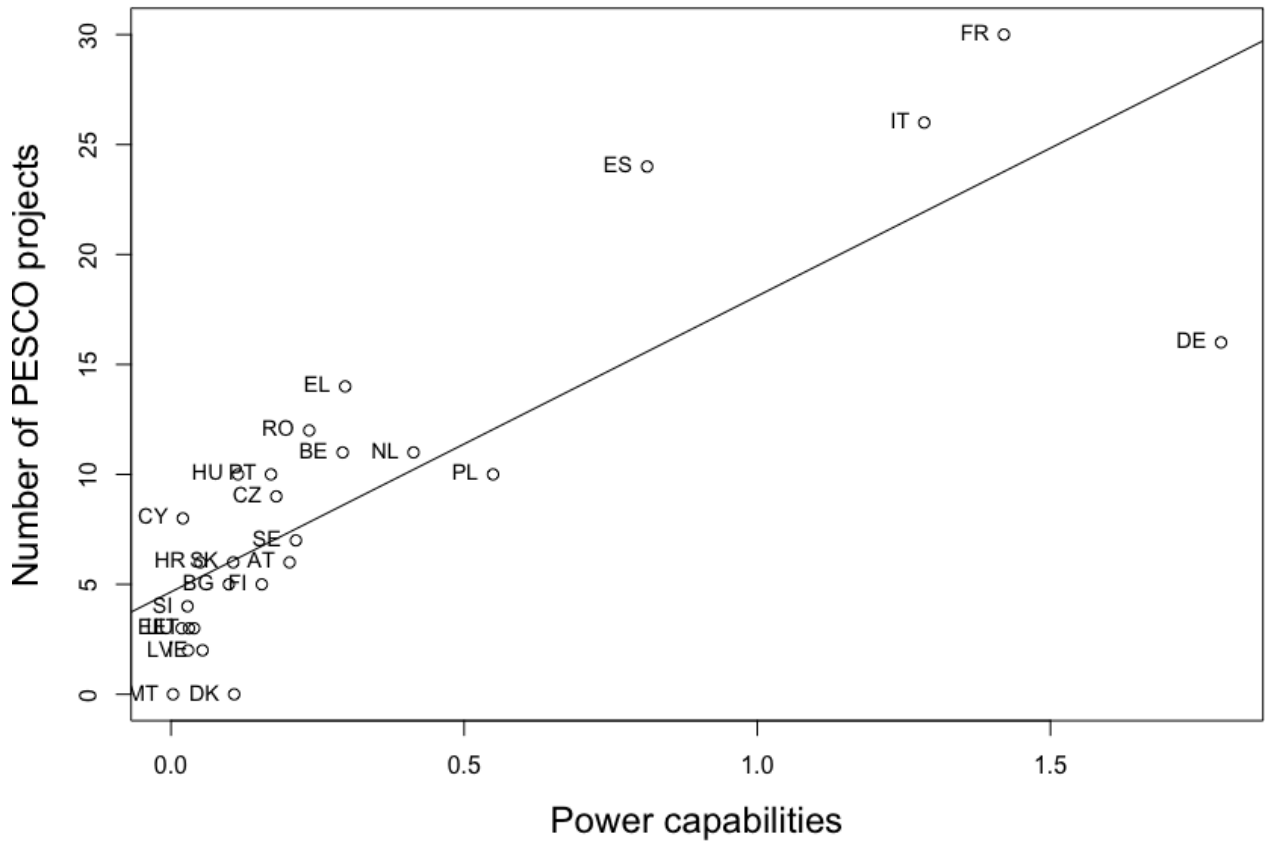


Figure 4: The correlation between power capabilities and number of PESCO projects. *Source:* Own compilation of data from the Council of the European Union (2019).

Figure 5 shows the relationship between a country’s level of public support for a common security and defence cooperation and the number of participating projects. This plot may indicate an extremely weak correlation between public opinion and participation in PESCO projects. However, there are many exceptions, such as Italy with a high participation but relatively low public support, and Latvia, Estonia and Luxemburg with high public support, but low participation. On the other hand, countries such as France and Spain both have a high level of public support and a high level of commitment to PESCO. Ireland, Croatia and Finland have a lower level of support and a lower level of participation in PESCO projects.

Nevertheless, while there is no evident pattern, there is a generally high majority in all countries. Countries such as Italy, with low level of support compared to the other larger countries, still have a majority of support for defence cooperation.

The correlation between public opinion and number of PESCO projects

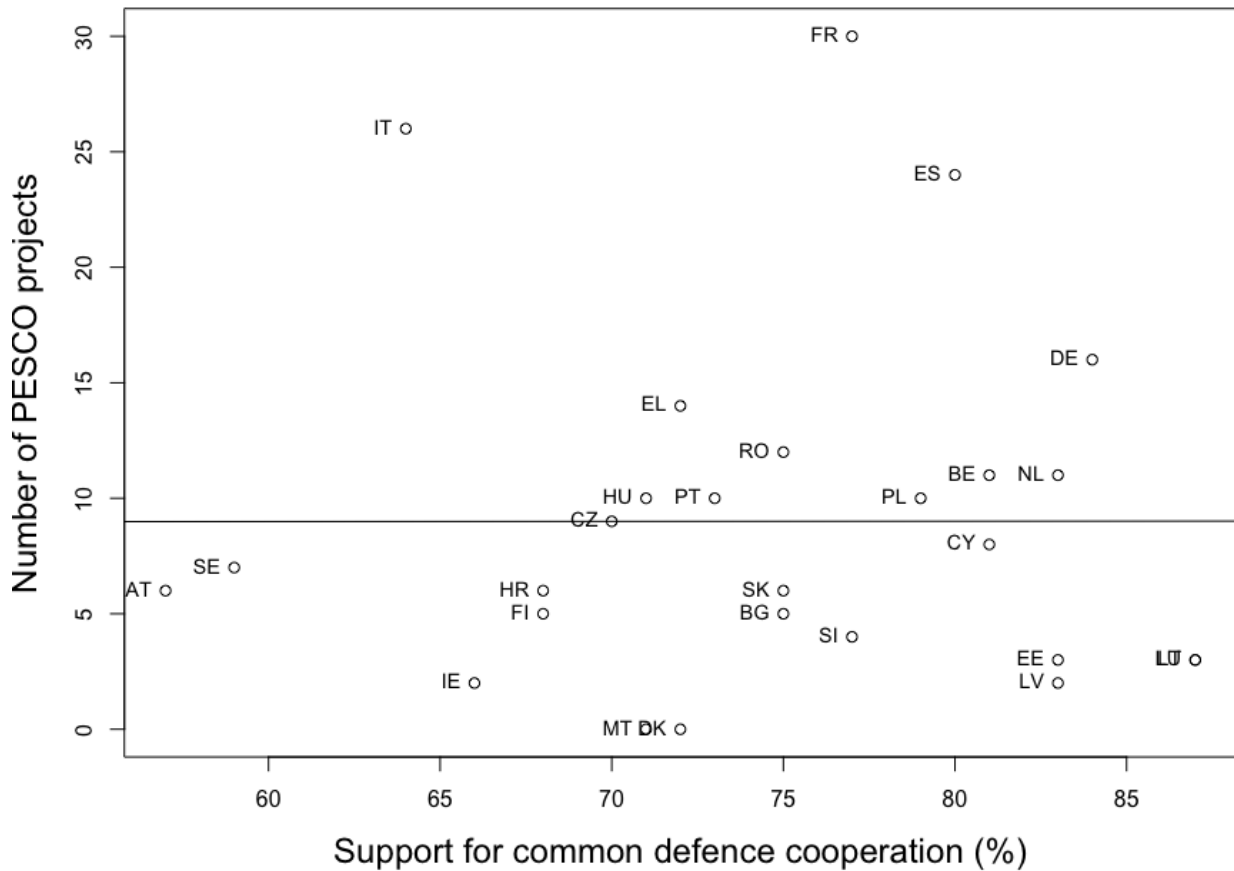


Figure 5: The correlation between public support and number of PESCO projects. *Source:* Own compilation of data from the Council of the European Union (2019).

In Figure 6 the correlation between the length of EU membership and the number of projects a country participates in is shown. However, based on this scatterplot, it does not seem to be a strong correlation. Some countries, such as France, Italy and Spain have been part of the European Union for a long time and are participating in a great number of projects. On the other hand, there are too many outliers. The Netherlands, Belgium, Poland and Hungary are participating in almost the same amount of PESCO projects; however, the length of their memberships varies with almost 50 years. At the same time, no countries have been involved in many projects (more than twelve) without having been a member of the EU for more than 30 years. It appears that a short duration of EU membership is a limitation as none of the countries that have been a member of the EU for a short time are participating in more than twelve projects. Based on the added linear regression line, there seems to be some correlation between the duration of EU membership and the number of projects.

