

Global Power Shift

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Global Power Europe - Vol. 1

Theoretical and Institutional Approaches
to the EU's External Relations

 Springer

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Ample empirical evidence points to recent power shifts in multiple areas of international relations taking place between industrialized countries and emerging powers, and between states and non-state actors. Yet there is a dearth of theoretical interpretation and synthesis of these findings, and a growing need for coherent approaches to understand and measure the transformation. This edited series aims to bring together scholars from all major world regions as well as different disciplines in order to discuss and possibly blend their different approaches and provide new frameworks for the understanding of global affairs and the governance of global power shifts.

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Foreword: The EU Is Not Over

“Global Power Europe” is an important contribution to one of most vital questions of our times: what will be the future of the international order? The answer will differ greatly depending on whether the EU will be able to contribute significantly to building an effective multilateral order. The answer is not and could not be clear-cut. The EU represents both enormous potential, based on its experience with building multilevel governance, and significant apprehension, due to the expectations gap that has grown along with it.

This volume, edited by Astrid B. Boening, Jan-Frederik Kremer, and Aukje van Loon, shows the scope of the studies on the role of the EU as a global actor. It also shows the interest that scholars, on both sides of the Atlantic, maintain in the topic despite growing skepticism of the role of the EU on the international scene, of the future of the Euro zone and in some cases of the future of the EU itself. The volume also highlights the diversity of theories used to analyze the nature of the EU as a foreign policy actor. The authors cover many of the areas of international action of the EU, showing that it is too soon to rule out the emergence of the EU as a major global actor, but also underlining the tremendous challenges it faces in a changing international order.

Of the challenges identified in this volume, three are of especially critical importance to the future role of the EU as a global actor.

The Challenge of Global Power Politics

Of the major trends that are defining the future of the international order, increasing polycentrism will likely be one of the trends which the EU will find it difficult to cope. We are moving towards a post-Western world as power shifts to Asia, and no single actor will be in a hegemonic position. The era of US unipolarity is over, and no new bipolarity will replace it in the foreseeable future. In this context, the relative decline of the USA and the EU is inevitable. This means that the Western alliance is no longer a decisive force on the international scene, but that other actors

need to be included to pursue an effective multilateral agenda. For the EU, this will come rather naturally, since the pursuit of effective multilateralism is central to EU foreign policy, with the EU integration process itself based on inclusiveness and cooperation. Yet, the effective adaptation to increasing polycentrism by the EU is not a foregone outcome for three reasons: First, the EU has become used to strategic dependence of the USA. Second, the “power politics” conception of international relations that is pursued by a large number of new global players will limit international recognition of the EU as a strategic international actor. Third, and most troubling, is the fact that in a post-hegemonic world, middle powers are bound to play a major role. In this context, EU middle power states like Germany and France can be tempted to play a more autonomous international role, undermining the ability of the EU to define common policies. This is already the case with energy management issues and on security issues in general, as seen during the 2011 Libya crisis, when Germany assumed a position closer to that of the BRICS countries.

The Challenge of Coherence Involving EU Institutions and Member States

The Lisbon Treaty didn’t solve the problems of unity and coherence in EU external action. By multiplying the number of European Union actors, the Treaty increased the need for more complex negotiations, not only between member states and EU institutions, but among the institutions themselves. The complexity of the Lisbon system makes the process of shaping external policy, weakening the coherence of external action by the Union, more difficult. The coherence of EU foreign policy can’t be merely the result of institutional cooperation, but needs to be enlarged to include the member states who will remain the most important actors in European foreign policy. With the Lisbon Treaty, the member states have gained greater power in the decision-making process of the Union as highlighted by Selin Özoğuz-Bolgi in her chapter: “In the end, the retention of national sovereignty won over supra-nationality.”

This shift can be seen in the diminishing role of the EU Commission in external action in favour of the intergovernmental process. A good example can be found in the shaping of EU Mediterranean policy, where the transformation led to the weakening of the communitarian normative approach that over the years allowed the Commission, through the Barcelona Process, to support civil society initiatives in the fields of human rights and democracy. The difficulties of the EU to define a coherent policy to support the democratic transitions in the Arab world are a consequence of such state of affairs. The normative nature of EU external action means that acting with consistency regarding the values of the Union is a precondition for its credibility. However, the post-Western nature of the Arab revolutions makes the imposition of EU conditionality upon that region a weaker proposition. The integration of the southern Mediterranean in a common space of

rules and norms is now more difficult and the most likely scenario is not that of EU “imperial” stretch but of the emerging of circles of autonomous regional cooperation in a democratic Arab world.

The Challenge of Adding Hard Power Capacities to Make the “Civilian” EU into a True Global Power

This issue is not new. The launching of the European Security and Defence Policy (ESDP) in 1999 was a consequence of the lessons learned in Bosnia and Kosovo, and the conviction that without a military component the EU would not be able to play a relevant role in promoting effective multilateral action. In recent years, however, we have seen a weaker commitment to defence policy and a lack of ambition in this field. This, as several chapters in these two volumes address, is the result of several factors: The main reason would be the economic crises, and the fact that member states are substantially cutting defence expenditure. Eighteen European countries cut military spending by more than 10 % between 2008 and 2011, while the largest EU military powers, the UK, France, and Germany, have made modest cuts of 0.6 %, 4 % and 1.6 %, respectively. The UK plans to cut a further 7.5 % up to 2014/2015, and Germany another 10 % to 2015.¹ The impact of the economic crises should hence not be underestimated. Economic constraints will imply a further deterioration of member state military capacities, military industries, investment in technological research, and willingness to contribute to military operations.

Despite these limitations, the combined military capacities of the member states remain second only to those of the USA, though likely to be surpassed by China in the next decade. Thus if the member states pooled and shared their capacities, they would be able to maintain their global military standing for a decade, but this would require the definition of a common ambition for European defence and a clear understanding of common strategic goals. Increasing global interdependence is creating the conditions for effective cooperation among different actors.

Effective multilateral solutions can best be pursued using the UN framework as an indispensable source of legitimacy. The anti-piracy operations off the coast of Somalia are a good example of the importance of including China, India, and other global powers in inclusive multilateral actions to global challenges. It has been argued that there is a need to revise the 2003 EU Security Strategy to take into consideration the shift toward a post-Western world. As Natividad Fernández Sola stresses, however, a new security strategy would not solve the current chaos by itself, “but would perhaps force member states to discuss at greater length the European shared security interests.” The conclusion could be, as in the 2008 revision of the security strategy debate, that building a consensus of all 27 member

¹ See SIPRI—<http://www.sipri.org/research/armaments/milex/resultoutput/trends>

states will be very difficult. Yet even limited consensus achieved through open and vigorous debate can open the way to a more effective approach to the international action of the EU.

More critical than a discussion of the EU security strategy would be a discussion of the implications for the EU, internally and externally, of the ongoing transition to a polycentric and interconnected world.² This discussion would help Europeans understand the consequences of their relative international decline and to define policy that can help Europe avoid absolute decline. It could also spur Europeans to consider new possibilities in shaping their role as a global actor, without relying on unrealistic dreams of a European superpower. In the security field, the EU is likely to become a more regional actor than a global one. Due to the difficult nature of the security challenges in Eastern Europe, the Caucasus, and the Middle East, an EU which is able to play a major role in these areas would certainly contribute significantly to international peace. But for the EU to be influential, it needs to do more than enhance its hard power. The EU also needs to maintain its soft power. For that it must, first and foremost, remain a space of integration based on unity within diversity. As Cristina Pace stresses, “The European Charter of Fundamental Rights was therefore adopted into the framework of a specific strategy aimed at developing a European political identity through the recognition of a set of rights and common values.” In this perspective, the protection of human rights in EU member states is essential to promote the EU’s credibility and power on both a local and global scale. In contrast, the rise of populism and anti-immigration policies undermines the EU’s attractiveness, legitimacy, and influence.

Differentiated Integration

In conclusion, as many of the studies of this book show, there is a gap of expectations between what the EU is supposed to deliver and the present state of affairs of EU foreign and security policy. This gap needs to be overcome in order to allow the EU better to defend the interest of its citizens in a peaceful international order.

Three possible scenarios can be foreseen for the future of the EU: disintegration, the creation of a federal super state or differentiated integration. Both the disintegration and federal super state scenarios are highly unlikely. The most likely scenario for the future of the EU, highlighted by the differing impacts of, and responses to, the present Euro crisis, seems to be that of differentiated integration. This would involve engaging in an internal re-organisation of the EU to adapt to the

² See the ESPAS Report “Global Trends 2030—Citizens in an Interconnected and Polycentric World”, edited by Álvaro Vasconcelos. This report assesses the long-term, international and domestic, political and economic environment facing the European Union over the next 20 years. <http://www.espas.europa.eu/>

re-nationalisation of some policy areas by larger EU member states. This re-nationalisation limits the ability of the EU to develop common policies, so differentiation between EU states would deepen on the basis of varying levels of economic or military power.

To preserve the European project, a Union shaped according to accommodation of diverse member state perspectives may be needed. This scenario may entail member states, or coalitions of them, driving EU foreign policy on selected priority issues, depending on respective national agendas. This approach could generate constructive cooperation between the EU and the national level in specific cases. The provisions of the Lisbon treaty that facilitate flexibility and enhanced cooperation can, as this book points out, accommodate this trend, but for a different Union than that of a single unique voice in international affairs.

Such a Union could still make a substantial contribution to a multilateral global order by working more closely with other global players, including states, international institutions, and non-governmental organisations.

The EU has an opportunity to lead in the creation of multilateral governance initiatives to address the major global challenges that citizens will be facing in the decades to come, such as climate change and human security. If the EU fails, no other international actor, including the USA, is likely to take on that important role, with worrisome consequences for the future of the world.

Paris, France

Alvaro de Vasconcelos

Preface

Has the EU become a “Global Power,” or maybe even a “Super-Power”? questions like this have become more and more relevant for the study of international relations, especially in the context of expanded competencies for the EU in foreign policy in the light of the Lisbon Treaty. The EU is now an international legal personality and her authority in various fields of international politics has been legally assured. It is engaged in spheres like international trade and commercial policy, international climate governance, and international negotiations about ongoing international crises (North Korea, Iran, etc.) and has replaced, or at least supplemented, the member states as negotiating actors. There are countless journal articles, monographs, and papers that focus on explaining and examining the EU’s external activities: some of them focus in empirical studies on specific fields of engagement like commercial policy (p.e. Meunier and Nicolaidis 2005; Meunier 2006, 2007; Woolcock 2010), security policy (p.e. Charillon 2005; Gross 2009; Howorth 2007), or the EU’s actions in global climate governance (p.e. Oberthür and Roche Kelly 2008; Wurzel and Connelly 2011), while others focus on how to grasp the nature of the EU’s external actions in a theoretical way by testing and developing different approaches, models, or theories suitable for understanding the EU’s international character *sui generis* (p.e. Vogler and Bretherton 2006). Further publications again try to answer the question, if there may be a form of exercised power unique to the EU like concepts of “market power,” “normative power,” “civilian power,” or “integrative power” (p.e. Damro 2012; Duchêne 1972; Koops 2011; Manners 2006; Whitman 1998, 2011), and there are also some (edited) volumes on the market that give a more comprehensive overview about the foreign policy of the EU (p.e. Hill and Smith 2011; Bindi 2010). But these volumes either aim at giving a more general and well-written introduction to Europe’s standing in international relations (p.e. the magnificently edited volume by Hill and Smith 2011; Cameron 2012), focus—for various reasons—only on limited fields of engagement (geographically, politically, etc.) of the EU’s foreign policy, or do not primarily try to answer the question of the EU’s global power (p.e. the volumes of Bindi 2010; Keukeleire and MacNaughtan 2008; Smith 2008). There is not a single volume available that tries to address the question “Is the EU a Global

Power” from an institutional, theoretical, and empirical angle in a comprehensive way. To fill this gap, the editors decided to bring a project on its way assorting contributions that deliver fresh and innovative theoretical approaches towards the EU’s power, as well as chapters that deal with nearly every facet and aspect related to the EU’s external engagement, ranging from A like the EU’s relationship to ASEAN and the Arctic to Z like the “Zero Tolerance for Violence against Women Campaign.” The editors and the publishing house noticed quickly that this Herculean task cannot be covered by just one volume and therefore decided to go for a two-volume project, in which each of the volumes stands on its own, but only both volumes together carry the whole picture of “Global Power Europe” from an institutional and theoretical perspective (Volume 1) and an empirical perspective (Volume 2). Hence, this two-volume project provides a multisectoral perspective on the EU’s external projections from traditional as well as critical theoretical and institutional points of view (Volume 1) and is supported by numerous case studies covering the whole extent of the EU’s external relations (Volume 2). The aim is to strive for a presentation of new approaches as well as detailed background studies in analyzing the EU as a global actor. The editors attempted to select authors as well as topics from a broad regional and intellectual “space.” However, the opinions and thoughts presented are strictly those of the authors of the chapters alone, and do not represent an endorsement by the editors, or the editors’ opinion.

Volume 1 (ISBN: 978-3-642-32411-6) “Global Power Europe—Theoretical and Institutional Approaches to the EU’s External Relations” addresses the EU’s overall external post-Lisbon Treaty presence, both globally as well as regionally (e.g. in its “neighborhood”), with a special emphasis on the EU’s institutional framework (role of the Commission, European External Action Service, etc.). It also offers fresh and innovative theoretical approaches to understanding the EU’s international position and power.

Volume 2 (ISBN: 978-3-642-32415-4) “Global Power Europe—Policies, Actions and Influence of the EU’s External Relations” on the other hand offers quantitative and qualitative contributions examining the EU’s international efficacy from a political, economic, and social perspective based on a plethora of its engagements. The volume delivers the most compressive assessment of altogether 19 empirical studies examining the whole branch of the EU’s global activities, ranging from security policy (CSDP), ENP, climate governance, gender policy, commercial relations, trade policy, regional affairs (ASEAN, MERCOSUR, China, etc.), and energy security to international crime to children’s rights norms.

In Part I of this first volume entitled “Institutions and Processes of the EU’s External Relations” contributions deal with the institutional, legal, and political framework of the EU’s external relations. The contributions give profound insight into the institutions and actors involved in the EU’s external policy-making (with a special emphasis on post-Lisbon developments) and its impact on the EU’s positioning in global affairs and international relations, as well as into the legal framework of Europe’s foreign activities and how they might affect Europe’s standing in the world. To do so, chapters of this part focus on various areas of the EU’s institutional framework and actors involved in Europe’s external affairs. The

scope of the papers ranges from examining the influence and importance of the European Commission, of European political elites, the CSDP and European Neighbourhood Policy (ENP) to the recently founded European External Action Service (EEAS) for the EU's international standing.

In the first chapter "*Is the EU Becoming a Global Power after the Treaty of Lisbon?*" of Part I **Selin Özoğuz-Bolgi** addresses the question whether the EU is or can become a global power in the near future. While facing many challenges in the twenty-first century such as the rise of emergent powers, changes in domestic and international politics, the international economic crisis and climate change, the EU agreed to the Lisbon Treaty in 1999. This treaty enables the EU to bring coherence and consistency to the Union's external actions, as well as to improve its international representation and influence. The author argues that seizing this opportunity will depend on two important issues: the political will of the member states and the establishment of a common vision and strategy for the Union's future.

A Post-Lisbon view is also applied in the chapter of **Thomas Ramopoulos** and **Jed Odermatt**. They examine how the post-Lisbon external relations architecture influences EU diplomacy in practice, combining legal analysis with policy-making. The authors come to the conclusion that the EU has not yet managed to achieve its major objective to instill coherence, consistency, and unity in foreign policy as prerequisites for a more prominent and, thereby, effective role of the EU on the international plane. Instead of streamlining cooperation and coordination of the different actors relevant to the conduct of EU foreign policy, it has given rise to turf battles among them in the effort to determine ad novo the power balances in this field.

Anne-Claire Marangoni examines the effect of the Lisbon Treaty on the coordination of the European Commission's regular decision-making. The renewed commitment of the Lisbon Treaty to the coherence of EU's external action has added an inter-institutional dimension to the challenge, in turn leading the Commission to adapt. In this chapter, the author elaborates on how and to what extent external policies are coordinated within the Commission. By applying a two-level approach, using the service and political levels, responsibilities, resources, and actual contributions of the different actors towards coordination are analyzed. The author argues that, despite the respective principles, the instruments available, and the actors specifically engaged in coordination-related activities, coordinating external policies remains a challenge.

Aleksandra Sojka and **Rafael Vázquez-García** focus in their chapter on the issue of the prospects for a common EU foreign policy as conditioned by the attitudes of elites and public opinion within the enlarged EU. The main objective is to investigate the levels of commitment to the deepening of the European integration project in the specific case of common EU foreign policy. By applying a database including 17 EU countries across Europe, the potential differences between the old and new member states as well as among actors and countries is explored. This comparative perspective of elite and public opinion attitudes, as argued by the authors, seems to be critical for the future role of the EU as an actor of international relations, as well as a possible focus of strong Euroscepticism as it

implies the transfer of power in one of the most significant aspect of sovereignty to supranational level of EU governance.

The contribution of **Natividad Fernández Sola** highlights the role of the EU as an international security actor. Although the Lisbon Treaty tried to boost the EU's international tools as a security actor, the outcome of the Common Security and Defense Policy (CSDP) is discouraging. The author states two negative variables for the apparent decline of the EU as an international security actor: the lack of resources and the confusion concerning the exact position the EU has to have in the international arena. By focusing on the lack of institutional, economic, political, and strategic resources, the framework for analysis is the international paradigm change and the upheaval in the distribution of global power. The author concludes that strengthening the CSDP is a way to adapt to the current international environment and will positively influence the EU as an international security actor in the making.

The institutional set-up of the Lisbon Treaty and its consequences regarding EU's relations with its neighbours in the East and South is the main objective of the chapter of **Heidi Mauer** and **Licinia Simao**. The European Neighbourhood Policy (ENP) was established in 2004 to provide a framework for coherent and efficient EU action. Taking an institutional and political approach, the authors examine how and to what extent the set-up of the European External Action Service (EEAS), the strengthened role of the High Representative and the change in the role of the rotating presidency all affect the EU's policy-making towards its neighbours. Focussing on institutional and political developments in the EU's policy-making system, this contribution analyses what implications this might have for the EU's efforts to become an actor of regional or global reach.

In Part II of Volume 1 "*The EU: A Global Power: Theoretical Approaches for measuring the EU's power in today's world*" contributions will present new theoretical approaches for measuring the influence and power of the EU as an international actor, discuss the relevance of existing approaches and will deliver helpful thoughts on how to theoretically deal with the EU's international engagement. The chapter authored by **Didem Buhari** and **Baris Gulmez** is a theoretical attempt to study the multifaceted authority of the EU's global actorness. As authority is viewed as legitimated power the authors argue that on the one hand, without legitimacy power frequently faces severe resistance. On the other hand, actions and actorness which are legitimate imply less opposition and is able to receive widespread support with much less effort. Informed by Steven Lukes' thesis on three-dimensional power and Mark Suchman's trichotomy of legitimacy, this chapter advances a novel concept "global authority." This concept combines both power and legitimacy and advances three dimensions of the EU's authority in the world: strategic interest-maximization, normative agenda-setting, and cognitive standard-setting. The chapter then examines how the EU could maintain and or restore its legitimacy in the global arena.

As a result of the literature on the EU's external power lacking analysis accounting for both relation and structural power on which power is exerted, **Fabienne Bossuyt** introduces a conceptual tool, which she terms "transnational power over"

(TNPO). This analytically eclectic notion helps to assess the degree to which, in a globalized and interdependent world, the EU's power over third countries is determined from its control over a combination of material, institutional, and ideational structures. The chapter constructs a toolbox concentrating on four analytical distinctions in order to examine the EU's impact across these three structures.

The contribution of **Cristina Pace** examines the main reasons behind the need for a European Charter of Fundamental Rights. It equally explains why it was considered necessary to promote the EU's credibility and power on both a local and global scale. As the Charter is considered the primary influential instrument to boost EU legitimacy both in its internal and external dimensions a reflection of this is of great significance. This will provide an understanding about the Charter's added value globally. Similarly, the EU's aspirations to be recognized as an emerging supra-national power in world politics and the global order are distinguished.

In his contribution, **Miguel Otero-Iglesias** provides the empirical material to support the hypothesis that should the Euro survive and become a consolidated project it will act as a template for monetary unions and other parts of the world. This empirically grounded research, based on nearly 80 semi-structured financial elite interviews in China, Brazil, and the GCC, reveals that the Euro is viewed in China as a harbinger, in Brazil as a source of inspiration and in the GCC as a role model for regional monetary cooperation. These cases highlight that the Euro project is regarded as a laboratory for future monetary developments, thereby providing expectations that the ideational influence and power of Europe in monetary affairs is considerable.

The chapter authored by **Katja Biedenkopf** and **Claire Dupont** discusses the EU external governance in climate policy, thereby conceptualising a toolbox of policy options. To exert influence in global climate governance, the EU can apply different tools to be introduced either unilaterally or bi- and multilaterally. These tools all have the potential to advance the EU's influence in international climate governance. As none of these tools however can solve all problems, they also have limitations. Challenging in climate policy for the EU is its preference for multilateral solutions. Progress in international climate negotiations is slow and may prove insufficient for the EU to pursue its goals. Whether the EU is able to successfully achieve its climate governance goals depends on its skill in using the entire external governance toolbox effectively.

Hanna Tuominen focusses her contribution on the normative power concept and how it is conditioned by external and internal factors having changed constellations for the EU over time. These challenges such as the changing global order raise significant questions about the future of the EU's global power. Having the ability to shape the "normality" of global politics, this chapter argues that normative power concerns the promotion of universal principles and multilateral working methods. These elements are however challenged by the emergence of a post-Western world and the resurgence of more traditional realist power politics.

The chapter both highlights and examines both these challenges and “temporality” the EU faces as a normative power in the making.

In her contribution, **Aukje van Loon** focusses on the EU as a key player in international trade relations. The influence of its foreign trade policy plays an important role shaping the international political economy. Similarly, EU trade policy is also shaped in response from other actors’ trade policies with the USA playing a significant role. The author investigates the empirical puzzle what drives the EU to conclude FTAs with some emerging markets and not others. A liberal or societal approach is applied proposing explanatory variables. Of importance here is the global economic context in which EU foreign trade policy is rooted highlighting in particular US–EU competition in trade. Also substantial are the economic interests dominant in the domestic politics of EU member states. This will be illustrated by a brief analysis of the EU–Mexico FTA.

The editors wish to express their appreciation for the EU Commission’s (and especially their US representatives’) continuous financial and logistic support of the world-wide EU Centers of Excellence, especially the Miami-Florida EUCE under Prof. Joaquin Roy, to promote research in EU studies. Without this support, the networking among global EU scholars would not be as thriving as it is—and ultimately not have led to the fruitful collaboration of the co-editors of these volumes. Furthermore, the editors would like to express their deepest gratitude to Prof. Dr. Xuewu Gu (series editor “Global Power Shift”) and Enrico Fels (managing series editor “Global Power Shift”) for their most valuable support with the project and all their helpful comments and technical assistance during the editing process. The editors would also like to thank Mrs. Barbara Fess and Marion Kreisel from Springer Publishing for their tremendous help and backing throughout the whole project and for their commitment to produce these two volumes true to the editors’ visions. Working together with such professional and pleasant people makes publishing a lot more easy. Furthermore, the editors owe their thankfulness to Thomas Kuller and Mathias Haget for their outstanding help with the creation of the volumes’ indexes and of course to all the authors, whose magnificent contributions make this two volume project maybe the most comprehensive assessment of the EU’s role in the world to date.

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List of Abbreviations

ACP	African, Caribbean and Pacific group of states
CIS	Inter-service consultation (after the French acronym)
DG	Directorate General
EC	European Community
ECHR	European Convention for the Protection of Human Rights and Fundamental Freedoms
ECJ	Court of Justice of the European Union
ECtHR	European Court of Human Rights
EEAS	European External Action Service
EU	European Union
HRVP	High Representation Vice President
ICC	International Criminal Court
IMF	International Monetary Fund
IPE	International Political Economy
ISC	Inter-service consultation
ISG	Inter-service group
MS	Member States
NGO	Non-Governmental Organization
PCD	Policy coherence for development
SG	Secretariat General of the Commission
SPP	Strategic planning and programming
TEU	Treaty on the European Union
TFEU	Treaty on the Functioning of the European Union
UDHR	Universal Declaration of Human Rights
UN	United Nations
WTO	World Trade Organization

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Part I
Institutions and Processes of the EU's
External Relations

Is the EU Becoming a Global Power After the Treaty of Lisbon?

Selin Özoğuz-Bolgi

1 Introduction

The nature of the international world order is constantly changing. One important change is that, with the weakening of Westphalian sovereignty, state borders are blurring and actors other than nation-states, such as international and regional organizations, multinational companies and non-governmental organizations, are playing a greater role in the international arena. Yet, although the role of these non-state actors has increased significantly, the concept of global power continues to be related to traditional nation-state actors having sufficient force, usually military force, to control other states' behaviour in the international arena.

The European Union (EU) is a unique entity, frequently referred as '*sui generis*', and is certainly an *international actor*. However, especially considering recent relative rapid changes to the international agenda, it is debatable if it is, or can become, a *global power* in the near future. For an actor to be a global power it must dominate in various areas, including the political, military, economic and social, to attract, transform and deter other international actors. So far, the EU, although an international player, is lacking or weak in some of these areas, and therefore is not generally considered as a global power. The principle reason for this perception can be linked to the EU's institutional structure, and especially the insufficient level of integration, particularly regarding the EU's lack of a coherent foreign policy, especially for member states to speak with one voice in the global arena.

An additional factor contributing to inconsistent policy initiatives is the nature of the Common Foreign and Security Policy (CFSP). The ongoing dilemma over federalism versus inter-governmentalism within the EU represents a significant impediment in its evolution into a global power. Finally, although the EU has

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been partly able to effectively influence those actors with whom its member states associated in the past or EU candidate countries in its neighbourhood. Yet it has been less effective concerning those regions of the world, where it can neither offer EU membership nor exert its norms and values.

The EU faces many challenges in the twenty-first century, especially due to the rapid changes in the world order, including the rise of emergent powers, changes in domestic and international politics, international economic crises, climate change and the need for sustainable development, energy security and international cross-border crime. Additional factors influencing the EU's specific international attractiveness include the shift in the balance of power away from the West and Europe and the euro crisis. In short, the EU's role in international politics is being challenged both politically and economically, and this questioning of the EU's role as a foreign policy initiator on the international scene from both inside and outside the Union has led the EU's elites to revisit its foreign policy initiatives.

This led the EU to recognize that its existing treaties had not equipped the Union with the crucial tools to tackle current critical issues. Therefore, the EU agreed on the Lisbon Treaty, which came into force in December 2009, to overcome the challenges ahead with the aim to bring coherence and consistency to the Union's external actions, and to enhance its democratic legitimacy and integration. The treaty introduced a new set of rules to meet the new challenges and strengthen the EU's capacity in the international sphere by equipping itself with the necessary tools to become an effective global actor in the new environment. The most important innovation enabling the EU to offer a clearer international presence and coherent foreign policy is the creation of two new positions: a President of the European Council, who stays in office for a renewable two-and-a-half-year term, and second is the High Representative of the Union for Foreign Affairs and Security Policy (HR). The HR is also the Vice-President of the European Commission, which is intended to signal increased consistency and coordination in EU foreign policy actions. In addition, the HR is supported by the European External Action Service (EEAS), consisting of staff from the European Commission, the General Secretariat of the Council and the Diplomatic Services of the EU member states, which undoubtedly gives the service a more representative quality.

With the introduction of these positions and the institution of EEAS, the Treaty of Lisbon fundamentally encouraged the EU to maintain its diplomatic relations with all countries as a single entity. Moreover, there are also amendments within the Treaty which demonstrate an enhancement in the EU's military character. For example, one significant novelty introduced by the Treaty of Lisbon is the delegation of a specific defence policy task to a group of states, and creating a multinational EU battle group. In addition, the Treaty introduced permanent structured cooperation for member states which have stronger commitments to defence policy matters. However, despite these innovations, questions remain as to whether the EU will actually be able to present a unified face and, more importantly, whether the EU will be able to assert its interests in the near future using the newly introduced tools of the Treaty of Lisbon.

This chapter will evaluate the institutional changes introduced by the Treaty of Lisbon. The question explored in this chapter is whether the amendments of the Lisbon Treaty can produce the desired results. First, however, it is necessary to identify some essential features for the EU to be a global actor. Therefore a brief background on theories of global actorness in general, and for the EU in particular, will be surveyed. Before examining the amendments in the Lisbon Treaty, and the criticisms made of it so far, it is necessary to look at what features the EU already possess, and in which areas it has to better equip itself in order to achieve its aims and ambitions. After this, the EU's motivations for implementing the new treaty and the important changes that it brought about will be explored. It is particularly important to consider if the new institutional changes and the introduced positions have the capacity to meet the challenges faced by the EU. Thus, lastly the paper will evaluate the effectiveness of the amendments to identify possible shortcomings.

2 Global Actorness and the EU: A Brief Theoretical Background

The realist approach to international relations suggests that only nation states have the necessary qualities to be described as global actors, while other international organisations in the contemporary world cannot be powerful global actors (Keohane and Nye 1974, p. 39). The nation state is coherent in its actions since it is a single entity speaking with a single voice, in contrast to other types of international organizations. Following this line of thought, the EU cannot qualify as a global actor since it lacks the required features. More recently, however, there has been some acknowledgement that, in fact, entities other than nation states can also possess actorness, and be identified as global actors.

Liberal scholars consider that, for example, individuals, international organizations, multinational corporations or non-governmental organizations can all be global actors. Following the Treaty of Westphalia, sovereign nation-states became the primary actors in international relations. However, especially due to the effects of globalisation, a 'post-Westphalian' order has evolved in international relations, in which contemporary world affairs are more complex than ever, and a greater variety of entities are able to set the global agenda. Although the nation state remains at the centre of actorness, it is no longer the only actor, and emergent powers are not always nation states. Thus, recently new criteria of actorness, such as autonomy and the ability to perform, have recently come into prominence, which makes it more possible for multilateral institutions in general to be considered as actors.

Many scholars have contributed to the discussion on global actorness (Allen and Smith 1990; Hill 1993; Sjöstedt 1977; Larsen 2002; Bretherton and Vogler 2006; Wessels 2005; Nugent 2006). The authors' definitions emphasize different aspects of the concept in their attempt to capture actorness. Sjöstedt defined actorness as the

capacity to behave actively and independently from other actors in the international system (Sjöstedt 1977, p. 16), while Allen and Smith characterized actorness as the ability to exert influence over others' behaviours and perceptions (Allen and Smith 1990, pp. 19–37). Bretherton and Vogler hold that an actor is an entity capable of formulating and acting upon decisions, but also that the capacity to act reflects the interaction between understandings about internal character and capabilities and external opportunities (Bretherton and Vogler 2006, p. 2). Christopher Hill, on the other hand, focused on the role of identity in creating actorness. He claimed that, apart from the capability to affect policies on the international arena, true actorness requires a clear identity and self-contained decision-making system (Hill 1993, p. 308). Being a global actor is associated with several capabilities and features with sufficient economic capacity to be influential in international trade, to deliver external aid to smaller actors and, finally, to hold a strong security and defence policy (Nugent 2006).

The EU's own perception of itself and its ambitions can be understood from its 2010 Headline Goal which states: "The European Union is a global actor, ready to share responsibility for global security" (European Council 2004). Although the EU is widely considered to be an international actor, its effectiveness globally has been much debated, with some authors describing the Union as a state-like international actor (Sjöstedt 1977), while others claim that it merely has a presence in the international scheme (Allen and Smith 1990, 1998). Some describe the EU as an important, but strange, actor as well (Wessels and Regelsberger 2005). Others have even described the EU as a weak, ineffective or small power (Bull 1982; Hoffmann 2000; Toje 2010).

Scholars offer two contrasting views regarding the Union's use of power. One viewpoint is that the features which the EU had presented so far in international relations should be seen as effective tools, rather than a weakness (Zielonka 2006; Manners 2006; Leonard 2005). That is, they regard the EU's exertion of normative power as more effective. On the other hand, the EU's inability to assert hard power is regarded by some as a characteristic of a small power. Some authors argue therefore, especially in reference to the EU's weakness in security and defence, that it is a small power that relies on U.S. help in matters of security (Bull 1982; Kagan 2003; Toje 2008, 2010). Bull even denies that the EU is an international actor at all, let alone a global actor, suggesting that the EU cannot be an actor in international affairs (Bull 1982). Kagan argues that the Europeans have deliberately chosen a strategy without a military component because of their weakness in responding to threats. In saying this, he rejects the idea put forward by some scholars (listed in the next paragraph) that the new dangers of the world do not necessitate the assertion of military power anymore (Kagan 2003, p. 32). Toje uses Keohane's definition of small power, and adapts it to analyse the actions of the EU, also claiming that the EU's inability to assert hard-power is a characteristic of a small power. According to him, as a small actor, the EU cannot act alone or make a difference in the international system without depending on great powers, and specifically, by depending on the U.S. for military support, the EU has failed to display the traits of a global power (Toje 2008, pp. 210–211).

On the other hand, the Union is frequently classified as a normative, civilian or soft power due to its influence in shaping norms and values that it describes as its own foreign policy objectives: promotion of regional cooperation, human rights, peace, good governance, the rule of law, the protection of minorities and furthering of market economy and international trade (Duchene 1972; Blauburger 2005; Whitman 1998; Scheipers and Sicurelli 2007; Manners 2002, 2006; Nye 2004; Sjursen 2006; Zielonka 2006; Fettweiss 2011). This idea of the EU as a ‘civilian power’ was first suggested by Duchene in 1972 (Duchene 1972), when he argued that the EU’s international role is related to the polity itself, in what it offers other actors is its own model of ensuring stability and security through economic and political rather than military means (Sjursen 2006, pp. 170–171). Duchene’s specific comments about the EU were based on his general argument that traditional military power had given way to civilian power as a means to exert influence in international relations (Duchene 1972, 1973).

At the time of his presidency Romano Prodi defined the EU’s role in international relations as being a global civilian power. He claimed that the EU’s target should be sustainable global development, and that the only way to achieve this was to become a civilian power (Prodi 2000, p. 3). The subsequent emphasis that the EU has given to norms and values, and its determination to extend these globally, has led to suggestions that the EU is a normative power as well. Rosecrance, for example, suggested that Europe’s attainment is of a normative nature¹ (Rosecrance 1998, p. 22), while Fetweiss considered in his article “Free Riding or Restraint? Examining European Grand Strategy” whether the EU’s definition of itself as a soft power was a deliberate choice based on realistic reasoning, or rather one that stems from weakness:

“Perhaps the European great powers are not merely passive consumers of free U.S. security guarantees; perhaps instead the decisions they have made with regard to their own defence are part of active, coherent, logical, rational grand strategies. Perhaps the choice to pursue strategic restraint is not due to the stability provided by U.S. hegemony but a conscious response to declining threat” (Fettweiss 2011, p. 316).

He further claims that, if the Europeans were to detect threats in the system, these rich states would certainly build large military forces to defend themselves. Accordingly, Europeans do not ignore threats because of low capability, but instead EU military capability is low because they do not appear to feel that serious threats exist (Fettweiss 2011, p. 319). The suggestion of these arguments is that the EU should avoid losing its character as a normative and civilian power because these are the characteristics that make the Union unique and stronger.

The issue revolves around whether one associates global power directly with the military capacity of an entity. If global power is associated directly with high politics and military capacity, then the EU surely cannot be considered a global actor. Instead, the Union is often regarded as an economic giant and a military dwarf. As Smith points out, “if the CFSP is taken as synonymous with European

¹For further discussion on strengths and weaknesses on the EU being a normative power see Sjursen (2006).

Union foreign policy, the Union has little to boast about in terms of its foreign policy activities” (Smith 2002, p. 1). Thus the EU’s international influence is evaluated depending on its effectiveness in respective policy areas. The EU is especially successful in trade and environmental policy. It is described as the world’s major trade power because it is responsible approximately for half of global trade, while competing with the U.S. over tariff quotas. The EU has been influential in setting global environmental standards and taking a lead in environmental policies. By investing in the development of global governance, like the World Trade Organisation, the Kyoto Protocol, and the International Criminal Court, it has been able to advance its norms on a planetary scale (Krastev et al. 2010, p. 23). Furthermore, the EU has rightly earned its reputation as the largest external aid donor, as foreign policy is not just based on security and defence policies, but is the most visible display of an actor in its external relations.

Regarding the EU’s capabilities in security and defence, it is rather a reactive actor whose actual effectiveness is often questioned in comparison to its own declarations. As Hill puts it, the EU has created a “capabilities-expectations gap” (Hill 1993). This shortcoming has been cited frequently, demonstrating its wide acceptance. The Lisbon Treaty tries to give a response to such criticisms by including amendments on security and defence issues, too.

