

Territory-Induced Credible Commitments:

The Design and Function of the European Concert System,
1815-54

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Introduction

- Studying peace for causes of war
- Concert of Europe, 1815-1854:
 - Change in preferences?
 - Notions of legitimacy?
 - Purposeful balancing?
 - Hegemonic stability?
 - Management by conference?
- Thesis: Concert self-enforcing due to incentive structure generated by territorial division

Much of the scholarly work in international relations attempts to explain the causes of war. Although every war is in many ways unique, treating individual wars as aberrations would almost certainly lead to neglect of structural causes that may make war or less likely. Studying periods of peace can be particularly useful in examining the consequences of structural change. When players do not change but their behavior does, one must carefully examine the environment in which strategic interaction takes place—variations in structure can explain different behavior when actors are very much the same.

This paper seeks an answer to the question why the Great Powers were able to live in relative peace for half a century following the end of the Napoleonic Wars. Why did states that had gone to war before, and would go to war again, not do so for such an extended period of time?

Do we have to assume that states had undergone a profound change in their preferences and goals? Do we have to resort to some vague notion of legitimacy that enabled them to sustain cooperative behavior? Was the system sustained by some sort of purposeful balancing behavior?

This paper argues that the answer to all these questions is “No.” It shows that state behavior changed because the environment had changed with the Vienna settlement in 1815. The Concert of Europe was an institution (in a sense to be defined) that was self-enforcing to the extent that the territorial settlement structured incentives in a way conducive to peace.

Overview

1. Definitions: institutions, credible commitments, endogenous enforcement
2. The Utrecht System (1713-1814)
3. Innovations at the Congress of Vienna (1815)
4. The Concert in practice (1815-1854)
5. Conclusion

Definitions

- Anarchy
- Credible commitment, optimal contracts
- Endogenous enforcement
- Equilibrium
- Institution

The Concert as institution: I interpret the Vienna settlement as the creation of an “optimal contract,” whose territorial arrangements endogenized enforcement and enabled the Great Powers to commit credibly to upholding the new system.

Institutions, Credible Commitments, and Endogenous Enforcement

Anarchy: (i) ability to use coercive power to obtain goals, and (ii) inability to credibly commit to agreements because there is no overarching enforcement.

A commitment may not be credible because the incentives after concluding an agreement may no longer be compatible with upholding that agreement.

If states can anticipate this *ex post* inconsistency *ex ante*, they can design an agreement that structures the incentives in a way that promotes compliance.

I interpret the Vienna settlement as the creation of an “optimal contract,” whose territorial arrangements enabled the Great Powers to commit credibly to upholding the new system.

In an anarchic environment, such an arrangement can only work if it is self-enforcing. That is, if it relies on threats to deter potential revisions, then it must be in the deterring states' interest to carry out the threat. If the agreement relies on cooperation, then states must have incentive to cooperate and not defect and free-ride on the efforts of others.

Equilibrium: a set of actions where no one state has an incentive to change its strategy unilaterally.

Institution: a type of equilibrium where state behavior is conditioned on past behavior of other states, and on expectations how others would react to its actions. Actions and expectations are consistent with utility maximization.

I show that the Concert of Europe was such an institution. The “optimal contract” designed at Vienna made enforcement endogenous to the equilibrium.

The Utrecht System, 1713–1814

(no territory-induced credible commitments)

Features of the system:

1. principles of territorial compensation and exchange
2. inability to fight a decisive war
3. territorial fragmentation of some Great Powers
4. a great number of small European states

These features combined to prevent states from credibly committing to any territorial distribution. This inability resulted in opportunism, which produced almost constant conflict.

Institutional Innovations at the Congress of Vienna

1. Great Powers arrogate to themselves the authority to decide the new order; solutions imposed on smaller states
2. France is quickly assimilated into the new system
3. Great Powers divide the commons into spheres of influence with disregard of nationality or dynastic claims
4. the settlement reflects the bargaining strength of the parties

These innovations enabled the Great Powers to create a territorial system, which was self-enforcing because it structured incentives appropriately (territory-induced equilibrium).

Dividing the Commons

- Britain demands no territories on the continent
- Russia acquires Duchy of Warsaw
- Austria acquires Venetia and Lombardy
- Prussia acquires territory in the Rhineland
- France restored to pre-revolutionary borders

France surrounded by a buffer of hostile medium states, with British interests in the Netherlands, Prussia itself in the Rhineland, German interests in Bavaria and Baden, guaranteed Swiss neutrality, and Austrian interests in Italy.

The key to the explanation is that the Concert system was self-enforcing to the degree that the territorial distribution structured incentives of the Great Powers such that their equilibrium behavior was to maintain the Vienna settlement.

The success of deterrence rests entirely on the credibility of the threat to take action against the state that deviates from the cooperative equilibrium. Thus, deterrence and cooperation depend critically on unobserved behavior, that is, on expectations about how others would react to an alternative action.