The correlation between EU membership and number of PESCO projects

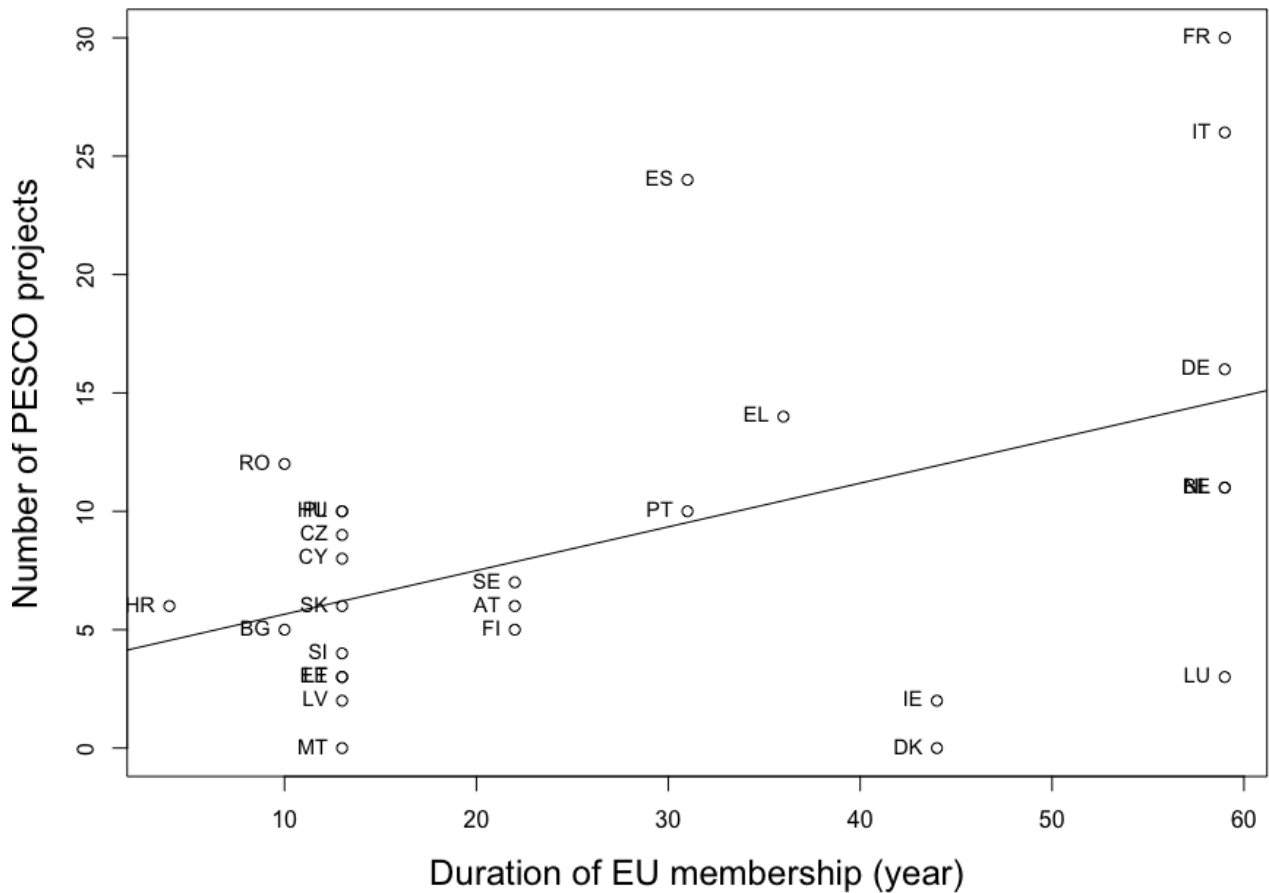


Figure 6: The correlation between EU membership and number of PESCO projects. *Source:* Own compilation of data from the Council of the European Union (2019).

In total, the scatter plots indicate that the three factors identified have various explanatory power. The scatter plot concerning the impact of power capabilities shows a steady correlation between high power capabilities and an increasing level of commitment to PESCO. France, Italy and Spain are countries with high power capabilities, and are also the most participating countries. Oppositely, the countries with the lowest power capabilities are participating in fewer projects. Thus, there are some outliers. Germany should, following the theory, participate to a greater extent compared to their current participation in only half of the expected number of projects. Through duration of EU membership, we can expect that the countries that have been part of EU for a short time do not have a high level of commitment to PESCO, however, not necessarily the opposite. A weak correlation is anticipated with regards to public support for defence cooperation. These scatter plots create expectations, but do not allow the assertion of facts. A regression analysis, however, controls for other factors that affect both the dependent

and the independent variables. I will further include control variables and conduct a negative binomial regression.

5.2.2 Negative binomial regression: Explaining commitment to PESCO

This subchapter presents the results from the negative binomial regression. In the first section the assumptions are outlined. In the second section, the results are interpreted. The results will be further discussed in Chapter 7.

First of all, the variables were tested for multicollinearity by running VIF tests on models with all the anticipated variables.¹⁰ A VIF-test is conducted to control for correlation between the variables. All variables are below both ten and five, which are commonly accepted VIF values (James et al. 2014, 102). Furthermore, because the variance exceeded the nominal mean, as seen in Table 4, negative binomial regression is used instead of Poisson regression. If Poisson regression should be interpreted, the variance should equal the mean. If not, there is a problem with overdispersion, which is the case here. The variation is greater than the mean in the dependent variable. Negative binomial regression takes overdispersion into account (Yang and Berdine 2015, 51).

Variance	Mean
57.92308	9.0000

Table 4: Variance and mean on the dependent variable.

With the exception that negative binomial regression takes overdispersion into account, the assumptions are the same in both Poisson regression and negative binomial regression (Yang and Berdine 2015, 52). They both require a positive dependent variable, which is met. However, both Poisson regression and negative binomial regression is best suitable with a large sample. This analysis has 27 observations, which might cause bias. This will be taken into consideration when the results are discussed. With the exception of the small sample, which in this case is impossible to change as the whole universe of interest is included, the assumptions for running a negative binomial regression are met. Table 5 shows the results from the negative binomial regression. Recall that the dependent variable – *number of PESCO projects* - is a count variable.

¹⁰ Appendix D shows VIF-results.

Model 1-3 in Table 5 examines the individual effects of the variables *power capabilities*, *public support for defence cooperation* and *duration of EU membership*. Model 4 includes all of these and further includes the control variables *NATO membership*, *border to Russia* and *federal system*. Model 5 further includes the interaction effect of public support for defence cooperation and federal system - as theoretically argued for in section 4.1.3. To measure the goodness-of-fit of the models, AIC, BIC and log likelihood will be used.

In model 1, the power capabilities' effect on PESCO project is tested. Based on model 1, a country with 0 percent power capability is expected to participate in 5.2 projects. By one percentage point increase in power capabilities, the participation incidence is expected to increase by 3.3 times – around 17 projects. This is a substantial effect, as the variation in the power capabilities among the countries varies from close to 0 percent – as Malta – and almost 2 percent – as Germany. This effect is statistically significant at a 1 percent level, and moreover, it is in line with the realist theory.

The effect of public support for defence cooperation is tested in model 2. The effect does not indicate a positive or negative relationship nor is it significant. Model 3 includes duration of EU membership. A country that has just become a member of the EU is expected to participate in 4.9 projects. By a one-year increase in membership, the participation incidence is expected to increase by 1.02 times – around 2 percent change in the incidence rate. One-year increase will have limited effect, but several years will have a substantial effect. As the span between the EU countries is around 55 years, this can be of considerable importance. The effect is significant at a 5 percent level. This is in line with the constructivist school of thought and H5. AIC and BIC have increased from 159.333 and 163.221 in model 1 to 172.997 and 176.884 in model 3, respectively. Log likelihood also indicates that model 1 is the better fitting model of the first three models.

Number of PESCO projects	Model 1	Model 2	Model 3	Model 4	Model 5
	IRR (Std.err)	IRR (Std.err)	IRR (Std.err)	IRR (Std.err)	IRR (Std.err)
Power capabilities	3.279*** (0.675)	-	-	2.948*** (0.719)	2.929*** (0.726)
Public support for defence cooperation	-	1.000 (0.021)	-	0.988 (0.014)	0.977 (0.028)
Duration of EU membership	-	-	1.018** (0.007)	0.991 (0.007)	0.991 (0.007)
Membership NATO	-	-	-	1.827** (0.560)	1.926** (0.627)
Border to Russia	-	-	-	0.665 (0.208)	0.733 (0.271)
Federal system	-	-	-	1.591** (0.343)	0.479 (1.084)
Public support * federal system	-	-	-	-	1.016 (0.031)
Constant	5.213*** (0.719)	8.949 (13.879)	4.958*** (1.289)	8.682** (8.708)	19.548 (39.174)
AIC	159.333	179.033	172.997	159.424	161.143
BIC	163.221	182.920	176.884	169.790	172.805
Log likelihood	-77.667	-87.516	-84.499	-72.712	-72.571
N	27	27	27	27	27

* $p < 0.1$ ** $p < 0.05$ *** $p < 0.01$

Table 5: Results from the negative binomial regression. *Note:* Dependent variable is number of participating PESCO projects. Standard errors are shown in brackets. The values are presented as incidence rate ratios.

In model 4 all the explanatory variables as well as the control variables are included. Here, the effect of power capabilities remains positive and significant at a 1 percent level but is less substantial compared to model 1. By one percentage point increase in power capabilities, the participation incidence is expected to increase by 2.9 times. The effect is yet substantial. The results indicate support for H₁ which anticipated a correlation between Member States with high power capabilities and a high level of commitment to PESCO. Public support for defence cooperation does not seem to affect PESCO projects either way. This is contrary to the hypothesised suggestion in H₃ which expected a positive relationship. Nonetheless, based on the expectations from the scatter plots, these are not surprising findings. Moreover, duration on EU membership now indicates a negative effect on the number of PESCO projects but is not significant. This is also contrary to the theoretical expectations stated in H₅. According to constructivist theory, duration of EU membership should have a positive effect on commitment to PESCO projects. On the other hand, the duration of EU membership and power capabilities are positively correlated. This is probably because the Member States that joined later were smaller countries in Northern Europe, and particularly in Central and Eastern Europe. The effect of duration of EU membership in model 3 in fact partially captures the effect of power capabilities. It is therefore not surprising that the effect of EU membership duration disappears when power capabilities are included in the same model, as in model 4.

By being a NATO member, the participation incidence is expected to increase by 1.8 times compared to non-NATO members. Similarly, by having a federal system of government, the participation incidence is expected to increase by 1.59 times compared to unitary systems of government. Both are statistically significant at a 5 percent level. On the other hand, the effect of border to Russia is negative but not significant. In this model, AIC and BIC have shrunk compared to the two former models to 159.424 and 169.790 indicating that this is the model with the best explanatory power. Log likelihood is a bit closer to zero in model 5, but not significant. In total, model 4 seems to have the best model fit.