3 The Lisbon Treaty Amendments

Every treaty that has amended the rules of the Community has tried to integrate the Union deeper. Part of the aim of the continuous discussions in the Intergovernmental Conferences (IGCs) was thus to enhance the external effectiveness of the EU. Regarding the new challenges of the twenty-first century, a first attempt was made with the proposed Constitutional Treaty. The aim of this treaty was to improve the EU’s institutional structure through changes in decision-making procedures, balancing votes between member states, strengthening the European Parliament in specific areas, stressing European citizenship, preparing a Charter of Fundamental Rights, and appointing a foreign minister to represent the Union internationally (Sela and Shabani 2010, pp. 49–50). However, this project was rejected by referenda in both France and the Netherlands in 2005. After a reflection phase, a renewed attempt to introduce a structure that could allow the EU to play a leading role was discussed. Marking the 50th anniversary of the Rome Treaties, the Union stated that its ambition was to be a leader in the promotion of development and democracy, and the fight against poverty, supporting the peaceful resolution of world conflicts (Presidency of the Council 2007: part II.). In December 2007, the heads of the EU decided to sign the new Treaty in Lisbon, which subsequently came into force in December 2009. This was considered a significant step towards deeper integration. The Treaty was stated as being produced “with a view to enhancing the

efficiency and democratic legitimacy of the enlarged Union, as well as the coherence of its external action” (European Council 2007, p. 15).

While having similar amendments to the Constitutional Treaty, the wording of the text of the Lisbon Treaty is less intimidating for those member states, which prefer to keep control over foreign affairs. Within it, the Treaty of the European Union (TEU) retains the same name, while the Treaty of Establishing the European Community (TEEC) is renamed the Treaty on the Functioning of European Union (TFEU). The Lisbon Treaty provides the EU with a legal personality, giving it the capacity to make treaties, join international organizations and conduct diplomatic relations on its own. Hence, the new Treaty has granted the EU increased international political legitimacy, which is in theory a big step forward.

Concerning internal capabilities and institutions, the Lisbon Treaty was intended to provide the Union with the institutional capacity to address its shortcomings as a global actor through the creation of the two new positions mentioned previously: the High Representative for Foreign (HR), and Security Policy/Vice-President of the Commission, and the President of the European Council. This was combined with the creation of the EEAS (Balfour et al. 2010:11). These are major modifications making foreign policy more efficient and coherent, and raise expectations that the EU will become a major actor in the global arena. Because these main changes are of interest in relation to EU foreign policy, the analysis in this chapter will emphasize these institutional changes, together with the CFSP. The CFSP has always had a peculiar place within EU policy fields, but through the Lisbon Treaty it has developed a different legal status. As foreign and security policy is of utmost significance in external relations, it is vital to consider this policy area together with the institutional changes.

In order to overcome the weaknesses created by the EU’s complex multi-level structure and its various decision-makers, the Treaty of Lisbon introduced two vital positions as indicated in the preceding paragraph: The HR is, together with the President of the European Council, the main new position in the area of foreign policy under the Treaty of Lisbon. By creating a single international voice and face, this position aims to provide the Union with consistency and coherency in its external relations. The HR of the Union for Foreign Affairs and Security Policy will be at the same time the Vice President of the European Commission (“wearing two hats”), i.e. (s)he is responsible to both the Council and the Commission. The main role of the HR is the conduct of CFSP, such as chairing Council meetings in matters of foreign affairs, and leading the formulation of foreign policy proposals and decisions, in addition to conducting political dialogues with third parties and representing the Union externally, including acting on behalf of the Union in the UN Security Council on specific debates.

The second important representative position is the President of the European Council, who has a renewable two-and-a-half-year term. The holder, elected by qualified majority voting, can extend their position for up to 5 years, and for this reason it is also called the ‘full-time presidency’. The holder is responsible for chairing the European Council, ensuring the preparation and continuity of the work of the European Council in cooperation with the President of the Commission on

the basis of the work of the General Affairs Council, and facilitating cohesion within the European Council by presenting a report to the European Parliament after each meeting of the European Council. Moreover, it is expected that the President of the European Council will ensure the external representation of the Union on issues concerning its common foreign and security policy without prejudice to the powers of the High Representative of the Union for Foreign Affairs and Security Policy (Wessels and Bopp 2008, p. 18).

One institutional innovation of the Lisbon Treaty is the EEAS. The EEAS's main role lies in assisting the HR to fulfil his/her job regarding the CFSP and work in coordination with the diplomatic services of the member states. The EEAS is an autonomous and hybrid entity, with its own budget, consisting of personnel from both the Commission and Council, with a third of the institution's staff being seconded by member states' diplomatic services. The organization's officials are drawn from relevant General Secretariats of the Council and Directorate Generals of the Commission. The EEAS has six geographical departments, namely Africa, Asia, the Americas, the Middle East and Southern Neighbourhood, Russia, the Eastern Neighbourhood and the Western Balkans, and also Global and Multilateral Affairs.

The CFSP deserves a significant place in discussions about whether the EU is, or will be a global power. The major changes post-Lisbon Treaty concerning the CFSP are important as they illustrate the logic of how member states and the institutions of the Union will go forward in issues concerning security and defence. Matters of defence are still under the control of member states, since Union decisions still require unanimity. The CFSP's rules are unique, which indicates its differentiation from other Union policies. Accordingly, the rules and implementations of the CFSP lie within the European Council's realm of responsibility alone, and are decided by the Council by unanimity voting.

An additional declaration, Declaration No.14, emphasizes that the CSFP "will not affect the existing legal basis, responsibilities, and powers of each Member State in relation to the formulation and conduct of its foreign policy, its national diplomatic service, relations with third countries and participation in international organizations, including a Member State's membership of the Security Council of the United Nations." It also states that the provisions governing the CFSP do not prejudice the specific character of the security and defence policy of member states. These provisions emphasize that national security remains the sole responsibility of each member state (Bindi 2011, p. 126).

In the Lisbon Treaty, defence is now an integral part of the CFSP. The Treaty extends the EU's role to include disarmament operations, military advice and assistance, and helping to restore stability after conflicts. The Lisbon Treaty extends the Petersberg Tasks to include military as well as civilian means.² The overall

²The Petersberg Tasks were first established in the Petersberg Declaration, which was adopted at the Ministerial Council of the Western European Union (WEU) in June 1992 and afterwards included in the Amsterdam Treaty.

tasks of this policy consist of joint disarmament operations, humanitarian and rescue tasks, military advice and assistance tasks, fights against terrorism, conflict prevention and peacekeeping tasks, and tasks of combat forces in crisis management.

The flexibility clause makes “*enhanced cooperation*” and “*permanent structured cooperation*” possible. In “enhanced cooperation”, member states that wish to work together more closely in defence can form a group among themselves. This group can then act together without the entirety of member states necessarily participating. The new Treaty also changed the minimum number of member states who have to participate from eight in the Nice Treaty to nine. The Lisbon Treaty establishes another, interesting new form of flexible cooperation, “permanent structured cooperation”. This type of cooperation allows member states with larger military capacity to make more binding commitments in a specific area. These member states have to notify their intention to establish such cooperation agreements to the Council and the HR. They have the option to withdraw from this cooperation, or their participation can be suspended.

4 Evaluation of the Lisbon Treaty Amendments with Respect to the EU’s Enhanced Role as an External Actor

The new positions and institutions created by the Lisbon Treaty generated high expectations in terms of the EU’s foreign policy initiatives and its advanced role in the international arena. With the HR, who is also the Vice President of the Commission and the European Council President, the EU’s foreign policy is expected to finally become coherent so that the Union is better able to assert its interests and values abroad. Through its hybrid structure, the EEAS aims to bring the Council, the Commission and the member state representatives under one umbrella, thereby developing a supranational character to its external relations. The enhancement of the CFSP, with its widened range of activities, is a tool to tackle new global security problems. An analysis of the amendments of the Lisbon Treaty is thus crucial in evaluating whether the EU has developed an institutional framework with the necessary tools to become a more influential actor in the global arena.

Due to the nature of its role, the responsibilities of the HR are manifold, which creates some difficulties. For example, the HR is both a full member and a Vice President of the Commission. However, this role differs depending on the matter at hand. When engaged with external relations with third parties, the HR acts according to the collegiality principle, as an integral part of the Commission, but when engaged with matters concerning the CFSP, then the HR acts as a representative of the European Council, with rights of initiative (Bindi 2011, pp. 127–128). The role of the Commission has been weakened in the CFSP in favour of the HR, leaving of the latter room for his/her ability to develop relationship with colleagues

from the Commission and member state foreign ministries (Wessels and Bopp 2008, p. 17). However, this position can leave the HR in a contradictory situation because of wearing two hats, as earlier mentioned. On the one hand, the HR is supposed to defend the interests of the Union without considering any national ties, as part of the Commission, while on the other hand being entitled to ensure the implementation of decisions taken by the European Council and the Council. Another issue that can be problematic is the representation of the EU by the HR and the European Council president at the same time. Although the HR position was created with the aim of giving the EU a single voice and face, the overlapping responsibility of the two positions means that this cannot be entirely achievable. Yet another overlapping responsibility is that between the HR and the member state holding the rotating Presidency of the Council of the EU. The Foreign Policy Council and General Affairs Council usually consist of the same members, namely the foreign ministers of the member states. However, while the HR chairs the EU's Foreign Affairs Council to ensure coherence in EU foreign policy, the state holding the rotating Presidency of the Council of the EU leads the General Affairs Council, responsible for the preparation and coordination of the European Councils (Bindi 2011, pp. 127–128). This office has raised high expectations in terms of streamlining the EU's foreign policy affairs, but the difficulties which the coordination of this position creates internally may be reflected in the conduct of the EU's external affairs.

The President of the European Council also has diverse responsibilities in terms of both internal and external responsibilities, i.e. chairing the Council as well as representing the Union *vis-a-vis* third countries. There are also potential role conflicts between the President of the European Council and the HR, as indicated by the formulation in the rules of the Lisbon Treaty, in terms of the President of the European Council acting without prejudice towards the role of the HR. In short, this sharing of the EU's representational duties are not defined clearly enough (Wessels and Bopp 2008, pp. 18–19). Furthermore, the role of the President of the European Council can overlap with both the current holder of the rotating EU Presidency and the Commission President. Thus, as far as potential role conflicts are concerned, the Treaty of Lisbon has increased the number of representatives, which appears to contradict the desire to create a single voice for EU foreign policy. In practice, the European Council President Van Rompuy stated once that

“in the preparations, I have worked and will continue to work closely with Commission President Barroso and, this semester, with Prime Minister Zapatero. It is my fervent intention to work in partnership and to mobilise all the energies and competencies in the Union. It is the only way to progress” (Van Rompuy 2010, p. 5).

Although in reality the relationship between President Van Rompuy and President Barroso has started positively, one cannot rule out the development of potential rivalry or even a battle of egos between the two presidents (Balfour et al. 2010, p. 17).

The main aim of the establishment of the EEAS is to assist the HR in advancing the EU's foreign policy initiatives. However, the mixed structure of the EEAS has

created conflicts among EU institutions and between EU institutions and the member states. For example, deciding on the composition of EEAS staff required intense negotiations between the Commission, the Council and the member states. Another problem concerned the control of the institutions' budget, with the engagement of the Commission External Relations DG RELEX being a significant issue. The DG is responsible for the Commission's relations with international organisations, such as the United Nations and the Council of Europe, as well as the Commission's participation in the CFSP. When the EEAS was established, the Commission wanted to keep this DG under the new institution EEAS, but the Council and the member states, especially the larger ones, disagreed. The main reason for this related to the budget because keeping RELEX under control meant controlling its budget. As a result of the negotiations, RELEX was positioned under the Council (under the authority of the HR), while the Commission kept control over issues of development, enlargement, foreign trade, and climate. The EEAS also gained the power to control its own expenditures, while the overall discharge of its budget remained with the Parliament (Bindi 2011, p. 130). If such competition between the institutions and the member states prevails, and if they cannot become components of a Europeanization process that draws them into the same EU institutions, then the implementation of the Lisbon Treaty may lead to potential conflicts—and detrimental effects on the coherence of the EU's ability to act externally.

Another important issue is that, although the Lisbon Treaty has been signed and implemented, not all the member states embraced it equally. The anxiety of member states about losing too much power is visible in the formulation of the amendments. While one aim of the Lisbon Treaty is to develop deeper integration, its provisions leave substantial room for member states to act on their own behalf rather than leaving decisions to supranational EU institutions. Concerning foreign policy actions, the wordings of the CFSP rules imply that its decisions are made by member states, with an explicit statement that the CFSP is subject to specific rules and procedures. For example, Declaration No.18 stresses that "competences not conferred upon the Union in the Treaties will remain with the Member States", while Declaration No.24 reassures that the Union's "legal personality" will not authorise it to act beyond its competences. Thus, although the Lisbon Treaty gives the EU a legal personality, the special provisions of the CFSP indicate a contrary perspective (Wessels and Bopp 2008, pp. 10–11).

Consequently, although decision-making procedures were improved with the Treaty of Lisbon, including unanimity as a rule for making defence related decisions, the reality demonstrates the determination of the member states to keep the inter-governmental nature of the Union. The flexibility-approach incorporated into the Lisbon Treaty, the improvement of enhanced cooperation, and the introduction of structured cooperation underline the intergovernmental nature of the Union. However, this differentiation cannot be evaluated entirely negatively in terms of the future foreign policy of the EU. In a way, this differentiation should be regarded as an inevitable step towards the EU becoming more flexible in order to catch up with the changed nature and pace of world affairs. The fact that member

states behave uniquely, and the prospect that they will continue to do so, especially in matters of foreign policy, is recognized by European Council President Van Rompuy as well. He stated that in foreign affairs, and especially in security policy, member states take responsibility, which inevitably makes a difference depending on member states' abilities and willingness. Therefore, the more the Union involves itself in foreign policy issues, the more these varied attitudes will become evident (Van Rompuy 2010, p. 6).

The treaty amendments concerning the CFSP, especially the extending of the security capacity and military capacity, are important to comprehending the identity the EU wants to present in terms of its power definition. The Lisbon Treaty actually confirms that the EU will act by the values and norms that it previously set out for itself, and that these values and norms will guide its foreign and security policy as well. However, while the treaty confirms this long-standing understanding of the EU as a civilian and normative power, the enhancement of defence and military powers is also visible. It appears that the EU's recognition that the hard power of the U.S. will no longer be sufficient considering new shifts in the global balance of power has led the Union to enhance the military aspect of its foreign and security policy compared to earlier treaties. Actually, the wish to boost its military capacity can be traced back to the 2003 European Security Strategy, which referred to the notion of 'comprehensive security', making it clear that civilian and military instruments need to be used together (Haynek 2011, p. 82).

The fact that the Treaty addressed disarmament operations as well as military advice and assistance illustrates an enhancement of the Petersberg Tasks. Before the Nice Treaty, the Petersberg Tasks only referred to humanitarian and rescue tasks, peacekeeping and tasks of combat forces in crisis management. Thus the developments included in the Lisbon Treaty indicate the EU elites' desire to boost the military capacity of the Union. One final indication of this is the introduction of permanent structured cooperation, intended to increase the possibility of member states who wish to be able to use hard power. These amendments do not necessarily turn the EU into a military power, but they do generate ambiguity. The important point here is that the EU should have a clearer view on future amendments taking into consideration the consequences such ambiguities can create.

5 Conclusion

The Lisbon Treaty, which aims to strengthen the efficiency and coherence of EU foreign policy, is the result of long negotiations. The establishment of the HR, the President of the European Council and the institution of EEAS are all innovations supporting the EU on its way to global actorness. The EU faces many challenges in the twenty-first century, especially with the ever more rapid changes in the world order. The new century comes with its own challenges, such as a global economic crisis, climate change, and the need for sustainable development, energy insecurity and increasingly diverse and substantial international cross-border crime.

Emerging regional powers create growing competition and shift global power balances, leading to concern among EU member state elites and its public in terms of EU's place in the near future.

This has led the EU to recognize that its existing treaties did not equip the Union with the crucial tools needed to tackle these vital issues. The Lisbon Treaty came into force with the aim to make the ambitious aspirations of the EU a reality. Although the Lisbon Treaty created great expectations for a more efficient and coherent foreign policy, one cannot yet claim that it fulfills these ambitions simply through the introduction of the positions of the HR, a President of the European Council, and the institution of the EEAS. Although major efforts have been made to improve the EU's external efficiency and international representation, the ambiguity of the wording of the Treaty rules creates confusion regarding the relationship between various EU institutions and positions. In the end, the retention of national sovereignty won over supranationality. The shortcomings of the Lisbon Treaty, with the added factor of the economic crisis, leave open the question of whether the EU can become a global power for the time being.

Through the Lisbon Treaty, member states tried to give more competence to EU institutions, but the amendments leave a lot of room for member state actions. A significant challenge is member state anxiety to retain their competence over the institutions of the EU. Although the problem of over-presentation of the EU on the international level is accepted by member states, some of them, especially the larger and more influential ones, are not willing to leave the floor to just the EU to speak on their behalf. The unanimity rule in the CFSP policy is yet another indication of the member states' determination to keep their sovereignty in foreign and security policy matters. The improvement of decision-making procedures in the Lisbon Treaty is not sufficient to increase the EU's pace in making decisions in the international sphere. Yet, as changes at a global level are becoming more rapid than ever, making equally rapid decisions is an important aspect for the EU to catch up with other actors in this arena.

Even though the new office of the HR indicates a more coherent external action of the EU, the position's conflicting duties towards different institutions also creates challenges for the post-holder regarding decision-making. Furthermore the overlapping responsibilities of two significant positions, the HR and the European Council President, complicates the EU's intended ability to speak with a single voice internationally, while overlapping responsibilities of the various presidencies within the EU also have the potential to create competition and tension.

Another important issue concerns the identity, which the EU wants to institute for itself. Even though there are many indications in the Lisbon Treaty that the EU is keeping its nature as a civilian and normative power, there are also amendments that point to an enhancement of its military and defence capacity. While the amendments do not necessarily make the Union a military power, they reveal traces of a possible shift in the nature of the power which the EU wants to assert. Thus the EU needs to decide on a collective basis eventually which coherent international identity it wants to exert internationally. The current ambiguity over this issue may lead to incoherence in projecting its foreign and security policy agenda.

Establishing a coherent EU foreign policy for the EU has been one of the more difficult aspects of the integration process so far. Although the Lisbon Treaty introduced innovations in order to overcome this difficulty, it seems that the amendments alone are not sufficient to reach the goals which the EU set for its future. Nevertheless, the positions and institutions established by the Lisbon Treaty offer opportunities for the EU to improve its international representation and influence. In my view, seizing this opportunity will depend on two important issues: one is the *political will* of the member states; the other is to build a *common vision and strategy* for the Union.

The management of the diversity of member states' interests, and the coordination of the EU's various positions and institutions is the primary challenge which the EU needs to overcome. Specifically, Europe needs to create a common perspective in external relations. To sustain its international influence, it needs to revisit its bilateral and multilateral strategies, both economically and politically. The relationships with its partners and potential partners should be re-evaluated: The Union already has special partnerships with i.a. the U.S., Brazil, India, Russia, Japan, South Africa and Mexico. Another important relationships pertains to its neighbourhood, especially the EU candidate countries, especially the relationship with Turkey, which has recently started to develop increasingly independent foreign policy initiatives, when its difficult, though long-lasting relationship with the EU did not yet culminate in full membership.

Additionally, relations with the Middle East are important, as the EU may face immediate increased security challenges, such as illegal immigration from this region. In building relationships with its neighbours and with emerging regional powers, the EU needs to negotiate differentiated agreements with foreign partners that take into consideration specific features, such as geographical proximity, and geopolitical as well as political significance. This complex mix of interests means that both the HR and the European Council President have to set priorities. As the common objectives of the EU concerning new global challenges should be dealt with at the EU-level, it is vital that member states find a common perspective in transferring their capacities to relevant EU institutions. However, the varied pace of integration between member states can pose an obstacle in responding to the flexibility approach, including enhanced cooperation and structured permanent cooperation. Meanwhile, the euro-crisis has added a negative factor in the Union's political integration process, so that member states will need to show endurance to demonstrate their earlier promises of solidarity. While setting an ambitious foreign agenda is important in making the EU a global power, it is equally important to make this agenda as feasible as possible for the Union's actual capabilities to be able to meet its ambitious expectations.

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EU Diplomacy: Measuring Success in Light of the Post-Lisbon Institutional Framework

Thomas Ramopoulos and Jed Odermatt

1 Introduction

One of the aims of the Lisbon Treaty, which came into force in December 2009, was to allow the European Union (EU) to play a greater and more effective role in international affairs. A few years after this latest revamping of the EU, it seems appropriate to examine its position in the world and, further, what its prospects are for the future. Soon to comprise 28 Member States with a population of more than half a billion while being the world's biggest trader and aid donor, the EU is undoubtedly a significant player in international relations. However, the verdict is still out on whether it is, or ever will be, a *global power*. This chapter aims to address this question from an institutional perspective. In particular, we examine the legal characteristics of the new single European institutional architecture with its novel actors in EU external relations in an effort to draw specific conclusions as to their effect on EU diplomacy. This analytical exercise is informed by the understanding that often internal rules and actors are as important as substance in international relations. Thus, the constitutional structures of the Union foreign policy machinery deserve close scrutiny if the question posed in the title of this book is to be fully answered.

The following part describes the EU external relations architecture that has been put into place by the Lisbon Treaty. It explains some of the legal innovations, and how they sought to enhance the EU's external relations by addressing prior criticisms about the Union's foreign policy architecture. The subsequent part turns to how these treaty innovations have been applied in practice, including some of the unforeseen consequences of the overhaul of the EU's external relations machinery. It does not

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give a detailed account of the post-Lisbon EU external relations architecture; rather, it combines legal analysis with specific concrete examples from practice, examining the main obstacles that have hindered the realisation of a more effective EU diplomacy in the post-Lisbon environment. The conclusion seeks to understand how the actual conduct of EU external relations fits with the ambitions of Lisbon.

2 Post-Lisbon External Relations Architecture

One of the main criticisms of the EU's pre-Lisbon external relations architecture was its lack of coherence in its foreign policy. This stems in large part from the nature of the Union as a political project still in progress. As an international actor with increasingly federal state-like characteristics, the EU has multiple political centres, all seeking to have a role in the formation and realisation of its external action. This has always been mirrored in the EU's fragmented and complicated constitutional structures. Moreover, the deepening of the European political project with the qualitative leaps it has made in the last two decades, has significantly limited the space EU Member States have to act alone internationally. Yet the ability to conduct foreign policy and act in the international arena is strongly associated with the very concept of state sovereignty. Whereas Member States may be willing to give up powers on competition or trade policy to the EU, they are far less prepared to do the same regarding foreign affairs. One of the greatest challenges for EU external relations, therefore, has been to create an institutional architecture that balances the needs for the EU to have a coherent strategy and speak with one voice in the international arena, yet allows the meaningful participation of the Member States, which remain foreign policy players in their own right. In addition to these internal changes, the rapid rise of emerging economies and the economic problems facing much of the developed world, have seen a rapid shift in global power balances. This means that, more than ever, European states need to unify to the extent possible their external action if they are to continue being relevant and negotiate on an equal footing with their partners in the world.

It is against this complex background that the changes put in place by the Treaty of Lisbon in the area of EU external relations should be examined. They constitute the latest chapter in a long effort to instill greater coherence, consistency and unity in the actions of the Union abroad (Hillion 2008). This has been a recurrent theme at least since the Treaty of Maastricht in 1992, which had mixed results at best (van Vooren 2011; Van Elsuwege 2010; European Council 2001; Commission 2006; Council 2007: Annex para. 1; European Security Strategy 2003; Report on the Implementation of the European Security Strategy 2008). The following section reviews the main legal innovations in the Lisbon Treaty designed to overcome some of the perceived shortcomings in the EU's foreign policy architecture.

2.1 The Persisting Legal Divide in EU External Relations: Towards a Single Institutional Framework

One of the most important changes in terms of the EU's presence in the wider world is the creation of a single institutional framework applicable to its external relations (Article 13 Treaty on European Union (TEU)). The 'European Community' and 'European Union' are now simply the 'European Union' which has been expressly endowed with legal personality (Article 47 TEU). This has important consequences for the EU's external relations—where the European Community was represented in international organizations, it is now represented solely by the European Union. Furthermore, the express recognition of the Union's legal personality in the Treaty confirms an already long-standing practice where the EU entered into international agreements and participated in international organizations. The previous duality between EC and EU—often confusing for the EU's partners abroad—has been replaced by a single organisation.

At the same time, the Treaty of Lisbon abolished the complex 'pillar structure'. However, the pre-Lisbon divide between the Common Foreign and Security Policy (CFSP) and non-CFSP areas of external relations remains. There still is a legal and procedural duality, therefore, which may continue to undermine efforts to agree on and conduct a coherent and effective EU foreign policy (Article 24(1) 2nd subpara TEU; Van Elsuwege 2010; Dashwood et al. 2011). Further, the very peculiar nature of CFSP itself, which runs in parallel with national competences in the same area, further complicates the effort to maintain coherence (Article 26(3) TEU; De Baere 2008; Cremona 2008). This dichotomy between CFSP and non-CFSP areas of external action has the effect of dissecting EU external relations according to their policy field. This can lead to decisions being taken in each of these fields without proper regard to their overall compatibility with the goals set in other policy fields. Lisbon arguably minimised this risk by identifying the European Council as the EU institution responsible for adopting decisions on "the strategic interests and objectives of the Union" in all areas of EU external action, thereby giving the Union strategic orientation in the entirety of its foreign policy (Article 22(1) TEU). Nonetheless, this dichotomy could hamper the EU's capacity to be more creative and flexible in foreign policy. This would require a more unified representation of the EU, which is still not the case due to the discussed duality. This is also mirrored in the multiplicity of actors competent to represent the Union abroad. Thus, the European Commission continues to represent the Union in areas falling within all non-CFSP Union competences (Article 17 TEU). With regard to the particular case of negotiation of international agreements, with some exceptions Article 218 of the Treaty on the Functioning of the European Union (TFEU) has unified the procedure based on the subject matter of the envisaged agreement and its relationship to the internal allocation of competences (Hillion and Koutrakos 2010). The major innovation in this respect is the creation of the posts of 'High Representative of the Union for Foreign Affairs and Security Policy' (Article 18 TEU) and the

‘President of the European Council’ (Article 15 TEU) both of whom represent the Union’s CFSP abroad in their respective capacities.

Another innovation of the Lisbon Treaty aiming at improving the coherence of EU external action has been the creation of a common list of principles and objectives governing the external relations of the EU. Articles 3(5) and 21(2) TEU provide the overall objectives of EU external action whereas the Treaties after Lisbon do not contain any specific provisions detailing CFSP objectives. This has made the determination of the scope of CFSP based on its objectives more difficult. Such a determination is crucial due to the previously discussed legal and procedural duality between CFSP and non-CFSP acts (Eeckhout 2011). The boundaries between CFSP and the rest of the EU external action will eventually have to be set by the Court of Justice of the European Union based on Article 40 TEU and its pre-Lisbon case-law, which seems to maintain its relevance. Until this issue is settled, the legal uncertainty will inevitably translate in political uncertainty and possibly rearguard battles between the EU institutions in an effort to protect their competences and space of action on the internal and international plane. Thus, the exact role of foreign policy objectives in the Treaties remains unclear.

2.2 New Actors in EU External Relations

The Lisbon Treaty also introduces a range of new EU foreign policy actors. In order to overcome the problem of EU external relations being fragmented across a range of multiple actors, Lisbon establishes these new foreign policy roles in order to strengthen the EU’s coherence and ability to speak with one voice internationally.

2.2.1 President of the European Council

The Lisbon Treaty introduced the position of a permanent President of the European Council—currently held by Mr. Herman Van Rompuy (Article 15 TEU). The President of the European Council is responsible for representing the Union “at his level and in that capacity” in matters falling within the ambit of CFSP “without prejudice to the powers of the [HR/VP].” (Article 15(6) TEU). This means that, depending on the international forum, Mr Van Rompuy represents the Union at the level of Heads of State or Government, whereas Ms Ashton, presently the High Representative, participates at the level of Ministers of Foreign Affairs. This division of labour seems to work in practice, thanks mainly to the capacity of the two individuals holding these posts to cooperate rather than because of a clear institutional division of roles. The creation of these two positions and their role in the representation of the Union’s CFSP abroad has been at the expense of the relevant pre-Lisbon role of the rotating Presidency (Christiansen 2012). This should improve the relative negotiating position of the EU toward its partners since the permanent President and High Representative are not under time–pressure to deliver results within a 6-month period as the rotating Presidencies were. This may lead to more balanced relations and, ultimately, agreements between the EU and third parties (Van Daele 2012).

2.2.2 High Representative

One of the most significant ways the new Treaty attempts to overcome the ‘fragmentation’ of external relations is by establishing the post of High Representative of the Union for Foreign Affairs and Security Policy, a post that is functionally combined with the Vice Presidency of the European Commission (HR/VP). The HR/VP’s responsibilities ultimately boil down to coordinating and streamlining the full scope of EU external action. In particular, in the field of CFSP the HR/VP brings proposals to the Council (Articles 18(2) and 27(1) TEU), presides over the Foreign Affairs Council (Article 18(3) TEU), represents the Union abroad (Article 27(2) TEU) and, together with the Member States (Article 26(3) TEU) ensures the implementation of decisions made by the European Council and the Council (Article 27(1) TEU). Her presence in all stages of CFSP actions justifies her responsibility, together with the Council, to “ensure the unity, consistency and effectiveness of action by the Union” in this policy area (Article 26(2) 2nd subpara). In her capacity as Vice-President of the Commission she is responsible “for responsibilities incumbent on it in external relations and for coordinating other aspects of the Union’s external action” (Article 18(4) TEU). Again in regard to both CFSP and non-CFSP actions in EU external relations, the HR/VP functions as the glue that ensures consistency in EU policies and cooperation between the Council and the Commission (Article 21(3) TEU). In this effort she can further submit joint proposals together with the Commission, thereby covering CFSP and non-CFSP areas in the same document (Article 22(2) TEU). In line with this the High Representative has submitted together with the Commission a number of joint proposals to the Council (European Commission and High Representative 2012a, b) whereas they have also co-authored joint communications to other EU institutions on issues of EU external relations interest (European Commission and High Representative 2011a, b, c, d). Thus, Lisbon sought to instill coherence in EU foreign policy by entrusting one individual with responsibilities at the top level across the board of much of the EU’s external action.

2.2.3 European External Action Service (EEAS)

The HR/VP is further assisted by, and is responsible for, the European External Action Service (EEAS) (Article 27(3) TEU), which is a new “functionally autonomous body of the Union under the authority of the High Representative” set up in July 2010 (Council 2010: Preamble Article (1)). The diplomatic network of the EU is also complemented by the former Commission Delegations, which have become Union Delegations coming under the political leadership of the HR/VP and forming part of the EEAS (Council 2010: Article 1§4). The same is the case with the EU Special Representatives in light of Article 33 TEU.

The EEAS, in addition to supporting the HR/VP, is also expected to “assist the President of the European Council, the President of the Commission, and the Commission in the exercise of their respective functions in the area of external relations” (Council 2010: Article 2§2). The Service is to cooperate with the diplomatic services of the Member States, the General Secretariat of the Council and the

Commission, “in order to ensure consistency between the different areas of the Union’s external action and between those areas and its other policies” (Council 2010: Article 3§1). Thus, the EEAS has a central role as a link between all the stakeholders in EU foreign policy in the effort to ensure the latter’s consistency. However, as was already pointed out just days after the coming into force of the Lisbon Treaty, the successful work of the EEAS is ultimately predicated on the trust of both the Council and the Commission (Duff 2009).

Moreover, the EEAS comprises departments and officials that previously belonged to the Council General Secretariat and the Commission whereas one third of its personnel will eventually be provided on a temporary basis by EU Member States. From the Council, the EEAS inherited the CSDP and crisis management structures as well as Directorate-General (DG) E, whereas DG for External Relations and parts of that for Development were transferred from the Commission to the new Service. However, DGs for Enlargement, Humanitarian Aid and Civil Protection, Trade and parts of DG Development have remained with the Commission. The description of the DGs responsible for EU external action that have moved to the EEAS as opposed to those that have stayed with the Commission, once more serves to illustrate the continued deep division between CFSP and non-CFSP areas of external action post-Lisbon. This division is also observed in the EU Delegations, which are part of the EEAS but represent the Union abroad in all areas of its external relations. This is achieved thanks to a division of labour within EU Delegations according to the allocation of competences between EEAS and European Commission officials staffing them (Missiroli 2010). Union Delegations at international organisations are also responsible for organising and chairing local coordination meetings comprising the representatives of EU institutions and Member States to these organisations.

This section briefly reviewed the post-Lisbon external relations architecture, designed to overcome the ‘patchwork’ nature of EU diplomacy (Gstohl 2009). The Lisbon Treaty established a single institutional framework, replaced the role of the rotating Presidency with a new range of foreign policy actors such as the HR/VP and EEAS, converted external Commission delegations to EU delegations, and brought together the foreign policy objectives into the treaties, in order to allow the EU’s diplomacy become more coherent and effective. The next section turns to the question of how these changes have impacted upon the EU’s diplomacy in practice since the coming into force of the Lisbon Treaty.

3 Putting Lisbon Into Practice

With the entry into force of the Lisbon Treaty, the EU’s external relations system entered a new era. Despite the hope for a more effective EU presence in the world, however, it was far from clear how the new treaty provisions were to be interpreted and applied in practice. Before Lisbon, many of the roles and practices of the various institutions in the field of external relations had been developed and clarified over many years, often due to a process of struggle and compromise between the different

institutions and Member States. In a post-Lisbon environment, these institutional practices and roles were yet to be defined. It allowed these battles to be re-fought inside the EU, often undermining the EU's ability to present itself as a coherent foreign policy actor, which was one of the key aims of the Lisbon Treaty reforms. We discuss here the extent to which the ambitious legal changes in Lisbon have lived up to reality in EU diplomacy.

3.1 External Representation in Fields of Shared Competences

One of the most problematic features of the post-Lisbon external relations has been disagreements over representation in areas of shared competences. A report written following the end of Poland's Presidency at the end of 2011 points out that this issue has caused the most friction in the post-Lisbon environment (PIIA 2012). The authors observe that while Lisbon aimed at improving the EU's external activity, "vagueness of treaty provisions result in divergent legal interpretations and cause the inter-institutional frictions." (PIIA 2012, p. 15) Although it does not substantially modify the division of competences, Lisbon largely codifies them (Articles 3, 4 and 6 TFEU). However, the Lisbon Treaty gives little guidance on how the sensitive issue of representation in areas of shared competences is to be treated in practice. This is problematic since the preponderance of EU external action remains in areas that are shared between the EU and its Member States. This is despite the fact that in some fields Member States competences have been significantly curtailed, such as in the area of air transport covered by the Chicago Convention where EU Member States have retained very limited powers (See [Case C-366/10](#): para 70). Despite the principle of conferral enshrined in EU law (Article 5(1) TEU) which means that the EU only has competences in fields directly conferred upon it, Member States are concerned that the EU may expand its competences through its greater presence on the international plane. Thus, the interpretation of Article 2(2) TFEU on shared competence has become the new focus of contention primarily between the European Commission and the Council.

3.2 EU Representation in the Negotiation and Signing of International Agreements

Probably the most significant 'crisis' concerning the EU's external relations since the Lisbon Treaty occurred soon after the new Treaty provisions came into force. It concerned the EU's representation in negotiations on a global instrument on mercury. Issues surrounding the EU's representation in these talks provided a preview of the types of disputes that would arise in the future concerning the question of who should represent the Union externally, particularly relating to shared competences.

In 2009 the European Commission submitted to the Council a recommendation for the then Community to participate in the mercury negotiations under the auspices of the United Nations Environment Programme. Since the EU has competence in almost

all items to be negotiated, and the spirit of Lisbon strives for coherence and efficiency in EU external representation, the Commission requested the adoption of a Council Decision authorising it to be the sole negotiator at the talks. However, the Member States pushed back against what they saw as a move into their areas of competence. The Council not only disagreed with the Commission's interpretation of the extent of EU competences in the area, but further opted for a team of negotiators comprising the Commission and the rotating Presidency collectively responsible for the negotiations, drawing its argument again from the Lisbon requirements for coherence and efficiency on the international plane. Under this arrangement, the Commission would lead the negotiations in areas falling within EU competence whereas the Presidency would do the same in the remaining Member State competences. The Commission saw this as an unacceptable reading of the post-Lisbon situation, one that would in practice remove its hard-won role as sole negotiator in areas of EU competence (See Corthaut and Van Eeckhoutte 2012). The Commission subsequently withdrew its recommendation, an unprecedented step (See De Baere 2011). The Commission relies in part on the argument that under the Lisbon Treaty, in areas outside CFSP, it is up to the Commission to "ensure the Union's external representation" (Article 17(1) TEU). As a result of this disagreement, at a major international event in which the EU had an interest in shaping the early negotiations, the Commission had no mandate to present an EU position. The dispute was eventually resolved through a compromise whereby the Commission was able to conduct the negotiations, but was to cooperate with Member States in fields of shared competence. Despite this, it offers a preview of the types of disputes that will likely emerge in future international negotiations, which could further weaken the EU's presence internationally. The different interpretations on the modalities of EU representation in the field of shared competences may also lead to legal challenges involving the Court of Justice.¹ Principles enshrined in the Treaties and further developed by the Court of Justice, such as the duty of loyal or sincere cooperation (Articles 4(3), 13(2) and 24(3) TEU), and the principle of consistency in EU external action, will likely be further developed through the Court's case law (Van Elsuwege and Merket 2012).