Therefore, we should expect that states periodically check the consistency of their expectations (probing) or affirm their commitments (signaling).

Although the Vienna and Paris treaties established the territorial division, they did not generate an obligation to defend it. Any collective enforcement would suffer from credibility problems when divergent state interests prevent consensus or when states free-ride on the efforts of others. The treaties did create a set of interlocking interests such that some territories were not open for contestation, and for every territory that was potentially contestable, there existed some coalition of states with sufficient interest to prevent change.

The Great Powers affirmed the principle of “mediation,” that is, imposition of their preferred arrangements on both quarrelling sides, to ensure no unwanted change took place.

The Great Powers had *carte blanche* to intervene in their own spheres of influence as long as doing so did not threaten the system.

The Concert in Practice, 1815–1854

- Deterrence of revisionism: France and Prussia
- Cooperation on territorial adjustments: Greece and Belgium
- Coordination and information: Troppau-Laibach and Verona
- Destruction of the system: the Crimean War

Deterrence of Revisionism: France and Prussia

France was anxious to affirm its commitment to the settlement despite rhetoric that denounced it: no unilateral intervention in Spain until sanctioned, “citizen king” uses Belgian secession to show commitment of new regime, new government after 1948 revolution upholds the territorial division (the only treaty it did not abrogate), so does Napoleon III. Main threat: Quadruple Alliance.

Probing behavior. Turko-Egyptian crisis of 1839: Palmerston revives Quadruple Alliance and forces France to back down.

Prussia concentrates on internal reforms and its position in Germany, where it mainly cooperates with Austria. Main threat: Austria.

Probing behavior. The Erfurt assembly in 1848: Austria mobilizes and forces Prussia to back down, “humiliation of Olmütz.”

Cooperation on Territorial Adjustments

Greece. When Ottoman Empire proves unable to restore stability in the region (constant temptation for Russia), Britain and France “cooperate” with Russia to create an independent Greek state in 1829. Solution imposed on Mahmud (defeated by Russia) and the Greeks (receive less than demanded).

Belgium. When Holland proves unable to hold the unified Dutch state, the five Powers decide on separation and create independent Belgium in 1830. Solution imposed on William (defeated by France, accepted it eight years later) and the Belgians (threatened with an ultimatum to accept it).

In both cases, the Great Powers explicitly agreed not to seek augmentation of territory, exclusive influence, or commercial advantage. In both cases the deterrent features of the Vienna arrangement were preserved.

Coordination and Information: Congresses

Troppau-Laibach establishes general principle of intervention within respective sphere of influence. Austria intervenes in Italy; after Verona, France intervenes in Spain. Even Britain, not party to the agreement, intervenes in Portugal at will. Austria and Prussia intervene in Germany.

In all interventions, the mandate is strictly followed, and the Great Power withdraws in accordance with its terms.

It is useful to think of the conferences as coordination devices that enabled the Great Powers to devise solutions and find ways of implementing them. The Congresses were also opportunities to send signals to potential challengers (less successful in that). Participants ensured that abstaining Powers were well-informed about intent, measures, and scope of the intervention.

Again, the Great Powers specifically renounce territorial aggrandizement.

Destruction of the Institution

Gravest defect of the Concert was that it needed Russia more than Russia needed it: much of the credibility of commitments rested on Russian participation.

Austria depended on Russian assistance, especially after Britain withdrew from active participation under Canning. The Hungarian revolt of 1848 required Russian intervention to quell.

France was checked by Anglo-Russian opposition in the East and Austria in Italy. Without Russian assistance, Austria was impotent in Italy, which France found out in 1859.

Prussian restraint was also conditional on being outflanked by France and Russia. Once Eastern check is gone, Prussia could challenge Austria or France. It did both: first in 1866 and then in 1871.

After its defeat in the Crimean War at the hands of Britain and France, Russia largely withdrew from continental affairs.

France had finally wrecked the Quadruple Alliance. Austria (though its narrow-minded behavior toward Russia during the war) destroyed the Holy Alliance. This damaged the enforcement mechanism, which made commitments no longer credible.

Soon after the war, France challenged Austria in Italy. The unification, however, did not have the profound effect of the next two developments: Prussian victories over Austria and France. The emergence of Germany was the end of the territorial division, which did not survive the demise of the institution.

Conclusion

The central thesis of this article is that the Concert of Europe was an institution where the cooperative behavior of its principal players was sustained by the credible commitments generated by the territorial division. To the extent that these players were able to credibly commit to upholding the system and preserve the interlocking interests, enforcement was endogenous.

The comparison with the eighteenth century is instructive: the same states that were in almost constant conflict due to the territorial fragmentation of the Utrecht system, changed their behavior dramatically under the Vienna arrangements. Thus, strategic interaction, which critically depends on the environment, produced warfare in the first case but peace in the second.