Model 5 includes all the explanatory variables as well as the interaction effect of public support for defence cooperation and federal system. Neither of the variables are significant independently, nor is the interaction effect.

5.3 Summary of Member States' commitment

The goal of this chapter was to form a foundation for the discussion of the level of commitment among Member States. The first subchapter identified varying levels of commitment to PESCO among Member States both in total and in each of the three separate rounds of projects. Some Member States - such as France, Italy, and Spain - have a high level of commitment with participation in 24-30 projects each. Others – mostly the Eastern European Countries – participate in 2-4 projects each.

This chapter has, furthermore, tested the effect of the factors that were expected to explain the varying level of commitment, as identified in the theory chapter. In the second subchapter, the results from the scatter plots and negative binomial regression were presented. The findings were somewhat surprising. As expected, power capabilities indicate a positive effect on the number of PESCO projects, in line with the hypothesis and realist theory. However, neither public support nor the duration of EU membership seems to significantly affect PESCO commitment. These results contradict the claims of both the liberal and constructivist school. To further confirm and improve the findings identified in this chapter, a multilevel logistic regression will be conducted in the following chapter. The results and hypotheses will be discussed in Chapter 7.

6. Member States' commitment to PESCO: analysis at country-project dyad level

The purpose of this chapter is to identify the Member States' type of commitment to PESCO, as questioned in the last part of the research question. In order to do so, the results from the project categorisation are provided. An overview of the Member States' commitment to the various type of projects is presented. The second subchapter concerns the results from the multilevel logistic regression. Multilevel logistic regression makes it is possible to examine whether country level variables, as well as the type of project, affect a country's participation in PESCO projects. Finally, a summary of the Member States' type of commitment is provided.

6.1 Main goal of the projects

The results of the project coding are presented in this subchapter¹¹. The result of the project coding was shown through four subcategories: (1) Training, support, supporting technology, (2) Achieving better coordination between national and military forces without developing joint forces, (3) Building military hardware or (4) Designing joint forces, based on the main goal of the project, as seen in Figure 7. Category (1) and (2) are considered as deployable projects while (3) and (4) are considered as institutions, structures, and training projects. Recall that the theoretical framework anticipated a varying commitment based on the deployable projects – as stated in H₂, and military hardware projects – as stated in H₄. Following the realist school of thought, power capabilities should have a positive effect on participation for deployable projects. The main focus is for Member States to safeguard themselves from external threats rather than participate in projects where the main goal is to build institutions, structures and training. Following the liberal approach, competitive defence industries should have a positive effect on participation for military hardware projects. To participate in military hardware projects would, following the market-competition model, provide an easier way for Member States with defence industry to be more competitive.

As shown in Figure 7, most of the projects focus on achieving better coordination between national and military forces, without creating joint forces. Training support and supporting technology is the main goal of 13 projects. These two can be placed under the institutions,

¹¹ See Appendix B for coding results for each project.

structures, and training category. This category contains 31 projects. The two remaining - designing joint forces and building military hardware - make up the deployable category containing 16 projects. In other words, only 34 percent of the projects are considered deployable. The remaining 66 percent make up the non-deployable projects. The categorisation will be used to examine whether the type of project influences a country’s participation in PESCO. The results of this analysis are shown in the next subchapter. First, the Member States’ commitment to different types of projects is presented.

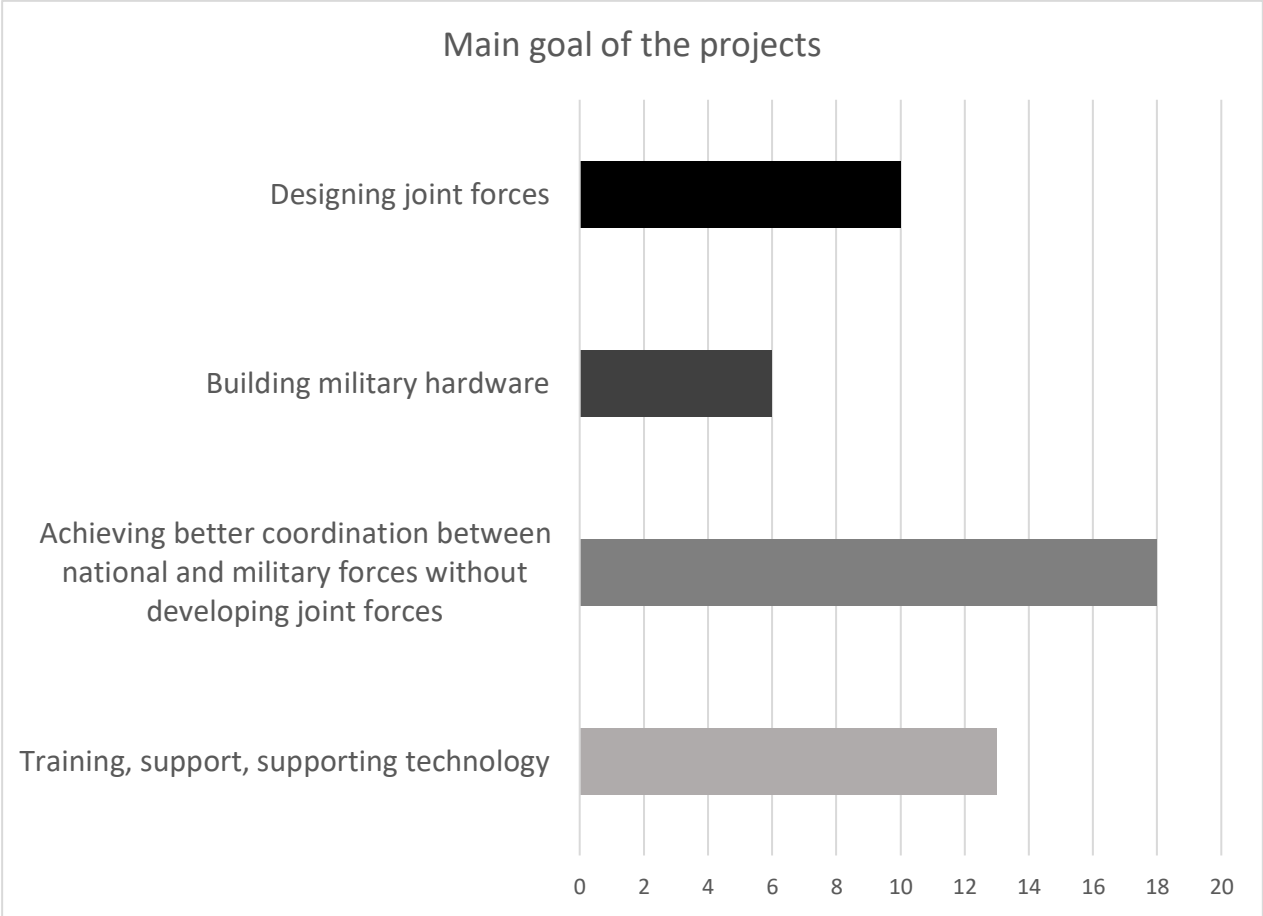


Figure 7: Main goal of the projects. *Source:* Own coding of data from the Council of the European Union (2019).

Member States’ commitment by type of project

Figure 8 shows the Member States’ level of commitment by type of project. When the projects are categorised by the type of project, the findings are different compared to the total level of commitment¹². All countries participate in more institutions, structures, and training projects

¹² See Figure 2, subchapter 5.1.

than deployable projects. Some countries participate in twice as many. However, it must be emphasised that there are more projects with an institutional goal than projects focusing on developing deployable capabilities. When only focusing on the deployable projects, some Member States are participating to a remarkably smaller degree compared to the total level of commitment. Germany, being one of the leading actors when investigating total commitment, is only participating in three deployable projects. This is the same level of commitment to deployable projects as Cyprus, who, in total, is participating in eight projects. Greece is participating in four projects with developing deployable capabilities as the main goal. France and Italy are still the most committed, participating in eleven projects each. Spain is only participating in seven deployable projects. The low level of commitment to deployable projects combined with a low level of deployable projects in total could be problematic when conducting a regression analysis. This will be considered when discussing the results.