3.3 *Representation in Multilateral Fora*

The debate regarding the appropriate representation of the EU in its external relations becomes yet more complicated once the Union attempts to assert its position in multilateral organisations and international fora. In these situations, the EU is an

¹ The latest application, C-28/12, lodged by the Commission against the Council before the Court of Justice of the European Union should be read in this context. There the Commission asks for the annulment of a 'hybrid' Council Decision authorizing the signing of an international agreement on behalf of the Union and its Member States. The dispute revolves around the proper procedure and conditions within the Council to adopt such a Decision. What this debacle once again illustrates is that the EU institutions and Member States have embarked on a concerted effort to gain as much as possible in the post-Lisbon institutional balances.

aspiring new actor that often has to convince others that it should have a role, either in place of, or more often, alongside its Member States. There is a growing literature describing the exact position of the EU in each international organisation and the unique problems these create for both the EU and its Member States (Emerson et al. 2011; Hoffmeister 2007). This part focuses on the development of the EU's status at one of the most important international bodies, the United Nations General Assembly, and the difficulties the EU faces in gaining a more prominent role.

In order to improve the EU's participation and presence within the United Nations, and, thereby, bring it up to date with the provisions and aspirations of the Lisbon Treaty, the EU sought to upgrade its status at the UN General Assembly in September 2010. It drafted a Resolution that would give 'enhanced observer' status and greater participation rights to the EU. This draft was met with diplomatic resistance from other UN members, and eventually the bid was postponed, in what was considered an early example of failed EU diplomacy post-Lisbon (Wouters and Emerson 2010). In May 2011, the EU sought to have an adapted version of the resolution adopted. Some UN members, particularly members of the Caribbean Community (CARICOM) were concerned about giving greater participation rights to regional organisations within the UN, particularly since European states are already considered to be over-represented in international fora. HR Catherine Ashton was eventually able to negotiate a compromise text that was acceptable for most parties, albeit one that was substantially modified compared with the original draft drawn up by the EU ([United Nations General Assembly, Resolution A/65/L.64/Rev.1](#); Wouters et al. 2011).

The resistance that the EU met in trying to enhance its status at the UN General Assembly did not end there, however. Having gained enhanced participation rights on paper, it remained to be seen how this would be acted out in practice. On 22 September 2011 the EU exercised its enhanced rights when European Council President Herman Van Rompuy addressed the General Assembly during the General Debate at its 66th Session in New York. Although the EU was visible in this important debate, the EU has had to fight to preserve its participation rights within the rest of the work of the UN, particularly through its committees, where much of the negotiation actually takes place. In one episode, disagreement concerning the order of speakers at the UN Budget Committee in October 2011 reportedly had to be resolved by flipping a coin (Lee 2011). Third states that were originally reluctant to support greater participation rights for the EU continued for some time to create obstacles that prevented the EU's effective participation in the UN system. This may stem, in part, from the EU's failure to allay fears of UN members that the UN's system of sovereign equality is being jeopardized by the participation of a regional organization. It shows that effective participation in the international arena requires more than an update of the EU's own internal institutional structure—it also requires an effective diplomatic strategy that convinces third states of the benefits of EU participation in international fora.

It is not only third states that have posed problems for EU participation in the United Nations—some EU Member States have done so too. For instance, by October 2011 the United Kingdom had blocked close to 100 EU statements before the United Nations, not because it disagreed with the text's substance, but because it

disagreed with the statement being made in the name of the European Union, and not its preferred ‘European Union and its Member States’ (Vogel 2011; Borger 2011). Again, the issue arises from differing interpretations about how the EU should be represented in areas of shared competence. The United Kingdom argues that since the EU now has its own separate legal personality, simply stating ‘on behalf of the European Union’ fails to acknowledge the role and competences of the Member States. However, this has been viewed as an overly technical argument, one whose real aim is to limit moves towards a common EU representation at the international level. In her report on the EEAS, High Representative Ashton remarked that EU representation in multilateral fora “has been more challenging . . . given the greater complexity of legal and competence issues. . .” and mentions that “[t]he recent blocking of statements has resulted in a temporary reduction in the number of EU statements in particular in the UN and the OSCE.” (EEAS Report 2011). This shows the tension that has developed between the desire to have a united presence on the world stage and the desire of Member States to retain their presence (and competences) there.

Like with the mercury episode discussed above, a practical solution had to be hammered out in order to reach an agreement concerning how the EU would be represented in international organizations and processes. On 22 October 2011 the Council endorsed the ‘General Arrangements for EU Statements in multilateral organisations’ (Council 2011), designed to clarify some of these issues relating to the delivery of statements. The arrangements do little to clarify the situation, and perhaps even move the situation back towards the pre-Lisbon era. The document states that “Member States agree on a case by case basis whether and how to co-ordinate and be represented externally. The Member States may request EU actors or a Member State, notably the Member State holding the rotating Presidency of the Council, to do so on their behalf.” The reference to the Presidency harks back to the pre-Lisbon era, doing little to ensure coherency. The ‘disclaimer’ stating that the presentation of statements does not affect the division of competences or the decision making procedures in the Treaties adds little—a statement delivered at an international forum cannot modify the Treaties—but its inclusion demonstrates some of the mistrust over how the EU’s international role may affect the competences of EU Member States.

3.4 EU External Relations Actors: Examining the Performance of the New Players

The Lisbon Treaty sought to overcome many of the deficiencies in the EU’s external relations by entrusting a great deal to new EU external relations actors, who are charged with helping to develop and present a coherent EU foreign policy. As discussed above, the Treaties sought to use these posts to bridge the legal and procedural gap between CFSP and non-CFSP external action, and to help ensure unity, consistency and coherence in EU foreign policy. This part turns to the role of

these actors—especially those of the High Representative and the EEAS—and whether they have managed to instill greater coherency and improve the EU's presence on the world stage. Both for reasons of lack of space and in light of his circumscribed function in EU external relations, the role of the President of the European Council is not addressed further here. Although the inclusion of these new foreign policy actors were important innovations, the roles of these new players are also continually being defined, and in many cases the reality falls far short of what Lisbon had envisaged.

3.4.1 High Representative and EEAS

As discussed above, the HR/VP has been given significant responsibility to ensure the consistency and coherence of European external relations. However, it could be argued that the powers with which she has been endowed by the Treaties are not commensurate with the responsibility and expectations of her to bring together the disparate actors that make up EU foreign policy. The EU's first High Representative and the EEAS were put in an extremely challenging situation, often sidelined by the 'traditional' external relations actors and the Member States themselves. It is illuminating that according to one commentator the High Representative "is not primarily perceived [by the Commission itself] as a member of the Commission . . . but rather as an agent of the Member States" (Christiansen 2012). This really defeats the purpose of having a triple-hatted official at the top of EU foreign policy functioning primarily as a bridge between the European Commission and the Council, making the job of the High Representative excessively difficult. However, some room for manoeuvre would seem to exist given the collegial nature of the Commission.

At the same time the High Representative took the helm of EU external relations at a critical and volatile time for the Union. Unforeseen developments both within the EU as well as abroad have made her work even more challenging. The lingering European sovereign debt crisis, which obtained at some point existential characteristics for the euro area, has turned the focus of EU Member States on other policy areas rather than CFSP (Missiroli 2010, p. 428) whereas it has polarized relations among EU Member States. In addition, recent changes that have taken place in the European neighbourhood, most notably the Arab Spring, have been especially challenging for the EU and its nascent foreign policy machinery. It is in light of these events that the performance of the HR/VP and the EEAS should be judged. Nonetheless, our assessment of the performance of the HR/VP focuses on whether she has left her mark on EU foreign policy and navigated it in accordance with the rationale of the Lisbon Treaty. It is in this respect that the record of the High Representative has been mixed.

It is indisputable that the list of responsibilities and functions of the High Representative is too demanding for one person—even with the help of the EEAS—to fulfill (Missiroli 2010, p. 431; Hillion 2008, p. 34). Still, Catherine Ashton has fallen short in one crucial respect. She has not been able to provide leadership and strategic orientation to EU external action across the board. At present, EU foreign policy is not "guided by a comprehensive strategy" (Bendiek and Kramer 2010, p. 463) whereas "there are

hardly any clear and long-term goals to be discernible for the plethora of inter-regional and bilateral EU foreign relations” (Bendiek and Kramer 2010, p. 456). Some years after having come into office and despite the apparent desire of some other Member States and the Polish Presidency in the latter part of 2011, the High Representative has not yet embarked on a process to update the 2003 European Security Strategy, a document last revisited in 2008 and reflecting pre-Lisbon realities (European Security Strategy 2003, Report on the Implementation of the European Security Strategy 2008).

The High Representative sought to overcome this lack of strategy, in 2010 pointing to three policy priorities of the EU foreign policy. These have been the creation of the EEAS, the focus on the European Neighbourhood Policy (ENP) and the investment in Strategic Partnerships (High Representative 2010). Yet these goals fail to offer a concise strategic direction to EU foreign policy. As for the EEAS, it is working but is still in search of “a systematic determination of [its] role” (Hemra et al. 2011, p. 1). This can only come from the High Representative through her leadership, and more broadly through the work on a new comprehensive European strategy that will offer the Service “a coherent conceptual framework and a sense of strategic direction” (Lehne 2011). As for the ENP, there is no comprehensive design of the interaction between the ENP and the other EU instruments in the region (Bendiek and Kramer 2010). Lastly, the strategic partnerships of the EU are admittedly only partly the result of strategic planning by the EU (Van Daele 2012). Furthermore, they still need to be complemented by specific “objectives, structure and content” (Hemra et al. 2011, p. 20). Thus, despite publicly stating that she will focus on these three key areas, the HR/VP has not introduced specific strategic orientation, arguably letting them float in the ocean of EU foreign policy.

It is true that it may prove at times extremely difficult in practice to agree on a specific course in CFSP, as the case of the intervention in Libya proved, let alone coordinate this policy with action in other EU external relations areas. However, the High Representative has so far not made use of all the tools at her disposal, thereby failing to orchestrate EU foreign policy. This was conspicuously raised in a letter of 8 December 2011 to the HR/VP by 12 EU Member States’ Foreign Ministers in which they raised the need for greater political leadership. In particular, in this non-paper they asked the HR/VP to identify political priorities in advance of the Foreign Affairs Council, to prepare a yearly agenda of this formation of the Council and to task the EEAS “more regularly to produce preparatory policy and/or decision-making papers” (Non-Paper on EEAS 2011). This has been one of the strongest criticisms of the HR/VP in her new role. These demands highlight another important issue. In making the best use of the EEAS, the High Representative would be in a position to frame the discussion on CFSP within the Council and the European Council both through her right of initiative and by publishing other official documents delineating her views on foreign policy in general. Adopting the same approach together with the Commission—as has been the case with some joint communications and proposals described above—can also be instrumental in ensuring coherence in the EU external action (See Kratochvil et al. 2011).

However, the High Representative conceives consistency in a rather restrictive manner. In her Report to the European Parliament she underlined the fact that her dual

function as High Representative and Vice-President of the Commission “naturally contributes to the consistency of the EU’s external actions” whereas the briefings made by the EEAS to her, the Presidents of the European Council and of the Commission as well as to Commissioner for Enlargement and European Neighbourhood Policy are also significant in this respect (EEAS Report 2011: point 13). Although these are important, they remain less than what is really required to ensure consistency in EU external relations—something that requires greater political leadership.

Thus, the High Representative has not yet been able to achieve the full potential of her post. She has not managed to make the best of the new EEAS, nor to devise a *modus operandi* that will be satisfactory for all the stakeholders of EU external actions while at the same time instilling coherence in an effective EU foreign policy. EU foreign policy since Lisbon continues to be events-driven, with a lack of an overall strategy infused throughout all levels of EU foreign policy.

3.4.2 Rotating Council Presidency

As mentioned above, the Lisbon Treaty significantly reduced the role of the rotating Council Presidency in international affairs. However, since Lisbon the role of the Presidency has endured and taken on new roles. The Presidency previously required a high degree of involvement at the international level, and provided great exposure for the Member State holding that role. It can be understood, therefore, why Member States continue to interpret the Treaty in a way that retains an external role for the Presidency. Moreover, as discussed above, the Presidency is now seen somewhat as the guardian of the rights of the Member States in the international environment, particularly as a way of ensuring Member State exposure in negotiations involving shared competences. It has been suggested, for example, that “[t]he treaty provisions on the representations prerogatives of the European Commission should not be read literally. In the areas of shared competences and horizontal issues an appropriate involvement of the EU presidency should be secured, or re-established” (PIIA 2012, p. 31). Indeed, the HR/VP has on occasion asked Foreign Ministers of the Member States holding the Presidency to replace her in some official functions. The role of the rotating Presidency has therefore remained in EU external relations, although it is now significantly limited. It may be the case, however, that this is merely a transitory phase; the Presidency’s role may yet diminish over successive Presidencies and as other EU foreign policy actors begin to assert their roles.

4 Conclusion

Simply compared with the pre-Lisbon framework, the current external relations architecture is an improvement, streamlining the EU’s otherwise scattered and disjointed external relations machinery. However, with these changes some problems have continued unaddressed or new ones have arisen. The impression one gets from the examination of the relevant provisions of the post-Lisbon text of the Treaties is that its drafters could not reach a compromise on the perennial problem of the lack of

coherence and, thereby, effectiveness of EU foreign policy due to the delimitation and fragmentation of competences in this area. Instead, they deferred to EU institutions and Member States to agree on practical arrangements in this respect with the help of a new triple-hatted HR/VP. Still, the legal ambiguity of some Lisbon Treaty provisions has allowed various institutions to re-wage certain battles, especially concerning the external representation of the EU. Where there was once at least some common understanding about the respective roles of actors in EU foreign policy, which had developed over the years, this has given way to an environment of mistrust and skepticism. Usually these ‘internal’ problems have remained just that—yet they have at times spilt over into the international stage, damaging the EU’s goal of presenting itself as an important and coherent foreign policy actor. Thus, in recent climate negotiations, the EU was effectively sidelined due to the cacophony of voices seeking to speak on behalf of the Union. Further, when US President Barack Obama announced that he would not be attending a US-EU summit in Madrid in 2010, it was largely believed that confusion over the roles of the different foreign policy actors—European Council Presidency, Rotating Council Presidency, Commission Presidency, High Representative—played a part (EU Observer 2010).

The new foreign policy actors themselves have also so far failed to live up to the goals envisaged at Lisbon. This has been the case mainly due to a pronounced lack of leadership by the HR/VP which has left the EEAS and EU foreign policy generally without a strategic compass. Following the Arab Spring, one of the most important recent events to occur in the EU’s region, the EU foreign policy architecture was largely missing in action. This is despite the fact that the aim of the Lisbon Treaty, remembering its mixed responses to events in the Balkans and Georgia, has been to be capable of quickly responding to events as they unfold. What is more, in 2011 EU Member States enforced UN Security Council resolutions against Libya, sidelining the role of the EU during this important event. Of course, EU foreign policy remains a work in progress. It would be naïve to expect that a fully-developed mature foreign policy machinery would immediately emerge from Lisbon. However, some years after the coming into force of the Lisbon Treaty, we continue to see the Union’s international influence impaired by the kinds of problems the Treaty sought to address.

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Coordination of External Policies: Feudal Fiefdoms to Coordinate

Organisational and Procedural Frameworks of Consistency Within the European Commission

Anne-Claire Marangoni

1 Coordination, the Holy Grail of the Commission

Coordination within the Commission is a challenge due to the organisation and nature of the institution. However, it is also a *sine qua non* for quality and consistency in the institution's work.

The quality and consistency of the Commission's and its departments' work depend on effective coordination at the earliest possible stage, not only between all the departments concerned but also with anyone outside the Commission who is affected (Commission n.d. b).

Coordination should ensure that different objectives are not jeopardising each other and that policies promoted by different services are not in contradiction with one another; this is the definition of policy consistency.

Consistency has been a concern in the EU for more than 30 years, especially across external policies—the focus of this chapter. The Lisbon Treaty has renewed and strengthened the commitment to the consistency of the EU's external action. Individually and in collaboration, the Commission and the Council—assisted by the High Representative-Vice President (HRVP)—shall ensure the consistency between the different areas of the EU's external action and between these and its other policies (Article 21.3 TEU). This chapter focuses on one of those institutions, the European Commission. Not a unitary actor, the Commission is divided along functional or geographical lines into approximately 40 directorates-general (DGs) and services, each responsible for a certain policy area. The interaction between different units is expected to produce frictions. The situation is even more complicated after the entry into force of the Lisbon Treaty because since then an outsider—the European External Action Service (EEAS)—may prepare Commission proposals; in that case, Commission rules of procedure apply (Article 18.4 TEU). A detailed investigation of the articulation of concerns between different actors will help understand the political and

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administrative processes that underlie any action. This chapter raises the following question: how and to what extent are external policies coordinated within the European Commission and between the Commission and the EEAS?

To answer the research question, the coordination challenge is approached from an institutionalist perspective. Institutions are assumed to influence the policy outcome; from this assumption it follows that coordination instruments influence the level of consistency reached at the end of the decision-making process (Hall and Taylor 1996). Institutions also ensure that the quest for coordination and consistency is systematic. The chapter emphasizes the intra- and inter-institutional dimensions of the consistency challenge. The institutional dimensions refer to the tensions that may exist between different actors (within the Commission and between the Commission and the EEAS) involved in external policy-making; how and to what extent are these tensions addressed by coordination instruments? Horizontal consistency is attempted through the articulation of the different services' demands. In turn, the combination of these two dimensions influences how the EU is perceived as an international actor—because a coordinated and consistent policy is more acceptable than a piecemeal approach (external consistency).¹

Adopting the 2-level approach called for by the Spierenburg report, this chapter elaborates on the coordination instruments at both service and political levels, analysing responsibilities, resources and actual contribution to coordination (Spierenburg 1979: Para 33, 34). It sets the organisational and procedural framework for coordination and consistency within the Commission.² The first section will elaborate on the links between the concern for consistency, the collegiality principle and coordination mechanisms. The second section will explore the organisational instruments of coordination by identifying the actors and structures for coordination and analysing their respective roles. The last section will develop the procedural mechanisms of consistency. This chapter argues that despite the respective principles, the instruments available and the actors specifically engaged in coordination, coordination remains a challenge.

2 Collegiality, Coordination and Consistency: A Question of Principles

Collegiality and coordination are organising themes of Commission work. They aim at a consistent policy outcome. The centrality of these principles is all the more remarkable since the Commission is more often pictured as a collection of feudal fiefdoms than as an integrated institution.

Enshrined in the Treaty (Art. 17.6(b) TEU), collegiality is presented by insiders as the spirit of the Commission, the “ethos of teamwork” (Interview 2011b; Commission b).

¹ As the final dimension of consistency, the ‘vertical challenge’, refers to tensions between the EU and MS levels, notably in the implementation phase. It is not directly addressed by this contribution.

² The coordination mechanisms discussed in this chapter are those mechanisms activated throughout the drafting process of a Commission proposal up to its adoption by the College be it by written or by oral procedure.

Collegiality underlies every effort of services and cabinets to produce a decision that reflects the agreement of all actors. Commission texts are adopted by the Commission as a whole, not by individual services: “[t]he Commission shall act collectively” (Article 1 Commission rules of procedure). It is important throughout the hierarchy of Commission decision-making (Commission 2004, p. 2; Cini 1996, p. 154). Securing the agreement of all actors is not a formal requirement only—i.e. the decision is not only rubber-stamped by the College—but a substantial *sine qua non* for decision-making. President Barroso emphasises the “importance of working together to develop policies in a *collegiate, cross-cutting way*” (emphasis added) (President of the European Commission 2010a, p. 2). Consistency refers precisely to cross-cutting decision-making i.e. to the articulation of different objectives or sectoral policies. Yet, “the structure of the Commission—it is modelled on a hierarchical French-style bureaucracy—and the cultural make-up of the DGs have complicated horizontal relations” (Jordan and Schout 2006, p. 99). Horizontal relations need to be encouraged by organisational and procedural instruments.

In external relations, the “Relex family” actualises the principles of collegiality and consistency. Their cooperation illustrates the strong policy linkages which exist between external policies and the potential for cross-cutting approaches (European Commission, Secretariat General 2011b, p. 11). When he appointed the new Commission in 2009, President Barroso called specifically on Commissioners Füle, Piebalgs and Georgieva to “exercise their functions in close cooperation with the HRVP” (President of the European Commission 2009a, b). “Relex” as a policy sector is also materialised by the Relex Group, which has two formations, one at the level of services and one at the level of Commissioners (see below).

Coordination within the European Commission is the practical corollary of the consistency and collegiality principles. Coordination is “the attempt to optimize the coherence and consistency of political decisions [...] across policies (to overcome the sectoral fragmentation of policies [...]) [and] across actors and stakeholders (in order to accommodate often-conflicting interests [...])” (Wollmann 2003, p. 47). Commission rules of procedures and internal documents on the functioning of the Commission are replete with references to the required coordination and inter-service consultation at the earliest stage possible.

Coordination reflects a concern for the Commission’s influence and credibility, since consistent policies are less easily criticised than inconsistent policies (Cini 1996, p. 152; Interview 2011b). Recognising the importance of the collegiality and coordination principles and creating institutional mechanisms to ensure collegial and coordinated decision-making are necessary but not sufficient conditions to ensure that positions are coordinated and policy outputs are consistent. The outcome also depends on the use services choose to make of the instruments that are available to these ends.

3 Decentralised and Multilevel Architecture: Organisational Instruments for Coordination

As a shared concern throughout Commission decision-making, coordination is approached both from bottom-up and top-down perspectives. This section elaborates on organisational instruments of coordination: they are the actors and specific structures within the institution that are responsible for coordination (Gual 1995). To ensure that a *sufficient* degree of coordination with other services is reached during the preparation of a proposal, the system is extremely decentralised (first sub-section). Secondly, there exist organisational instruments to facilitate coordination either at the strategic level—in identifying policy lines and priorities for Commission work—or regarding particular proposals (second sub-section). Lastly, enforcement of coordination requirements is supervised by a central organisation, the Secretariat General of the Commission (third sub-section).

3.1 *Bottom-Up and Top-Down Coordination*

To ensure that substantial coordination³ takes place from the outset of proposal drafting, the responsibility to coordinate is decentralised to the lead policy officer or lead department in charge of any proposal.⁴ Coordination also takes place at various levels, within and between services, between services and cabinets, and between cabinets.

The services both shape and challenge coordination. Each policy officer is, organisationally, an instrument for coordination and thus also for consistency (Interview 2012a). The lead DG decides on the initial extent of coordination to prepare a particular proposal (Article 23.2 Commission rules of procedure). Services also challenge coordination: the responsibility to consult colleagues is left to the discretion of the lead officer or lead DG (Spence 2006b, pp. 129, 149–150). However, during the inter-service consultation (ISC or CIS), coordination is supervised by the SG: by the

³ A remark on the terminology used: there are two types of coordination, administrative and policy (or substantial) coordination. Administrative coordination refers to the coordination of administrative and financial aspects of a proposal, the control of the forms an act must take and the steps through which it has to go. Policy coordination refers to the coordination steps taken on the substance of a policy, either at the service or at the political level.

⁴ The lead DG is the sectoral DG which is responsible for the initiation and drafting of a particular proposal (the DG under whose policy remit the proposal falls). Often, the proposal is characterised by a cross-cutting nature: one DG will take the lead while the other DGs concerned will be consulted. As outlined previously, participating in the early stage of the policy-making enables actors to contribute substantially to the definition of the problem, the definition of policy options and to preference formation, thus pulling the decision in a particular direction (see for instance Nugent 2001, pp. 242–243 and Miglioli 2009, pp. 17–19, 29). The decision on who is the lead DG might prove controversial and the SG may have to arbitrate. In particular cases and on the request of the President, the General Secretariat may take the lead itself. Under these circumstances, the Secretariat General has to rely on the input provided by services (since it does not itself have any technical policy expertise). The correlative risks to the quality of the proposal are usually considered a disincentive (Interview 2011c).

SG, what constrains to some extent the discretionary power of the lead DG. The SG exercises substantial control on the quality of coordination. Besides, efforts towards policy coordination are supported by administrative coordination. Administrative coordination creates a network within the Commission: it requires relays in the different DGs. Each DG and the EEAS have a correspondent for the ISC. The correspondent receives the consultations sent by other DGs and allocates them to the relevant units of the DG—the allocation is based on the substance of the respective portfolios of the different units. The ISC-correspondent also ensures that his/her DG submits the documents required on time and guarantees the formal quality of submissions and their conformity with the rules (Interview 2011b; Commission n.d. b). The ISC-correspondents' network ensures a level-playing field for policy coordination (Interviews 2011b; 2012f).

There also exist specific instruments within certain DGs, which focus on coordination and consistency challenges both within that particular DG and between DGs. For instance, DG Devco uses several instruments. First, DG Devco assigns a PCD team (policy coherence for development): this team offers expertise on development-related issues to the Commission as a whole. It identifies policy proposals in the Commission Work Programme that are likely to have consequences for development policy and flags them as particularly interesting for DG Devco (Interview 2012d). In turn, Devco officials follow the relevant proposals with more acuity.⁵ Secondly, DG Devco has identified 12 priority sectors in which development is streamlined.⁶ The PCD Work Programme outlines how the priority sectors contribute to development objectives by identifying targets and indicators (Commission 2010c). For each sector, DG Devco has identified at least one contact person who focuses on policy consistency and ensures that development concerns are taken into consideration. The PCD network was realised institutionally in 2006 with the creation of an inter-service group on PCD within the Commission (Commission 2011c, p. 13). DG Trade offers another example. The Coordination Unit within DG Trade focuses on administrative coordination and on inter-institutional relations (European Commission, DG Trade n.d.; Interview 2011i). It was created when David O'Sullivan was Director General for Trade (2005–2010); his previous responsibilities as Secretary General of the Commission (2000–2005) made clear that an element for horizontal coordination within DG Trade was missing (Interview 2011i). However, this unit is not responsible for substantial policy coordination. After the entry into force of the Lisbon Treaty, the creation of the Strategy Unit (1 January 2012) bridges a gap in the development of trade policy within DG Trade. The added value of this unit is to provide a horizontal input on trade policy. It aims to increase the effectiveness of trade policy instruments, and to enhance the coherence of bilateral and multilateral negotiations, between various trade policy instruments, between trade policy and other policies, and of foreign policy in general (Interviews 2012g, h).

⁵ Alternatively, sectoral DGs have sometimes interiorised expertise in the field of development: in that case, they follow these policy initiatives themselves and contribute to PCD (Interview 2012d).

⁶ Trade, environment and climate change, security, agriculture, bilateral fisheries agreements, social policies, migration, research/innovation, information technologies, and transport and energy (European Commission, EuropeAid Development and Cooperation no date).

Organisationally, the Commission is doubled by a shadow institution. For each dossier there is a lead officer, who is shadowed by other officials in other DGs (Interview 2012e). The ‘shadow Commission’ helps constitute networks of officials working on related topics or on the same topic but from different perspectives, thus substantially contributing to policy-making as soon as cross-cutting interests are at stake.

The decision to create the EEAS demonstrates the institutional set-up gearing up towards the goal of consistent EU’s external action (article 27.3 TEU) (Council of the EU 2010, p. 30). For instance, the Global Issues Unit (previously Coordination and Analysis Unit in DG Relex) follows internal policies with a (strong) external dimension and external policies. Its policy scope ranges from trade, financial issues, transport, regional policy, employment and social affairs, global health, energy-related issues, climate change, environment to home affairs and immigration (European External Action Service; Interview 2012c). The unit coordinates different policies and ensures that the external dimension of any policy is duly taken into consideration in order to enhance consistency. It is the unit that answers the most ISCs every year (between 800 and 850 a year i.e. 70% of legislative acts produced every year) (Interview 2012c). The Global Issues Unit works closely together with the Development Cooperation Unit, created within the EEAS to follow specifically EU development policy (Interview 2012c). Interviewees outlined that the responsibilities of these units and of the F3 unit “External institutional relations” of the SG of the Commission did not overlap but complemented each other, helped by a long-lasting working relationship between the heads of unit (Interview 2012c).

Within the Commission, policy-making also involves different political actors. They play an important role for coordination at different stages of policy-making.

Cabinets do not only coordinate policies at the political level, they also safeguard the politico-bureaucratic interface, a key contribution to collegiality (Christiansen 1997, p. 81). Cabinets interact with each other to discuss policy initiatives in their respective portfolios first at the strategic level by planning the Commission activity. They also do so in regular decision-making as they constitute the final conference taking place before the College meeting with a view to solve the remaining differences on a particular proposal. As the politico-bureaucratic interface, cabinets ensure that services follow the political guidelines of their Commissioners (Commission n.d. b). Working arrangements between a DG and its cabinet are specified by each cabinet. For instance, DG Trade and the cabinet of Commissioner De Gucht work together closely when it comes to inter-service consultations (European Commission, DG Trade 2011). First, this cabinet needs to approve any ISC before it is launched by the DG. Secondly, it is also involved in the ISCs launched by other DGs. Passing the list of ISCs up to the cabinet, the DG signals the initiatives which “may be of particular importance either from a trade perspective or from a general policy perspective” (European Commission, DG Trade 2011). Besides, the cabinet also has to approve any negative opinion which DG Trade intends to give on an ISC and has to be informed of any conditional approval. Lastly, the cabinet discusses the result of any ISC in which DG trade has been involved to assess whether the compromise text is acceptable.

For external policies specifically, the double-hatted position of HRVP introduced by the Lisbon Treaty is an important element in the coordination architecture. Within the Commission, the HRVP is in charge of external relations and responsible for the coordination of external portfolios within the Commission (Art.18.4 TEU). However, this coordination mandate is not operational: the HRVP does not have any authority over the other Commissioners, she does not have specific powers (such as arbitration power) to coordinate and she has limited resources to dedicate to coordination. Besides, the extent of her mandate makes it hardly possible to focus on coordination only.

Ultimately, as provided for in Articles 17.6 TEU and 248 TFEU, it is the responsibility of the President of the Commission to ensure collegiality within the Commission (Articles 17.6 TEU, 248 TFEU and Commission 2010b: Article 3.2; Commission 2004, p. 4; President of the Commission 2010a, p. 3). The Commission shall work under the political guidance of the President who is “the guardian of the collegiate interest”, defining and allocating Commission portfolios according to this goal (art.248 TFEU and Commission 2004, p. 2). Eventually, Commission proposals are deemed adopted by the Commission as a whole. The College embodies the coordination efforts throughout the decision-making. Internal efforts towards coordination and consistency within the Commission are all the more important since the Commission must cooperate with the Council to ensure the consistency of the EU’s external action as explicitly specified in the Lisbon Treaty (Article 21.3 TEU).

3.2 Coordination Facilitating Instruments

Coordination throughout the decision-making process is also facilitated by a number of specific organisational instruments: Commissioners groups, inter-service groups and interdepartmental meetings.

“[Commissioners] groups work within particular families of Commissioners or in particular policy areas and their purpose is to ensure that the Commission’s action is better prepared and coordinated” (Commission n.d. b). There are currently eight Commissioners group (Commission n.d. b; President of the Commission 2010b). The Group of Relex Commissioners counts the Commissioners for External Relations, Development, International cooperation, Humanitarian aid and crisis response, Enlargement, Trade, Economic and monetary affairs and the Foreign policy instruments service (as created in April 2010) (President of the Commission 2010b). The HRVP chairs the meetings of the group of Relex Commissioners.⁷ The Relex group aims to

[E]nsure the coherence of the Commission’s external policies with the Union’s external action and to bring the necessary external dimension to the internal policies of the Commission. [...] It should be used as a forum in which to coordinate positions, [...] to prepare debates in the College on strategic aspects of external relations and their implications for internal policies (President of the Commission 2010c; see also European Commission, Secretariat General 2011b, p. 14).

⁷ Commissioners groups are normally instruments of the President of the Commission (Commission Commission n.d. b; President of the Commission 2010b).

Still, interviewees insisted on not over-estimating the importance of this group, which has met three times between 2010 and mid-2011, and is not good at follow-up (Interviews 2011a, b). The Relex Group also has a service-level formation.

Inter-service groups (ISG) indicate the need for long-term coordination in a particular policy area. An ISG is a “group or a network of Commission services, set up formally and characterised by its internal composition, the continuity of coordination and the definition of a clear remit which is unchanged throughout the life of the group” (Commission n.d. b, c). There are more than 250 ISGs, most of which present an external dimension: in that case, DGs with external portfolios are involved. For instance, under the leadership of DG Trade, the group on Economic Partnership Agreements is composed of the following DGs: “Aidco, Devco, Taxud, Mare, Estat, Agriculture, Enterprise, Competition, EcFin, Environment, Budget, Legal service, Relex [sic], Secretariat General, EAC, Employment, OLAF, Energy, Move” (Commission n.d. a). The EEAS replaces DG Relex since January 2010: it may chair some ISGs (e.g.: Group on non-proliferation and disarmament) or be invited by the DG chairing a group to participate therein (e.g. the Group on UNCTAD XIII Conference) (Commission n.d. a; European Commission, Secretariat General 2011b, p. 13).

Interdepartmental meetings are a flexible instrument to address the punctual coordination need in the drafting phase of a policy proposal: they constitute a tool at the disposal of the lead DG which plans one or several such meetings whenever a specific need arises to discuss different approaches (Commission n.d. b). The different DGs with an interest in the proposal discussed may participate in such meetings. The EEAS, as any Commission DG, may be invited to participate in the discussion.

3.3 *The “Guardian Angel of Consistency”*

Because it has the “overall picture” of Commission action that services lack, the Secretariat General of the Commission (SG) plays “a crucial coordinating role in a fragmented institutional environment”. It “offers a channel for two-way communication between Commissioners and the services, and oversees inter-departmental coordination” (Kassim 2006, p. 75; Interview 2011b). It supports the College in general and the Commission President in particular (European Commission 2010b: Article 20.2), both procedurally in the working methods and substantially in the content of the policies adopted (President of the Commission 2010a, pp. 10–11; Commission 2004, p. 2). The Secretariat is described as a memory bank, watchdog and facilitator of coordination, procedural monitor, promoter of organisational efficiency, and manager of relations with other EU institutions. As such, it has the expertise to promote substantial consistency—both within the Commission and with other institutions—but also procedural consistency—by organising the collaboration between services and monitoring the different steps of the decision-making (Nugent 2001, pp. 146–153; Davignon 1995; Cini 1996, pp. 151–154; Kassim 2004, 2006).

The SG focuses on intra- and inter-institutional coordination, attempting to work across sectors and promoting horizontal approaches at service and cabinet levels. Its major coordination function, upstream coordination, refers to “early steering and screening of internal processes to prevent conflicts appearing at later stages of decision making” (Hartlapp et al. 2010, p.13; Interview 2011b). SG policy coordinators follow what DGs are planning to do, what they are actually doing and the consistency of particular initiatives across sectors. From a procedural point of view, they check that the policy documents are in the right form with the right references. From a substantial point of view, the documents should make sense, be consistent with proposals on similar or related topics, with any instructions given by the President, and with what a coordinator knows about a topic. It is not necessary to “know everything”, but rather “to know enough” to be able to put a proposal into context and to address an issue horizontally, to “use [one’s] wider institutional perspective to act as an ‘honest broker’” (Commission 2004, p. 9; Interview 2011b). Policy coordinators ensure that this control happens systematically, as a process (Interview 2011d). The “silo mentality” of the DGs is a strong structural and cultural obstacle to the operation of the Commission, further complicated by the changing institutional environment of which the Commission is part (Kassim 2006, p. 91).

The structure of the SG reflects the political importance attached to consistency and to coordination in general (Interview 2011f). In particular, the coordination of external policies has acquired a stronger position. Between 2005 and July 2010, it was the responsibility of the unit dealing with the security dimension (unit D3 “Justice and Security”). A unit was specifically created in July 2010 to deal with the coordination of external policies; it was not created *ex nihilo* but its responsibilities were taken away from unit D3 (Interview 2011b). Unit F3 “External institutional relations” coordinates DEVCO, enlargement, trade, ECHO, the service of Foreign Policy Instruments and the EEAS. It counts 7 policy officers (April 2012), two of whom contribute to and supervise the coordination of external policies (European Commission, Secretariat General 2011a, b).⁸ The creation of a new unit responds to the specificity of external policies after Lisbon. First, the disappearance of DG Relex within the Commission created a void for the coordination of the Commission position on external policies.⁹ Second, the enhanced status of external policies in a more complex institutional environment, characterised by new actors such as the double-hatted HRVP and the EEAS, created new coordination needs, whose extent requires the resources of a full unit.