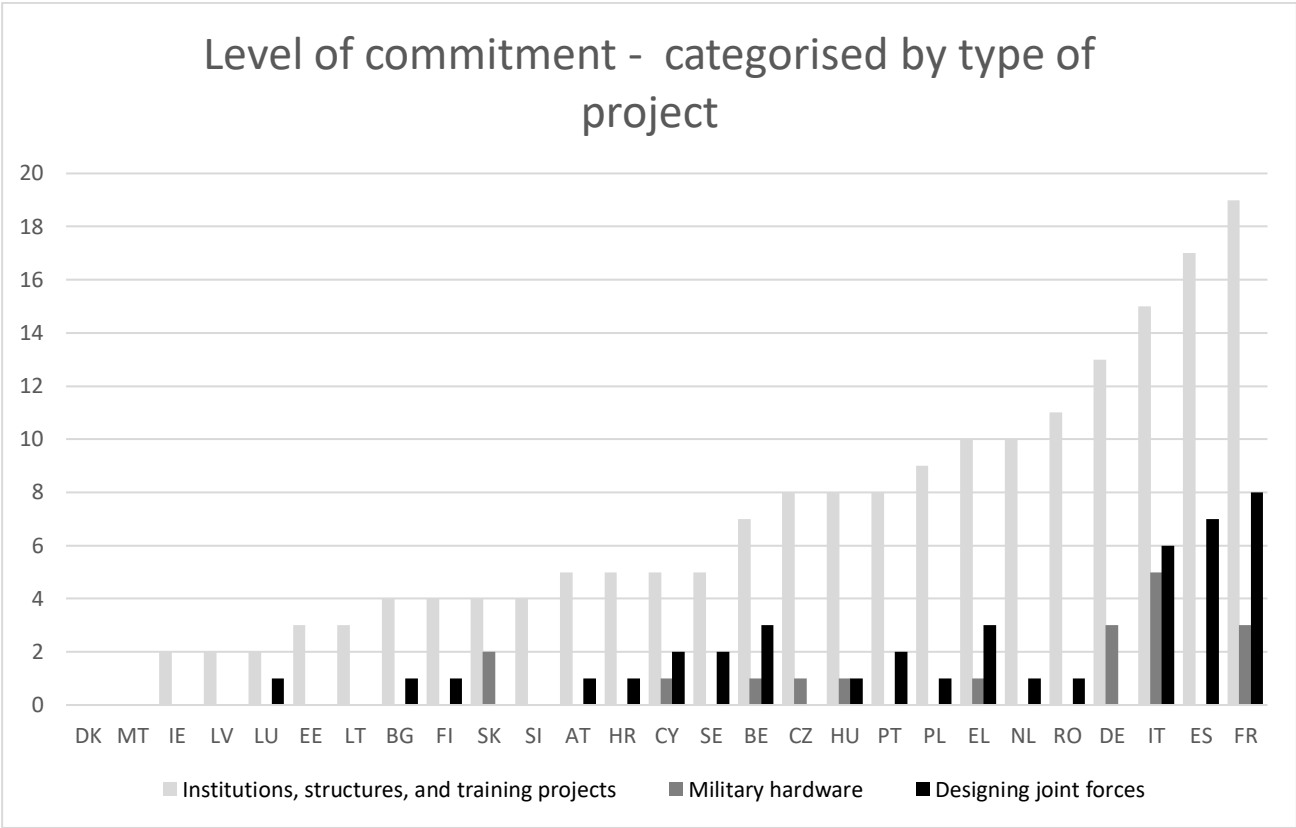


Figure 8: Number of participating projects - categorised by type of project. *Source:* Own coding of data from the Council of the European Union (2019).

6.2 Multilevel logistic regression: Explaining type of commitment to PESCO

To examine whether country level variables, as well as the type of project, affect a country’s participation in PESCO, a multilevel logistic regression is conducted. This subchapter presents the results from the multilevel logistic regression. In the first section, the assumptions are outlined. In the second section, the results are accounted for. The results will be further reviewed in Chapter 7.

A logistic regression is used because the dependent variable is dichotomous – whether a Member State is participating or not participating in a PESCO project. Multilevel regression is appropriate when the data is hierarchical. In this case, this means variables at both the project level and the country level. Each of the 1269 observations is nested in both projects and countries, as the observations are whether a Member State (country level) is participating in a specific PESCO project (project level). The method takes the dependency of the data into account. Moreover, a Hosmer-Lemeshow goodness-of-fit test was used to investigate whether a logistic regression is appropriate. As seen in Table 7, model 2, model 3 and model 4 all have p-values over 0.05, indicating that a logistic regression is appropriate. Moreover, the estimation method is controlled by testing both linear and logistic regression, with the logistic regression having the most significant findings and the lowest standard errors. Both assumptions for a logistic regression are met.

The distribution of the dependent variable is shown in Table 6. As illustrated, the likelihood to participate in a project is rather small.

Not participating	1026 (80.85%)
Participating	243 (19.15%)
N	1269 (100 %)

Table 6: Distribution on the dependent variable. *Note:* Participating/not participating in a PESCO project. *Source:* Own compilation of data from the Council of the European Union (2019).

The random effects, illustrated in Figure 9 and Figure 10, shows sufficient variation to justify a multilevel analysis. They confirm that there are variances between the projects and the countries on the dependent variable.

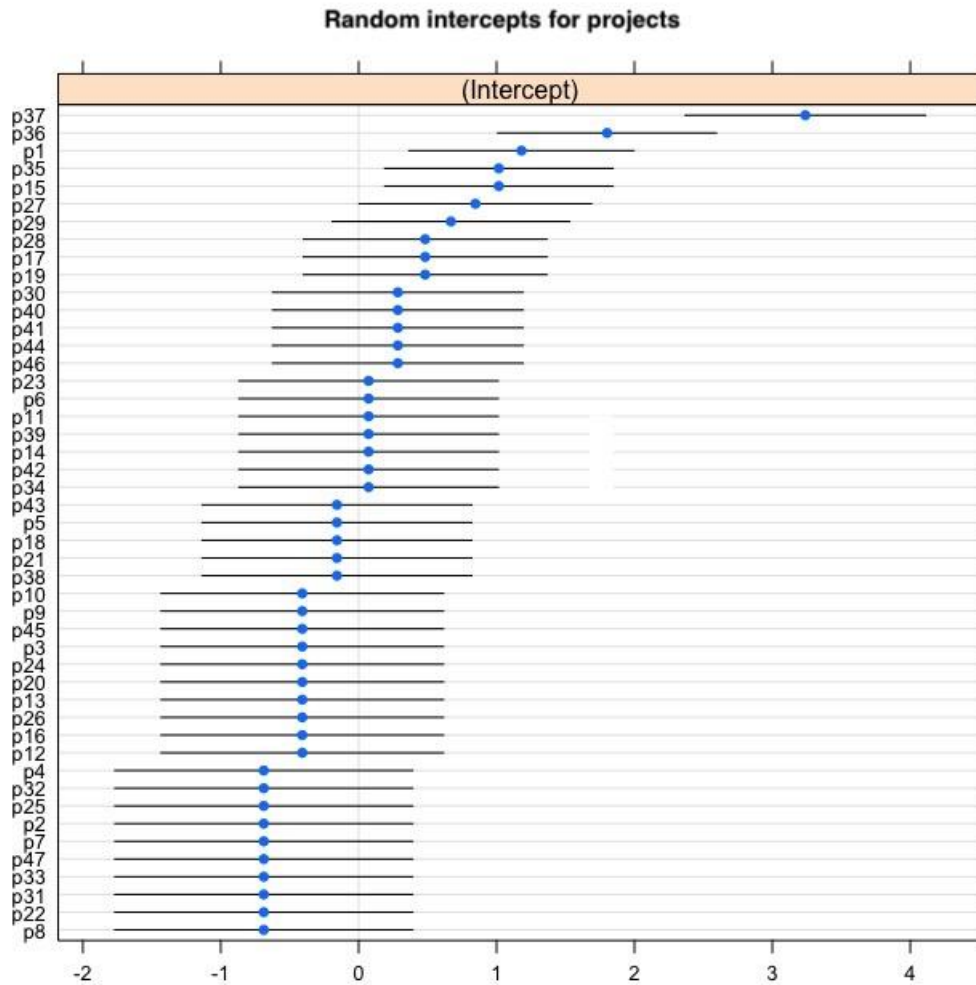


Figure 9: Random intercept among projects. *Note:* p1-p37 indicates the different projects. *Source:* Own coding of data from the Council of the European Union (2019).

Figure 9 illustrates the variance between projects on the dependent variable. Some projects are more populated than others. The most populated project, p37 (Military Mobility) includes 24 of the Member States. Figure 10 illustrates the variance between the countries on the dependent variable. Some countries are more likely to participate in projects than others. The random effects vary sufficiently to justify a multilevel analysis.

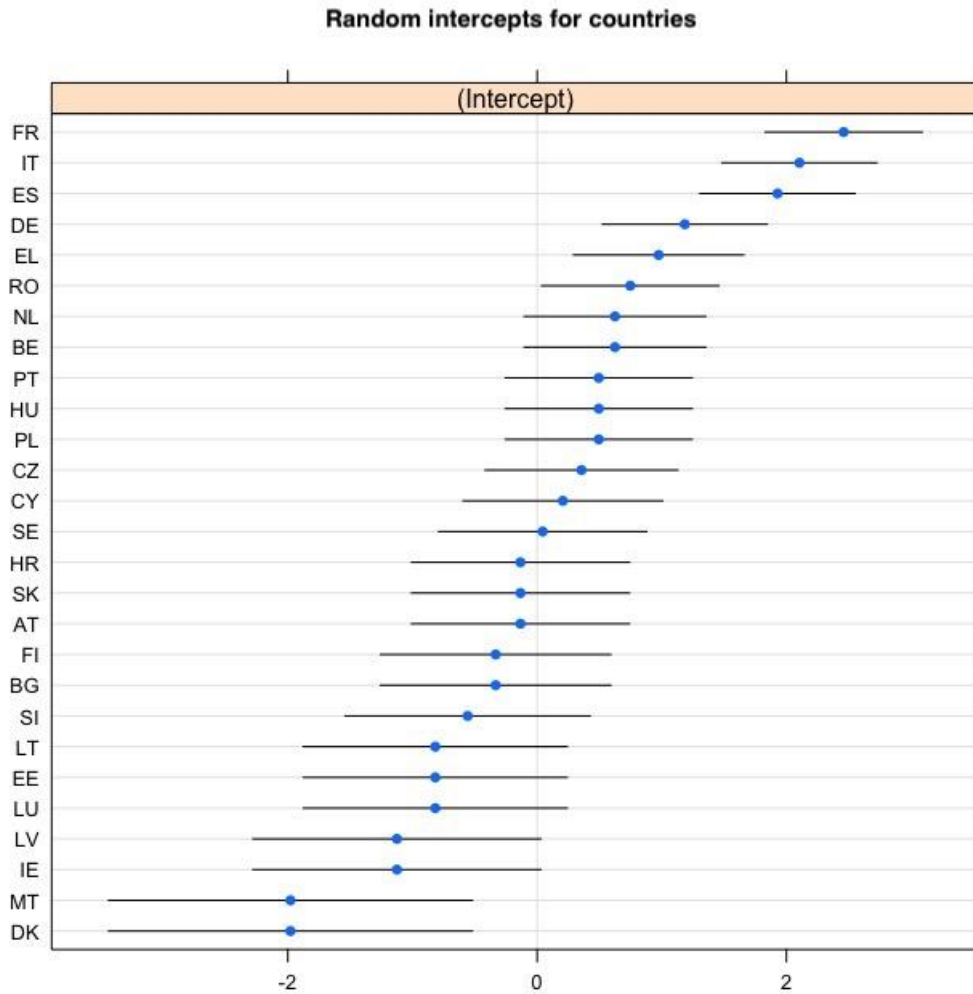


Figure 10: Random intercept among countries. *Source:* Own coding of data from the Council of the European Union (2019).

The variance is, additionally, measured by the intraclass correlation coefficient (ICC) which justifies a multilevel analysis and explains variation between clusters and within cluster variation (Sommet and Morselli 2017, 212). Here, the ICC is 0.41, indicating that there are high within-group similarities. Hence, there is empirical support for conducting a multilevel analysis. Furthermore, a VIF test was conducted to test whether there were problems with multicollinearity¹³. Moreover, the theoretical framework presented in Chapter 3 requires a multilevel analysis to test H₂ and H₄ as they include data on two levels. Thus, there are theoretical grounds for conducting multilevel analysis.

¹³ See Appendix D.

The result of the multilevel logistic regression is shown in Table 7. The table also includes fixed effects, random intercepts and standard errors. The logit model does not have any goodness-of-fit tests equivalent to R^2 . Based on AIC, BIC and log likelihood, the models' explanatory power is assessed. All models have 1269 observations.

Model 1 in Table 7 is an empty model without explanatory variables. The ICC value is 0.41, in other words, a 41 percent variation, which is a sufficient variation to justify multilevel analysis. Model 1 tests the variance of the intercepts for countries and projects. Models 2-4 include fixed effects coefficients. Model 2 shows the effect of the variable *deployable projects*. The variable is negative and statistically significant at the 5 percent level, indicating that the likelihood of participating in a project that is deployable is smaller than if it is not deployable. Moreover, it includes power capabilities, public support for defence cooperation and duration of EU membership, as tested in the negative binomial regression. Power capabilities is still positive and statistically significant at a 1 percent level in both the regressions, strengthening the hypothesis outlined based on the realist framework. The logit coefficient is 1.570, indicating that the likelihood of participating in a PESCO project is larger if the Member State has higher power capabilities. Neither public support for defence cooperation nor duration of EU membership seems to affect participation in PESCO projects. The interaction effect of deployable projects and power capabilities indicate a positive, but not statistically significant effect.

In model 3, the military hardware project variable and defence industry variable is added. The AIC, BIC and the log likelihood indicates a better model fit than in model 2. The logit coefficient of military hardware projects is -1.353 indicating that the likelihood of participating in a PESCO project is higher if the project is considered a non-military hardware project. The logit coefficient of the defence industry variable is 0.100, indicating that the likelihood of participating in a PESCO project is larger if the Member State have a competitive defence industry. The effect is significant at a 1 percent level. Moreover, the interaction effect of military hardware and defence industry is included but do not have a statistically significant impact on the participation in PESCO projects.

Participating/not participating in specific PESCO projects	Model 1	Model 2	Model 3	Model 4
	Coef (Std. Err)	Coef (Std. Err)	Coef (Std. Err)	Coef (Std. Err)
<i>Project level fixed effects</i>				
Deployable project	-	-0.914** (0.375)	-	-0.567 (0.415)
Military hardware project	-	-	-1.353** (0.529)	-1.068* (0.608)
<i>Country level fixed effects</i>				
Power capabilities	-	1.570*** (0.395)	-	0.824** (0.419)
Defence industry (Arms sales in billion EUR)	-	-	0.100*** (0.021)	0.065*** (0.024)
Public support for defence cooperation	-	-0.021 (0.023)	-0.006 (0.021)	-0.008 (0.020)
Duration of EU membership	-	-0.012 (0.010)	-0.014 (0.009)	-0.019** (0.009)
Membership NATO	-	0.915** (0.436)	1.185*** (0.396)	0.976*** (0.375)
Border to Russia	-	-0.522 (0.431)	-0.538 (0.399)	-0.577 (0.372)
Federal system	-	0.175** (0.321)	1.432*** (0.310)	1.111*** (0.314)
Power capabilities * deployable projects	-	0.462 (0.328)	-	0.360 (0.346)
Defence industry * military hardware projects	-	-	0.042 (0.030)	0.032 (0.031)
(1 /Projects) N= 47	0.852 (0.923)	0.735 (0.857)	0.717 (0.846)	0.685 (0.827)
(1 /Country) N= 27	1.511 (1.229)	0.292 (0.540)	0.226 (0.475)	0.155 (0.394)
Constant	-1.991*** (0.292)	-1.171 (1.492)	-2.511* (1.409)	-2.024 (1.304)
AIC	1049.637	1028.743	1025.576	1024.725
BIC	1065.074	1085.348	1082.182	1096.769
Hosmer-Lemeshow (p-value)	-	0.1356	0.0979	0.5785
Log likelihood	-521.818	-503.371	-502.788	-498.363
ICC	0.418	-	-	-
N	1269	1269	1269	1269

* $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$.

Table 7: Results from the multilevel logistic regression. *Note:* Dependent variable is whether a country is participating/not participating in PESCO projects. Standard errors are shown in brackets. Results are shown as logit coefficient.

Model 4 includes all variables and both interaction effects. Based on AIC, BIC, and loglikelihood this model has the best model fit. Here, power capabilities is still positive and significant, but at a 5 percent level. However, I still find support for H₁. Public support for defence cooperation has no impact and is not significant. This was further the case in the negative binomial regression, indicating no support for H₃. The duration of EU membership in this model indicates a weak negative effect and is significant at a 5 percent level, contrary to the hypothesis outlined (H₅). In the negative binomial regression, the effect was slightly positive. Out of the project level variables military hardware project is significant, but only at a 10 percent level, indicating a negative effect on participation in PESCO projects. The defence industry indicates a positive effect on PESCO participation, while both the anticipated interaction effects indicate a positive, but not statistically significant effect.

The interaction effect for H₂ is illustrated in Figure 11. The results are also presented in model 2 and model 4 in Table 7. The figure presents the effect of power capabilities on participation for non-deployable projects (0) and deployable projects (1). As anticipated by H₂, the illustrated interaction effect shows that power capabilities have a positive effect on participation for deployable projects. On the other hand, it also shows an effect for non-deployable projects, contrary to the expectations. The effect on both groups are significantly positive. The effect of power capabilities on participation seems stronger for deployable projects than for non-deployable projects, but the difference is not significant. For non-deployable projects, one percentage point increase in power capabilities increase the odds of participation in the project by 2.3 times. For deployable projects, the same change increases the odds of participation in the project by 3.3 times.

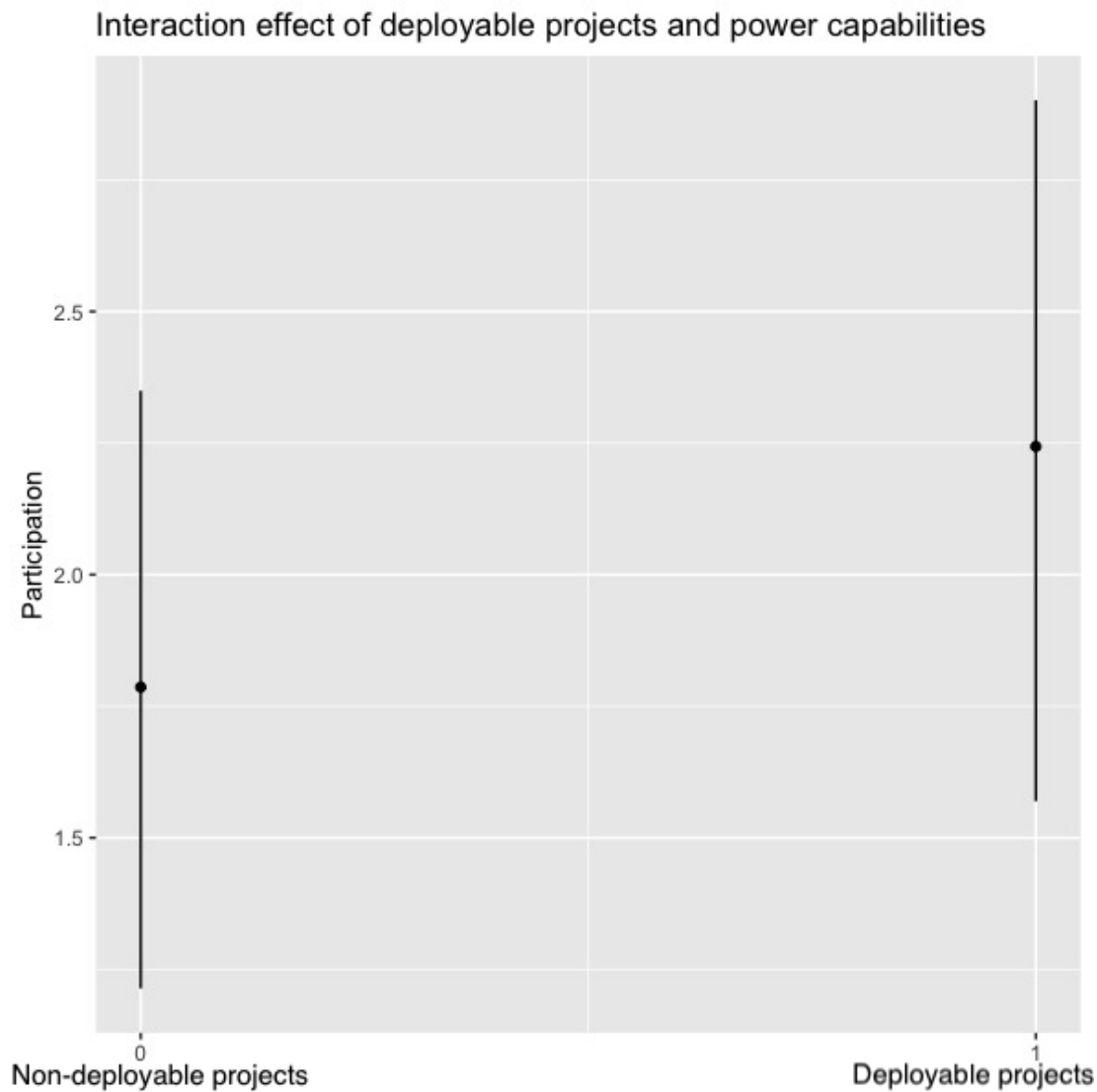


Figure 11: The effect of power capabilities on participation for non-deployable and deployable projects. *Source:* Own compilation of data from the Council of the European Union (2019) and COW (2012). *Note:* Confidence interval at 95%.