It is in this context that the contribution of the Secretariat to coordination and consistency is emphasised (Kassim 2004, p. 52). However, the influence of the SG should not be over-estimated as it does not have unlimited resources—human resources, time and political capital.

⁸This unit is under Directorate F “Relations with the European Council/Council, International Relations and G8/G20 coordination” yet in charge of policy coordination.

⁹Before the Lisbon Treaty, the Commission had contracted to DG Relex its representation, notably in those Council working groups which required the DG to coordinate the Commission position.

4 Embedded Coordination: Procedural Instruments

At the strategic level (first sub-section) or in the regular decision-making (second sub-section), procedures are geared towards coordination. Procedural instruments ensure that coordination happens systematically during decision-making to avoid one-sided decisions in a fragmented institutional environment (Gual 1995; Spence 2006b, p. 150).

4.1 *Planning for Consistency*

Strategic planning and programming (SPP) is the first step of coordination and a requirement to address internal fragmentation (Commission 2004, pp. 3–5; Kassim 2006, p. 85).¹⁰ SPP sets out clear political priorities and coordinates the agendas of different services to ensure overall consistency.¹¹

SPP is “organised around an annual policy cycle, with an early identification of priorities, the aim of which is to strengthen the SG’s coordinating role, enabling it to intervene at an earlier stage, encouraging DGs to cooperate even before proposals have been drafted, convening meetings of officials and cabinet members, and arbitrating in inter-departmental disputes” (Kassim 2006, p. 83). Strategic planning builds on the SPP network, which gathers together the SPP correspondents of the different DGs. The EEAS’, SPP correspondent is included in the SPP network (Interview 2011h). For the first time in September 2010, SPP followed a new course (Commission 2004, p. 7; Interview 2011h).¹² Preparation of the *Commission Work Programme* now starts with contributions from DGs and the EEAS,¹³ which are centralised and analysed by the “Commission Work Programme and political programming team” of the SG (Interview 2011h). The SG filters them on the basis of the respective portfolios, timing or policy package. This role ensures that cross-cutting issues are addressed in a coordinated and timely manner and that all the relevant actors are brought together from the outset (Commission 2010a, pp. 4–5; Interview 2011b). The next step consists

¹⁰ The emphasis is not here on strategies adopted in certain policy areas or for certain regions such as the *EU counter-terrorism strategy*, *EU 2020* or *EU strategy for Africa* for instance. It is on the efforts to strategically plan the Commission work in the short- and long-term in the wide range of its attributions.

¹¹ Naturally, a sudden crisis cannot be included in the management plan; still, when it is needed, the Commission (and the EU) responds to unexpected situations. Generally speaking, the response fits into the general framework of the EU’s action because it pursues the same objectives and principles of action as planned activities. Yet, the consistency of the response depends on the crisis, its causes, its effects and the level of public attention (Interviews 2011a, b, e).

¹² The steps of SPP were previously the identification of 5-year strategic objectives, the orientation debate of the College, the adoption of the annual policy strategy and of annual management plans.

¹³ The EEAS contributes to the work programme initiatives prior to their being presented for adoption by the Commission or jointly by the Commission and the HRVP (European Commission, Secretariat General 2011b, p. 7).

of bilateral meetings between the President's cabinet and the SG on the one side between cabinets and DGs on the other side discussing the possible inclusion of initiatives in the Commission Work Programme, the formation of packages, and possible cooperation between DGs. In parallel, the President delivers the *State of the Union speech* in September. The Commission Work Programme is then finalised following meetings at the DG and head of cabinet level and finally adopted by the College. The President's political guidelines—endorsed by the College in several seminars—and the multiannual strand of the Commission Work Programme have replaced the 5-year strategic objectives (Interview 2011h).

Strategic planning in external policies is a political exercise: documents refer to coherent or consistent external policies for the EU to become a recognised actor. In the 2005–2009 strategy policy, “Europe as a World partner” is one of the four strategic objectives (Commission 2005, pp. 11–13). It focuses on the effectiveness and appropriateness of the EU's external action, and on the role of *coherence* in that respect:

The political clout of the Union should better match its economic weight. To address this goal, the Union must achieve greater political *coherence* in external action: *coherence* between different branches of external policy; *coherence* between internal and external policies; and *coherence* in action between that of the Union or Member States bilaterally. If it wants to have a stronger presence and influence on the international scene, it needs to speak with a *single* voice and promote a *coherent* stand [emphasis added] (Commission 2005, p. 11).

In the State of the Union 2010, the wording has changed. Neither consistency nor coherence is mentioned, but the concern is still evident. In external policies, the EU challenge is to pull its weight on the global stage (President of the Commission 2010d, pp. 8–9). The EU should play the role in global affairs that matches its economic weight. Implicitly, the wording refers to the coordination of external policies (President of the Commission 2010d, pp. 8–9). The President of the Commission has outlined the new possibilities opened up by the Lisbon Treaty with the newly created position of HRVP and the EEAS (President of the Commission 2010d, pp. 8–9). The Commission Work Programme 2011 is in the same line. “Pulling [the EU] weight on the global stage” is an objective (Commission 2011b, p. 8). The consistency concern underlies the necessity for the EU to promote a “comprehensive and cohesive policy on the external challenges [it] face[s] today” (Commission 2011b, pp. 8–9). As in the State of the Union, the innovations introduced by the Lisbon Treaty and their potential are outlined:

...making the most of policies for which the Commission is responsible such as development, trade, enlargement, humanitarian aid and the external aspects of internal policies, and coordinating them with the work of the EEAS to deliver a strategic overview of the EU's bilateral relations (Commission 2011b, pp. 8–9).

Significantly, coordination is considered a tool to bring the different external policies pulling in the same direction.

4.2 *Building Coordination Informally and Formally*

Regular decision-making processes also focus on coordination. “Improved coordination” is necessary to ensure that, at a later stage, policies actually follow the central political choices made during strategic planning. This avoids the situation where consistency and coordination reached at strategic level are spoiled at a later stage of the decision-making process (Commission 2004, p. 3). Checks and balances, information-sharing, consultation and coordination requirements are manifold to ensure consistency (the goal of coordination) and collegial decisions (Commission 2004: Sect. III, pp. 8–12; President of the Commission 2010a: Annex II, pp. 14–18; Commission 2010b: Article 23; Cini 1996, p. 151).¹⁴ In practice, formal coordination takes place when the proposal intended for adoption has reached a sufficient state of preparation already; formal coordination is often preceded at the conception or drafting stages by informal coordination (European Commission, Secretariat General 2011b, p. 9).¹⁵ Informality has been outlined during all the interviews conducted as the key element to substantially coordinate different positions and articulate different objectives or perspectives—much coordination actually takes place before an ISC is formally launched.

Regarding particular proposals, (horizontal) coordination starts at the level of the services to test the ground for a policy proposal:

1. In order to ensure the effectiveness of Commission action, departments shall work in close cooperation and in coordinated fashion from the outset in the preparation and implementation of Commission decisions.¹⁶
2. The department responsible for preparing an initiative shall ensure from the beginning of the preparatory work that there is effective coordination between all the departments with a legitimate interest in the initiative (...).
3. Before a document is submitted to the Commission, the department responsible shall, in accordance with the implementing rules, consult the departments with a legitimate interest in the draft text in sufficient time. (Commission 2010b: Article 23).

The central actor is the lead DG or *chef de file*, which brainstorms the proposal. This stage of *ex ante* coordination efforts is informal. The process is flexible: to a large extent coordination is left to the discretion of the lead department (Hartlapp et al. 2010, p. 10). This department informs other departments, informally, of the proposal, the planned approach, and the likely stages. The extent of coordination depends on several factors. First, it depends on the political weight of the lead DG (Spence 2006b, pp. 129,

¹⁴ The literature lengthily describes inter-service consultation at both DG- and cabinet-level. See inter alia (Kassim 2006; Spence 2006a, b).

¹⁵ Informal coordination does not follow explicit decision-making rules. Rather, it may consist of direct contacts between services or preparatory meetings. The outcome of informal steps taken is reflected in the drafting phase; although not binding strictly speaking, it signals the direction which is acceptable to most actors.

¹⁶ In the event of repetitive or routine consultations (most of which relate to executive instruments such as anti-dumping, infringements of Community law, competition etc.) the process is handled by a network of named correspondents in the departments concerned (Commission n.d. b).

149–150). Secondly, it depends on the political sensitivity (or the potential for conflict) of the proposal. Lastly, it depends on how the existence of a “legitimate interest” to be consulted is interpreted i.e. on the extent to which the issue/policy, which defines the number of DGs concerned and the intensity and modalities of coordination, is considered to be of cross-cutting nature (Miglioli 2009, p. 31; Nugent 2001, p. 243). Practitioners emphasise that, usually, the lead DG does consult other DGs.¹⁷ It is indeed in its interest, as “[t]he department responsible shall endeavour to frame a proposal that has the agreement of the departments consulted”; a proposal that integrates different points of view is more likely to be accepted than a proposal which does not (Commission 2010b: Article 23.7; Interview 2011b). Drafting and consultation overlap, as the draft should ideally integrate the various objectives and approaches of different services (Spence 2006b, p. 147; Interviews 2011d, e, g). Inter-service meetings may constitute the forum for such exchanges. Certain DGs or services such as the Legal Service or the Secretariat General have to be consulted (Commission 2010a, p. 6). This enriches the drafting phase and facilitates agreements at later stages of decision-making.

On proposals of particular political significance, exchanges between services are paralleled by an impact assessment European Commission (last update 24 January 2011, 2011a). This aims at “identify[ing] likely consequences of policy initiatives or legislative proposals in the economic, environmental and social fields and to ensure the production of better and more coherent policies” (Commission 2004, pp. 14–15). Impact assessment guidelines emphasise the attention given to development issues. Under economic impacts, impact assessment evaluates *inter alia* the impact on third countries and international relations (Commission 2011a). For instance: “does [the initiative] affect EU’s foreign policy and EU/EC development policy? What are the impacts on third countries with which the EU has preferential trade arrangements? Does it affect developing countries at different stages of development in a different manner? Does the option impose adjustment costs on developing countries?” (Commission 2009, p. 34)

Once a proposal has reached a sufficiently advanced stage within the lead department, the case officer closes the informal administrative phase and produces the first formal draft of the proposal. If the proposal is a new policy initiative or a politically sensitive policy initiative, the case officer must seek and receive approval from the DG and the lead cabinet before launching the ISC (President of the Commission 2010a, p. 17). The second phase of administrative coordination, “*ex post* institutionalised procedure”, is both formal and written (Miglioli 2009, p. 31). This is what is referred to as ISC and gives the lead DG the opportunity to get the formal opinion of all other services with a legitimate interest in the substance of the proposal.

¹⁷ Interviews (2011b, c, d, f) for a contrasting view, see Miglioli (2009, p. 31).

The proposal is circulated to all the services via CIS-net, an electronic platform.¹⁸ Services in turn upload their comments on CIS-net.¹⁹ After it closes the ISC, the lead DG drafts the formal proposal to incorporate the comments and results of the ISC.²⁰ The registry office of the Commission, or *greffe*, forwards the proposal to the cabinets once the proposal has been finalised and approved by the lead cabinet.

The creation of the EEAS challenges coordination patterns and creates new coordination needs (Interview 2012b). While the HRVP praises improved coordination and coherence in external policies (European External Action Service 2011: Para 13), precise operational coordination had not yet been worked out (Interviews 2011b; 2012e). New coordinated working relationships have developed between Commission services and the EEAS “(European Commission, Secretariat-General 2012)”. Normal Commission procedures apply (article 18.4 TEU) when the EEAS prepares proposals for adoption by the College or jointly by the College and the HRVP, and when HRVP’s responsibilities within the Commission are considered (European Commission, Secretariat General 2011b, pp. 7–8). Formally, the EEAS is totally included in the ISC process of the Commission—the EEAS is now an entity in CIS-net (European Commission, Secretariat General 2011b, p. 9), e-greffe and in all other IT applications related to decision-making (European Commission, Secretariat General 2011b, p. 9), and working arrangements with Commission services have been specified (European Commission, DG Trade 2011a; European Commission, Secretariat General 2011b). When Commission services are launching an ISC on issues relevant to the work of the EEAS, the EEAS must be consulted, and it should also use CIS-net to consult Commission services when preparing a proposal for adoption by the Commission.

After coordination at the service-level, the proposal has to go through cabinet-level coordination procedures. Cabinets focus on the remaining substantial issues (Cini 1996, p. 154). The next coordination steps depend on the type of procedure. Typically, important political or sensitive questions will be adopted by oral procedure while initiatives of regular or routine nature will be adopted using a written procedure. The written procedure can only be used if the proposal is not controversial (as demonstrated by the ISC and informal consultation of the cabinets), with the agreement of the DGs concerned and after the lead DG has given its approval. Under both procedures, equal attention should be paid to coordination (Commission 2004, p. 7).

In the event of a written procedure (Commission 2010b: Article 12), the consultation between cabinets mirrors the ISC process at DG level: the proposal is circulated to all cabinets (outside of the formal framework of the Commission meeting) (Davignon 1995,

¹⁸ The use of this electronic instrument is obligatory for all Commission departments and for all consultations (with a few exceptions such as consultations regarding State aid) (Commission n.d. b).

¹⁹ For the specifics of the ISC procedure, see for instance (Commission 2010a, pp. 4, 9).

²⁰ It is after all the objective of the CIS to collect comments and opinions from the different DGs, ultimately to ensure that the proposal will be acceptable to everyone: “The department responsible shall endeavour to frame a proposal that has the agreement of the departments consulted.” (Commission 2010b: Article 23.7).

p. 156). If no objections are raised within five working days, the text is deemed adopted (Davignon 1995, p. 156). If one or several cabinets object to it, they may call for a suspension of the procedure. It might be possible to solve the issue by a dialogue between the lead cabinet and the members of cabinets responsible for the proposal. If the disagreement persists, the text will not be adopted by written but rather by oral procedure.

In the event of an oral procedure, the proposal is discussed in three settings (Commission 2010b, Section 1). Coordination between Commissioners' cabinets takes place within a tight time-frame and with firmly fixed procedures (Spence 2006a, p. 67). It goes first through the *special chefs meetings* to the *hebdo* meeting of heads of cabinet (*chefs de cabinet*) and proceeds up to the College level (Davignon 1995, p. 155). *Special chefs meetings* discuss substantive sectoral policy proposals (Spence 2006a, p. 66). Chaired by a member of the President's cabinet, they are attended by members of all cabinets with responsibility within their cabinet for the issue under discussion (Spence 2006b, p. 151). The positions of those DGs that have been consulted are circulated to all cabinets at least 48 h in advance, which gives an overview of the remaining issues. Cabinets which have not been involved or informed by their DGs so far are made aware of the proposal, including where it comes from and what motivates it (Spence 2006a, p. 67). A cabinet may disavow the objections of its Commissioner's DG; as individual cabinets cannot have the conclusions of the special chefs meeting rewritten, the President's cabinet actually enjoy "considerable scope (. . .) to construct a consensus around its own desired outcome" (Spence 2006a, p. 67; Miglioli 2009, p. 34; Interview 2011a). The Monday *chefs de cabinet meeting* or *hebdo* builds on the conclusions of the special chefs and follows the same agenda as the College meeting following 2 days later. The *hebdo* is chaired by the SG of the Commission. Input from DGs remains important but other parameters are at play: the outcome of the special chefs meeting, and the influence of the President's *chef de cabinet* and the SG on the agenda. When unanimous agreement is reached on a point, it is considered an 'A' point on the Commission agenda (to be adopted without discussion). If consensus cannot be reached on an item, it is transmitted as a 'B' point to the College. The *hebdo* may also send proposals back to the rapporteurs. If there are controversies, the SG may call in the contending parties and conciliate; although he has strong formal and informal powers, the SG cannot arbitrate—the final decision rests with the College. These are the last steps in the decision-making to ensure that each item has been well prepared (Commission 2004, p. 6). The *College* meetings take place on Wednesday. Ideally, most items are agreed on at lower levels so that the College only discusses the most controversial points (President of the Commission 2010a, p. 3).

Procedural instruments aim at enhancing coordination at the strategic level and in regular decision-making. The different instances in which coordination takes place ensure two-way consultation between DGs, with the aim of signalling potential divergences from the outset (Metcalf 1994, pp. 282–283). Commission decision-making requires an agreement from the different administrative and political actors. Coordinating wide-ranging concerns, approaches and interests is the essence of the internal functioning of the Commission.

5 Coordination, a Renewed Challenge for the Commission

A constitutive element of the decision-making, coordination remains a multifaceted challenge for the Commission. Highly decentralised, coordination mechanisms involve different (types of) actors at different levels under the supervision of the Secretariat General of the Commission. Organisational instruments and the procedural framework are goal-oriented: they aim at systematically ensuring substantially consistent policies. Although coordination is an organizing theme of Commission work, it remains a challenge and recurrent criticisms on institutional and horizontal consistency are voiced. External policies are no exception to the concern, despite the particular political attention attached to this policy domain. Coordination is not a purely intra-institutional exercise; it follows inter-institutional dynamics as well. With the entry into force of the Lisbon Treaty, the setting-up of the EEAS has added one actor in the decision-making process. This actor is not a Commission service, yet it participates fully in regular decision-making and follows Commission rules of procedure. This new institutional deal has to some extent disrupted previous coordination patterns and created new coordination needs.

Coordination and consistency are central concerns of the Lisbon Treaty. The positive connotation associated with coordination and consistency makes these characteristics of decision-making and policy outcome the key to an enhanced EU status as an international actor. Aiming to address recurrent criticisms, the new Treaty fails to provide a ready-made solution to the issue. It does however open new institutional possibilities, thereby renewing the coordination challenge. After 2 years, it is not too early to draw conclusions: precedents have emerged during this period, which will influence the long-term effectiveness of the architecture created to ensure policy consistency.

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The Enlarged EU in a Globalized World: A Comparative Analysis of Elite and Public Opinion Support for a Common European Foreign Policy

Aleksandra Sojka and Rafael Vázquez-García

1 Introduction

The European Union as an actor of international relations is able to pursue its external goals in two ways. One instrument is its economic external relations (trade agreements, development and humanitarian aid), which have been developed parallel to the economic integration process. The other mechanism are the foreign, security and defense policies (CFSDP), where the integration has been less intense than in the economic realm (Hix and Høyland 2011). While some important progress has been made since the Maastricht Treaty in the area of security and defense policies, the EU is still far from becoming a unitary actor in world politics, and a common European foreign policy seems unlikely to emerge anytime soon. In the context of a progressive politicization of EU policies (Checkel and Katzenstein 2009), sometimes referred to as constraining dissensus (Hooghe and Marks 2008), it becomes crucial to investigate the patterns of both public opinion and elite support for further development of integration in this aspect.

In the present chapter we argue that the structure of elite and public opinion attitudes towards a common European foreign policy conditions the prospects for its further development. In spite of apparent widespread support, we cannot take the aggregate public opinion survey results as a direct impulse to develop a common European foreign policy. Divergent national interests and reluctance to cede sovereignty in sensitive policy areas, accompanied by issues of democratic legitimacy (Lucarelli 2011), the problems of a common European public sphere (Risse 2010), and the absence of a clear common political identity constitute some of the obstacles to the deepening of integration within the EU.

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Furthermore, in spite of efforts aimed at bringing its policy-making closer to the citizens, European policy-making remains a primarily elite-driven process. Therefore, the existing fragmentation in national public spheres is made worse due to a widespread disconnection between the generally pro-European national elites and the more Eurosceptic public opinion. Finally, the recent eastward enlargements have increased the internal diversity within the EU, as well as the number of strategic national interests which must be reconciled at the supranational level. Increased diversity encapsulated by the EU-27 in terms of historical state formation, nation-building, democratization and identity formation (Ichijo and Spohn 2005) results in important country-level differences in attitudes towards EU-level policies. These differences constitute the main focus of the present chapter. Our aim is to investigate them in the context of the enlarged EU, especially taking into account the possible effects of enlargement towards Central-Eastern Europe.

For this purpose, firstly, we present the structure of elites' (political, media, and trade union) and public opinion attitudes towards the different elements of a common security, defense and foreign policy, and their perceptions of threats in international relations, focusing on the possible differences between new and old EU member states. Secondly, in the explanatory model we investigate the relationship between utilitarian values, performance assessment, identity and cognitive mobilization, and the bases of support for a common EU foreign policy. We test these four traditionally applied models and compare their explanatory power among public opinion and elites, accounting for the effects of being a new EU member state.

2 Public Opinion, Elites and European Foreign Policy— Theoretical Approaches and Previous Research

2.1 Public Opinion and Foreign Policy

The question of whether public opinion should be taken into account when formulating foreign policy has been a much debated issue in the last decades. Already in the 1950s Almond put forward the claim—which became quite widely accepted—that public attitudes towards foreign policy lack an adequate knowledge base, are unstructured, unstable, and thus should bear no relevance to policy making (Almond 1950, quoted in Sinnott 2000). Such a stance on the issue, in line with the realist perspective on international relations, was later criticized as falsely presenting public opinion as volatile and ill-informed. The “revisionists” argued that in reality public opinion attitudes exhibit structure and coherence (Isernia, Juhasz, and Rattinger 2002), and actually constrain elites' decisions concerning foreign policy and European integration (Schoen 2008). In line with this latter assumption, some authors argue that within the context of a politicized EU, public opinion support for CFSDP becomes a relevant element to take into account: while high levels of support could justify further efforts of integration in this area, low levels could impede its development (Brummer 2007, p. 184).

2.2 *What Is the Relation of Public Opinion and Elite Attitudes?*

When analyzing bases of support for a specific EU policy, we must take into account the general framework of how policy-making and public opinion support are related within the EU. On the one hand, we must underscore the constant debate on the issues of legitimacy and democratic control of the process of European integration (see, for instance, Lucarelli, Cerutti, and Schmidt 2011). National elites, political in particular, have been the driving force of these processes for decades. Their role has been especially significant in the framework of the ‘permissive consensus’, which dominated the European discourse until the 1990s. Despite the progressive politicization of public opinion on EU issues—especially as a result of referenda on treaties and other aspects of EU policies, such as monetary union or enlargement (Hooghe and Marks 2005; Checkel and Katzenstein 2009), the role of national elites remains central to the politics of European integration.

Elites in general demonstrate much higher levels of support for European integration than the citizens, a gap already theorized by Ronald Inglehart in the 1970s (Inglehart 1970). He proposes that the significant difference in attitudes towards the EU between elites and the public opinion, -where elites tend to be more aware of the European process and positively oriented towards it, while citizens remain much more critical of EU integration-, is due to the lack of knowledge of the latter, their lower levels of education, and the remoteness of a political community like the EU, more easily conceived by the educated and mobile elites—a process called “cognitive mobilization”.

2.3 *Explaining Attitudes Towards Common EU Foreign Policy*

As far as explaining the bases of support for common European policies is concerned, four main explanatory models have been put forward in the existing literature: the *utilitarian* model, the *performance* model, the *identitarian* model and the *cognitive mobilization* theory. The utilitarian approach assumes the importance of calculations of costs and benefits for the formation of attitudes towards EU policies (see for instance, McLaren 2006; Hooghe and Marks 2005). Specifically, citizens who perceive themselves as benefitting from the Europeanization of national policies are expected to support this process further. The performance model on the other hand builds on the assumption that positive perceptions of the working of European institutions drive citizens’ support for common European policies, while negative evaluations of national institutions might work in the same direction (see Ilonszki 2009, for evidence of the latter in Central European states). The identitarian approach assumes the importance of territorial identities for the existence of support for Europeanized policies. Specifically, the identification with the European Union is argued to have a positive influence on the levels of support of common EU policies, while national identities are believed to constitute an obstacle for the existence of such support (Hooghe and Marks 2005). Finally, the cognitive mobilization theory refers to the argument put forward by Inglehart, as mentioned

above, where higher levels of education are assumed to be correlated with more positive stances on further deepening of the integration process.

In addition to these commonly adopted explanatory models, we must take into account the fact that currently within the enlarged EU of 27 member states with many divergent national interests the possibilities of achieving common positions in foreign policy and agree on integration in the areas of security and defense become ever more complex. Specifically, in the case of the new member states, it has been observed that the early idealization of the EU in these countries has been displaced by more pragmatic considerations of European integration (Kopecky and Mudde 2002; Hughes, Sasse, and Gordon 2008), as well as political elites' negative discourses on Europeanisation (Gallina 2008), which might point to a more reluctant stance on this sensible issue.

Therefore, we propose to explore the effect of their EU membership of states from Central-Eastern Europe on the general bases of support for a common EU foreign policy. We propose to add to these models a model which controls the effect of new EU member states, which, according to the literature mentioned above, might be negatively correlated with support for a common EU foreign policy. In the empirical analysis we test these models comparatively with the data from public opinion and elites.

3 Data

The empirical data used in the analysis has been gathered in the *IntUne* Project,¹ aimed at providing researchers with a specific tool for exploring the views of elites and public opinion on different aspects of citizenship and identity across the European Union. The research team developed questionnaire surveys in two waves: in the spring of 2007 and in the spring of 2009. The first wave of the *IntUne* survey in 2007 included a public opinion poll, and political and economic elites' surveys in all countries were included in the project.

The 2009 second wave of the study included another public opinion poll and a survey of political elites (these results might be compared to the 2007 wave), as well as smaller samples of media and trade union elites.² While the outcomes of the first wave of the study have been already explored in some recent publications (cf. Ilonszki 2009; Conti, Cotta, and Almeida 2011), the 2009 data has been made available only recently.

¹ The *IntUne* Project (2005–2009) funded under the sixth Framework Programme of the EU, has been coordinated by Maurizio Cotta and Pierangelo Isernia (University of Siena). It covered 18 European countries and involved 29 European institutions with more than 100 scholars of this research team across Europe.

² Total number of interviews conducted for each group/type of elite: old member states (P 652/M 298/TU 167/Total: 1117), new member states (P 417/M 223/TU 95/Total: 735), the Czech Republic (P 44/M 35/TU = 16/Total: 95), Hungary (P72/M35/TU15/Total: 122), Poland (P 85/M 35/TU 15/Total: 135), Slovakia (P70/M35/TU15/Total: 120), where P stands for Political elite, M for Mass Media elite and TU for Trade Union elite.

In this chapter we analyze the public opinion and elite results for the 2009 wave, which includes political (national MPs), media, and trade-union elites. There are 16 EU countries included in the dataset, covering the whole geographical spectrum of the enlarged European Union: Southern European countries (Spain, Portugal, Italy, and Greece); Western Europe (Austria, Belgium, Denmark, France, Germany, and Great Britain), jointly considered as the old EU member states, and the new EU member states (Bulgaria, the Czech Republic, Hungary, Lithuania, Poland, and Slovakia).

The special value of this data stems from the fact that despite abundant empirical analysis on public attitudes towards the processes of European integration—mainly based on Eurobarometer data (Bruter 2005; Citrin and Sides 2004; Duchesne and Frogner 2008; Fligstein 2008; Fuchs 2011; Green 2007, among others), systematic comparative research on elites, especially on different types of elites, however, is somewhat scarce. Therefore, this study of elite and public opinion attitudes towards a common European foreign policy allows us to explore this issue from a comparative perspective.

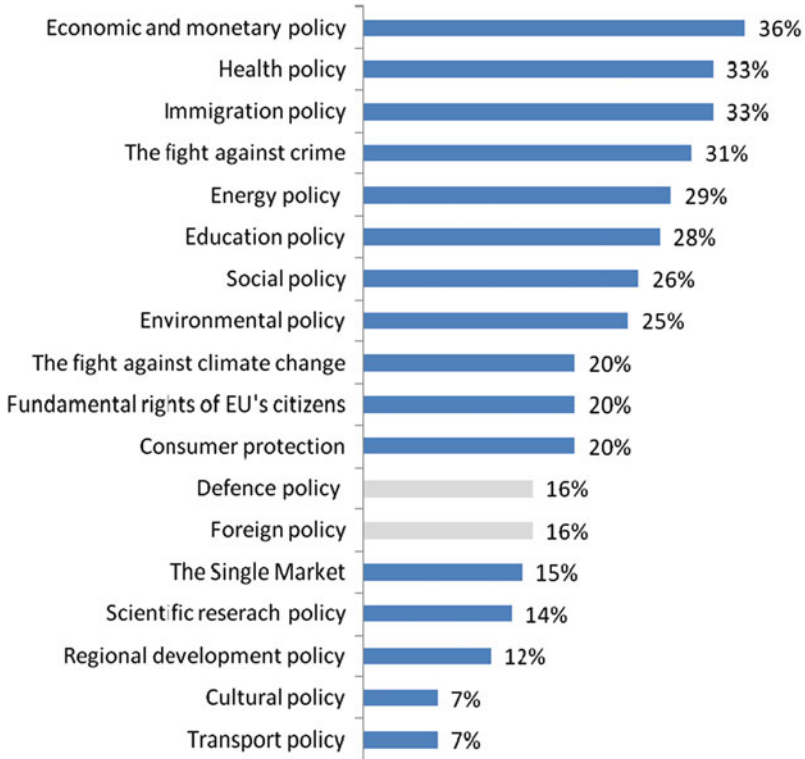
4 Results

4.1 General Trends in Support for CFSDP—the Eurobarometer

The main source for longitudinal data concerning public support for EU integration in general, and the Europeanization of concrete policies in particular, is the public opinion survey data of the *Eurobarometer*. According to these data, support for CFSDP has remained quite high and stable for at least two decades, with especially strong public backing of EU policy-making in the area of foreign policy. Support for CFSDP seems also high when we compare to other policy fields (McLaren 2006; Peters 2011). However, such apparent widespread public opinion support at the aggregate level has been questioned by some studies which take into account regional patterns of support and country-level differences (Peters 2011), as well as the substance of these attitudes (Brummer 2007).

According to the most recent data available from the *Eurobarometer* study from 2011 (EB 75), a common European defense and security policy is the most supported EU policy among the European public with 75 % in favor. The support for a common foreign policy is slightly weaker (64 %) at the aggregate level of the 27 member states. Both receive much more support than a common European economic and monetary policy (56 %), or possible further enlargements of the EU (42 %). However, when we look at the responses to the question concerning the priorities of EU integration from the same study, it becomes clear that these high levels of support are not direct indicators of how much European citizens are concerned with CFSDP.

According to the data, as shown in Graph 1, most Europeans favor EU strengthening in a number of other policy areas such as economy and monetary



Graph 1 Public opinion support for strengthening EU policies. *Source:* Eurobarometer 75 (May 2011). *Question:* European integration has been focusing on various issue in the last years. In your opinion, which aspects should be emphasized by the European institutions in the coming years, to strengthen the EU in the future?

policy (being the most important), immigration, healthcare, fight against the crime, energy, education, and environmental policy, among others, with the CFSDP not making it into the top 10 areas for preferred EU action. These results confirm the findings of earlier research (see for instance Brummer 2007). Only 16 % of the respondents consider foreign policy and defense and security a top priority of EU institutions. Therefore, even though there seems to exist an overall consensus on strengthening the common foreign, security and defense policies at the aggregate level of the 27 member states, clearly we must not take it as an indicator of Europeans' preoccupation with this issue.

Furthermore, as some studies have already demonstrated, aggregate EU support does not constitute an adequate perspective and it must be analyzed at the level of countries where we can discern country-clusters of supporters and objectors (Brummer 2007; Peters 2011). Our main objective in the present chapter is to see whether we can discern any clear pattern in this sense in relation to the eastward enlargement of the EU. For this purpose we compare various indicators related to

Table 1 Support for a single European Foreign Policy (%)

	Political elites	Mass media elites	Trade union elites	Public opinion
Austria	76.6	94.6	90.3	31.6
Belgium	98.6	96.3	81.3	31.3
Bulgaria	91.8	87.2	81.3	31.9
Czech Republic	74.4	74.3	87.5	n/d
Denmark	81.8	100	97	34.4
Slovakia	90	94.3	86.7	25.7
France	91.2	97.2	100	33.7
Germany	97.5	97.1	100	32.4
UK	30	37.5	40	31.5
Greece	97.6	93.3	71.8	33.4
Hungary	88.9	94.3	86.7	30.8
Italy	95.7	97.1	100	33.2
Lithuania	90	80	100	n/d
Poland	87.1	85.7	80	31.1
Portugal	86.8	97.2	95.2	50.5
Spain	93.8	97.2	95.2	50.5
Old member states	84.2	91.9	89.7	36.7
New member states	87.9	86	87.4	32.5
EU	84.7	88	89.5	32.9

Source: IntUne Database 2009

Question: Thinking about the EU over the next 10 years, can you tell me whether you are in favor or against the following: A single EU foreign policy toward outside countries. Sum of percentages of “strongly in favor” and “somewhat in favor”.

the perceptions of threats and support for elements of the CFSDP between the elites and public opinion of old and new member states.

4.2 Attitudes Towards CFSDP in the Enlarged European Union

This chapter attempts to contribute to the previous research (Manigart and Marlier 1993; Baum and Potter 2008; Peters 2011 among many others) offering a double perspective, comparing elites and public opinion in old and new members in the EU. Firstly, we analyze the perceptions of different elements of the CFSDP. The following tables present descriptive results related to the general support for a European Foreign Policy (Table 1) and related variables such as: perceptions of external threats, preferences about the most appropriate authority to deal with European security, and the level of support for a single European Army. The second part of the analysis proposes explanatory models, which explicate the attitudes towards a single European Foreign Policy through separate linear regression models for elites and public opinion.

When analyzing the patterns of support for a common EU foreign policy based on the IntUne data, the most obvious observation is that, in line with general

Table 2 Perceptions of external threats (%)

		Immigration from non EU countries	Enlargement of EU to include Turkey	Interference of Russia in European affairs
Old member states	Political elite	30	34.5	37.4
	Mass media elite	19.7	32.3	41.6
	Trade union elite	16.6	31.9	41
	Public opinion	n/d	n/d	52.6
New member states	Political elite	48.3	45.3	59.2
	Mass media elite	31.7	33.6	67.1
	Trade union elite	47.3	43.2	60.4
	Public opinion	n/d	n/d	52.7

Source: IntUne Database, 2009

Question: Do you think that . . .

Immigration from non-EU countries is a threat or not a threat for the EU?

Enlargement of the EU to include Turkey is a threat or not a threat for the EU?

The interference of Russia in European affairs is a threat or not a threat for the EU? (Percentages of “big” and “quite a big threat”)

research on attitudes towards the EU, we find a strong gap between elites and public opinion attitudes towards the possibility of having a single EU foreign policy. Only in the cases of Portugal and Spain does support for it among the public opinion reach 50 %. In the remaining countries, as the European average shows, the percentage is situated slightly above 30 %, with the lowest point in Slovakia (25.7 %). Overall citizen support is slightly stronger in old member states (four points higher) than in the new ones.

Regarding elite perceptions, there is a much clearer consensus on the support for a single EU foreign policy in the future. The only exception is the United Kingdom, where elites remain clearly more skeptical of moving towards a common EU foreign policy, in line with the existing research on British Euroscepticism (Gifford 2008). As far as the different types of elites are concerned, we cannot identify a very clear pattern. In some countries political elites are the stronger supporters (Poland, Greece, Germany, Bulgaria or Belgium), while in other cases it is the mass media elite (Austria, Denmark, Slovakia, Hungary, Portugal and Spain) or trade union elite (Czech Republic, France, Germany, Italy, Lithuania). However, we must bear in mind that there are fewer cases in the samples for mass media and trade union elites, a fact which must be taken into account when making further conclusions from such comparisons.

In Table 2 it becomes quite evident how the three potential threats related to external relations of the EU are considered more important by the elites of new member states. This is especially visible in the case of fear of interference of Russia in European affairs. Around 60 % of political and trade union elite of Central Eastern Europe considers Russia’s interference a significant threat, as compared to around 40 % in the case of old member states; this preoccupation among representatives of the mass media in CEE countries is even stronger (67.1 %). This can be clearly linked to the historical past of Central and Eastern European

Table 3 Most appropriate authority to deal with European security (%)

		NATO	EU	National government
Old member states	Political elite	26.8	62.3	10.9
	Mass media elite	23.6	67.8	8.5
	Trade union elite	9.2	75.9	14.9
	Public opinion	15.3	56.8	19.9
New member states	Political elite	48.1	44.9	7
	Mass media elite	47.6	49	3.4
	Trade union elite	25.8	71.9	2.2
	Public opinion	27.4	44.9	22.7

Source: IntUne Database 2009

Question: Which authority would be more appropriate to deal with European security? (1) NATO, (2) EU, (3) National Governments.

countries, where the emancipation from Soviet domination was one of the cornerstones of their quite recent transitions to democracy, and relations with Russia constitute one of their principal arenas of foreign policy. Interestingly, when comparing the scores for public opinion on the same issue, the levels are similar in both groups of countries (around 52 %). Differences between the old and the new member states are still noticeable when analyzing perceptions of the other two threats included in the study. In general, it can be said that the political and trade union elites of CEE countries exhibit higher levels of preoccupation with external threats than their colleagues from old EU member states. Such difference in attitudes is especially visible in the case of trade union elites of new member states, as the difference is more than 30 points.