The interaction effect for H₄ is illustrated in Figure 12. The results are also presented in model 3 and model 4 in Table 7. The figure presents the effect of defence industries on participation for non-military hardware projects (0) and military hardware projects (1). As anticipated by H₄, the illustrated interaction effect shows that defence industries have a positive effect on participation for military hardware projects. On the other hand, it also shows an effect for non-military hardware projects, against the hypothesised. Both of the groups are significantly positive. The estimate is more accurate for non-military hardware projects, which is not surprising as most of the projects are considered as non-military hardware projects. The effect of defence industries on participation appears somewhat stronger in military hardware projects

than in non-military hardware projects, but the difference is not significant. For non-military hardware projects, one unit increase the in amount of sales of arms of major defence companies, increase the odds of participation in the project by 1.07 times. For military hardware projects, the same change increases the odds of participation in the project by 1.10 times.

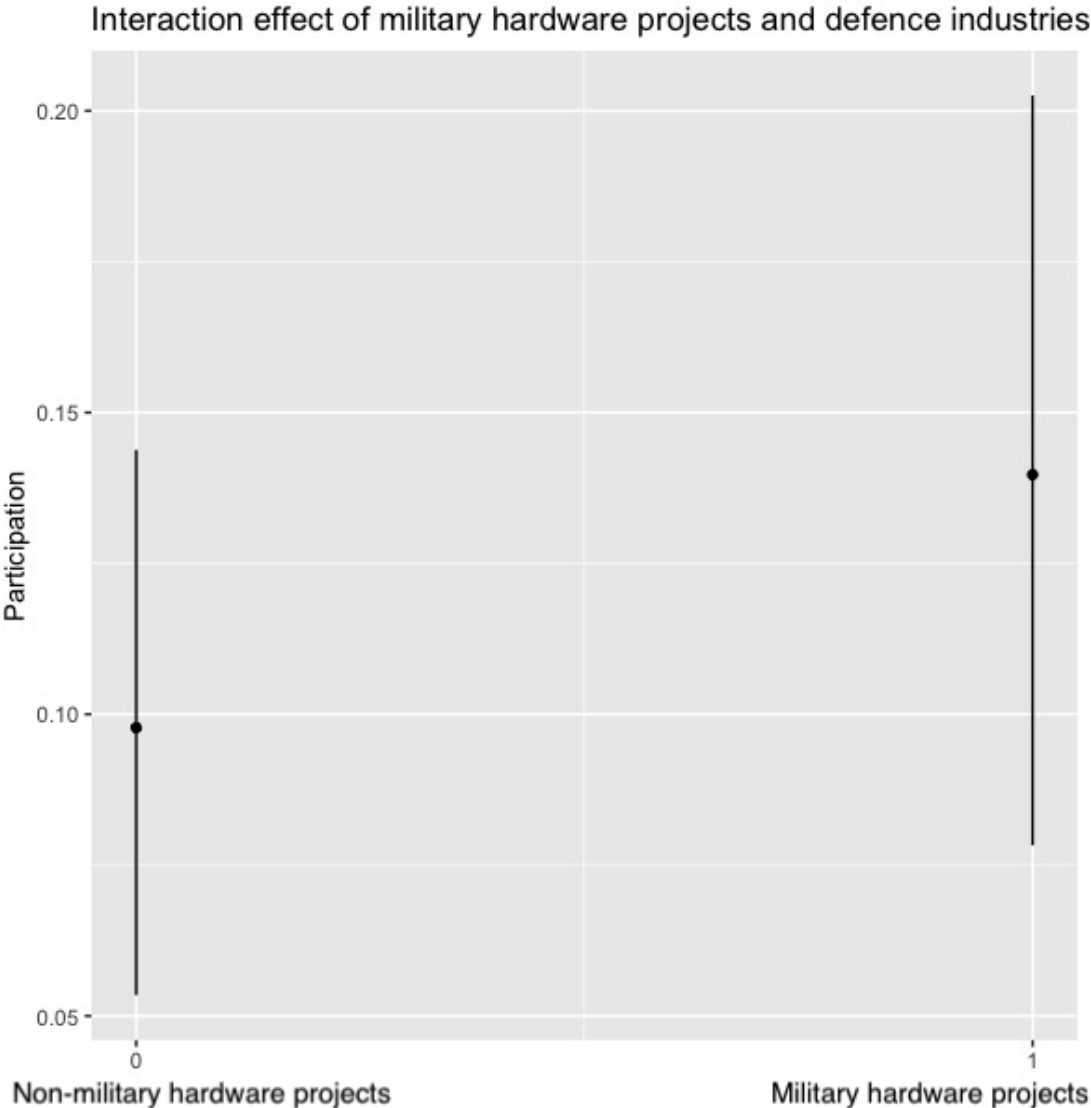


Figure 12: The effect of defence industries on participation for non-military hardware and military hardware projects *Source:* Own compilation of data from the Council of the European Union (2019) and Roth (2017). *Note:* Confidence interval at 95%.

6.3 Summary of Member States' type of commitment

This chapter has revealed the Member States' type of commitment in PESCO. The goal of the chapter was twofold. The first subchapter aimed to show the Member States' commitment to the various projects by presenting the results of the project coding. It showed that the projects focusing on institutions, structures, and training rather than deployable projects are most populated. Military hardware projects and projects where the main goal is to design joint forces are less populated.

The second subchapter sought to confirm the findings from Chapter 5 and further to test H₂ and H₄. The findings suggest that power capabilities still have an impact, indicating support for H₁. The EU duration variable has a negative effect, somewhat unexpected, contrary to what was expected in H₅ and furthermore, it had no effect in the negative binomial regression in Chapter 5. Public support has no effect in either analyses, indicating no support for H₃. Additionally, the multilevel logistic regression analysis tested the interaction effects that were anticipated based on H₂ and H₄. The results showed partial support for both hypotheses. The anticipated effect did exist for both hypotheses, but there was also an effect for non-deployable projects and non-military hardware projects.

7. Discussion

This chapter discusses the findings from the preceding chapters. The initial discussion – focusing on the evaluation of the hypotheses – is organized in the same structure as the research question. The second section discusses the theoretical and empirical implications. Limitations are discussed in the third section, while the final section provides recommendations for further research.

This thesis has attempted to answer the following research question: *What is EU Member States' commitment to PESCO, what factors explain these commitments, and what type of projects are the Member States committing to?* The results suggest that Member States do commit to PESCO, but that the level of participation varies among the Member States. This variation seems to be caused by power. Additionally, most of the projects that the Member States participate in, focus on institutions, structures and training rather than deployable projects. Member States with high power capabilities are more likely to participate in deployable projects, while the Member States with competitive defence industries are more likely to participate in military hardware projects.

7.1 Evaluation of the hypotheses

This thesis has outlined and tested five hypotheses. This section evaluates all of them, whilst discussing the research question.

What is the Member States' commitment to PESCO?

Given the institutional structure of PESCO, a varying level of participation among Member States were expected. The results from the descriptive statistics of the data from the Council of the European Union (2019) indicate a great variation among the Member States in terms of number of participating projects. There is a span of 2-30 projects with 8.6 projects on average. This pattern is consistent in all of the projects, but also in each of the three separate rounds. To answer the first part of the research question, the commitment varies between Member States. It is difficult to state which countries that are most committed, as smaller Member States may feel that they are committed to a great extent, even if they participate in few projects. Moreover, the descriptive statistics do not take into account that different projects may demand a different level of commitment. As discussed in Chapter 4, this thesis chose to consider the level of

commitment as the number of participating projects per Member States due to the lack of available data. However, based on the measurement used in this thesis, the Member States do commit to PESCO to a varying extent. The following part of the research question focuses on which factors that impact these commitments.

What are the factors explaining these commitments?

By using scatter plots, negative binomial regression, and multilevel logistic regression, the factors explaining commitment outlined by the theoretical framework were tested. Three factors were expected to have an impact on the level of commitment: *power capabilities* based on the realist approach, *public support* based on the liberal school of thought, and *duration of EU membership* based on the theory of constructivism. The analyses suggested that high power capabilities have a significant effect on PESCO participation. This finding supports H₁, stating that “EU Member States with high power capabilities are more likely to have a high level of commitment in PESCO”. This finding was evident in all three analyses. It should be emphasised that the variable used to measure power capabilities is not purely realist, as it is not limited to realist indicators only. CINC reflects military expenditure, military personnel, but also less realist related measures, such as energy consumptions, iron and steel production, urban population and total population. Based on the scatter plots, the total population seems to have an impact on number of projects. Nevertheless, CINC is one of the most used power indexes in the international relations literature. H₂ helps to isolate the realist explanation as deployable capabilities are more in line with the realist approach.

Following H₃, Member States with high public support for European defence cooperation should be more likely to have a high level of commitment in PESCO. Contrary to the hypothesised association, public support does not seem to have an impact on the commitment to PESCO. The scatter plot concerning public support did not confirm the expectations. Neither did the negative binomial regression or the multilevel logistic regression. Given these results, even though the negative binomial regression analysis had shortcomings due to a small number of units, there seems to be no support for H₃. A possible explanation for this could be that the assumptions for when public opinion matter, outlined by Tomz (2002), are not met. Recall that for public opinion to have an impact on international commitments the voters should (1) know their positioning on the question of compliance, (2) think that the question is important enough to sway their vote, and (3) prefer compliance to default. It is plausible that PESCO is a low-key issue for the public, and that the governments feel that they do not have to respond to it. Tomz

(2002) furthermore argued that if one of these assumptions were not fulfilled, the public opinion could have a neutral or negative effect on the outcome. However, as the scatter plot showed, although the overall support for defence cooperation does not vary significantly, there is a generally high majority in all countries, and only two countries are below 60 percent support.

The constructivist approach argues that traditions and norms are of importance, as emphasised in H₅, stating that “EU Member States with long tradition of EU membership are more likely to have a high level of commitment to PESCO”. As illustrated by the scatter plots in Figure 6, it can be argued that short duration of an EU membership is a limitation as none of the countries that have been member of the EU for a short time are participating in more than twelve projects. However, there is no significant evidence in the negative binomial regression and multilevel logistic regression that indicates support for H₅. In model 3 in Table 5, a small positive effect is indicated, but this effect disappears when other variables are included. Contrary, the multilevel logistic regression indicates a small negative effect¹⁴. However, these effects are of moderate size. A possible explanation for this could be that such socialisation through EU membership is not applicable to the field of security and defence because interactions between Member States representatives are less intense than in other fields, such as economic regulations or agriculture. Moreover, traditions and norms might be better measured through other indicators. Measurement limitations will be discussed in section 7.2.

What type of projects are the Member States committing to?

To identify which projects the Member States choose to participate in, the projects were coded by their main goal. The results indicate that the Member States have a varying level of commitment to various types of projects. The project coding showed that most of the projects that are created focus on institutions, structures, and training rather than deployable projects – contrary to the realist approach. Following the realist approach, Member States should be reluctant to cooperate in projects that do not directly help to safeguard them from external threats. For constructivists, on the other hand, such projects are necessary to solve shared challenges and they, in general, emphasise the importance of international cooperation – regardless of type of projects.

¹⁴ See model 4 in Table 7.

However, as stated in H₂, EU Member States with high power capabilities should be more likely to participate in projects where the main goal is to develop deployable capabilities. The findings from the multilevel logistic regression analysis showed partial support for this hypothesis. The effect of power capabilities on participation for deployable projects is positive. On the other hand, this effect is also present for non-deployable projects. Nonetheless, the effect appears somewhat stronger for deployable projects than for non-deployable projects, indicating partial support for H₂. This hypothesis helps to isolate the realist theory explanation but does not entirely cover the realist assumption. Optimally, military potential or military power of each country should be included. The operationalisation of power capabilities in this thesis also includes total population and economic power. Nevertheless, H₁ focuses only on the effect of power capabilities on participation in general, while H₂ separates – at least to a greater extent - power capabilities as economic power and power capabilities as military potential.

Even though the liberal approach supports all kinds of international cooperation, the market-competition model suggests that EU Member States with a competitive domestic defence industry should be more likely to participate in projects where the main goal is to create military hardware (H₄). The results suggest that the effect of defence industries on participation for military hardware projects is positive. However, this effect also exists for non-military hardware projects, indicating only partial support for H₄. At the same time, the effect is stronger for military hardware projects. The literature offers few explanations for why they should engage in both types of projects. One possible explanation could be that the Member States' governments might be pushed by defence industries to participate in PESCO more broadly.

In sum, Member States participate in all kinds of projects. The effect of power capabilities and defence industries are indeed stronger for deployable projects and military hardware projects, as assumed by the hypotheses. However, they are only partially supported because the effect of power capabilities and defence industries also exists for other projects. It should also be noted that these interaction effects were not statistically significant.

Hypotheses	Evaluation based on analyses
H1: EU Member States with high power capabilities are more likely to have a high level of commitment in PESCO.	Supported
H2: EU Member States with high power capabilities are more likely to participate in projects where the main goal is to develop deployable capabilities.	Partially supported
H3: EU Member States with high public support rates for European defence cooperation are more likely to have a high level of commitment in PESCO.	Rejected
H4: EU Member States with a competitive domestic defence industry are more likely to participate in projects where the main goal is to create military hardware.	Partially supported
H5: EU Member States with long tradition of EU Membership are more likely to have a high level of commitment in PESCO.	Rejected

Table 8: Evaluation of hypotheses.

A summary of the evaluation of the hypotheses is provided in Table 8. As can be seen, some empirical support is found for several of the hypotheses, but some are also rejected. The next section discusses the theoretical and empirical consideration based on the evaluation of the hypotheses.

7.2 Theoretical and empirical considerations

This thesis aims to contribute theoretically and empirically to the existing literature. To pursue this, three different theories have been tested. The findings can be added to the existing literature on commitment to European security and defence cooperation. Moreover, it can be used to further theorise PESCO. The findings suggest that not all of the theories outlined in Chapter 3 could be applied to PESCO – at least not to explain commitment. While the realist approach seems to have support and explanatory value, the constructivist school has no evident support. Some support for liberalism is indicated. As argued in Chapter 3, none of these theories was expected to unaccompanied explain the commitment to PESCO. Realism have the best explanatory power. Simultaneously, the high level of participation in projects focusing on

institutions, structures, and training is simultaneously difficult to explain based on a realist perspective, which suggest that future research is needed to further develop the theoretical argument. The results imply that realist theory is significant but cannot explain PESCO single-handedly.

As identified in the literature review, there is also a gap in literature regarding empirical research on PESCO. The findings contribute to a clearer understanding of the Member States' role in PESCO. While previous policy papers have mainly focused on expectations, these findings demonstrate that Member States do commit to PESCO, but that the level of participation varies. Furthermore, the types of commitment were also identified. These results should be considered when discussing and evaluating the future of PESCO – as a new and promising defence initiative.

7.3 Limitations

The analyses have some limitations and weaknesses. Most of the shortcomings are related to measurement, but a limited number of units and theoretical considerations also may have implications.

Even though all the countries in the European Union were included in the analyses, the low number of units in the first analysis chapter created implications. As negative binomial regression is not recommended on small samples this could have impacted the results. Logistic multilevel regression analysis was used to control the results. The generalisability of the results is also limited, as PESCO and the European Union is institutionally and politically unique. As discussed in both Chapter 4 and previous sections of this chapter, several of the variables should optimally have been measured in other ways, but the lack of available data limits the opportunity to do so. The most crucial decision was how commitment was measured. Both to interview representatives from each Member State and evaluating the National Implementation Plans would be interesting research. This was, however, not an option in this study. Neither does this thesis take into consideration that the different projects may demand different levels of commitment. This was beyond the scope of this study. Another shortcoming is how power capabilities is measured. It does not only capture the motivation of Member States to participate, but also their ability to do so. However, motivation is difficult to address empirically. The

methodological choices limit the opportunity to conduct in-depth studies. An in-depth case study of the Member States motivation for defence cooperation could be valuable.

Additionally, the duration of EU membership as a proxy for tradition could be measured otherwise. Moreover, the analyses of public opinion should optimally have included data on the assumptions for public opinion to matter, but this was also excluded due to the lack of available data. This was also the case with the defence industry variable, which optimally should have included smaller defence companies as well.

Furthermore, it should be noted that I rely on one or two hypotheses per theoretical approach, which reveals certain shortcomings. Each of these theories could identify several other measurements and hypotheses that could be tested. Future research could possibly find theoretical support that was not identified in this thesis. The coding of the projects is another possible limitation. Human coding might cause problems with different interpretations of the same project. To minimise this risk, a fellow student attempted to code some projects independently. However, this is one of the trade-offs with human coding and was expected when the method was chosen. I have argued that human coding still was the most optimal method for coding the projects.

7.4 Recommendations for further research

PESCO is a new and growing field of research that requires further attention. There is little research on the role of Member States, and this should be further researched. A qualitative in-depth analysis of the Member States' motivation to participate in PESCO may be interesting. With a qualitative approach, it is also possible to conduct interviews with Member State' representatives to gain a deeper understanding of the Member States' commitment. As previously mentioned, an analysis of the National Implementation Plans would provide a deeper understanding of Member States' commitment.

To theoretically draw conclusions, further investigation is needed. The realist explanation could be isolated to a greater extent. This could be done by using variables including a country's military potential or military power. The power capabilities variable focuses more on resources. Further research could also include other variables to measure the competitiveness of defence

industries, as well as to include the assumptions for public opinion to matter. Other theoretical approaches, such as institutionalism and liberal intergovernmentalism, could also be tested. As PESCO is poorly theorised, further research is needed to establish a theoretical approach to fully explain PESCO. Other measurements and proxies for the theories used in this thesis could also be further investigated. Empirically, further research can build on the analyses and results in this thesis. As more projects are launched, the findings can be further tested. In this way, patterns can more easily be identified as the number of observations increases. Moreover, research on the specific projects could help to evaluate the success of the project implementations.

The effect of PESCO on European defence policy is expected to be visible from 2021 and onwards (Béraud-Sudreau 2020, 63). Future research could examine the success of PESCO projects and further investigate the actual implications of PESCO.

8. Concluding remarks

8.1 Summary and conclusion

The aim of this thesis was to explain Member States' commitment to PESCO. As anticipated by the institutional structure of PESCO, the findings suggest that the Member States have varying levels of commitment.