When looking at Table 3, it becomes clear that Europeans (elites and citizens alike) are ready to accept the EU as the best level for the actual performance of tasks in security and defense, as it has been demonstrated in other analyses (for example, Brummer 2007, pp. 186–187). For elites in old member states, the European institutions are considered as the most appropriate authorities to deal with European security instead of NATO or the national government. This is also true for citizens in this group of countries. However, the situation is different in the new member states of the EU. Here NATO and the EU are more equally considered alternatives to national level security policies. In the case of political elites of CEE states, NATO is even slightly preferred over the EU level. Such configuration can be linked to the fact that the transatlantic alliance is considered the cornerstone of foreign policies in CEE countries such as Poland or Czech Republic; there the perception of the US as a safeguard against Russian domination in international relations continues to constitute a strong option, especially among the political elite. For mass media elites in new member states the preferences are quite evenly divided between these two options (NATO and EU). In the case of trade union elites and public opinion of CEE countries, the European institutions are again the best option to deal with European security. It is also relevant to underline that public opinion in both groups of countries is more inclined to accept the option of EU governance in security issues as a the best option over both NATO and national

Table 4 Preference for a single European Army

		National army	European army	Both national and European
Old member states	Political elite	28.8	34.9	34.4
	Mass media elite	14.9	36.9	45.8
	Trade unions elite	21.3	38.8	34.3
	Public opinion	33.9	19.8	38
New member states	Political elite	24.9	16	55.9
	Mass media elite	20.7	23.5	53.5
	Trade unions elite	14.3	22	57.1
	Public opinion	30.2	18.5	45.1

Source: IntUne Database, 2009.

Question: Some say that we should have a single European Union Army. Others say every country should keep its own national army. What is your opinion? (1) A national [country] army, (2) A European Union army, (3) Both a national (country) and a European Union army.

governments, and as such does not follow the patterns of support observed among the elites of their countries.

When analyzing the preferences concerning a single European Army (Table 4), the combination of National and European armies is clearly the preferred option for elites and citizens in the new member states. It seems quite convincing if we consider the significance of preserving a national army for the CEE countries in order to maintain one of the most important attributes of their recently recovered independence, while at the same time enhancing their security with an army at the European level. In the case of the old member states, support for having only a European army is stronger and comparable to the preference for national and European armies combined. The situation is the same for public opinion and mass media elites in the old member states. Among the citizens, the preferences are different—the strongest support can be found for a combination of a national and European army, while the national option comes in second, leaving the single European army as the least desirable. However, if we sum the options which include the European army (as single army or as a complement to national army), it becomes clear that both elites and citizens in CEE countries exhibit stronger preference for the Europeanization of their army than in the old member states, a difference especially marked in the case of citizens and political elite. Finally, it seems quite clear that the national army is not considered the best option for any of the groups.

4.3 *Explaining Attitudes Towards a Common European Foreign Policy*

So far, in the descriptive analysis we have explored the patterns of support for some of the aspects of CFSDP for elites and public opinion in new and old member states. The main goal of the following explanatory part of our analysis is to explore the

factors which are relevant for explaining these patterns of support for a common European Foreign policy, in a comparative perspective between elites and public opinion and accounting for the possible effect of being CEE countries membership.

Following the theoretical framework presented in the previous part of the chapter the explanatory variables have been divided in order to test the four commonly used explanatory models: the utilitarian, performance, identitarian, and cognitive mobilization model. We add sex and age as socio-demographic control variables, the latter codified as dummy variable with values over and under 50 years. In the case of the elites, we control for type of elite as well, political being the reference category.

The first model refers to identity perceptions, a factor used extensively in explanations of attitudes towards European integration and EU policies. Here we are particularly interested in the influence of exclusive national identification, in which European element is inexistent. Using the question “How do you see yourself. . .” we have recodified the variable into a dummy one with a national exclusive identity coded as the reference category and the other options (feeling European, feeling national and European, and feeling European and national) grouped in the other category. In this way we can test the influence of exclusionary national identities on support for a common European foreign policy and we expect it to be negative in line with previous studies (Hooghe and Marks 2005).

The utilitarian perspective, or in other words, the rational cost-benefit approach, is measured by the question concerning the perceptions of one’s country benefits from being a member of the European Union. It assumes that attitudes towards the European integration are intrinsically linked to the overall satisfaction with benefits obtained by one’s country in the process. Nevertheless, the concept of utilitarianism is not straightforward, as we can take into account the different aspects of individual perceptions and country-level indicators of such benefits (see, McLaren 2006). However, as our goal is to explore broad patterns of support for a common European foreign policy, for the sake of this study we use a single individual level variable to check whether this model receives empirical support. Our expectation is that respondents who perceive their country’s EU membership as beneficial will be more prone to accept a common European foreign policy in the future.

The third tested model, the performance model, refers to the degree of satisfaction with the way democracy works in the European Union. This is also a quite well tested explanatory model used to explain political attitudes towards the EU and evaluations of its policies. It assumes that the greater the level of satisfaction with democratic processes of the EU, the higher the preference for communitarian solutions in different policy areas.

The last one, the cognitive mobilization model assumes that people who are better educated and informed about political affairs hold a more positive attitude towards a remote political community such as the EU. Here the classic indicator is the level of education measured as the highest completed level of one’s studies. For the public opinion, we add indicators of media exposure: weekly TV news consumption and political news in the press consumption per week. We expect a positive effect of higher education and media exposure in the public opinion,

however, for the elites we expect these variables not to be significant due to the great homogeneity of this group in terms of their higher levels of education and levels of political knowledge.

In addition to these commonly tested models of support for common EU policies, we also test whether there is any effect of belonging to the new member states which joined the EU after 2004. The main hypothesis here is that as we have seen from the descriptive analysis, the citizens of CEE countries tend to trust more the European institutions than their national governments (see, Ilonszki 2009). On the other hand, the elites of the old member states are already socialized in the European integration process for a long time and might be more positively orientated towards it, while the elites of new EU member states might tend to defend more national sovereignty in foreign policy as they have regained their political independence rather recently. In this sense, a dummy variable is included in the model, grouping the countries accordingly to test this assumption.

Finally, since one of the main objectives of the present research is to identify the perception gaps between elites and citizens when evaluating the support for a common European foreign policy, we test the above presented models on these two groups. However, it is important to note that unlike the case of public opinion, elites' attitudes are much more homogeneous since most of their members share a common educational and socio-economic background and even similar interests. Furthermore, due to the smaller number of respondents included in the sample, the R^2 in elite models is not as high as in the regression for public opinion, where more β coefficients obtain higher significance and the goodness of fit is better.

The following tables include these different variables grouped in models using a step by step method in order to improve the accuracy of the explanation (Table 5).

As it was assumed, and due to a more homogenous background of the different types of elites, sex, the level of education and the kind of elite have no specific impact on the level of support for a common European foreign policy. However, we do find a correlation with age, where older elites are more positively orientated towards the policy in question.

The identity model confirms our expectations by showing a negative correlation between holding an exclusive national identity and support for a common European foreign policy among elites. Also the utilitarian model shows a clear positive relation between how the perceived country membership benefits from the EU, and the support for the policy in question. In the same direction, although with a slightly weaker effect, a positive perception of how democracy works in the EU is linked to the dependent variable in positive sense.

Most interestingly, the regression model for elites demonstrates a negative coefficient between the geographical dimension and the preference for a unique policy at EU level. Elites in new member states, all with a past of Soviet domination, are less prone to accept a common foreign policy compared with elites of Western and Southern Europe. Therefore, it shows that Euroskeptic elites from post-socialist Central Eastern European countries are still quite apprehensive about transferring the competences in foreign policy to EU institutions—which might be considered one of the most important attributes of the sovereign state. Such a

Table 5 Explaining support for Single European Foreign Policy (Elites, 2009)

	Model 0 (control variables)	Model 1	Model 2	Model 3	Model 4	Model 5
Sex (Woman)	0.028	0.023	0.025	0.024	0.023	0.018
Age (+50 years)	0.079***	0.079***	0.081***	0.083***	0.083***	0.071**
Elite type (political)	-0.043	-0.031	-0.028	-0.029	-0.028	-0.028
Identity (Exclusive national)		-0.162***	-0.147***	-0.146***	-0.146***	-0.127***
Utilitarian evaluations			0.138***	0.133***	0.134***	0.130***
Performance evaluations				0.033	0.033	0.088**
Education level					-0.007	0.001
TV Newspaper						
New Member States effect						-0.140***
R ²	0.008	0.033	0.052	0.053	0.053	0.071
Adjusted R ²	0.006	0.031	0.049	0.050	0.049	0.066

Source: IntUne Database, 2009

Standardized linear regression coefficients **p ≤ 0.01; ***p ≤ 0.001

negative effect of being part of elite of the new member states can be explained by their recent experience of regaining an independent democratic state, and a historically rooted fear of Russian interference in their international affairs, as already observed in the descriptive analysis.

In the regression model for public opinion, we observe that all included variables, except for TV news consumption, predict the dependent variable in some way. As for the socio-demographic control variables, we observe a gender gap, in the sense that women are less prone to accept a common EU foreign policy (Table 6). In a similar vein, previous studies have shown that women are less ready to accept military cooperation inside the EU than men (Foucault and Irondelle 2008; Kentmen 2010). According to our models, older men with identities inclusive of attachment to the EU are more favorably orientated towards the policy in question.

Regarding the first explanatory model (the identity model), previous research has already shown how individual support for EU policies crucially depends on his/her political community loyalties (Carey 2002; McLaren 2002). However, as Shoen remarks, the way in which identification with Europe affects support for a common EU foreign policy might depend on the way one understands the concept of Europe: as more focused on internal economic integration, or as a more externally orientated actor of international relations (Schoen 2008, p. 9). In the case of people identifying

Table 6 Explaining support for single European Foreign Policy (public opinion, 2009)

	Model 0 (control)	Model 1	Model 2	Model 3	Model 4	Model 5
Sex (Woman)	-0.070***	-0.061***	-0.055***	-0.058***	-0.055***	-0.056***
Age (+50 years)	0.046***	0.055***	0.060***	0.063***	0.066***	0.065***
Identity (Exclusive national)		-0.185***	-0.132***	-0.119***	-0.109***	-0.118***
Utilitarian evaluations			0.167***	0.138***	0.132***	0.135***
Performance evaluations				0.105***	0.105***	0.101***
Education level					0.045***	0.040***
TV					0.004	0.009
Newspaper					0.032***	0.031***
New Member States effect						0.063***
R ²	0.023	0.041	0.081	0.110	0.119	0.163
R ² adjusted	0.023	0.042	0.093	0.119	0.120	0.168

Source: IntUne Database, 2009.

Standardized linear regression coefficients ***p ≤ 0.001

exclusively as nationals, the effect is expected to be more straightforward; it has been shown in previous research that individuals who exhibit a single national identification are more likely to be Euroskeptics (Christin and Trechsel 2002; Kritzinger 2003; Hooghe and Marks 2005). In this sense, and as expected, in our models it becomes clear that citizens who exclude European levels of identification and, thus, are more prone to support the principles of national sovereignty, national self-determination and non-interference in internal affairs tend to be particularly skeptical about transferring sovereign policy attributes to supranational institutions.

The next two models (utilitarian and performance) are based on the assumption that citizens' attitudes towards European integration in CFSDP are driven by considering the immediate consequences of policy decisions when forming attitudes, and the evaluations towards the EU's general or domain-specific performance (Holsti 1992). As Dyson argues, EU citizens, having limited knowledge about foreign policy, rely on their experience with something more easily comprehensible for them, such as the cost-benefit calculations and interests (Dyson 2002). In this sense, perceiving benefits of EU membership for one's own country, and a positive perception of the way democracy works inside EU institutions seems to be positively linked to the support for a common European foreign policy.

Finally, the cognitive mobilization theory is once more confirmed, as we observe that support for a common foreign policy is stronger in people with higher education, and is dependent on knowledge (Inglehart 1970, Hooghe 2003).

Finally, and as some studies have already demonstrated (Karp, Banducci, and Bowler 2003; Rohrschneider 2002; Sanchez-Cuenca 2000; Rohrschneider and Lovelless 2010), public opinion in Central-Eastern Europe is more positively oriented

towards EU-level policies, because the national institutions of their new democracies are typically less effective than those in the West. Therefore, public opinion in new member states may look to the EU to improve their national systems, and become thus more supportive of common European solutions.

5 Conclusions

The main goal of the present chapter was to investigate the structure of attitudes towards common European foreign, security, and defense policies. In the general context of a progressive politicization of EU policies, we argue that both elite and public opinion support constitute an important factor for the development of a more Europeanized foreign, defense and security policies. Therefore, elite and public opinion attitudes influence the prospects of the EU to become a unitary actor in a globalized world. We analyze, thus, the support for the CFSDP among elites and citizens of the enlarged EU, accounting for the difference between new and old member states. The descriptive part of the analysis has revealed some important outcomes concerning elite and public opinion support for different elements of the CFSDP. Firstly, in spite of the apparent aggregate level support for a common European foreign policy, we find significant country-level heterogeneity, and an important gap in support between elite and public opinion, in the sense that citizens are much less enthusiastic supporters of such a step in European integration. Secondly, we observe that the elites of the new member states are much more preoccupied in general with potential threats in international relations, the inference of Russia in European affairs being clearly the most significant threat to them—perceptions easily explained by the experience with past Soviet domination.

When analyzing the support for the different elements of CFSDP we observe a clear gap between new and old member states of the EU. Both for elites, as well as citizens of the old member states, the European institutions are the most adequate authority to deal with issues of European security and defense. For the new member states, we observe a stronger preference for the implication of NATO in European security *and* the maintaining of national armies.

In the explanatory part of the study, we tested four models commonly adopted for explaining support for EU policies—identitarian, utilitarian, performance and cognitive mobilization models, comparing between elites and public opinion. The models confirmed our initial expectations and hypotheses. Both for elites and for citizens, a national identity exclusive of attachment to Europe correlates negatively with support for common European foreign policy. Also, we find a positive correlation between the perceived country-benefits from EU membership and positive evaluations of how EU democracy works (utilitarian and performance models), for both elites and citizens. The cognitive mobilization hypothesis works only in the case of the citizens, as expected, due to the homogeneity of the elites in terms of education and knowledge levels.

Finally, the most interesting result is the influence of belonging to a new EU member state. For the elites this effect is negative—elites of CEE countries are less ready to accept a future common European foreign policy, which can be linked to their recent experience of recovering the structures of sovereign states. On the other hand, the public opinion of new member states of the EU is more prone to accept the Europeanization of foreign policy, in line with the hypothesis that the institutions of these new democracies are often less effective, and thus citizens might look to the EU to improve those and gain a stronger saying in world politics. Such an elite-public opinion gap in the new member states offers a vantage point for further research.

Annex. Summary of variables for the explanatory models of support for single European Foreign Policy^a

Explanatory dimensions	Variables in the analysis	Operationalization
Socio-demographic	Gender (Woman)	Dummy variable (0 = Man; 1 = Woman)
	Age (50 and older)	Dummy variable (0 = under 50; 1 = 50 +)
	Type of elite (Political) (only for elites)	(0 = economic and mass media; 1 = Political)
Identity	How do you see yourself (Exclusively national identity)	(0 = European, European and national; 1 = only national)
Utilitarian conceptions	Country benefited from being a member of the European Union	(0 = has not benefited; 1 = has benefited)
Performance	Satisfaction the way democracy works in the European Union	(0 = very and somewhat dissatisfied; 1 = very and somewhat satisfied)
Cognitive mobilization	Education	Highest level (0 = not completed primary education; 6 = university degree completed)
	Watch news on the TV (Days a week) (only for public opinion)	Scale 0–7
	Read political news in the press (Days a week) (only for public opinion)	Scale 0–7
New Member State effect	Two groups of countries (New EU member states after 2004 as reference group)	(0 = old member states; 1 = new member states)

^aDependent variable (Support for a Single European Foreign Policy): Thinking about the European Union over the next 10 years, can you tell me whether you are in favor or against the following: A single EU foreign policy toward outside countries.

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Reasons for the Current Failure of the European Union as an International Security Actor

Natividad Fernández Sola

1 Changes in the International System Since the European Security and Defense Policy's (ESDP) Emergence

The Anglo-French agreement in Saint-Malo at the end of 1998 marked the starting point for the development of the European Security and Defense policy (ESDP). From the very beginning, national divergences on the final aims of this policy were evident. Britain considered it as a way to promote the European burden-sharing responsibility, together with NATO, while respecting the priority of the Alliance, mainly the European expeditionary military capabilities. For this country, the CSDP would be limited to those external crises, in which NATO was not engaged. However, for France, the ESDP was the way to support European defense autonomy, and to develop its own resources, while engaging Britain on European military cooperation. Both agreed on the development of expeditionary capabilities

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and readiness for high intensity combat operations. There were, however, clear differences between both partners on the question of the European Security and Defense Policy impact on NATO and on the Transatlantic relationship, as well as bilateral relations with the US.

Our first hypothesis then will be that, from the beginning, geopolitics was replaced by myths: that a common security policy was possible; that member states no longer had different interests owing to their individual geostrategic positions and history (cf. Anderson 2008, 53). Moreover, “Maastricht ideology” implied the belief that free trade and an integrated regulatory regime would create a framework for prosperity, shared equitably among nations and among classes. Politically, it held that the fundamental issues dividing European states no longer existed, and that the divisive nationalism of the past had become irrelevant (Stratfor 2012). One can work to solve problems with a clear idea of their strategic implications, but it is more difficult to fight against a myth, as no rational thought can be used against it. The development of the first steps of the ESDP consequently showed its weak foundations. Among the first controversies were the relationship with NATO, the position towards the Iraq war, the priority for civilian vs. military capabilities, support to the EDA, or the common position (or the lack of it) on the Libya and Syria crises in 2011 and 2012. ESDP doesn’t imply that the EU had to intervene by military means, nor the opposite. But its image as a unitary security actor suffers because of the internal divisions, and the choice by some member states to opt for alternate routes illuminates this point.

International power structures are changing. Since 1999, the international system has evolved as a consequence of clear trends in the distribution of world power: the US’ relative decline and the emergence of new powers, some of them rejecting or questioning democratic legitimacy as a base for global authority (*auctoritas*).

Much has been written about the US decline, whether confirming it (Kennedy 2009; Chomsky 2012), or denying it (Lieber 2005, 2009, 2011a, b, 2012; Kagan 2012), or even simply to note the “rise of the rest” (Zakaria 2008, White 2011) or the decline of the “modern world system” (Wallerstein 2011). The end of unilateralism begun by the Obama administration was a political decision, made once the conclusion was drawn that global concerns cannot be solved unilaterally, e.g. the stabilization of Afghanistan. The outcome of this war has been viewed as a defeat to US military supremacy, or at least as a great strategic shift.¹ The overall trend has been accelerated by the global financial crisis, which temporarily escalated China’s

¹ During the G.W. Bush administration, the US changed its traditional strategic approach based on Mahan theory on maritime power (Mahan, A. *The Interest of America in Sea-Power*. Sampson. London 1898, *The Problem of Asia*. Sampson. London. 1900), to the concept of heartland (Mackinder), applied in Af-Pak conflict. However, both theories find some common point to explain US foreign policy in Central Asia (See García Cantalapiedra, David (2009), “U.S. Strategic Policy in Caucasus and Central Asia: Geopolitics and US Strategic Policy in the 21st Century”, in Tomasz Gacek and Jadwiga Pstrusińska (eds.), *Proceedings of the Ninth Conference of the European Society for Central Asian Studies*: Cambridge Scholars Publishing).

economic power, including an increase the of its power in Asia of course, but also in Africa, in Latin America, in the Middle East and in Europe.

Whatever it will be, a change in the nature of American power or a change in the degree of its hegemony seems unavoidable, as there is a build-up of forces for change, including doubts about the dollar as the unique or dominant currency peg, the weakness of European integration, and in the transatlantic relationship, in addition to the rise of new powers. Following its Grand Strategy, the US has shifted its security and political commitment with the Western part of Eurasia to concentrate on the Asia-Pacific region. The NPR 2010 indicated a dramatic reduction of nuclear forces in Europe, but maintaining extended deterrence in Asia and in the Middle East.² Until now, the US provided security to Europe and gave stability to the global economic system as the basis for EU economic development by virtue of the presence of thousands of US soldiers, tactical nuclear weapons on European soil, and a permanent naval task force in the Mediterranean.

At present, the US has decided to make sharp land and air force reductions in Europe, downsized the Sixth Fleet and is considering, as Germany requested, a withdrawal of all tactical nuclear assets from European territory.³ The then US Secretary of Defense R. Gates made a last appeal to Europeans, in Brussels in June 2011, to be responsible for their own security. Other examples of the US' growing influence in Central and South East Asia and disengagement from Europe are the ASEAN Conference 2012,⁴ and the recent Uzbek withdrawal from the Collective Security Treaty Organization (CSTO). The ASEAN Conference is supposed to "decide" the leader in the region, as both the US and China are striving to improve their respective positions. The second, Uzbekistan's withdrawal from the CSTO, would demonstrate the Uzbek preference for US influence in the area for the second time during the Karimov authoritarian government⁵—as foreign policies adjust due to the changing security threat perception.

²The same geopolitical priority seems to govern Russian foreign policy, its promotion of Siberia and its Far East and the promotion of Asian Fora and trade exchanges with Asian countries. ("Russia and the changing world", Russian Prime Minister and Presidential candidate Vladimir Putin, *Moskovskiy Novosti*, 27/2/2012; statement on Foreign Policy Priorities)

³In May, NATO announced its plan to upgrade the US's estimated 180 tactical nuclear weapons in Western Europe and to replace them with precision-guided weapons that would be carried by US F35 strike aircraft. According to European media, it is unnecessary, expensive and likely to exacerbate already difficult relations with Russia; NATO States are fully secure without this additional capability and should be focused on removing all tactical nuclear weapons from Europe, not on modernizing them. *The Guardian*. <http://www.guardian.co.uk/world/2012/may/11/nato-nuclear-weapons-upgrade>. Accessed 07 July 2012.

⁴Meeting of Foreign Affairs Ministries in Phnom Penh, July 2012. Comments in *Kommersant*, July 11, 2012, p. 6.

⁵Tashkent withdrew from CSTO in 1999 and came back in 2006 after pushing US to close military bases in the country, which supported logistically the antiterrorist mission in Afghanistan (2001). The return to the Organization took place after the bloody repression of a popular movement in Andizhan (Fergana Valley). On 28 June 2012, Uzbekistan suspended CSTO membership.

If one of the hallmarks of global power shifts is the relative US decline, the second is the rise of certain countries defying the international system—or just traditional Western values. A trend of open contempt and defiance to Western values by authoritarian regimes or “authoritarian democracies” dominates the current system. In the first category are countries defying the whole international system, as are Iran and North Korea. Both clearly refuse principles ruling international relations. North Korea and its nuclear weapons power threaten the international community in general and its neighbors in particular. Neither the US, Russia or China can change North Korean attitudes and the trend of the isolated authoritarian regime, not even the accession to power of Kim Jong-Un after the death of Kim Jong-Il. A second defiant country is Iran, with its nuclear program suspected to be military. The US, Russia and the EU together would be able to convince Tehran relinquish its ambitions only if China were to stop its support of the Ayatollah’s regime. Its religious component adds a further, sectarian, element of threat as a non-tolerant regime toward non-Shiite Muslim countries.

In the second category referred to above, i.e. states defiant of Western values, are several BRICS countries (Brazil, Russia, India, China and South Africa).

Russia continues to recover its past power and influence, mainly in Central Asia, but also in the Middle East (Marsh & Rees 2012); China acts as a global power, mainly through the use of soft power till now (though it is flexing its political and military muscle, as indicated in the preceding discussion on Iran, as well as pertaining to the Syrian crisis of 2011/12, and the China Sea clashes with Japan and other neighbors during the past couple years); Brazil seems to agree with Western values but is strengthening its military capabilities and defying the P5+1 talks by supporting the Iranian regime, also, it is attempting to have an autonomous nuclear program. Even some African countries are allied, under the umbrella of anti-colonialism, to oppose certain European requirements concerning human rights and the rule of law. Some of these regimes find a source of legitimacy in nationalism—sometimes coupled with xenophobic policies—that generate popular support. This does not imply that their main aim is to break with the international system; yet these countries utilize current policies, invoking national sovereignty and no-intervention principles to perpetuate their privileges and leverage their power in the international arena. However, such power is not sufficient to end American global power, as the capacity by the countries discussed, attempting to project their power externally, is usually limited to their neighbors. But such countries have demonstrated their ability to control those regions, and can eventually destabilize them (for example by an expansionist agenda).

Moreover, in Europe, regional powers are striving to increase or recover past power and influence, such as Russia and Turkey, which are both willing to influence the fragile Caucasus region. Russia’s foreign policy momentum is increasing in Central Asia with initiatives, such as the Eurasian Customs Union, which now includes Belarus and Kazakhstan, with Russia hoping to widen it with the eventual inclusion of Kyrgyzstan, Tajikistan and Ukraine.

Especially relevant in this power panorama is Turkey, which is loosening its links with the West, and striving for regional hegemony in its neighborhood—and beyond.⁶

The main change from an Age of Optimism to a Zero-Sum World would shift the foundations of the existing international system (Rachman 2010). As the reference for defining the EU's international role, the example of its relationship with the US demonstrates this dramatic change, with the Union finding itself disoriented, bewildered and unable to take a prominent position on the axis of world power and in the field of global dominance, be it a "Greater Middle East", Central Asia, the Pacific area or others. EU member state policies fail to define a suitable international position for the EU in a Zero-Sum World. None of the traditional approaches to the CSDP are still valid: an autonomous policy, a balancing tool to the US power (even to Russia and China power), much less keep the US involved in Euro-Atlantic affairs, or to balance and contain German power.

Strategic and political weakness produces operational weakness. European countries know neither the strategic priorities nor the principles or values that govern the EU's international actions. There is no pragmatic analysis of European interests. As will outlined below, this has important consequences in terms of resources available to assert such a position.

2 The Lack of Suitable Resources: A Cause or a Consequence?

The lack of resources is a dependent variable of the aforementioned political-ideological confusion. As there is no clear European Strategy or clear political will, a credible position is missing, as member states continue to be extraordinarily hesitant of political or economic involvement in the CSDP. The resulting lack of institutional, economic, political and strategic resources concerns especially Pooling & Sharing (P&S), the non-existing Operational Headquarter, the weak EDA role—and the weight of European public opinion.

2.1 Institutional Weaknesses

Military and civilian-military bodies created at the beginning of the previous decade were taken over by the European External Action Service (EEAS) according to the terms of the Treaty of Lisbon. The EEAS was intended to coordinate all EU activities in foreign and security-defense policies. Integrating the CSDP under the EEAS was a significant decision in terms of serving the goal of

⁶ While "Kemalism" tended to laicism and the westernization of the country, AKP policies go back to a certain "Ottomanism" with Islam as a "flag".

coherence. For this reason, the High Representative (HR) chairs the Political and Security Council. In this function, it has dealt e.g. with dossiers in connection with the Arab Spring to maintain main EU political aims: to increase the coherence of the EU's foreign policy, to better serve the EU institutions in the area of external relations and to provide continuity of EU relations with non-EU countries.

The HR (article 26 TEU) has to promote the CSDP, especially because the newly restructured position, which combined competencies previously in the hands of the HR and the External Relations Commissioner. But if previously under the Solana leadership the EU launched its first military and civilian operations (more than 20), these activities are considerably reduced since the entry into force of the Lisbon Treaty and the new HR (although three new EU operations have deployed shortly: to protect Juba airport in South Sudan (EUAVSEC South-Sudan), to train gendarmerie in Niger (EUCAP Sahel), and to develop coastguards in Puntland/Somaliland for tackling piracy around the Horn of Africa (EUCAP Nestor): small operations if compared with past missions).⁷

To search for causes of the EEAS' "inconspicuous" activities is not difficult: they can be traced back to the difficulties in the first year of establishing it materially and technically, institutional subconscious resistance, as well as the lack of human resource leadership (which was used by some States as an alibi or excuse to "torpedo" integrative initiatives). Even if the EEAS is not working as expected, it is up to the twenty-seven EU governments, not the EEAS, to invigorate the CSDP. A year after its launch, the Service's structural problems continue: In addition to the nearly nonexistent leadership of the HR, and the general lack of leadership and coordination within the EEAS, the main problem is located within the member states, not the EU institutions: The EEAS had to grapple with certain EU member states, which persistently refuse to cede to the HR and the Service those very responsibilities they had assigned these bodies in the treaties.

So a large challenge faced by the EEAS is to formulate a vision on how the EU should conduct its foreign policy with a comprehensive strategy, and to ensure that European institutions and member states are prepared to back it up with all necessary resources (Blockmans 38).

A review now follows, examining the attitude of some of the member states towards difficult institutional and operational issues, such as the EU Operational Headquarter (EU-OHQ) and the European Defense Agency (EDA).

Since the very beginning of EU military operations the need for a *European Operational Headquarters* has been noted. Five member states engaged to provide a suitable—national—European OHQ to fulfill the EU's command and control

⁷ There are currently 14 missions ongoing. The mission in South Sudan is completely civilian. EUCAP Sahel, in Niger, is a civilian CSDP mission with important gendarmerie component and two militaries; to be launched on July. EUCAP Nestor is a civilian regional maritime capacity building mission assisting States in the Horn of Africa and the Western Indian Ocean, including Somalia, to improve their judicial and legal systems (the suggested police mission off the Somaliland and Puntland coasts was not approved by the moment). EUTM Mali, its military training mission is ready for deployment.

requirements: France (Paris), Germany (Ulm), Greece (Larissa), the United Kingdom (Northwood), and Italy (Rome). While planning and commanding challenging multinational crisis management operations, the EU has constantly developed its crisis management capabilities, be it autonomously, or with recourse to NATO's common assets and capabilities under the so-called 'Berlin-plus' arrangements, on its path to become a more active global player.

In this vein, the European Council decided in December 2004 to establish an Operations Center in Brussels, able to plan and run a particular operation, as another OHQ option, especially suitable where a joint civil/military response was required, and where no national HQ was identified. The EU Operations Centre has been ready for activation by the Council since 1st January 2007. It is not a true OHQ but with its permanent facilities enables the Council to establish the full-fledged Operations Centre for a particular operation. Its goal is to start planning within 5 days following a Ministers' decision (and reach its full capability to command the operation within 20 days). This development was the result of a compromise to create an EU joint military headquarters despite British objections, arising out of fears that its establishment would weaken NATO primacy in military cooperation (and represents an old UK claim—likely out of date in the current environment).

On 23 March 2012 the Council actually activated the EU Operations Centre at last for the first time with the goal to improve coordination and strengthen civil-military synergies between the three CSDP actions in the Horn of Africa: the military operation EUNAVFOR ATALANTA, the EU Training Mission Somalia and the civilian mission on Regional Maritime Capacity Building.

The 2011 Libya crisis in fact had demonstrated to the EU that it needs to be strong enough to maintain stability in its neighborhood, and actively shape its regional and global milieu. To be capable of this task, the CSDP needs to expand its narrow focus on crisis management and ad hoc structures, to take on all functions commonly associated with the military instrument (Simón and Mattelaer 2011). This implies being capable of situational awareness and anticipation, as well as for prevention and deterrence through a permanent and forward presence. To succeed, the CSDP requires sizeable force structures permanently on standby, a permanent planning and operational infrastructure, and readiness to use force when necessary. The current lack of a true EU OHQ should be addressed in the same way as the weakness of battle groups never utilized till now.

The second institutional aspect needing improvement is the functioning of a *European Defence Agency (EDA)*. This agency was created to support the development of military capabilities, but also to provide a solution to the dispersion and duplications in R&D projects, as well as reduce the fragmentation of the national defense markets to create a competitive European Defense equipment market and strengthen the European defense technological and industrial base. By its four strategies⁸ the EDA seeks to introduce a structural change to the manner

⁸ Following the Capability Development Plan, European Defense R&T Strategy, European Defense Technological and Industrial base Strategy and European Armaments Cooperation Strategy were approved.

in which armed forces in their new EU function are trained, maintained and equipped. Except for improving defense capabilities, these aims are not covered by NATO.

Some of the structural difficulties EDA faces involve the promotion of a common armaments policy, as there are different strategic cultures and national inertia across the EU. Efficient European armaments cooperation is a complex task needing a common doctrine of operative needs. On the other side, the lack of confidence and national industrial interests mean that cooperation in armaments still has some way to go as Europe continues to construct and develop the ESDP. A further obstacle is the fragmentation of the European defense market, with Directive 2009/81/EC providing for the liberalization of this market and tending to cope with this problem.

Furthermore, even if the EDA is quite active in promoting research and technological development, the funding for projects and programs comes from participant state contributions, which hinders the development of EDA autonomous action.

Today the main problem concerning material resources for Defence Policy remains Europe's ability to deliver effective military capabilities this ability is at risk of erosion from budget cuts: setting up effective cooperation programs would be a first step in addressing this constraint. Additionally, a continuous review of the level of ambition based on the European Security Strategy will be indispensable in the years to come (Kolín 2009). On this issue, it is relevant to remember that activities of the Armaments Cooperation Joint Organisation (OCCAR) and Letter of Intent (LoI) continue, and both are essential for restructuring the European defense market. Even if some scholars propose a progressive incorporation of their respective projects by the EDA (Pérez Heras 2008), several member states oppose accepting new responsibilities for the Agency.

A further issue which still needs to be resolved is the NATO-EU relationship in terms of capabilities development. While avoiding redundancies in military capabilities is the stated aim, each organization has an inherent desire to pursue its own initiatives in this field.

Finally, concerning the EDA functioning, the Agency should be the main vehicle for Pooling & Sharing (P&S), with the Ghent initiative⁹ having represented its starting point. However member states continue to be reluctant to cooperate within the EDA framework, to the point of some of them refuse any increase of the agency's budget (e.g. UK with currently opposed to any increase for the 2012–2013 EDA budget under discussion, it will remain the same as for 2011 and 2012). Under these budgetary conditions, member states who rank defense high as a national priority are taking individual bilateral¹⁰ or multilateral initiatives instead of waiting

⁹ NATO Smart Defence initiative, overlaps, in some way to EU pooling & sharing initiative.

¹⁰ Lancaster agreements between UK and France are paradigmatic, but also there are bilateral agreements between Belgium and the Netherlands, between Germany and Italy or between France and Germany. The existence of these frameworks is damaging EDA as projects such as the one on anti-submarine mines, are being developed outside the Agency, bilaterally or through the OCCAR.

for decisions in multinational *fora* like the EDA. One conclusion from this approach is that member states are not ready to share sovereignty in capacities they consider essential, such as strategic lift: Even if the EU has a single goal, the challenge continues as each member state pursues its own agenda—and presenting it as a goal of the EDA (meaning that the EDA started out with as many goals as there are member states, which have to be shaped into a single objective accepted by every member state¹¹).

2.2 Failed Experiment of the Permanent Structured Cooperation and Battle Groups

Permanent Structured Cooperation was thought of initially as a way to deepen development capabilities, not among all member states, but among selected member states able to provide a certain level of capabilities, and willing to deepen their cooperation in this field with other member states. Article 46 of the TEU and the special protocol attached to the Treaty of Lisbon watered down the original Franco-German proposal with a vague and inclusive redaction (Biscop 2008). The result is no application of the clause, as member states never agreed on the exact requirements and on the correct interpretation of it. Politically it was decided that only one PSC was possible instead several (Fernández Sola 2010), which would have facilitated the EDA's task allowing several member states to participate in different programs on R&D, armaments, capabilities or industrial cooperation. Moreover, the financial crisis made member state governments more reluctant to define a specific percentage of national GNPs for defense budgets—though this is a requirement for PSC membership.

Something similar happened with the battle groups; the establishment of the battle groups was a prevision included in the last Capabilities Objective 2010 as the strategic way to face new security challenges, mainly from international terrorism. Created in 2004, the aim of the battle groups was to cover the lack of a permanent military capability supply. The battle groups are composed of land forces of 1,500 troops each, with the idea to be able to use two of them simultaneously. It is useful to remember that the previous concept in Headline Goal 2003, the European Rapid Reaction Force, was not a force ready for deployment (Fernández Sola 2009; Lindstrom 2007). Being on permanent standby, battle groups should provide the EU with a deterrent and preventive force. However, they have never been used in over seven years. Each time there was an opportunity, the member state in charge of the battle group at that time was reluctant to use them for political as well as economic reasons, with the result that these battle groups are today discredited. Governments feel that the system is expensive to coordinate and prepare.

¹¹ Cieza González, A., *Introduction, European Defence Agency: Past, Present & Future*, Ministerio de Defensa—CESEDEN 2010, p. 18.

Moreover, it is not clear that, in case of actual utilization, member states would be able or willing to provide the following forces required to complete its initial task (Simón 2012),¹² as most of them struggle to even contribute to NATO's Response Force. Under these conditions, the EU Battle Group System is unlikely to develop into a larger "standing army" for Europe.

As Treaty rules did not materialize as planned, bilateral and multilateral defense initiatives have proliferated in Europe, such as the 2010 Franco-British military agreements, Nordic defense cooperation or the new Visegrad Battle Group.