Chapter 2 gave a thorough understanding of PESCO, emphasising its institutionally unique structure. Member States can participate based on their ambitions. Chapter 3 identified a gap in the literature regarding theory and empirical evidence. The existing literature on PESCO focuses on what is needed for PESCO to become successful. Based on this, the next section focused on literature explaining commitment to European security and defence cooperation, which identified several factors that have impacted commitment. This was followed by a section where the theoretical approaches were outlined. By using realism, liberalism and constructivism, five hypotheses were formulated. The variables used to test these hypotheses were operationalised in Chapter 4, which presented the data and the methodological approach. The findings were presented in Chapter 5 and Chapter 6, suggesting that power capabilities have an effect on whether the Member States chose to commit or not. However, all of the Member States have a relatively high level of public support for common defence cooperation, although this did not seem to have an impact on the number of projects they participated in. Conversely, the duration of EU membership seems to be a limitation for participation. Even though not all of the Member States who have been part of the EU for a long time were participating in many projects, but of those who did participate in many projects, all of them have been part of the European Union for more than thirty years. Of these variables, power capabilities were the only statistically significant finding explaining commitment to PESCO.

Type of commitment was investigated in Chapter 6. First, the results from the project coding were provided, which showed that most of the projects created focuses on institutions, structures and training. The second section tested the effect of power capabilities and defence industries on participation for deployable projects and military hardware projects. Power capabilities were expected to have an effect on participation for deployable projects. The effect was present for both non-deployable projects and deployable projects, but indeed stronger for the latter. Similarly, defence industries were expected to have an effect on participation for

military hardware projects. The effect was present for both non-military hardware projects and military hardware projects but was stronger for the latter.

Chapter 7 discussed these findings. First of all, the Member States' commitment to PESCO was debated. The way of measuring commitment affects the results, and implications were discussed. I argued that number of participating projects is the best method in this thesis. Furthermore, the hypotheses were evaluated. The lack of support for the hypotheses concerning public opinion and the duration of EU membership were discussed. I argued that the assumptions for public opinion to matter might not have been met in this case and that the expected interaction among Member States representatives might not be as intense in the field of security and defence as in other fields. This could possibly explain the lack of support for the two hypotheses. Three hypotheses were partial or fully supported, while two were rejected.

The research question of this thesis was: *What is EU Member States' commitment to PESCO, what factors explain these commitments, and what type of projects are the Member States committing to?* As anticipated by the institutional structure of PESCO, the findings suggest that the Member States have a varying level of commitment. The most important factor explaining these commitments is power capabilities. Member States with higher power capabilities are more likely to commit to PESCO projects. In total, most of the projects focus on institutions, structures and training. However, countries with high power capabilities or with competitive defence industries are more likely to participate in the projects categorised as a military hardware project or projects considered as deployable.

8.2 Contributions

My findings are important for several reasons. First, it addresses a gap in the literature both theoretically and empirically. The findings confirm that realist theory is applicable to PESCO, at least to some extent, and that realist theory, in general, has explanatory value. This finding could be added in the broader context of international relations in the last few years, arguing that large and powerful Member States are using PESCO as one way to balance against other international powers, in line with the realist theory. Secondly, the empirical findings confirm that Member States do commit to PESCO. Several scholars have expressed that PESCO is "yet another failed attempt" of cooperation in the field of security and defence. The structure of PESCO makes the commitments legally binding, and the Member States have chosen to commit

in all the three existing rounds of projects. Thirdly, the findings confirm some of the existing evidence in the literature on commitment to European security and defence cooperation. The factors tested in this thesis were drawn from existing theories used to explain the commitment to security and defence cooperation. Hopefully, this thesis contributes toward a more profound understanding of this new and promising defence cooperation and to the Member States commitment to PESCO, and defence cooperation in general.

9. References

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9.2 R-packages

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10. Appendix

A: Coding scheme

Note: Most of these words are common for several of the categories, but the combination of several words from one category indicates where the project belongs. Of course, these evaluations are based on discretion. The characteristics are only indicative.

Values are coded as 0 (Institutions, structures, and training) if they contain the following characteristics:

Training, support, supporting technology:	Achieving better coordination without developing joint forces:
<i>Training missions</i> <i>Educate</i> <i>Centre</i> <i>Practice</i> <i>Sharing knowledge</i> <i>Evaluation</i> <i>Training</i> <i>Network</i> <i>Procedures</i> <i>Support</i> <i>Architecture</i>	<i>Network</i> <i>Centre</i> <i>Technologically</i> <i>Sharing knowledge</i> <i>Coordination</i> <i>Provide Member States</i> <i>Enable Member States</i> <i>Communication</i> <i>Common</i> <i>Platform</i> <i>Sharing</i> <i>Collectively</i> <i>Institutions</i> <i>Information</i>

Values are coded as 1 (Deployable) if they contain the following characteristics:

Building military hardware:	Designing joint forces:
<i>Develop</i> <i>Deployment/Deploy</i> <i>Build</i> <i>Common platform</i> <i>Platform</i> <i>Combat</i> <i>Forces</i> <i>Military</i> <i>Missions</i>	<i>Develop</i> <i>Deployable</i> <i>Common platform</i> <i>Force package</i> <i>Missile System</i> <i>Capability package</i> <i>Troops</i> <i>Force</i> <i>Common</i> <i>Platforms</i> <i>Missions</i> <i>Coordination</i> <i>Joint</i> <i>Combat</i> <i>Armed forces</i>

B: Coding results

Category	Main goal	Project	Score
Institutions, structures, and training	Training support, supporting technology	<ul style="list-style-type: none"> • EU TMCC • European Training Certification Centre • H3 Training • Joint EU Int School • EUROSIM • EU CAIH • SMTC • CBRNDTR • EUNDC • European Global RPAS Insertion Architecture System • UGS • GEOMETOC GMSCE • TWISTER 	0
	Achieving better coordination between national and military forces without developing joint forces	<ul style="list-style-type: none"> • MAS MCM • HARMSPRO • Upgrade of Maritime Surveillance • EURODRONE • European Attack Helicopters Tiger Mark III • Network of Logistic Hubs in Europe and Support to Operations • Military Mobility • Co-Basing • MAC-EU • Cyber Threats and Incident Response Information Sharing Platform • CRRTs and Mutual Assistance in Cyber Security • Electronic Warfare Capability and Interoperability Programme for Future Joint Intelligence Surveillance and Reconnaissance (JISR) Cooperation • CIDCC • EURAS • EU Test and Evaluation Centres • MUSAS • EMC • CBRN SaaS 	

Deployable capabilities	Building military hardware	<ul style="list-style-type: none"> • Armoured Infantry Fighting Vehicle • EUROARTILLERY • BLOS • EHAAP IRS Capability • EPC • C-UAS 	1
	Designing joint forces	<ul style="list-style-type: none"> • EUFOR CROC • Deployable Military Disaster Relief Capability Package • DIVEPACK • EOF • ECOWAR • ESSOR • C2 System for CSDP Missions and Operations • One Deployable Special Operations Forces (SOF) Tactical Command and Control (C2) Command Post for Small Joint Operations (SJO) – (SOCC) for SJO • EU-SSA-N • AEA 	

Source: Own coding of data from Council of the European Union (2019).

C: Project abbreviations

AEA	Airborne Electronic Attack
BLOS	EU Beyond Line of Sight (BLOS) Land Battlefield Missile Systems
C-UAS	Counter Unmanned Aerial System
CBRN SaaS	Chemical, Biological, Radiological and Nuclear (CBRN) Surveillance as a Service (CBRN SaaS)
CBRNDTR	Chemical, Biological, Radiological and Nuclear (CBRN) Defence Training Range
CIDCC	Cyber and Information Domain Coordination Center
CRRTs And Mutual Assistance in Cyber Security	Cyber Rapid Response Team and Mutual Assistance in Cyber Security
DIVEPACK	Deployable Modular Underwater Intervention Capability Package
ECOWAR	EU Collaborative Warfare Capabilities

EHAAP IRS Capability	European High Platform Atmosphere Airship Platform (EHAAP) – Persistent Intelligence, Surveillance and Reconnaissance (ISR) Capability
EMC	European Medical Command
EOF	Energy Operational Function
EPC	European Patrol Corvette
ESSOR	European Secure Software defined Radio
EU CAIH	EU Cyber Academia and Innovation Hub
EU-SSA-N	European Military Space Surveillance Awareness Network
EUFOR CROC	EUFOR Crisis Response Operation Core
EUNDC	European Network of Diving Centres
EURAS	EU Radio Navigation Solution
EUROARTILLETY	Indirect Fire Support
EURODRONE	European Medium Altitude Long Endurance Remotely Piloted Aircraft Systems – MALE RPAS (Eurodrone)
EUROSIM	Integrated European Joint Training and simulation Centre
GEOMETOC	Geospatial Meteorological and Oceanographic (GEOMETOC) Support
GMSCE	Coordination Element (GMSCE)
HARMSPO	Harbour & Maritime Surveillance and Protection
Joint EU Int School	Joint EU Intelligence School
MAC-EU	Materials and components for technological EU competitiveness
MAS MCM	Maritime (semi-) Autonomous Systems for Mine Countermeasures
MUSAS	Maritime Unmanned Anti-Submarine System
SMTC	Special Operations Forces Medical Training Centre
TWISTER	Timely Warning and Interception with Space-based TheatER surveillance
UGS	Integrated Unmanned Ground System

D: VIF-test

Negative binomial regression analysis

Variable	VIF value
Power capabilities	2.090182
Public support for defence cooperation	1.525165
Duration of EU membership	2.2763
Border to Russia	1.302624
Federal system	1.325395
NATO membership	1.467372

Multilevel logistic regression analysis

Variable	VIF value
Power capabilities	3.414412
Public support for defence cooperation	1.6278
Duration of EU membership	2.4412
Border to Russia	1.3031
Defence industry	2.8177
Federal system	1.8105
NATO membership	1.5160
Military hardware projects	1.5212
Deployable projects	1.6780