2.3 Economic Weakness: National Defense Budgets, P&S (P&S)

In the context of deep economic crisis and requirements from Brussels to reduce national deficits, national defense budgets continue to decrease. Only a few European countries follow the NATO request to invest 2 % of their GDP in defense expenditures (Fernández Sola 2011b). The security risks stemming from the effects of the economic crisis on countries' defense industry cannot be overestimated in terms of the deterioration of operational capabilities due to reduced technological demand and cost savings in materials and production. Additionally, the development of dual technologies is impaired due to reduced research in the military field. Finally, the industrial network surrounding the major contractors will shrink, leading to social stress (with the potential of internal social and political destabilization) as a result of reductions in income and employment (Fonfría 2011). EDA data point to a worrying trend in the European Union: According to these figures, spending on equipment and R&D fell by 2.39 % between 2008 and 2009, whereas technological research fell by 8 % in the same period.

The economic crisis is altering the structure of the international defense industry, accelerating mergers and acquisitions as a means of reducing costs and duplication, and increasing size vis-à-vis competitors. The need to gain a foothold in other markets calls for a serious export strategy as a mean of lessening dependence on budgets to maintain R&D and industrial innovation. Defense budgets are not only too modest because Europeans have been relying on the US for all aspects of their defence, but because the EU is in self-denial that at some point there might again be an outside force willing to use force against it.

Budgetary reductions have a clear impact on the CSDP, in light of the fact that it is difficult for member states to contribute to EU military—and related civilian—capabilities as they had agreed to. Lacking a permanent capability development mechanism, EU defense ministers agreed at the end of 2010 on the softer concept of Pooling & Sharing (P&S) (Fernández Sola 2010; Biscop and Coelmont 2011).

¹² In 2012, there were voices in favor of the rotation system to be scaled down as no member state had volunteered to take care of a battle group in the second half of the year.

A clear need to pool and share their scarce resources became the central point in meetings of EU defense ministries as the way ahead to avoid duplication and maximize resources as military budgets are squeezed ever tighter by Europe's deficit crisis. The December 2011 Council meeting of defense ministers further agreed on eleven cooperation proposals out of more than 200 initial plans; with a few notable exceptions (such as the Visegrad Battle Group, in which Poland, Slovakia, Hungary and the Czech Republic participate) yet many of the proposed cooperative defense ventures have so far failed to move beyond the theoretical stage, with US pressure evident in Europe to halt the latter's military decline, regardless of whether it continues as a result of EU decisions, alternate bilateral routes, or through NATO's involvement.

EU Defense Ministers adopted a political declaration at the EDA Steering Board on the 22 March 2012 on defense cooperation plans. On April 2012, European Ministers of Defense discussed Ghent-driven cooperation plans as well as bilateral and regional defense cooperation initiatives. Discussions on P&S in the long term allow at least the outline of success of projects such as Modular Field Hospitals, Maritime Surveillance and Naval Training.¹³

P&S is perhaps the only way for European defense to move out of the impasse it is suffering. For its success, according to EDA director Arnould, the focus should be on these three areas: implementation, synergy and confidence. For a correct implementation, the EDA's Capability Development Plan and the 2025 Vision should be adapted to support P&S.¹⁴ The EDA tries to create greater synergy with other stakeholders, interacts with the EU Military Committee and External Action Service and with NATO. The involvement of industry is necessary. As said previously, the synergy with OCCAR and LoI should be seriously managed by member states that participate in both. It will be a proof of the necessary confidence between member states.

Improvements in defense industry are important in the current crisis situation not only for Europe's security but also for growth and innovation in European economies.

2.4 Political Weakness: European Public Opinion

Today, defense policy, at least in democratic regime countries, depends on public opinion and needs citizen support. As the Iraq and Afghanistan wars showed, even

¹³ Italy, Finland and Ireland offered to take the lead on each of these projects. The Netherlands, France and Germany announced they would cooperate to lead the work on air-to-air refueling together with the EDA for a globally increased European capacity. See the EDA website, http://www.eda.europa.eu/news/12-04-20/EU_defence_ministers_discuss_Pooling_Sharing_in_the_long_term

¹⁴ The Code of Conduct on P&S presented in November 2012 aims to mainstreaming P&S in Member States planning and decision-making processes, but recognizes that the main role remain at the hands of member states.

the most powerful army from the strongest power is unable to win, or even just continue an armed action, without the support of the population of the country of the troops' origin.

European public opinion, if it exists, or national public opinion in member states, as that of most other western populations, generally is not keen on military interventions, and consequently on developing this area, whether it is at the national or at the European level. There is minimal public appreciation of the risks and threats, except for the economic and energy security aspects. In this vein, it is difficult for governments to obtain the support of public opinion for increasing defense budgets, for participation in military missions, or even to promote defense industries. This attitude is reflected in electoral campaigns: In the most recent (2012) French presidential campaign, the candidates, especially N. Sarkozy, had to refrain from Europeanist talk in order to court the far right. The victory of extremist options in Greek elections also resulted in the removal of Europeanist positions, when viewed by the public as contributing to their own poor economic situation.

Against the background of renewed nationalism across Europe, as is evident in the rise of nationalist parties in France, in Greece or even in the UK Conservative Party, there seems little prospect of any real progress in the EU's foreign and security policy in the foreseeable future, either on defense budgets or any other matters. Unless governments, and EU bodies and institutions, become successful in demonstrating the advantages for their populations' welfare, there will be little progress in this area.

2.5 Strategic Weakness: Need for a New Security Strategy

The first definitive EU strategic choices were made in the Treaty of Amsterdam, when the EU assumed the Petersberg missions previously belonging to the WEU; and subsequently in the Helsinki European Council of December 1999, where the Headline Goal for 2003 was approved. As has been pointed out, the 1999 Cologne European Council, which officially gave rise to the ESDP, somewhat limited Franco-British ambitions, clearly showed in the St. Malo agreement, as European Council introduced the requirement of consent among the parties (as well as UN approval as a requirement for any EU military operation of crisis management). Those original operations included peacemaking and peacekeeping operations, post-conflict stabilization, humanitarian and rescue tasks, prevention and crisis management. In this context, the EU also made a political choice in defining its strategic culture and its soft security policy doctrine: In the geopolitical context of the 1990s, emphasis on crisis management was strategically correct. One decade later, it highlighted the EU's differences from US unilateralism (Simón 2012).

The European Security Strategy, developed further by the EU's first High Representative for the Common Foreign and Security Policy (CFSP), J. Solana,

was published in 2003. Its content was a clear gesture of complicity with the US after the clash over the Iraq war. Apparently the definition of threats and risks was similar to those in the US National Security Strategy 2002, though excluding references to pre-emptive attacks.

Two concepts marked the European approach to foreign, security and defense idiosyncrasy: “effective multilateralism” and “comprehensive approach” that pretended to oppose US unilateralism and emphasis on military solutions. The last one is implicit in the very nature of the EU as an organization which has at its disposal a wide variety of means (political, economic, military, developmental or diplomatic).¹⁵ As a result, civilian ESDP grew, a Civ/Mil Cell was created in late 2003,¹⁶ and the Civilian Planning and Conduct Capability in 2005. Focus on crisis management produced a reactive policy (Fernández Sola, Simón 2012), even if tasks of Security Sector Reform, the fight against terrorism and two clauses of mutual assistance and solidarity were included by the Treaty of Lisbon.

However, mutual assistance (art.42 TEU) doesn’t imply automatically an engagement with collective defense, but rather an obligation for member states to choose which means to use for aid and assistance in case of an armed attack on the territory of one of them (Fernández Sola 2012). It allows prioritization of the reaction by NATO means, or keeping the military neutral¹⁷ by providing civilian assistance. Both clauses, mutual assistance and solidarity, keep the EU security and defense policy as a reactive one—even if article 222 TFUE includes a preventive action against terrorist attacks—as it does not establish specific tools to act “a priori”.

The CSDP’s narrow mandate centered on crisis management has been viewed by some scholars as the reason, or one of the reasons, to explain the EU’s ineffectiveness vis-à-vis Libya (Menon 2011) and the southern Mediterranean crisis. In both, the EU had not a unique voice—and action—and reacted late and ineffectively. Backed by the United Nations and the Arab League, with the support, but not the leadership, of the US, and in a country of great strategic value for Europe, the Libya crisis fulfilled all the conditions for a CSDP operation—yet it was not possible due to the political reluctance of some member states. And exactly here is the CSDP’s strength—and weakness—as a consensus among member states is needed before undertaking any measure, which allows for a deeper analysis of strategic consequences from its actions. At any rate, the NATO operation led by France and Britain showed the European military deficiencies: suppression of air defenses, precision-guided munitions, re-fuelling tankers, intelligence and information.

The concept of crisis management, useful in the context of the Western Balkans conflicts, has become progressively obsolete and unsuitable to meet the demands of

¹⁵ Gross, “The EU and the Comprehensive Approach”.

¹⁶ Quille et al., “Developing EU Civil Military Co-ordination”.

¹⁷ We want to underline that, in our opinion, the concept of “neutrality” it is not appropriate here, in the context of an attack against an allied state, but only with reference to international conflicts in which a state decide to keep outside giving its constitutional neutral status.

a changing geopolitical environment as it is reactive and made Europeans more dependent on the US, who continue to maintain the capacity of deterrence—which also favors Europe. The European lack of determination to use military force (Jones 2007), together with their lack of cohesion, hence represents a source of destabilization within the EU and in its neighborhood. Hence the CSDP failed to tighten political cohesion within thy EU and to exercise its power and leadership globally (Simón 2012). Yet to face its security challenges, the EU needs a CSDP with a permanent EU military instrument fulfilling the functions of deterrence and prevention, able to actively shape its regional and global environment. It is time to take full responsibility for European security and look for regional hegemony and global stability.

A new European Security Strategy should promote the use of the military instrument when necessary, as a requirement for a credible security actor. A characteristic for security strategies is the need to define required military capabilities, and the route to obtain and to use them. It should include a permanent planning capability, a permanent command and control infrastructure, and permanent forces able to be deployed immediately. This is possible within the Lisbon Treaty in force, e.g. using the Permanent Structured Cooperation or the Reinforced Cooperation as a way towards flexibility to avoid vetoes from any member state—though it needs to be brought together with a different defense culture that allows the use of military force, not only as a reactive instrument, but also with a potential deterrent and preventive instrument.

If P&S, together with systematic coordination and integration with other EU policies are ways for Europe to remain a prominent international player without a massive increase in defense spending, an up-dated Security Strategy would allow the EU to examine which interests are realistic, essential and shared by all. A new and more focused ESS should incorporate relevant fields such as foreign policy, energy, trade, development, values or the use of sanctions. If the revision began now, a new ESS could be ready in one or two; perhaps too late to be implemented, if the CSDP is completely discredited, but the mere knowledge of its development would be already an incentive for future work of the member states in this area, and encourage them to be more assertive in security and defense field.

One can agree with Kolin that without full-fledged crisis-management structures and a comprehensive crisis-management concept, encompassing the questions of why, when, where and how EU action will be taken, the EU will be more prone to fail in realizing its ambitions to deliver on the global agenda (Kolín 2009).

Even if material elements and resources are essential for the success of a policy, nothing is possible without the political will to promote it. This political will can be broken down into different factors: a. perceptions, b. decision-makers and c. their calculation on the political, economic and strategic benefit such a policy will produce for their countries—or at least the interests of their governments. These domestic motivations play together with the chaotic moment in the international arena.

3 The Confusion on the EU's Desired Role in the World

The framework for our analysis is the international change of paradigm and the upheaval in the distribution of global power. This currently belongs not only to military powers but also to states relevant by its economic, demographic or just soft power. A decline of American power—or better, a change in the nature of American power—the rise of BRICS, and the moving interests and alliances outline the difficulty for European countries to define a place and a role in the evolving international system.

On the European side, as said previously, Russia is reasserting its influence in the East, South and Caucasus; Turkey is also increasingly active in the Caucasus and Northern Africa. In this area as well as in the broader Middle East, social and political unrest resulted in Arab uprisings that produced a change of regime in some countries, the promotion of processes of political transition, or simply the overthrow of a regime and an internal situation close to civil war.

Increasingly, the international system is defined by a change in the power structure and by the rise of regionalism. That configures a multi-polar system but not necessarily a multilateral one. Some states tends to act within international institutions for pragmatic reasons; others act unilaterally or block multilateral *fora* if it is suitable for their national interests. Pragmatic and realistic approaches substitute the normative approach based on values, as even these values are contested—and hence the kind of moral superiority of states bearing them.

In the absence of a clear idea of the European position in the world arena, member states are reluctant to increase resources for the EU and a disoriented CSDP—a disorientation reciprocally due to their national political differences, divergences of their national interests, as well as strategic cultures; the result is decoupling among member states: It is easy to confirm CSDP-stagnation even since the Lisbon Treaty came into force, as political differences among main EU's players about Europe's military role remain stark. A clear example is the German split with Britain and France over NATO's intervention in Libya.¹⁸

On their side, the British Conservative-led government's ideological opposition to closer EU defense integration is at the base of the paralysis of the CSDP. But both countries concluded the Anglo-French agreements (Lancaster agreements) in November 2010 to boost military cooperation and share costs through such initiatives as a joint expeditionary force, and a shared air-carrier strike group. However positive the aspect of any cooperation agreement was, this one was concluded outside of the EU institutional framework, keeping aside the existing and suitable Union's defense structures.

The other big military member state, France, traditionally the leader for deeper security and defense policy, seems disappointed by its European partners after the “Libyan experience” in which Germany and Poland refused to participate. Under

¹⁸ Factors blocking Europe's defence ambitions, *Europe's World*, 2011, p. 42.

these circumstances, France is skeptical of the value of the EU as a vehicle for common defense policy (Keohane 2012).

The concern for the other eventual defense big player, Germany, is not to choose between the EU and NATO, but the use of military force as such to solve international problems. For this reason Germany strongly supports the development of the civilian dimension of CSDP over EU military operations. As Keohane pointed out, in some ways “the story of EU defense policy has always been a tale of two cities. But Franco-British cooperation may no longer benefit the EU directly, if their collaboration proceeds on a strictly bilateral basis” (Keohane 2012). If France is disengaged from CSDP, Britain refuses it, and Germany ignores its military component, and other willing member states, such as Spain or Poland do not have the required resources, it is hard to see a positive future for this policy.

These disagreements continue as long as European governments do not realize how insignificant their position in the world is due to the weaknesses described above. According to their expectations, and calculations they can apparently gain a greater domestic political benefit by keeping apart and promoting national interests. Yet, as shown with the P&S initiative, the benefits will be greater for governments if they cooperate, even if this requires first of all an honest assessment of their common objectives.

These continuing national disagreements, leading to the lack of a common EU project is a major obstacle for the development of a coherent and effective security and defense policy: It implies that EU doesn't consider itself as a strategic actor, and hence neglects any issues beyond the basic ones of wellbeing—unfortunately, the welfare paradigm is itself threatened due to the economic situation.

This is dilemma should in itself be an overriding argument in favor of a new ESS. Yet another new declaration of course would not solve by itself this current chaos—but would perhaps force member states to discuss at greater length the European shared security interests, the way to protect them, and how to react to the threats, as well as the mechanisms, to be proactive in international relations—and shaping the international order according to the EU's common values and interests. Obviously, for a new governance entity such the EU, this should require flexible enough formulas to allow variations and nuances of the member states.

4 Conclusions

*I'd spend a lifetime waiting for the right time, now that you're near the time is here at last.
It's now or never, . . . Tomorrow will be too late, it's now or never, my love won't wait.*

Of course, Elvis can sound trivial if used to describe the CSDP status quo, but one can draw from these lyrics the importance and urgency of the moment that should be unrepeatable.

As a strategic analysis, our conclusion cannot be optimistic or pessimistic. Our paradigm is based in reality. Perhaps, our starting point was very optimistic,

attempting to assess the reasons for the CSDP's paralysis instead of questioning if it has ever truly existed yet. The constitutional evolution starting with the Maastricht treaty, having in mind the enormous EU enlargement, can be viewed as a failure in terms of one of its aims: to balance France's and Germany's power. Twenty years later, this seems to be further away than ever, and the recent result of the French presidential elections 2012 shows an ingrained nationalism, especially considering that the ultra-right party gained tremendously over its past results. Maastricht and the order it created are out.

The EU is now in a watershed situation (Kennedy 2011), and the European CSDP "ball" straddles the center of a gabled roof. It can go with no return to the right side, allowing Europe to exercise power in a changing regional and global environment, making the EU a security global actor, or fall to the wrong side, leading to a threat for the very existence and continuity of the European Union. The CSDP needs to be radically re-thought (Simón 2012) as an essential part of the EU's *raison d'être*, an identity-building instrument (Anderson 2008) and the tool for the international European presence and influence, if any is still possible.

The decision will be a political one, however deep the economic crisis becomes—or perhaps because the economic crisis is so big. "Europe's final act will be political, not financial or economic, and we are watching its beginning play out" (Stratfor 2012).

Meanwhile, history provides some good lessons about crisis periods that involved crises of democracies, and the eruption of totalitarian ideologies. In 1920, twenty-six of twenty-eight European countries were democracies. In 1940 only six remained. Democratic regimes in place in Germany, Austria, Czechoslovakia, Portugal and Spain in the interwar period were swept away by the Great Depression and the rise of authoritarianism and fascism. The Weimar Republic is proof of the dangers associated with the failure of democracy in a modern industrialized society and the idea that an isolated state can cope with a dangerous situation by itself. Whereas in Britain and France the economic crisis didn't result in questioning the parliamentary regime, the Weimar Republic suffered an immediate loss of legitimacy that became a lack of popular support to government and led to a state crisis, providing an opening for the Nazi party's rise to power—an extreme radical and antidemocratic party. It is not impossible that the situation could be repeated.

Today, our collective memory leads us to think about the history of Europe against Europe (Casanova 2012). In the middle of economic turmoil, in some European countries radical political options and anti-system movements are rising. Competition among European countries is growing, triggering political fragmentation (Habermas 2012). European leaders recognized the need for "more Europe", but they don't know how to persuade its citizens, parliaments or courts to accept this ever less popular idea. This is the root of the European political crisis: the need for, but the impossibility of, integration (Leonard 2011).

The main factors to be addressed are the lack of ambition and confidence in Europe's own capabilities, the shortsightedness of European politicians at the national and supranational level, and its trend to protect only their short-term

political interests. The consequences are the poor results—or poor balance sheet—of the CSDP in past years, that paradoxically make states more reluctant to be seriously involved in the development of this policy.

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From Regional Power to Global Power? The European Neighbourhood Policy after the Lisbon Treaty

Heidi Maurer and Licínia Simão

1 Introduction

The establishment of the European Neighbourhood Policy (ENP) as the main framework for the development of relations between the EU and its direct neighbours has been acknowledged as one of the EU's most innovative approaches in external relations. The ENP established a common policy framework within which closer relations with those countries at the borders of the enlarged EU (both to the East and the South) could be pursued. In order to achieve security for the EU, stable and prosperous neighbours were considered an important prerequisite. The idea was to integrate them gradually into the EU's sphere of influence, along the lines of what Laïdi (2008) called, "the EU's normative empire". The promotion of a value-based model of political, economic and social development was thus a central aspect of the ENP, following the enlargement template (Schimmelfennig 2009). This policy framework for fostering closer relations with the EU's neighbours has

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to a large extent been presented as the middle ground between full integration and traditional external relations (Simão 2013b).

Besides this external objective, internally the ENP has sought to increase coherence between the EU's various policies and the countries it covers (Maurer 2011). Coherence issues, as developed in this chapter, can include a wide spectrum of perspectives, reflecting the EU's multilevel governance system and the broad array of issues covered in its external relations. Coherence includes relations between the EU member states' foreign policy and EU-driven initiatives, including the goal of "speaking with one voice" in setting the strategic goals and the practical pursuit of policy options through assistance and project development. It also can cover coherence between EU instruments and policies—what the EU calls "policy mix"—including the mutual reinforcement of positive outcomes in different areas: human rights, energy security, conflict management, economic development, etc. In this regard, the Lisbon Treaty has been presented as a very significant effort to reform the EU and address coherence issues especially in CFSP and CDSP issues (Wessels and Bopp 2008). It has also sought to address what Hill (1993) has famously coined the "capabilities-expectations gap", giving the EU the tools to act globally. By the end of this reform process, the EU should be ready to act more effectively and decisively in its external actions, especially towards its neighbours. Reform has also aimed at solving the political dilemma of widening versus deepening, enlargement fatigue and the financial crisis have further, except.

Considering this context, this chapter investigates how the Lisbon Treaty affects the institutional set-up of the EU and its relations with its neighbours. It examines the main underlying logics of the ENP framework and how it serves to position the EU in the broader international context. Considering the evolving nature of the EU's stabilisation policies, which have historically focused on the regional dimension, do the changes brought about by the Lisbon Treaty prepare the EU to become a more coherent and effective global actor? What lessons can the EU learn from the ENP? Should we conclude instead that the EU's vocation is of a regional nature, with limited capabilities to project security globally? The chapter takes an institutional and political approach, asking to what extent reorganisation—with the set-up of the European External Action Service (EEAS), the strengthened role of the High Representative (HR) and the change in the role of the rotating presidency—affect the EU's policy-making towards its neighbours and what the broader implications are for the EU's global presence.

The chapter looks particularly at the ENP's principles of added value, the promotion of common values vs. differentiation, positive conditionality, joint ownership, and coherence, in order to guide our analysis. The findings show a varied and disparate set of outcomes as result of implementing the Lisbon Treaty, with many uncertainties over the institutional accommodation of new actors and their roles, over the interplay of Treaty reforms with ongoing dynamics in the neighbourhood (i.e. the Arab spring), and over the ENP review process that got underway in summer 2010. Moreover, institutional changes alone are not sufficient to assess the ability of the EU to consolidate its position as a regional and global actor; international dynamics have also had an influence. The chapter uncovers

these complex inter-relations and sheds light on the ongoing dynamics of adaptation in the ENP.

2 A Value-Based and Coherent EU Foreign Policy

The EU's assured presence on the international stage has been achieved gradually, both through the development of new tools and through the expansion of policy areas in which the Union acts. Smith (2008) underlines that the EU has mainly expanded its foreign policy through acting on five core issues: regional cooperation, human rights, democracy and good governance, conflict prevention and the fight against international crime. In all these areas the EU's contribution has moved beyond the regional scope of Europe. Bretherton and Vogler (2006) make the argument that many of the EU's new global functions have been reinforced by introducing new policy tools, including environmental diplomacy, trade relations, development and cooperation, but also by strengthening relations with its neighbours, through enlargement and CFSP/CSDP mechanisms. The argument is that, since the end of the Cold War in particular, the EU has managed to project itself globally by taking a leading (or at least central) role in major international issues and by developing the institutional tools to be able to act on the world stage.

The EU's global presence remains closely linked to the debates about the sui generis nature of its actorness. The EU's decision making processes combine both intergovernmental and supranational aspects; it promotes civilian and normative approaches in international affairs and remains committed to principled multilateralism. The commitment to achieving milieu goals through its foreign policy, i.e. promoting an "international environment in which different actors can interact peacefully through institutions without having to stick to predefined interests" (Delcourt and Remacle 2009, p. 237), makes the EU a promoter of value-based structural stability. What this concept entails is a commitment to changing the structural conditions for stability and peace to develop, as opposed to more limited crisis and conflict management approaches. In this regard, the EU's approach to global security combines soft power tools (normative tools) and, increasingly, hard power tools (material instruments) (see Petiteville 2005, p. 17). The most effective policy mechanism in the EU's external relations, aimed at promoting and managing stability in the EU's regional context, is enlargement. Historically the European Communities have committed to the principle of widening and deepening, diffusing the principles of liberal democracy, market economy and human rights, as the basis for regional stability in Europe. Under the ENP, the EU promotes a similar approach, albeit much more limited in what it can actually offer its neighbours.

Relations with neighbours thus represent a fundamental testing ground for the EU's claims to act as a global stabiliser. As argued by Bretherton and Vogler (2006, p. 137) "[...] the conduct of regional relations, over the next decade, will have profound implications for the fundamental character of the Union, its physical borders and its reputation as an actor". This view assumes that part of the EU's

success in acting as a regional stabiliser rests on its ability to be seen as a model for its neighbours. The international image of the EU, the way it is perceived by others in its actions (and non-actions) are by no means marginal aspects of its global actorness, and this is all the more true when it comes to relations with its direct neighbours. Seidelmann (2009, p. 262) underlines the geographical and ideational dimensions of the concept of “neighbour”—aspects that the EU has also used in building the political notion of a neighbourhood where it has special responsibilities. The Wider Europe Communication of the European Commission (2003, p. 6) underlines “proximity, prosperity and poverty” as three main reasons for the EU to develop a special policy for these regions. It also underlines that these relations should build on “shared values” (European Commission 2003, p. 4). The Prague Declaration on the Eastern Partnership (EaP)¹ further reinforces the view that a political partnership with the Eastern neighbours should rest on shared values, developed through reforms. The declaration reads “[the support of political and socio-economic reforms] serves the shared commitment to stability, security and prosperity of the European Union, the partner countries and indeed the entire European continent” (Council of the European Union 2009, p. 6). Therefore, both through its statements and actions, the EU needs to be coherent in the goals it wants to achieve through its external policies.

The Lisbon Treaty was meant to make the EU more democratic, more transparent and more coherent. In foreign policy making, the EU has long been criticised, mainly for its lack of coherence (Wessel 2000, p. 1135; Pilegaard 2003; Stetter 2004; for a more comprehensive discussion of the concept see also Allen 1998, 2004; Gauttier 2004; Nuttall 2005). Coherence, or the lack thereof, was also the focus of reform during the negotiations of the Lisbon Treaty. Moreover, the academic literature views the treaty provision on coherence as a fundamental principle of the external action of the EU (Smith 2001, p. 173, 2004, p. 210)—and one guaranteeing that external actions in different policy areas, as well as by different actors, are not contradictory, or more optimistically, ensuring that they are mutually supportive and complementary.

In the Lisbon Treaty, Art. 7 TFEU² and Art. 13(1) TEU³ demand coherence between EU policies in general terms, although Art. 21(3) TEU relates directly to coherence in EU foreign policy-making:

¹ The EaP was set up in 2009, following a communication from the European Commission and the Prague Summit declaration. It aims at deepening EU political and economic relations with the countries in the eastern dimension of the ENP: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. See European Commission (2008) and Council of the European Union (2009).

² Article 7, TFEU reads the following: “The Union shall ensure consistency between its policies and activities, taking all of its objectives into account and in accordance with the principle of conferral of powers” (Lisbon Treaty, Treaty on Functioning of the European Union, Art. 7).

³ Article 13(1), TEU reads the following: “The Union shall have an institutional framework which shall aim to promote its values, advance its objectives, serve its interests, those of its citizens and those of the Member States, and ensure the consistency, effectiveness and continuity of its policies and actions” (Lisbon Treaty, TEU Art. 13.1).

“The Union shall ensure consistency between the different areas of its external action and between these and its other policies. The Council and the Commission, assisted by the High Representative of the Union for Foreign Affairs and Security Policy, shall ensure that consistency and shall cooperate to that effect” (Lisbon Treaty, TEU Art. 21.3)

Before the Lisbon Treaty, Art. 3 had explicitly asked for “consistency of its external activities”, while the Lisbon Treaty now adds the need to also ensure consistency between areas of external action and other policies. In 2010 the European Council restated the need to “enhance coherence and complementarity between [the EU’s] internal and external policies” and called for new institutional practices of consultation, information-sharing and debating to ensure the achievement of such goals (European Council 2010). Furthermore, it is now explicitly the HR as the chair of the Foreign Affairs Council and Vice-President of the Commission who should ensure the coherent action of the EU towards the outside world, both at the institutional and policy level, by coordinating the various EU actors contributing to EU foreign policy-making. The coherence of the EU’s foreign and security policy thus rests to a large extent on the new institutional relations being established and on the development of the HR’s and EEAS’s functions. Coherence is thus one of the fundamental dimensions of the process of translating EU stated goals into practical results, and tests the suitability of institutional mechanisms in place under the Lisbon Treaty. As argued above, the match between discourse and practice is fundamental for the consolidation of a relevant international identity upon which the EU can try to build its regional and global actorness.

According to Nuttall (2005, p. 97), coherence in EU foreign policy may be achieved at different levels and either in terms of policies or in terms of polity. *Vertical coherence* (policy-level) occurs between the foreign policies of the member states as well as between foreign policies of the member states and the external actions of the European Union. *Horizontal coherence* (policy-level), on the other hand, applies to the dimension of policies and asks for coherent actions in different EU policy areas. Thirdly, *institutional coherence* (polity-level) shall occur between the different pillars (EC and CFSP) and their respective actors in EU foreign policy-making. Nuttall argues that this differentiation of levels becomes crucial when trying to improve coherence. In his view, institutional coherence can be solved more easily because “only” the structure of the system needs to be adapted, whereas improving horizontal coherence—i.e. coherence between different policies—requires a more fundamental change and an “uncomfortable debate about the nature of foreign policy and the quality of the EU as an international actor” (Nuttall 2001, pp. 3–6, 10, for similar conclusion see Gauttier 2004, p. 23). It is interesting to observe with regard to this differentiation, that the EU treaty provisions predominantly ask for horizontal coherence to be achieved in EU external actions, while the reaction of EU actors and their efforts in implementation to achieve this provision are mainly based on institutional and structural adaptations, as illustrated below.

We are thus faced with a framework of analysis whereby EU discourse on its neighbours and its own practices rest on two fundamental dimensions in order to successfully achieve the goals of peace, stability and prosperity in the broader European continent: first, value-based action and second, foreign policy coherence

(the “what” and the “how” of EU foreign policy). The following sections of this chapter look at the underlying principles guiding the ENP which set the normative foundations of the relations with the neighbours. Thereafter, we assess the extent to which the Lisbon Treaty has changed these principles through the institutional restructuring that has followed. Through this analysis we show how institutional changes interact with coherence issues in external relations, and how this affects perceptions of the EU’s ability to reinforce its position as a regional actor with more ambitious, global aspirations.

3 The Main Principles of Pre-Lisbon ENP

The ENP was launched in 2003–2004, with the main objective “to avoid drawing new dividing lines in Europe and to promote stability and prosperity within and beyond the new borders of the Union” (European Commission 2003, p. 4). It also established that security should be achieved by exporting EU prosperity, norms and the European model. In the early months of negotiating the EU Wider Europe initiative, it became clear that there was a need for intensified links with the EU’s “ring of friends” (European Commission 2003, p. 4) to guarantee security and stability for the Union’s citizens. The EU would also “offer them [its neighbours] the chance to participate in various EU activities, through greater political, security, economic and cultural co-operation” (European Commission 2004, p. 3)⁴ in order to avoid the perception of an excluding “Fortress Europe”. The ENP was thus conceived as an outreach tool, a pre-emptive policy to bring about security by consolidating a shared community of values and practices (Simão 2013a, b).

In the ENP strategy paper three mechanisms were identified as indispensable for achieving its policy objectives: sharing the benefits of enlargement and added value through ENP; enhancing interdependence to promote peace in the long run; and establishing a comprehensive cross-pillar framework. First, the ENP strategy paper emphasises that the ENP should **reinforce existing relationships and bring added value** for the EU but also its partner countries. By sharing the benefits of enlargement, the “stability, security and well-being for all concerned” (European Commission 2004, p. 3) should be enhanced. At the same time, the question was raised, especially by partner countries, as to whether this added value implies an alternative to potential accession, or, if it should be considered a first step towards becoming an accession candidate. EU officials reasserted that participating in the ENP does not automatically imply potential future EU membership, while at the same time they did not totally discard the idea with its Eastern neighbours—it operated constructive ambiguity. This approach could be observed particularly with Georgia in

⁴The ring of friends encompassed in 2004 finally 16 partner countries: Belarus, Ukraine, Moldova, Armenia, Azerbaijan, Georgia, Morocco, Algeria, Tunisia, Libya, Egypt, Israel, the Palestinian Authority, Jordan, Lebanon, Syria.

2004–2005 and can still be seen with Ukraine, where local elites considered the ENP as a first step towards potential accession. However, the EU has been reluctant in its follow-up messages to go in this direction. In the context of the Eastern Partnership this conceptual ambiguity has been clarified to the neighbours' benefit, recognising the "European aspirations" of the Eastern neighbours, as supported and lobbied for by a group of EU member states.⁵ Despite the long-term and differentiated perspectives of the neighbours towards the EU, the offer of "more for more", envisioned in the ENP revision strategy (European Commission 2010, p. 2) is seen as increasing the legitimacy of the EU's conditionality in the neighbourhood and furthering the goal of anchoring the neighbours to the EU.

Second, **enhanced interdependence** by enforcing political, economic and cultural links and networks between the EU and its neighbours is considered as the **most important mechanism to achieve security and stability**. "The Communication argues that enhanced interdependence—both political and economic—can itself be a means of stability, security and sustainable development" (European Commission 2003, p. 4). By creating a privileged relationship with the neighbours, the EU expects more interaction in economic, political and cultural issues, opening new possibilities to externalise its governance tools. In the long run, this cooperation should create a certain degree of interdependence between the EU and its neighbours, and lead to more prosperity and hence peace. Thus, the argument is that interdependence in itself *can* guarantee security and stability. While this is a very idealistic approach, it also seems naïve to emphasise exclusively the positive side of more interdependence. This thinking clearly follows the same logic as is inherent in the EU integration process in economic issues: more trade and more free exchange of goods, services, capital and people will lead to more prosperity and mutual understanding—the transactionalist approach. But at the same time, it is important to consider that there may be losers in this process of closer and more intensive interaction, and that more interdependence may also imply more vulnerability or exposure to the partner's problems. This is an area where vertical coherence between ENP and CSFP actors could clearly enhance efficiency in tackling the consequences of interdependence, both for the EU and its partners, with positive synergies for the legitimacy of the EU's external action.

Third, the ENP strategy paper repeatedly emphasises the need for a **comprehensive and coherent approach** that would make the EU an efficient actor in the world or, as it is formulated in the ENP strategy paper:

"A comprehensive neighbourhood policy, integrating related components from all three 'pillars' of the Union's present structure, will enable neighbouring countries to share the benefits of EU enlargement in terms of stability, security and well-being. [...] In the implementation of the ENP it is the utmost importance that the institutions and member states act in a consistent and coherent way" (European Commission 2004, p. 6)

⁵ Poland has led the push for EU recognition of the Eastern neighbours' European aspirations, together with the Baltic and the Visegrad countries.

Coherence and the “single framework” are meant to work in two ways: First, the ENP should provide a framework where relations with third countries to the East and to the South are covered, to achieve a certain level of coherence in approaches to different third countries, while accounting for regional dynamics. At the same time this coherent approach should, nevertheless, also allow for differentiation as regards the needs, specific situation and respective national interests of the partners. Secondly, the single framework is meant to work at the EU internal level as a coordination tool for the diverse set of policy areas, ranging from European Commission-driven issues (trade, development assistance) to political topics (including security issues) and cultural cooperation (see Tulmets 2008).⁶

In addition to these three mechanisms meant to contribute directly to the main objective of creating security and stability, the ENP strategy paper also clearly sets out three principles that the ENP should be based upon right from the beginning: it should provide a single framework based on **shared values and common principles** that secure the rule of law, good governance, human rights and minority rights, as well as a market economy approach and sustainable development; second, it shall at the same time allow for **differentiation** according to the needs and the capacity for reform of the partner; and third, it should operate on the principle of **joint ownership**, in that Action Plans are negotiated between the EU and the government of partner countries and should equally embody priorities set by both sides of the partnership.

There is a complex network of interaction between partner country governments, EU member states and EU institutions supposed to make the ENP work. The Lisbon Treaty did not directly change the ENP as a policy framework but several general changes have impacted profoundly on processes and procedures in EU external relations. The next part briefly outlines the general institutional changes of the Lisbon Treaty and then discusses how these adaptations impact on the EU’s ability to match discourse with action on its own doorstep.

4 The Implications of the Lisbon Treaty for the ENP

The most visible change in the Lisbon Treaty is the formal abolition of the three pillars, although CFSP is again kept apart (Title V, TEU) from the other external relations provisions (External Action, Part V TFEU) and, more importantly, decision-making remains intergovernmental. A few other institutional adaptations of the Lisbon Treaty are, however, more important than the abolition of the pillar structure for this chapter, as they are directly meant to improve EU action towards

⁶ Yet, this attempt for closer coordination to achieve institutional and therefore horizontal coherence within the ENP framework for more than 5 years also altered the (informal) policy processes in a way that would allow for stronger involvement of the Commission, especially in agenda-setting, policy-formulation and implementation in the EU’s approach towards its neighbours (Maurer 2011).

an effective and coherent EU foreign policy: The HR of the Union for Foreign Affairs and Security Policy combines the posts of High Representative and Commissioner for External Relations (being Vice-President of the Commission at the same time). This institutional double-hatting is meant to encourage the coherent interaction of external relations policies and political CFSP outputs, also because the HR now chairs the Foreign Affairs Council (FAC). The newly created EEAS incorporates officials from the Commission (primarily DG Relex), the Council Secretariat and the member states.⁷ This new body is meant to support the work of the HR in all thematic areas. Nevertheless, most provisions in the treaty text are vague and their concrete implications are difficult to predict, as most will depend on how the revisions are put into practice over time (see also Duke 2008, p. 18).

In its relations with the wider world, the EU and its member states have created different frameworks to handle the relationships with third countries. The EU has repeatedly emphasised its desire to prioritise strategic action with its immediate neighbours, particularly since the end of the Cold War (Smith 2003, p. 59). However, with the Lisbon Treaty, the intention to foster stronger relations with the neighbourhood were explicitly emphasised for the first time:

“The Union shall develop a special relationship with neighbouring countries, aiming to establish an area of prosperity and good neighbourliness, founded on the values of the Union and characterised by close and peaceful relations based on cooperation.” Art. 8 TEU (Lisbon Treaty)

Thus, the Lisbon Treaty did not directly change the ENP framework, but general legal adaptation in EU foreign policy making does indirectly affect the way the EU pursues its policies. These institutional changes and the salience of the Mediterranean after the Arab Spring have given new impetus to the development of key principles in the ENP (see Table 1).

Article 8 (see quote above) shows that the Lisbon Treaty specifically mentions the relations with the neighbours as a priority area. This is absolutely in line with the principle of “**added value**”, and supports the notion that the ENP framework should not just bring together various EU policies but that it should also add a qualitative improvement to this relationship. There has already been smooth cooperation between the EU Commissioner for the ENP and Enlargement, Štefan Füle, and the HR, which strengthens this added value by enhancing the EU’s potential for strategic and coherent action. Furthermore, it is expected that after the budget negotiations currently taking place, the financial means for cooperation with the neighbours will (again) be increased—a move that is supported by both the Commission and the EEAS (European Commission 2011).

There is also a strong indication that the principle of “**common values**”, “**differentiation**” and the use of **positive conditionality** will be further strengthened in the future, rather than abandoned. Article 8 of the Lisbon Treaty confirms

⁷ For a detailed listing of transferred posts to the EEAS at the beginning of 2011, see EEAS Press Release from 21 December 2010: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1769&format=HTML&aged=0&language=EN&guiLanguage=en>

Table 1 Potential for change of the ENP principles

	Potential for change	Explanation
Added value	↗	<ul style="list-style-type: none"> • Special emphasis on neighbourhood in Lisbon Treaty • Smooth cooperation between HR and Commissioner so far; EEAS and Union Delegations • Increased budget envisaged for new European Neighbourhood Instrument
Common values, differentiation and positive conditionality	(↗)*	<ul style="list-style-type: none"> • “Values of the Union” specifically emphasised in LT • “Incentive-based approach” and “more for more”: explicitly formulated and stronger emphasis on actual implementation • More cooperation for “concrete progress” • Plus reference to Art. 49 (enlargement) and to different needs of Mediterranean countries • New: “mutual accountability”, i.e. also EU has to deliver on migration, trade etc
Joint ownership	↔ or even (↘)*	<ul style="list-style-type: none"> • Reiterated as strong concept in review document, yet EU priorities also more explicitly emphasised and return to “partnership with societies”
Single framework and coherence:		
Institutional	↗ or (↔)*	<ul style="list-style-type: none"> • Single foreign policy entity of EEAS, HR, Union Delegations—but other services?
Horizontal	↗ or (↔)*	<ul style="list-style-type: none"> • More strategic direction with HR as FAC chair—but support of member states?
Vertical	↔ or (↗)*	<ul style="list-style-type: none"> • New: “mutual accountability”

(*)* means that Lisbon Treaty impact is not direct, but that institutional adaptations provide opportunity for change in respective direction. Yet, the actual development depends also on other factors (e.g. member states’ negotiations in the Council, etc.)

formally that: the ENP should be “founded on the values of the Union”; that the values of the EU “must be shared”; and that the “partnership must be based on concrete progress”. Furthermore, this is explicitly emphasised in the Joint Communication of the HR and the Commission (European Commission and High Representative 2011a, p. 2), which mentions an “incentive-based approach based on more differentiation (‘more for more’)” (European Commission and High Representative 2011a, p. 5). Yet, while in theory existing ENP agreements allowed for the suspension of cooperation with third countries, as a form of negative conditionality, this mechanism was not used; instead, the EU displayed a clear preference for positive conditionality. Choosing not to apply negative conditionality, but rather, placing greater emphasis on the reform process in third countries, is outlined in the joint Communications referring to ENP revision. Looking to the past, Füle has been critical that “commitments are unfortunately not always matched by action” and

gone on to state that “in line with the conditionality principle, a clear and systematic link must be made between the outcome of the benchmarks assessment and EU support” (Füle 2011, p. 3).

The ENP Commissioner identified the focus on formal transposition as a short-coming in the current ENP progress reports and has, therefore, suggested to focus more on the actual implementation record of third countries and to take into account the expertise of the strengthened Union Delegations. Also the ENP review document mentions several times that it is not the principle of conditionality itself that has to be changed, but that the Union should consider how to “provide the mechanisms and instruments fit to deliver these objectives” (European Commission and High Representative 2011b, p. 2).⁸

However, it is not just the actual use of political conditionality, but also an increasing awareness of the need to decrease the number of priorities in the action plans, that will encourage “clearer priorities” (European Commission and High Representative 2011b, p. 18) and strengthen the principle of differentiation. Having a clearer list of benchmarks will allow the EU to check more easily the progress of cooperation with third countries, because so far, some governments have just been cherry-picking those reform objectives most convenient for them (see e.g. the example of Tunisia in Bicchi 2010; see the example of Georgia in Vieira and Simão 2008).

Yet, the ENP (Table 1) review document contains a new principle that might indirectly harm the positive change in the use of conditionality: “mutual accountability” (European Commission and High Representative 2011b, p. 2), which implies that it is not only the partner countries that have to fulfil their promises of reform as outlined in the jointly agreed action plans, but that it is also up to the EU to provide stronger incentives of interest to third countries. If the EU were better able to meet its partners’ expectations, it could legitimise its own conditionality. Expectations and interests mostly relate to liberalising trade (in agricultural products) and facilitating migration—topics that member states often find difficult to agree upon and where they are reluctant because of national interests and sovereignty issues. To a large extent it will depend on the ability of the HR and of the Commission to push member states to agree to more liberalisation in these areas, in order that partner countries consider the EU’s incentive for stronger cooperation as attractive and desirable.

The reluctance of member states to discuss issues more profoundly, such as aspects of trade liberalisation and migration facilitation, is highly likely to impact negatively on the principle of “joint ownership”. This idea of defining areas of cooperation jointly with the of the partner country, so that national reform priorities are properly taken into account, was reiterated as an underlying concept in the ENP

⁸The need to ensure the actual *application* of political conditionality in order to differentiate between reforming and reluctant partners appears as a somewhat idealistic concept in the ENP review documents; this assessment is shared by various EU actors and member state representatives.

review documents. Yet, the salient aspects of cooperation for the EU are this time also more explicitly emphasised through the concept of “mutual accountability”, i.e. that the EU and its member states also have to deliver and discuss policies that might be difficult for member states because of national considerations. In the past, the refusal of member states to discuss a specific policy area that touched on national sensitivities but showed high salience for partner countries was perceived as hampering the reform process and allowed only for limited room for manoeuvre during negotiations. The EU underlines its strong interest in cooperating on issues regarding “deep democracy”, which, for the first time, is clearly defined with specific benchmarks (European Commission and High Representative 2011b, p. 3).

Furthermore, sustainable economic and social development and regional partnerships are the other two aspects highlighted as part of ENP cooperation. Migration and mobility partnerships, on the other hand, are only discussed with regard to economic and social development. Last but not least, the events in the Mediterranean during the Arab Spring (as well as the lack of positive results in the democratic stabilisation of the Eastern neighbours) and the subsequent critique of the EU’s ineffective support for democratic change in this region, has led the EU to call for closer cooperation with civil society in project management, rather than providing budgetary support for governmental authorities. Strengthening civil society does not figure strongly in the reform agenda of most partner countries, and to what extent this EU focus is in line with the priorities for reform of the ENP partner countries still has to be seen. Therefore, it is more likely that this principle of joint ownership will stagnate or even diminish in the near future.

Finally, the idea of a “single framework” and “coherence” in the ENP—particularly the achievement of *horizontal coherence* (i.e. coherence between various policies)—has the potential to be strengthened in the wake of the Lisbon Treaty, considering that the HR now acts as chair of the FAC and is supposed to guarantee the strategic and coherent formulation of policy objectives. Horizontal coherence might be hampered (and therefore kept at the same level) by two factors: on the one hand, member states might not maintain their original support for a strong HR, if the policies proposed are seen to hamper their national interests and priorities. On the other hand, the achievement of horizontal coherence will also depend on institutional coherence between the EEAS and other Commission services (see also Duke 2012). Cooperation with Commissioner Füle has worked well until now. The institutional re-structuring of the EEAS brings together relevant units that were beforehand institutionally separate, split between the Commission and Council Secretariat. Yet, it is during implementation that the achievement of a coherent EU foreign policy towards the neighbours largely depends on the capability of the HR and her staff to ensure the support of the other Commissioners and their services (DG Trade, DG EuropeAid, DG Home Affairs).⁹ One area where

⁹The need for coordination between the EEAS and Commission will in the future especially visible in the various programming stages within the framework of the European Neighbourhood Instrument (for more details see Stroß 2012).

fully integrating the ENP into the EU's institutional foreign policy structures could bring significant results in terms of efficiency and horizontal coherence is conflict resolution and crisis management. Although political and security issues are beyond the strict scope of the ENP and should be dealt with by EU member states and CSFP institutions, the Lisbon Treaty provisions change this in a number of ways. Community and intergovernmental methods remain visibly separated as regards CFSP issues (Wessels and Bopp 2008, p. 10). However, the double hatting of the HR/VP, with the "merging of functions and legitimacy" (European Parliament 2011) and the setting up of the EEAS bringing together Commission, Council and EU member states' officials, provides an opportunity to overcome the contradictions resulting from different working methods, autonomous decision-making and resource allocation. Conflict resolution and crisis management are fundamental aspects of relations with the neighbours and has been a growing area of EU international action, contributing to global peace and stability. The biggest challenge in terms of coherence, however, is to be expected in terms of vertical coherence between EU policies and the foreign policies of the member states. The newly introduced concept of mutual accountability hints at the critique towards member states, or as Füle (2011, p. 2) formulated carefully, "it has often focused too much on stability at the expense of other objectives and, more problematic, at the expense of our values. Now is the time to bring our interests in line with our values". So far the ENP has been successful in technical cooperation; however, in order to also achieve their political goals, member states must reconsider their tendency to protect their national interests, often at the expense of common objectives. Yet, while the ENP can be considered a positive learning process, vertical coherence can only be improved if member states are willing to work together and coordinate their national foreign policies. If they choose to ignore this concept of "mutual accountability" developed by EU actors, and reject the idea of adapting their national policies to EU approaches, it is likely that the level of vertical coherence will remain unchanged.

5 Conclusion: Prospective Challenges and Achievements

This chapter set out to identify the implications of the Lisbon Treaty for those principles underlying the EU's relations with its neighbours. While the Lisbon Treaty did not directly trigger any change in the ENP's framework and its underlying principles, institutional changes in EU foreign policy system indirectly have specific implications for the ENP. This became visible with recent events in the Mediterranean and during the 2011 ENP review process. In this regard the Lisbon Treaty does not provide a break with the past vis-à-vis the ENP, even if some principles show some potential to be strengthened.

One of the main findings presented in the chapter, as regards the approach of the Lisbon Treaty to the ENP, has been strengthening the institutional integration of this policy more fully into the EU's legal framework. This may allow for stronger

political relations between the EU and the countries in its neighbourhood. Yet, the increasing institutionalisation of the ENP as a separate area of EU (foreign) action can also be seen as a potential consolidation of the ENP as a long-term policy framework, clearly looking to avoid new enlargement processes. Arguments that the lack of the “golden carrot” in the EU’s conditionality had been a central cause of the poor levels of compliance with ENP-driven reforms in the East, might now be further reinforced.

In order to avoid this scenario, EU actors and member states need to respond positively to the stated principle of mutual accountability, and to put forward incentives that are important to its neighbours. In this regard, the provisions of the Lisbon Treaty, seeking to reinforce coherence in EU foreign policy might, provide important leverage for the EU. As underlined in this chapter, the positive interaction between the HR and the Commissioner in charge of the ENP has recently proven that the institutional design of the Lisbon Treaty can create positive synergies. The ENP revision process displays the much stronger will of the EU to pursue deeper political and economic relations with its neighbours, including on conflict resolution issues. After the Arab Spring and the war in Libya, conflict resolution and crisis management are no longer exclusive to protracted conflicts in Eurasia. This might push forward a clear political will on the part of some member states to support the HR in designing a coherent strategy for conflict prevention, as well as timely crisis management and conflict resolution strategies, i.e. to build on her position as Vice-president of the Commission and capitalise on the upgraded role of EU delegations on the ground. Although this is clearly a long-term process and a difficult objective to achieve, the Lisbon Treaty seems to have put the EU on the right track.

These steps have the clear potential to reinforce the EU’s regional presence and are important for its neighbours’ long term development and integration into the international system. The consolidation of the EU’s regional relevance is further strengthened by global dynamics taking place in the post-Cold War and post-9/11 contexts, leading to a marginalization of Europe at the global level. The appeal of the EU as global model might be on the wane, but were the EU able to reinforce dynamics of stability and prosperity in its broader regional context—the goals of the ENP—then this would certainly contribute to reinforcing its global standing. In that sense, one of the major contributions of the Lisbon Treaty are the legal provisions for reinforcing coherence and improving EU capabilities in foreign policy areas. What is missing is the political direction underlying these new tools, both towards the neighbours and in the global international system. For that, a closer engagement with its neighbours and a broader debate on the global role of the EU might be needed, bringing the EU institutions, its member states and their partners.

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Part II
The EU: A Global Power: Theoretical
Approaches for Measuring the EU's Power
in Today's World

Theorizing the European Union's Global Authority: An Alternative Trichotomy

Didem Buhari Gulmez and Seckin Baris Gulmez

1 Introduction

This chapter intends to study the EU's global actorness from an alternative perspective that transcends the traditional focus on the EU's power. It assumes that relying on power is insufficient to exert influence on other actors (member and non-member states, civil society actors and so on) unless power is seen by others as legitimate. Following Lukes' power trichotomy and Suchman's three-dimensional model of legitimacy, the article advances a novel concept; namely "global authority", only through which the EU could become a truly global actor. The EU's global authority is a combination of its power and legitimacy. The article discusses the EU's global authority in the world under three dimensions: strategic interest maximization, normative agenda setting, and cognitive standard setting.

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Strategic interest maximization is informed by Lukes' first dimension of power which involves the direct exertion of power on other actors. In this sense, through official membership conditionality, the EU influences candidate countries. However, the success of the EU's conditionality as a direct use of power is contingent upon whether candidates see the membership conditionality as beneficial. In order to explain the complex relationship between the EU's conditionality and how it is perceived abroad, the article relies on Suchman's pragmatic legitimacy consisting of three sub categories namely; *exchange*, *influence* and *dispositional* legitimacy. Without establishing pragmatic legitimacy, the EU's exertion of political pressures is likely to be counter-productive in terms of triggering nationalistic backlashes.

The second dimension of the EU's global authority, namely "normative agenda setting" relies upon the capability of the EU to spread post-material values abroad and to be taken as a role-model. The chapter employs the second dimension of Lukes' power concept which is covered by the concept of "normative power", a popular concept widely studied in the literature. However, the EU's normative power can only succeed if it is deemed morally appropriate by other actors. In this sense, the chapter introduces the second dimension of legitimacy—moral legitimacy—advanced by Suchman to explain processes of normative convergence.

Finally, the chapter focuses on the third dimension of the EU's global authority; cognitive standard-setting. Combining Lukes' third dimension of power and Suchman's third dimension of legitimacy (cognitive legitimacy); the chapter argues that cognitive standard-setting indicates the EU's capability to set or reset the standards in the sense that what was previously unthinkable becomes possible and replaces old concepts in the domestic sphere. By "bringing back" the cognitive dimension, the chapter aims to go beyond the prevailing studies on the EU which overwhelmingly attaches priority to the strategic-normative debate. Finally, the paper discusses what dimensions of the EU's global authority are under serious challenge and how the EU could deal with rising criticisms and restore its authority.

2 Authority as Legitimated Power

Lukes distinguishes three dimensions of power. The first dimension of power derived from Robert Dahl (1961) implies that "A has power over B to the extent that he can get B to do something that he would not otherwise do." Therefore, the first dimension of power suggests focusing on the observable political behaviour in the decision-making arena (Lukes 1974, p. 11). Alternatively, the second dimension of power inspired by Peter Bachrach and Morton Baratz (1962) emphasizes the non-observable dimensions of power, i.e. the ability to set the agenda and limit particular voices and choices. If "a person or group consciously or unconsciously—creates or reinforces barriers to the public airing of political conflicts, that person or group has power" (Bachrach and Baratz 1962, p. 949). In this context, rather than directly imposing its own will on B, A limits the choices of B through "the dominant values and the political myths, rituals, and institutional practices which

tend to favor the vested interests of one or more groups [A], relative to others [B]" (Bachrach and Baratz 1962, p. 950).

The third face of power is a more subtle one. It is heavily inspired by Gramscian insights on hegemony and consent, which assume that hegemonic rule continues because the oppressed groups lack an awareness of their own interests and a capability to alter the hegemonic system. In this context, power is defined as the capability to shape perceptions, understandings, and preferences. It deals with the 'taken-for-granted' realm and it is less likely to trigger opposition due to its subtle character. In other words, once such power is secured, it becomes "unthinkable" to resist it. Yet, it is notable that political actors seek authority, i.e. legitimated power. "What differentiates authority from power is the legitimacy of claims of authority (. . .) Having legitimacy implies that there is some form of normative, uncoerced consent or recognition of authority on the regulated or governed" (Hall and Biersteker 2002, pp. 4–5).

Claude Inis (1966, p. 368) explains that "Politics is not merely a struggle for power but also a contest over legitimacy, a competition in which the conferment or denial, the confirmation or revocation, of legitimacy is an important stake. . . Among statesmen, the lovers of naked power are far less typical than those who aspire to clothe themselves in the mantle of legitimate authority; emperors may be nude, but they do not like to be so, to think themselves so, or to be so regarded." Reus-Smit (2007, p. 170) agrees: "Legitimacy is valuable because with recognition comes voluntary compliance, and with voluntary compliance comes stable rule, characterized by comparatively lower levels of coercion and conflict." Yet, he adds that assuming legitimacy 'as a veil or mantle that disguises the true nature of power, making it appear more palatable, less offensive or brutal than it might otherwise' is misleading (Reus-Smit 2007, p. 161). Rather than being a "veil", legitimacy has a constitutive effect on power; in other words, 'insufficient or failing legitimacy is corrosive of power, not just exposing of power' (Reus-Smit 2007, p. 158).

In his seminal work on international legitimacy, Ian Clark (2005, p. 20) argues that it is very difficult to define the relationship between power and legitimacy: "the spectrum of opinion ranges from some absolute opposition between power and legitimacy at the one end (whereby the generation of legitimacy is autonomous from the power relations that it 'legitimizes'), to the opposite end where legitimacy is reduced to the preferences of those hegemonic forces that are thought to manufacture it in the first place." He correctly argues that legitimacy is more than a "policy consensus among great powers" (Clark 2005, p. 16; citing Kissinger 1977, p. 5). Rather, legitimacy largely derives from "the perception of those addressed by a rule or a rule-making institution that the rule or institution has come into being and operates in accordance with generally accepted principles of right process" (Clark 2005, pp. 18–19; citing Franck 1990, p. 19). Therefore, "[l]egitimacy represents a relationship with an audience rather than being a possession of the organization" (Suchman 1995, p. 594). In this context, "Auto-legitimation is an oxymoron—an actor can jump up and down, declaring loudly that his or her actions are legitimate, but if nobody accepts this, then they are not correctly described as such, even if he or she is making a legitimacy claim" (Reus-Smit 2007, p. 159). Suchman confirms this assumption:

Legitimacy is a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions. (Suchman 1995, p. 574)

[I]t represents a reaction of observers to the organization as they see it; thus, legitimacy is possessed objectively, yet created subjectively. An organization may diverge dramatically from societal norms yet retain legitimacy because the divergence goes unnoticed. Legitimacy is socially constructed in that it reflects a congruence between the behaviours of the legitimated entity and the shared (or assumedly shared) beliefs of some social group; thus, legitimacy is dependent on a collective audience, yet independent of particular observers. An organization may deviate from individuals' values yet retain legitimacy because the deviation draws no public disapproval. (Suchman 1995, p. 574)

Following Suchman, there are three types of legitimacy: pragmatic, moral, and cognitive. Each category includes three sub-categories. *Pragmatic legitimacy* involves exchange legitimacy, influence legitimacy, and dispositional legitimacy. These imply respectively the capacity to “provide specific favourable exchanges”, to be responsive to long-term interests of the audience, and to be “trustworthy” in terms of keeping its promises. *Moral legitimacy* differs from pragmatic legitimacy in the sense that it looks beyond what is beneficial. It rather assesses legitimacy based on the “appropriateness” and “rightness” of an action. It is divided into three sub-categories: (a) consequential legitimacy that focuses on the normative appropriateness of the outcomes of an action, (b) procedural legitimacy, which evaluates whether the used or suggested techniques and procedures are socially endorsed, and (c) structural legitimacy, which requires the application of appropriate categories and structures. For instance, a state that proclaims itself as an empire in the modern nation-state system breaches the normative “code of conduct” and could be criticized for lacking structural legitimacy.

Finally, Suchman suggests a third type of legitimacy: *cognitive legitimacy* that is based on taken-for-grantedness that significantly differs from interest-maximization (the first dimension of authority) and normative evaluation (the second dimension of authority). “Legitimacy, according to this view, stems mainly from the availability of cultural [cognitive] models that furnish plausible explanations for the organization and its endeavours” (Suchman 1995, p. 582; citing Scott 1991). “In the presence of such models, organizational activity will prove predictable, meaningful, and inviting; in their absence, activity will collapse” (Suchman 1995, p. 582). High cognitive legitimacy means that there are “a set of intersubjective ‘givens’ that submerge the possibility of dissent”: “for things to be otherwise is literally unthinkable” (Suchman 1995, p. 583; citing Zucker 1983, p. 25).

In this framework, this chapter provides a synthesis of the Lukes' approach to power and Suchman's conceptualization of legitimacy in order to provide an alternative trichotomy on the European Union's global authority. Accordingly, the first dimension of the EU's authority that the paper explores is the most visible and studied one: *strategic interest maximization*. It relies upon the first face of power explained by Lukes as a direct attempt to change behaviour and the first dimension of legitimacy, i.e. “pragmatic legitimacy” which suggests that the direct use of power is legitimated when the target perceives it as beneficial.

2.1 *Strategic Interest Maximization*

The first dimension of the EU's authority—strategic interest maximization—is largely associated with available incentives and sanctions at the EU's hands. Here, membership conditionality, hard law, treaties, and trade agreements become important instruments that allow the EU to “get B [nation state] to do something that B otherwise would not do.” (the first dimension of power informed by Dahl). This type of authority heavily relies upon the consent of B, i.e. target state. In this context, the EU could get consent by investing on its *pragmatic legitimacy*, which consists of *exchange*, *influence* and *dispositional legitimacy* (Suchman 1995, pp. 577–78). Accordingly, in order to secure legitimacy abroad, the EU needs to fulfil three criteria respectively: (1) to guarantee credible economic and strategic benefits in return for compliance with its conditionality; (2) to demonstrate that the EU is and will be responsive to long-term interests of its partners; and (3) to convince its partners that it is ‘trustworthy’, ‘decent’, and ‘wise’. In sum, it could be argued that the EU's pragmatic legitimacy rests on “the self-interested calculations of [its] most immediate audiences/constituents” (Suchman 1995, p. 578), for instance EU candidate countries.

The EU enlargement policy could be taken as a viable example for testing the first dimension of the EU's authority namely; ‘strategic interest maximization’. The EU's exertion of membership conditionality on accession countries implies the direct use of power, as in the “first face of power” advanced by Lukes, in order to change the behaviours of candidates and render their economy, laws and political structures compatible with those of the EU in return for membership. The EU's authority, however, does not only rely on the mere usage of power but also on the fulfilment of its pragmatic legitimacy in the eyes of the candidates. In this framework, if the benefits associated with the EU membership prevail over the costs of domestic compliance with the EU conditionality, the ‘exchange legitimacy’ of the EU is high. If the EU provides credible prospects to incorporate the candidate country into its decision-making structure, its ‘influence legitimacy’ increases. Finally, the EU's “dispositional legitimacy” depends on the EU's normative consistency, which, according to Schimmelfennig (2008, p. 921), means that the EU should be “guided only by the democratic and human rights performance of the target countries”, without any discrimination based on nationality or culture. If the EU's ‘dispositional legitimacy’ is high, it implies that it is perceived from outside as “trustworthy” and “fair”. Overall, if the EU fails to fulfil at least one of these types of legitimacy—exchange, influence or dispositional legitimacy—, its pragmatic legitimacy is contested and thus, the EU fails to make candidate countries remain loyal to the reform process.

Currently, the EU faces severe contestations against its “exchange legitimacy”. Many candidate countries oppose the EU-led reforms due to the high costs of compliance, which are not limited to economic or strategic concerns (Schimmelfennig 2008; Hooghe and Marks 2008). For instance, the reforms on foreign land ownership brought criticisms in numerous candidate countries, deriving from not only (a) economic

concerns that foreign ownership would increase land prices enormously at the expense of local buyers, but also from (b) patriotic resentment against the loss of national sovereignty and (c) fear from infiltration of foreign cultural elements (Tesser 2004, p. 214). Political parties often portrayed their opposition to land reforms as a national cause and sought public support in elections. Centre-right parties such as Law and Justice (PiS) and Civic Platform (PO) and the agrarian Polish Peasant Party (PSL) in Poland joined in their efforts to postpone if not cancel the liberalisation of foreign land ownership for 18 years (Zuba 2009, p. 332). Similarly, Fidesz-Hungarian Civic Party declared itself as the “protector” of Hungarian (mother)land and proposed a referendum to prevent the EU reforms that would encourage foreign land ownership in Hungary (Batory 2008, pp. 270–271).

The restoration of the EU’s exchange legitimacy is contingent upon the provision of credible incentives and additional derogation rights when necessary. It is observed that several Eurosceptic political parties revised their attitudes towards the EU reforms once their country gained certain derogation rights and more credible prospects for membership. For instance, the Eurosceptic Communist Party of Bohemia and Moravia (KSCM) in the Czech Republic abandoned its hard-line stance towards the EU, and voted in favour of the membership in the national referendum due to the widespread public support for EU membership and the acquired derogations regarding foreign land ownership (Riishøj 2007, p. 527). Similarly, the Malta Labour Party (MLP) abandoned its eurosceptic discourse and policies following the rise of optimism in the Maltese public opinion that the expected gains from the EU membership were greater than the costs of domestic compliance with the EU conditionality (Pace 2011, pp. 133–134).

Nevertheless, it is not solely the “exchange legitimacy” that constitutes the EU’s global authority. During the enlargement process, it has at times been observed that challenges against the EU’s authority involved criticisms based on the EU’s “influence legitimacy” and “dispositional legitimacy”. For instance, the question of agricultural subsidies shows that the EU offered the Central and Eastern European candidates only 25 % of what farmers in older member countries had received. In particular, countries that heavily rely upon agricultural sector—like Poland, Estonia and Czech Republic—protested the EU’s reform on subsidies and demanded full subsidies for local farmers (Riishøj 2007, p. 517). Political parties in those countries demanded that EU membership should be based on equal rights (Szczerbiak 2008, p. 230; Hanley 2008, p. 252). In Baltic States, the EU was criticized for failing to conduct fair negotiations with all EU candidates (Mikkil and Kasekamp 2008, p. 300). In this context, if the EU fails to give credible membership prospects to candidates, its ‘influence legitimacy’ is called into question; and once the candidate country starts to perceive the EU as discriminatory and unfair, this diminishes the EU’s ‘dispositional legitimacy’.

There are instances where the EU loses both influence and dispositional legitimacy due to an ongoing bilateral dispute between an EU member state and an EU candidate state. In such instances, the EU observes the “solidarity principle” and extends exclusive support to its member state. For instance, Greece has put additional conditional pressures on the Republic of Macedonia, candidate since 2005, due to its historical claim on the name “Macedonia”. The political actors in the Republic of Macedonia,

whose accession talks have been stalled since 2009, accuse the EU of unfairness towards their country's EU bid (Marusic 2011). Similarly, the Exclusive Economic Zone issue between Croatia and Slovenia caused the curtailment of Croatia's EU membership negotiations up to 10 months due to the Slovenian veto. Correspondingly, the reluctance towards membership rose among all the Croatian political actors who felt threatened by the Slovenian-led EU's pressures to choose either the Fisheries zone or the membership (Zorić 2008). Finally, the EU's additional precondition on Turkey to open its aerospace and harbours to the Republic of Cyprus—EU member since May 2004—led to the curtailment of Turkish accession negotiations in 2006 due to Turkey's refusal to recognize the Republic of Cyprus and comply with the EU. Turkish political elite blames the EU for imposing "double-standards" on Turkey because the EU did not put similar membership preconditions on the Republic of Cyprus (Buhari-Gulmez 2012; Gulmez and Buhari-Gulmez 2008).

The restoration of the EU's pragmatic legitimacy in such instances is directly contingent upon the solution of the bilateral issue either through reciprocal compromise, unilateral concession given by the candidate in return for membership guarantee or international adjudication. In the case of Croatia, the EU's pragmatic legitimacy was restored only after both parties agreed to a joint solution through international courts. For the time being, the cases of Turkey and the Republic of Macedonia remain problematic for the EU. The Turkish case is particularly useful in demonstrating how the EU's authority declines due to its failure to provide credible membership prospects, i.e. prospects for including the candidate country in the decision-making structure of the EU. Under political pressures from EU member countries that are against Turkey's full membership (such as Merkel's Germany and Sarkozy's France), the EU inserted certain clauses to official documents during the Turkey-EU negotiations in 2005 to highlight the fact that Turkey's EU membership was not inevitable. For example, the EU qualified the accession negotiations as an 'open-ended process' to suggest that Turkey's full membership was not guaranteed (European Commission 2004, p. 2). Moreover, it clearly stated that even if Turkey fulfils its obligations arising out of Copenhagen Criteria, it might be denied entry due to the EU's institutional incapacity to "absorb" new countries (European Commission 2005, p. 1). Finally the EU made it officially clear that free movement of Turkish persons might be permanently curtailed even if Turkey becomes an EU member (European Commission 2005, p. 5). Turkish elite accuses the EU of sending mixed signals and embracing a discriminatory attitude against Turkish candidacy (Gulmez 2008, p. 428). In other words, in the Turkish case, the EU could expect to raise its influence and dispositional legitimacy by 'anchoring' Turkey in its institutional mechanisms. Overall, the EU has global authority in the dimension of "strategic interest maximization" if its conditional pressures and policies are perceived as beneficial in the short- and long-term. In this sense, in order to increase its authority in the strategic realm, the EU needs to find ways to justify its policies with reference to interests and preferences of both its member and candidate countries. Nevertheless, even without incentives and formal conditional pressures, the EU is still able to gain a global authority due to its agenda-setting activities in the normative realm.

2.2 Normative Agenda Setting

The second dimension of the EU's global authority relies upon *normative agenda setting* (see Bachrach and Baratz 1962). It is already stated in the literature that the EU exerts "normative power" in terms of spreading universal norms and values to target societies (Manners 2002). In this sense, it is possible to differentiate the EU's normative effects from its strategic influence by indicating that in the normative realm, rather than directly imposing certain official criteria upon national governments, the EU "gives voice" to and empowers certain domestic actors and issues, and thus, limits the available choices in the domestic sphere. So far, civil society and democratization actors and movements benefited from the EU's agenda-setting role while the military and traditional hierarchy-based orders have largely lost their previous privileges (see Fowler 1993; Diez et al. 2005; Cavatorta 2009). Rather than narrow self-interests, the second dimension of the EU's authority relies upon norms, values, and the capability of the EU to attract others and present itself as a role-model. Hence, instead of asking "what is in it for us?", target actors look at "what is right and appropriate" for the collective good, and embrace the EU's authoritative position to shape the domestic agenda in order to be recognized as modern, civilized, and democratic. The novelty that is advanced in the chapter is to add the "legitimacy" dimension to the studies of the "normative power Europe". In this context, the EU could establish and maintain its normative authority by improving its *moral legitimacy* that consists of (a) *consequential*, (b) *procedural*, (c) and *structural* legitimacy.

These respectively mean (a) whether the EU conditionality produces normatively acceptable outcomes in target societies; (b) whether the EU uses socially accepted procedures, methods, and techniques in its interactions with its partners; and finally, (c) whether the EU is composed of appropriate departments that observe socially endorsed principles. For instance, the healthy functioning of the European ombudsman as well as the expansion of the European Parliament's role in EU politics are important developments that improve the EU's structural legitimacy. Overall, by looking at the EU's normative *authority* rather than power, this chapter suggests strengthening the EU's global role in the normative realm by increasing its moral legitimacy.

According to some scholars who focus on the "consequential legitimacy" dimension, the EU fails to be a normative authority because its self-proclaimed normative actorness significantly remains at the rhetorical level. For instance, Mayer (2008, p. 70) argues that there is a generalized perception that the EU is selective in applying normative conditionality to all its partners: While the EU applies human rights clauses in inter-regional and bilateral trade agreements with Africa, Caribbean and Pacific countries and Mediterranean countries, it does not apply the same conditionality to countries in Asia (Mayer 2008, p. 70). Similarly, Panebianco (2006, p. 141) concludes that "there is a big difference between the EU's political rhetoric and the reality of Med [Mediterranean] countries' political regimes, where HRD [human rights and democracy] respect is improving very slowly (if at all)." He explains this decoupling with the diverging

visions of different EU institutions. In this context, while the European Commission and the European Parliament define the EU as a “normative actor”, the European Council of Ministers follows a pragmatic approach that prioritizes political stability and tends to shy away from criticizing violations of human rights and undemocratic practices that take place in the Mediterranean countries (Panebianco 2006, p. 143). This duality negates the EU's expected achievements in its foreign policy thus limits its consequential legitimacy in the eyes of the countries it develops relations with.

While determining whether the EU has a normative authority in the global arena, it is crucial to look at not only the outcome, but also at the process through which the EU ‘exports norms’. Sjursen (2006, p. 97) criticizes approaches that present the EU as a normative actor that spreads its own peculiar culture and norms abroad in a unidirectional and top-down manner without much consideration of the receiving society. She explains that one should be careful enough to differentiate normative actorness from traditional colonialism which embraced the claim that the European culture was superior to others. Accordingly, the depiction of the EU as a Kantian “foedum pacificum” and the argument that the EU would shift candidate states’ vision from a conflictual Hobbesian understanding of the world to a peaceful Kantian one (for example, see Kirisci 2006) could be misleading. Following Sjursen, this chapter rejects accounts that take the EU as morally superior and understands that the EU's normative authority relies upon its willingness to spread universally endorsed norms rather than a peculiar European culture. Therefore, rather than gaining an international moral authority, the EU's arbitrary and top-down approach to define itself as a normative power diminishes its procedural moral legitimacy. The EU's democracy promotion could be a good illustration of this perspective.

The EU's Middle East policy largely focuses on the democracy promotion through strengthening civil society in the region. However, it is observed that in the case of Morocco, the EU's attempt to impose a Western style liberal democracy has alienated pro-Islamic civic actors such as the Justice and Charity Group and has faced domestic opposition. Only the secular segments of the Moroccan society have become empowered by the EU activities in the region and this has led to the further fragmentation of the civil society in Morocco (Cavatorta 2009). The success of the EU's democratizing policy has thus remained limited especially in the Middle East and North Africa (MENA) due to the cultural misfit between the Western style liberal democracy and the domestic culture and traditions which have limited the EU's procedural legitimacy in the eyes of the partner countries. In order to restore it, the EU must acknowledge that the applicability of “one-size-fits-all” approach in democracy promotion is restricted since the “Western” model does not necessarily work in the MENA; thus the EU should “adapt to local, regional, social, and religious settings” in the region rather than lumping several countries together without much consideration of their cultural peculiarities (Pace et al. 2009, p. 7). The underlying argument is that externally-induced reforms that do not observe the existing domestic traditions, cultural values and norms, would be less likely to be endorsed by domestic political actors (Marcussen et al. 1999, p. 616).

Finally, the EU's structural legitimacy is a crucial component of its normative authority abroad. Laffan (2004, p. 81) argues that the EU's structure rests upon a

post-national model that develops out of the “taming” of state power in Europe. In this sense, “The language deployed is a language of ‘community’, not intergovernmental cooperation”. (Laffan 2004, p. 81). However, according to some observers, the “European community” is a myth rather than a fact. This brings the claims that the EU faces a “democratic deficit” and is thus, a threat to cultural diversity, which are likely to challenge the EU’s image as a normative model abroad. Follesdall and Hix (2006, p. 557) suggest that the President of the Commission should be elected by popular vote in order to overcome the democratic deficit within the EU. Moreover, the EU develops programmes such as the “Citizens for Europe” (2007–2013) to facilitate exchanges between individuals and civil society organizations from different countries, and to foster an active European citizenship. Finally, the EU sought to respond to the criticism that it threatens national and local cultures with its agenda of “Unity in Diversity”. Finally, while the “European” norms and models are frequently cited by candidate countries that seek to legitimate their policies in the domestic sphere, the experience of the Central and Eastern European countries has shown that what constitutes being “European” is severely contested (Grabbe 2003, p. 312). The EU does not provide a single model nor a coherent project. In brief, the challenge for the EU in the normative realm is to include all competing European “voices” in the agenda setting while mitigating the confusion that emerges around the European project abroad. The following section looks at the cognitive realm and attempts to move beyond the strategic-normative debate on the EU’s authority.

2.3 *Cognitive Standard Setting*

Finally, the third dimension of EU’s authority which is often overlooked by the mainstream scholarship is about *cognitive standard setting*. As it deals with the “taken-for-granted” realm, it is diffuse and less observable in empirical sense. The taken-for-granted realm refers to a cognitive environment that provides new definitions, problems, methods to solve those problems as well as the available menu of solutions. In this sense, the EU sets the standards to the extent that any alternatives become not only wrong (like in the second dimension) but literally unthinkable. This is the most important dimension of the EU’s global authority because once it establishes itself, challenges become highly difficult, if not impossible in the domestic arena. The main difference between normative agenda setting and cognitive standard setting relies upon the distinction between values and concepts. While values refer to evaluation and (dis)approval, concepts are about understanding and theorization. Hence, standard setting is well beyond the formation of shared beliefs or a normative community. If the EU secures cognitive legitimacy, it is then able to subtly influence domestic actors to redefine taken-for-granted terms (such as security, sovereignty, progress, secularism etc.), discover new problems (e.g. “Does nationalism become obsolete in a European member state?”), rethink methods and procedures (e.g. e-government), and find alternative solutions (e.g. decentralization, multi-level governance, establishing public ombudsman to alleviate the burden of national courts). In other words, under the

EU's standard setting authority, target societies and individuals start to challenge the 'taken-for-granted' elements of their domestic system. For instance, in the media market sector, the EU "has penetrated the fabric of law and the toolbox used by domestic policy makers." (Harcourt 2003, p. 180). Furthermore, the EU has had a structural impact on how business interests are formed and represented (Coen and Dannreuther 2003, p. 267).

Suchman suggests that in order to establish cognitive legitimacy, an organization (here, the EU) should advance its own definitions, methods, and solutions by popularizing these through advertisements, lobbying, and standardization practices in other multilateral forums. In this sense, the EU's standard setting authority involves a broader range of actors. While the strategic dimension of the EU's authority mainly addresses national governments and its normative authority largely involves civil society actors, the EU derives its cognitive models from epistemic communities, scientists and academics, and professionals such as lawyers and economists who largely operate at trans-European level. In candidate countries, the EU process has given birth to "EU experts" in public and private sectors, which are responsible for following EU developments and adjusting national responses accordingly. In Italy, the EU process "has brought the introduction of yet unknown technical structures inside the Italian public administration" (Giuliani 2001, p. 57). For instance, emulating the EU, several sectors in Italy, including bank control, energy, and telecommunications, have witnessed the establishment of independent technical and scientific bodies consisting of academics and experts (Giuliani 2001, p. 57). The EU also influences candidate countries "through ranking [them], benchmarking in particular policy areas, and providing examples of best practice that the applicants seek to emulate" (Grabbe 2003, p. 315). Finally, the EU's advice and twinning mechanisms that are available to candidate states are crucial in terms of triggering cognitive changes on how to define and organize political issues (Grabbe 2003, pp. 314–315).

Although it is less visible than the EU-led processes in strategic and normative realms, it is crucial to trace the cognitive influence of the EU on its candidates. Turkey, which is an infamous candidate for failing to comply with strategic and normative conditionality, is undergoing important cognitive changes. For instance, during the EU membership process, Turkey has redefined the concept of minority by including Kurds. Traditionally, according to the founding Lausanne treaty of 1923, minority was defined exclusively in religious terms and only non-Muslim Armenians, Greeks, and Jews were officially recognized as minorities in Turkey. The "Kurdish question" was either openly denied or antagonistically framed as separatist terrorism. In a 2006 survey conducted to the members of the Turkish Parliament from the main opposition party, the Republican People's Party (CHP), 60 % of the respondents denied the existence of such a problem by saying that every Turkish citizen was Turk (Gulmez 2010). Some of them (20 %) even argued that acknowledging that Turkey had a Kurdish problem would legitimize the Kurdistan Workers' Party (PKK) that is internationally recognized as a terrorist organization (Gulmez 2010). Six years later the party did not only acknowledge the Kurdish question but even its leader stated that he was ready to sacrifice his political career

to solve the Kurdish problem (Radikal 2012). Throughout the EU process, Turkey acquiesced to reframe the Kurdish question as a question of “minority” rather than terrorism (Sofos 2001). Surprisingly, such cognitive shift was opposed by some Kurdish groups because what they understood from “minority” largely differed from that of the EU (Gokalp and Unsar 2008, p. 101).

Finally, the EU process led to the problematization of taken-for-granted concepts such as secularism and nationalism in Turkey. Turkish state’s financial support to Sunni Islam, the latter’s affiliation with the state through the state institution of religious affairs (*Diyanet*) and the compulsory education of Sunni Islam in Turkish schools, have become problematic during the EU process. Turkish government has been encouraged to rethink its understanding of secularism and consider redefining the concept in order to treat other religious communities like Alevis in equal terms with Sunni Muslims (de Castro 2010). Another debate was on Turkish nationalism in general, and the concept of ‘martyrdom’ (*shahadat*) in particular, which according to a leading NGO (TESEV) activist (Can Paker), had become obsolete due to European Union membership process (Hurriyet 2004). His argument was that EU membership was beyond a mere delegation of partial decision-making to the EU level. It rather meant entering the “post-national” world, where it becomes impossible to use old analytical tools to understand and make politics. A similar suggestion was advanced in Bulgaria during the accession negotiations on free movement of capital with the EU. During the Parliamentary debates on the abrogation of the constitutional ban on foreign land acquisition, it was argued that ‘becoming part of a united European family with common order, common rules, common market, common currency and a future common organic law’ should lead Bulgaria to abandon its traditional suspicions against its neighbours, which had become incomprehensible in the twenty-first century (EuroBulletin-Bulgaria 2001). The main challenge for the EU in this realm is to demonstrate that the standards (definitions, tools, solutions) it provides are “part of the intersubjective common-sense world” (Zucker 1991, p. 87) and are compatible with the established models and standards at the global level. In other words, the EU’s cognitive legitimacy relies upon global endorsement. To some, the EU needs the United Nations’ “stamp of approval” that has proved to be often more influential than international court decisions in granting legitimacy (Inis 1966), as well as international non-governmental organizations that provide technical and cognitive standards (Boli and Thomas 1999). Without external endorsement, the EU’s conditional pressures in the cognitive realm are prone to be dismissed as “unthinkable” and “incomprehensible”.

3 Conclusion

The prevailing literature takes the EU as a “failing power” due to its lack of strategic resources (Kagan 2003; Hill 2004) and restricts the EU’s global influence to official EU conditionality. However, it is witnessed that the EU could lead transformations in areas that fall outside of the EU’s direct competencies (Giuliani 2001, p. 50). It is thus, crucial to grasp the normative and cognitive dimensions of the EU’s global authority

and to this aim, it is necessary to introduce the key factor of “legitimacy”. In so doing, this chapter looks at the EU from a broader perspective that transcends the dichotomous thinking reinforced by the strategic-normative debate. Following Lukes and Suchman, it suggests studying the EU's global authority under three dimensions: strategic interest maximization, normative agenda setting, and cognitive standard setting. After explaining the three dimensions of the EU's authority in detail, the chapter argues that mainstream approaches that are largely dictated by rationalistic premises, heavily focus upon the first dimension, the EU's regulatory role; and thus, miss an important part of the EU's authority, its standard setting, i.e. constitutive, efforts. The chapter's three-dimensional approach to the EU's authority, allows students of EU politics to uncover the standard setting processes and actors that often go unnoticed despite being highly influential in the constitution of the EU's global authority.

Finally, the paper criticizes the emerging accounts of the EU's authority centred upon the “normative power Europe”. Such accounts might be misleading in terms of depicting the EU's influence as a ‘magical touch’ that transforms everything *a la Kant* towards a more peaceful, democratic, and stable state of being. The theme of the EU shifting a country's Hobbesian understanding of the world into a Kantian one might be appealing but it reflects a pan-European ideological position, rather than a scientific one. This chapter does not only advance the three dimensions of EU's authority as an innovation but also discusses what dimensions of the EU's global authority are under serious challenge and how the EU could deal with rising criticisms and restore its authority in strategic, normative, and cognitive realms. Accordingly, in order to increase or restore its strategic authority in the strategic realm, the EU needs to guarantee the third parties the benefits of mutual cooperation, promise to uphold their long term interests and adopt a transparent, fair, and non-discriminatory approach towards them. In the normative dimension, the EU might gain or regain its authority through increasing its moral legitimacy. In order to gain such legitimacy, the EU must adjust its policies to local contexts and thus produce normatively acceptable outcomes in target societies; use socially accepted procedures, methods, and techniques in its interactions; and establish appropriate departments or institutions that observe socially endorsed principles. Finally, the restoration or enhancement of the EU's authority at the cognitive level hinges upon its capability to reshape or replace the ‘taken-for-granted’ concepts, behaviours and stances that were traditionally embraced in target societies. It is argued that the EU's ability to set the standards is closely related to its internalization of globally endorsed models and scripts. Otherwise, without legitimacy, power triggers opposition rather than compliance.

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Towards a Structurally Integrative Approach to the Study of the EU's External Power: Introducing the Concept of 'Transnational Power Over'

Fabienne Bossuyt

1 Introduction

This chapter starts from the assumption that the predominant theoretical perspectives used so far to study the power of the European Union (EU) are not sufficient to grasp the full extent to which the EU's external power constitutes a complex and multi-faceted process that encompasses structural dimensions. In particular, it assumes that the literature on the EU's external power lacks analyses that account for both the relational *and* the structural level on which (the EU's) power is exerted, and the interplay between the two levels (Bossuyt 2010, 2013). By fixating on narrow, micro-level factors, the extant literature risks overlooking less obvious aspects of the EU's power, including structural aspects, and thus underestimating the EU's external leverage.

Therefore, the aim of this chapter is to offer a structurally integrative approach, and hence an analytical framework, which can be used to address this gap in the literature. However, rather than being bluntly rejected, the predominant theoretical perspectives are in fact incorporated in the proposed explanatory model, which seeks to combine elements from the prevailing, agent-focussed approaches with insights from structural perspectives, notably from new realist International Political Economy (IPE)¹ and EU external governance perspectives. In developing a holistic, structurally integrative framework of analysis, this chapter thus works eclectically with arguments drawn, on the one hand, from neorealism, neo-institutionalism and constructivism, and on the other, from the EU external governance literature and new realist IPE.

¹ New realist IPE captures Strange's arguably radical ontology of IPE, which she herself came to call 'a new realist ontology of global political economy'. See Strange (1997).

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Following this introductory section, the chapter first gives an explanation of the chosen terminology behind the concept of ‘transnational power over’, indicating how the term responds to the need to address the specific theoretical concerns identified above. In particular, it shows how the concept reflects the structural dimensions of power, which may be transnational in nature and exist both in an agent-focused and a purely structural form. The next section focuses on the aspect of ‘transnational’ and indicates which tools will be used to trace and assess transnational mechanisms of EU impact. The chapter then goes on to identify TNPO as consisting of three structures, which are the main parameters of the concept: a material structure (TNPO₁), an institutional structure (TNPO₂) and an ideational structure (TNPO₃). In identifying the three parameters, the chapter develops their respective analytical value and demonstrates how these conceptual devices each draw on specific aspects of the theoretical approaches mentioned above. This section ends by considering the types of overlap that may occur between the three TNPO structures. The chapter concludes by providing an operational definition of the TNPO concept, alongside an overview of the main points presented in the chapter.

2 Introducing TNPO

2.1 *TNPO: The Term Behind the Concept*

The denomination of ‘transnational power over’ in essence consists of a synthesis of two distinct attributes: ‘transnational’ and ‘power over’. ‘Power over’ captures the basic understanding of power as a relational exercise, which has led many to equate the term with ‘relational power’, typically defined as the ability of one actor to get another actor to do something he would not otherwise do. This can also be described as ‘direct agent-based power’, in that this type of power is exercised by an agent *directly* over another agent. However, as outlined above, agent-based power can also be exercised *indirectly* over another agent, in that power may be exercised over the structures within which other agents operate and which determine their possibilities and choices. In short, ‘power over’ does not only stand for direct agent-based power (exercised over *agents*), but may also capture indirect agent-based power (exercised over *structures*), denoted above as ‘agent-based structural power’. In fact, this reading of ‘power over’ comes close to Lukes’s (2005) use of the term, which is central to his three-dimensional model of power. Indeed, by distinguishing a third face of power, Lukes sought to demonstrate that A’s power over B not only derives from easily observable processes of decision-making (first face) and agenda-setting (second face), but may also operate at a deeper, less visible level, in that A may exercise power over B by “influencing, shaping or determining his very wants” (Lukes 2005, p. 27). In sum, it is this structural reading of ‘power over’,

i.e. agent-based power exercised *directly over structures* and *indirectly over agents*, that is reflected in the chapter's concept of 'transnational power over'.

'Transnational', in turn, as another distinct attribute of power, reflects the extent to which power is no longer exercised solely at the state-to-state or intergovernmental level, but increasingly involves non-state players, such as civil society organizations and corporate actors, as well as international—and even supranational—organizations. Moreover, the term 'transnational' has also been conceptualized to indicate how power can be exercised without the active or intentional intervention of an agent (see Section "Understanding and Operationalizing the 'Transnational' Dimension of TNPO"). Thus, apart from being an attribute of agent-based power, 'transnational' can also be an attribute of purely structural power.

To summarize, in representing a synthesis of two intrinsic features of power in contemporary international relations, the term 'transnational power over'² (1) encapsulates power that is exercised over structures as well as in direct relations, and (2) goes beyond a narrow focus on the state level to also consider the role of non-state actors. As such, the concept of TNPO closely follows two key principles of Strange's new realist ontology (1996, 1997, 1999). That is, Strange's new realist ontology centers, *inter alia*, on the suggestion that the state is no longer the only significant actor, as well as on the need to account for structural power, along with the identification of structures (*in casu* security, finance, production, knowledge) through which power is exercised.

2.2 *Understanding and Operationalizing the 'Transnational' Dimension of TNPO*

The TNPO concept only holds on the assumption that power, whether intentional or unintentional, active or passive, has a substantial *transnational* dimension. This assumption is necessary in order to encapsulate the emergent complexity of global life, and in particular to account for the fact that globalization and interdependence have significantly blurred the divide both between private and public and between the distinct levels of governance (local, regional, national, supranational, interregional, international, etc.). Crucially, this divide is blurred to the point where transnational forces interact with or exist alongside traditional intergovernmental relationships. Strange was among the first scholars to observe that international power became increasingly diffused while global functions were provided as the result of the growing 'transnationalization' of non-territorially linked networks, which she conceived of as an interplay of deliberate and non-intentional effects of decisions and non-decisions made by governments and other actors (Strange 1987, 1988). This implies that structural power is increasingly located in or emerges from

² 'TNPO' from hereafter.

transnational economic and financial groups, networks and markets, as well as flows of capital, technology, ideas and information (see e.g. Castells 2000; Strange 1988).

Based on the above line of thinking, the chapter's use of the word 'transnational' follows the classical definition of 'transnational relations', understood as cross-border interactions and exchanges, in which at least one actor or interaction partner is nongovernmental (Keohane and Nye 1971, p. xii; Risse-Kappen 1995, p. 3). Above all, this comprehensive understanding of 'transnational' allows us to focus the analysis on the EU as a *governmental* actor, while tracing and assessing the agency of *nongovernmental* actors and networks, which either interacts with or exists alongside the EU's agency. In this regard, the chapter distinguishes three broad sources of transnational relations that may contribute to the EU's influence over a third country: (1) EU cooperation projects centred on engagement with local non-state actors, including NGOs and business associations (cf. 'domestic empowerment'; see more below). It should be noted that these EU aid projects may also involve or rely on cooperation with European societal actors (e.g. NGOs, business associations, education institutions) that are active in the countries in question, (2) direct engagement of European societal actors with state and/or non-state actors in a partner country, for instance through trade or investment or through the provision of democratic assistance (e.g. by NGOs), (3) unintentional and/or passive sources of EU impact (cf. the notion of 'purely structural power', see Holden 2009; Bossuyt 2013) deriving from the EU's 'presence' or from third countries' interdependence with the EU's system of regional governance and the single market (see more below). Taken together, these three different sources of transnational relations and cooperation frameworks may constitute significant transnational forces and networks, which need to be taken into account when examining the EU's influence over third countries and regions.³

In terms of the analytical tools used to trace and assess the transnational dimension of the EU's TNPO, it is possible to draw on insights from the extant literature on Europeanization dynamics beyond the EU's border. Particularly useful is Schimmelfennig's (2007) attempt to conceptually map pathways of Europeanization beyond Europe. Through his mapping exercise, Schimmelfennig (2007) seeks to propose ways of theorizing Europeanization mechanisms in countries without any realistic membership perspective. Crucially, in reviewing the prevalent concepts and perspectives, he concludes that these all emphasize that Europeanization may operate through intergovernmental and transnational channels alike. That is, they all suggest that pathways of Europeanization may differ depending on whether they work through intergovernmental interactions or through transnational processes via societal actors in the target state. Presenting a

³ Apart from these three primary categories, there are of course several other possible transnational sources of EU impact, including labour migration, tourism, western media and educational exchanges. See e.g. Schimmelfennig and Scholtz (2008), Bunce and Wolchik (2009) and Freyburg (2009).

four-by-four table of the different mechanisms of EU impact, Schimmelfennig (2007) adds two other dimensions according to which Europeanization may vary: EU-driven versus domestically-driven pathways, and processes following a logic of consequences versus those following a logic of appropriateness. Based on these two distinctions, Schimmelfennig (2007) retrieves several notions capturing transnational mechanisms of EU impact. Many of these concepts appear useful to analyze the transnational dimension of the EU's TNPO, most notably domestic empowerment, competition, societal lesson-drawing, transnational socialization, transnational social learning and societal imitation. In what follows, we will see that these notions, as a significant part of the approach, can be used to capture the nuances of the transnational dimension of TNPO.

In considering each of these governmental and transnational means by which the EU is able to have an impact, it is important to examine closer the dimensions that Schimmelfennig (2007) uses for mapping the different mechanisms of Europeanization. As mentioned, on the one hand, the suggested mechanisms of EU impact can differ depending on whether they are EU-driven or domestically driven. Processes of Europeanization that are driven by the EU are based on the provision of EU incentives to third country actors. By contrast, processes of Europeanization that are domestically driven capture instances of rule adoption or policy adaptation that occur without inducement from the EU. In this case, domestic actors—independently from EU action—become favourable to convergence or compliance with EU norms and rules, for instance, because they believe compliance or convergence will improve their domestic situation (see e.g. Schimmelfennig and Sedelmeier 2005, pp. 8–9). On the other hand, Europeanization mechanisms can vary depending on which logic of action the rule transfer or norm diffusion follows, i.e. the strategic logic of consequences, or the cultural logic of appropriateness.

This distinction is particularly prevalent in Schimmelfennig and Sedelmeier's (2005) analysis of Europeanization dynamics in the accession countries of Central and Eastern Europe, which suggests three alternative models of EU impact in these countries. In a typical rationalist tradition, their first model, i.e. the external incentives model, assumes that Europeanization operates according to a logic of consequences, in that rule adoption or policy adaptation is based on the extent to which EU threats and rewards alter the strategic cost-benefit calculations of third country actors (Schimmelfennig and Sedelmeier 2005, pp. 10–11).

Conversely, the second model draws on a sociological approach, assuming that Europeanization may be induced by 'social learning'. Following a logic of appropriateness, Europeanization is driven here by the identification of the target states with the EU and the extent to which the latter manages to persuade them of the legitimacy of the EU rules and norms (Schimmelfennig and Sedelmeier 2005, pp. 18–20).

In turn, the third model, i.e. lesson-drawing, may follow either logic of action. Considered as the 'ideal type' of voluntary rule transfer (in contrast to more coercive forms, such as conditionality), 'lesson-drawing' occurs in reaction to domestic dissatisfaction with current policies in the target country, which induces

policy-makers or societal actors to learn from the experiences in the EU. Europeanization is based then on their perception that the EU rules are appropriate solutions to their domestic problems (Schimmelfennig and Sedelmeier 2005, pp. 20–21).

Since the three models described by Schimmelfennig and Sedelmeier (2005) may also operate through transnational channels, i.e. through EU engagement with local societal actors, Schimmelfennig's (2007) mapping exercise includes three notions that represent the transnational equivalent of the respective mechanisms: domestic empowerment, societal lesson-drawing and transnational social learning. 'Domestic empowerment' is a EU-driven mechanism in the sense that it is the EU that provides incentives to local societal actors. Whereas intergovernmental bargaining produces a 'top-down' process of regulatory adaptation, the empowerment of domestic civil society actors aims to achieve change from the 'bottom-up'. Schimmelfennig explains in an earlier article that by providing transnational incentives the EU seeks to use rewards to mobilize societal groups and corporate actors in a target state in order to apply pressure on their government to change its policy (Schimmelfennig 2005, p. 832).

In turn, 'transnational social learning', or 'transnational socialization', covers an EU-driven process whereby societal actors are *persuaded* into favouring EU norms or rule. The attempt at persuasion will be successful, if the civil society actors consider those norms or rules legitimate and if they identify themselves with the EU to the point where they take these norms or rules for granted. In sum, while domestic empowerment covers, for instance, the EU's provision of financial and technical assistance to societal actors in the target countries (cf. incentives or reinforcement by reward), 'transnational social learning' refers to EU-sponsored mechanisms of *dialogue* held with societal actors in the target countries, which may start, for instance, with very modest expectations of introducing the vocabulary of democracy and human rights in the discourse of the societal actors.

Finally, the mechanism of 'societal lesson-drawing' is domestically driven in that local societal actors are drawn to the EU as a result of dissatisfaction with the domestic status quo. They favour certain EU rules or norms because they perceive them as solutions to their domestic problems either based on rationalist calculations or based on the appropriateness of the EU solutions.

Interestingly, in an update of his conceptual mapping of Europeanization beyond Europe, Schimmelfennig (2009) places the mechanism of 'lesson-drawing' only under the logic of appropriateness, whilst inserting another—albeit similar—concept under the logic of consequences, i.e. 'externalization'. Introduced to the literature by Lavenex and Uçarer (2004), the notion of 'governance by externalization' represents a structural mode of EU external governance. As Schimmelfennig (2009) explains, the notion captures the extent to which the EU's impact derives from its 'presence' rather than from its direct actions (cf. Allen and Smith 1990; Bretherton and Vogler 2006). As Schimmelfennig (2009, p. 9) puts it:

In this view, [...] the EU's impact on third countries is a result of its capacity as an important system of regional governance and has an indirect (sometimes even unintended or unanticipated) effect on internal regulations and policies.

'Governance by externalization' most visibly derives from the EU's internal market and policies, encapsulating respectively the market mode of governance, described by Lavenex and Schimmelfennig (2009) and the competition mode of governance,⁴ presented by Bauer *et al.* (2007). As highlighted in Bossuyt (2010, 2013), these types of governance may not only affect governments, induced to adapt their existing rules and policies to those of the EU, but also local societal actors, in which case Schimmelfennig (2009) uses the label of 'transnational externalization'. For instance, if foreign companies want to enter the EU's market, they may have no choice but to adopt EU rules or standards (e.g. on product standards). Lavenex and Uçarer (2004) differentiate between 'negative externalities' and 'unilateral policy emulation'. Following a rationalist logic of action, the former process occurs when third countries adapt to EU rules because ignoring or violating them would entail net costs (Lavenex and Uçarer 2004, p. 21). Conversely, in the latter case, regulatory adaptation occurs because third country governments or societal actors perceive an EU rule as superior and adopt it in order to deal more efficiently with domestic issues. A related notion is 'imitation'. This involves a high degree of adaptation, with 'inspiration' being at the other end of the adaptation scale. As pointed out by Lavenex and Uçarer, "in between are different forms of emulation or combination, which involve the selective adoption of specific elements of the EU policies" (2004, p. 422).

To summarize, the toolbox (see Table 1) that has so far been established in order to capture the transnational dimension of TNPO centres on two distinctions: EU-driven versus domestically driven mechanisms, and rationalist versus constructivist logics of action. Moreover, most of the transnational mechanisms have an inter-governmental equivalent (see Table 1). However, a third distinction can be added, notably 'agent-based' versus 'purely structural' mechanisms of TNPO. As Holden (2009, pp. 12–13) explains, structural power is either 'purely structural' or 'agent-based'. Capital, for instance, possesses structural power that is purely structural, as capital automatically constitutes power, independent of intentional agency. In this case, a structure thus implicitly empowers certain actors—whilst possibly disempowering others—without the involvement of conscious agency. Conversely, agent-based structural power, as the term suggests, involves agency in the sense that the origin of the produced power effect is located at the agent-level. In this case, an actor intentionally shapes or affects the structures within which others operate.

In the context of the TNPO toolbox, the notions 'externalization' and 'transnational externalization' clearly constitute purely structural sources of impact. Such mechanisms as 'negative externality' and 'competition' encapsulate how the EU may wield power over third country governments or companies independently of

⁴This concept of competition is not to be confused with the neo-realist notion of 'security competition', or 'geostrategic competition, among great powers'. See more below.

Table 1 Toolbox for analyzing intergovernmental and transnational mechanisms of EU TNPO

	Intergovernmental		Transnational	
	EU-driven	Domestically-driven	EU-driven	Domestically-driven
	Agent-based	Purely structural	Agent-based	Purely structural
Rationalist logic of action	Conditionality Competition ^a	Externalization Competition ^b Market Negative externality	Domestic empowerment	Transnational externalization Competition ^b Market
Constructivist logic of action	Socialization Social learning communication	Imitation Lesson-drawing Unilateral emulation	Transnational socialization Transnational social learning	Societal imitation Societal lesson-drawing

^aSecurity competition, or geostrategic competition

^bCompetition as a mode of governance

intentional or conscious EU agency. Overall, purely structural pathways of EU impact capture instances of EU influence resulting from its presence and third countries' interdependence with (or dependence on) the EU's internal market and its system of regional governance. It should be noted, however, that the single market can serve as a tool of agent-based structural power. Indeed, in some cases the EU purposively uses access to its internal market as a bargaining chip to obtain concessions in other domains (see e.g. Meunier and Nicolaidis 2006). In addition, the EU's 'presence'—described by Bretherton and Vogler as a consequence of its being (2006, pp. 27, 33)—may constitute a form of attraction or magnetism. This is 'purely structural', in that the EU's impact arises from the appeal of its rules or norms (cf. unilateral emulation, imitation, lesson-drawing) or, more generally, from the attraction of its model as a regionally (economically and politically) integrated group of liberal democracies (Schimmelfennig 2007; see also Haughton 2007; Leonard 2005).

By contrast, the mechanisms of 'domestic empowerment', 'transnational socialization' and 'transnational social learning'—as well as their respective intergovernmental equivalents—are indicative of agent-based structural power (see Table 1). All three represent sources of impact that are based on EU-initiated engagement with third country non-state actors. In other words, the EU's power in these cases is a result of intentional EU agency towards local societal actors (or towards domestic elites in case of the intergovernmental equivalents). The agency relies either on the provision of material incentives—i.e. domestic empowerment— or on persuasion through dialogue—i.e. transnational socialization and transnational social learning.

2.3 *The Three TNPO Structures*

2.3.1 TNPO₁: Material Structure

The first structure over which it is possible to exert influence is the material structure, labelled here 'TNPO₁'. 'Material' refers here to materialism in the physical understanding of the term, as captured in the common (neo)realist notion of 'material capabilities'. Whilst rejecting (neo)realism's obsessive preoccupation with the state, this chapter shares neorealism's beliefs to the extent that it assumes (1) the EU's policies towards third countries/regions to be shaped by self-interest considerations⁵; (2) the EU to be vying for greater influence over third countries/regions, given that the policy objectives derived from those self-regarding calculations involve enhancing EU power over the respective third country/region; and as a result, (3) the EU to be engaged in 'competition' for influence in the respective third country/region. Hence the inclusion of the neo-realist notion of 'competition' in the TNPO toolbox (see Table 1). 'Security competition', or 'geostrategic competition', and the ensuing mechanism of 'balancing of power', is an agent-based form of structural power, which clearly draws on a rationalist logic of action, with the third country weighing off the advantages and disadvantages of forming an 'alliance'—*i.c.* any form of cooperation—with the EU in the latter's attempt to balance the influence of another—*i.e.* more dominant—actor.

Assuming that structural power is based on the possession of material resources, regime theorist Oran Young argues that "[in] a general way, it makes sense to view the link between structural power and bargaining leverage as stemming from the existence of asymmetries among the participants or stakeholders in processes of institutional bargaining" (1991, p. 289). This point is central to TNPO₁ in that it assumes that the EU's material capabilities, such as the size and strength of its market, result in asymmetric relationships and third countries' dependence. However, it is important to note that material power is not limited to the 'capability' of an agent, but that it can also occur due to asymmetric flows of goods, finance, etc. This is highlighted, *inter alia*, in Susan Strange's work and in neo-Gramscian analyses (see e.g. Cox 1981, 1987), which conceptualize structural power in terms of flows of goods, finance and the resultant gravitational pull of core economic entities.

In moving on to identify TNPO₁ in more detail, let us start by considering the EU's foremost material resource, the single market. The sheer size and strength of the EU's internal market leads to a gravitational attraction and inherently asymmetric trading relationships, in particular with neighbouring and/or weak trade

⁵ It should be noted that the EU's external policies are arguably not shaped by self-interest alone, but rather by a combination of self-interested *and* normative considerations. As Magen puts it, "[T]he driving rationale behind [...] the engines of EU's international actorship can be interpreted as stemming from both normative-ideational and rationalist, strategic factors" (2007, p. 381).

partners, such as the African, Caribbean and Pacific (ACP) group of states (Bretherton and Vogler 2006). The possibility to include or exclude third countries to the single market is already a powerful tool, let alone the possibility of framing the terms of reference within which this possible market access is to take place. Although the EU officially maintains the language of ‘partnership’ and ‘equal footing’, in practice, its preponderant market power enables it to force its pre-agreed positions upon interested trade partners (Bretherton and Vogler 2006, pp. 78–79).

On the one hand, the internal market provides the EU with agent-based structural power. This is captured in Meunier and Nicolaïdis’s (2006) study of the EU’s common trade policy. As they observe, the EU is not only a trade power, or ‘power in trade’, but also a ‘power through trade’. That is, while the EU remains a major power in trade based on the strength of its internal market as well as the collective character of European trade policy and the efficiency of its institutions in negotiating lucrative commercial deals, the EU has been increasingly “using access to its huge market as a bargaining chip to obtain changes in the domestic policies of its trading partners, from labour standards to human rights, and more generally to shape new patterns of global governance” (Meunier and Nicolaïdis 2006, p. 907). Tying market access to domestic changes often involves the use of conditionality (see more below).

On the other hand, the power that derives from the internal market can be purely structural. Useful tools to capture this dimension of the EU’s market power are the above-mentioned mechanisms of externalization (negative externality and unilateral policy emulation), transnational externalization, and the market and competition modes of governance (see Section “Understanding and Operationalizing the ‘Transnational’ Dimension of TNPO”). These purely structural pathways of EU impact help to understand how EU internal rules—even without conscious EU agency—spill over to third countries. For instance, as already highlighted above, if firms want to export to the EU, the exported products need to be in accordance with the EU’s rules or standards, such as environmental and safety standards. The REACH regulation on chemicals and their safe use, for example, affects all the companies that wish to export chemicals to the EU.

Beyond the single market, and inherently related to this, the EU draws power from its dominant position as an economic giant. An important contributor to the EU’s economic weight is of course the euro, which—despite the ongoing sovereign debt crisis in the EU—has become a reserve currency in many parts of the world. As Holden notes, “[a] strong currency is in itself a form of structural power” (2009, p. 188). Other material ‘resources’ and ‘capabilities’ that fall within the sphere of TNPO₁ are—in no particular order—the provision of development and financial aid (e.g. loans and technical assistance), technological competence, and military and security-related capabilities. Obviously, the military and security-related capabilities barely stand comparison with the EU’s economic and commercial strength, especially since the EU’s security and defence policy remains rather limited in scope. By contrast, the EU’s development policy is highly elaborate, and is intentionally used by the EU to increase its influence worldwide, and in

particular its structural power (Holden 2009). Moreover, just like access to the EU's market, development aid and financial assistance are offered as an incentive, set on the condition that third country governments follow the EU's demands for political and economic reforms. Central to the rationalist logic underpinning the 'external incentives model' (see above), this *modus operandi* is captured by the intergovernmental mechanism of conditionality.

A final point that needs to be made in the context of the EU's provision of aid regards its civil society assistance. A substantial part of the EU's aid goes to civil society actors, such as NGOs and business associations. This *modus operandi* can be captured by the transnational mechanism of domestic empowerment. According to a rationalist instrumental logic, civil society assistance may help to change the domestic opportunity structure in favour of societal actors with independent incentives to adopt EU rules and helps to strengthen their bargaining power towards the government or towards societal or political opponents (Schimmelfennig and Sedelmeier 2004, p. 664).

2.3.2 TNPO₂: Institutional Structure

The second structure over which an actor can exert influence is the institutional structure, labelled here 'TNPO₂'. This notion draws on a varying range of institutional approaches, which converge on the proposition that 'institutions matter'. TNPO₂ is further divided into two subcomponents: a micro-level and a macro-level.

TNPO_{2micro} encompasses different forms of institutionalized cooperation and engagement. The micro-institutional power that the EU wields through TNPO_{2micro} assumes that the denser the institutional relationship between the EU and a third country is the larger the EU's TNPO over the country will be. TNPO_{2micro} includes both formal contractual (including treaty-based) formats of institutionalization established as part of the EU's relations with third countries, and less formal and less integrated (including *ad hoc*) formats of institutionalization, often held at the bureaucratic or technocratic level rather than at the high political level. As such, TNPO_{2micro} covers practically all existing types of EU institutionalized cooperation with third countries, ranging from formal political dialogue as established through bilateral and bi-regional agreements (e.g. inter-regional dialogue with the Southern African Development Community), over human rights dialogues and civil society dialogues, to meetings between bureaucrats or technocrats (e.g. seminars, info sessions, training sessions, twinning). Moreover, TNPO_{2micro} also includes the physical presence of the EU in partner countries. This concerns both the long-term presence and activities of Commission delegations (EU delegations from 2010 onwards), EU Special Representatives and embassies of EU member states in the partner countries, and the occasional presence of such EU actors as the (former) troika of foreign ministers and EU Commissioners (e.g. through formal visits).

TNPO_{2macro}, the second subcomponent of TNPO₂, is located at the macro-level of international relations, rather than at the more case-specific institutional micro-level of bilateral or bi-regional contractual (or other) relations. In particular, it

concerns the power that an actor (*i.c.* the EU) may have over another actor based on the former's dominant position within an international regime or international institution. To some extent, this point chimes with historical institutionalist propositions, which emphasize the asymmetries of power that arise from the way in which institutions work (Hall and Taylor 1996, p. 938). In addition, it echoes Krasner's regime theoretical understanding of structural power as the power to shape the rules of institutions and regimes. In Krasner's view, international regimes and normative structures can, after a certain amount of time (*i.e.* following a 'time-lag') become independent sources of influence, and can thus be used as instruments to exercise power over other states (1982, p. 499). The EU actively promotes multilateralism and does so, primarily, in an attempt to protect itself from globalization; however, in doing so, the EU acts as an agent of the very process of globalization (see *e.g.* Keukeleire and MacNaughtan 2008, pp. 17–18). Because of its formidable trade power and substantial economic strength, the EU contributes to globalization particularly through its trade policy and its support for a global free market economy and neo-liberal international order, including through the World Trade Organization (WTO), the International Monetary Fund (IMF) and the World Bank. Moreover, as exemplified by its WTO agenda, the EU's attempts at shaping and managing globalization are based on its own regulatory models (see *e.g.* De Bièvre 2006; Meunier 2007; Young and Peterson 2006). As Holden writes, "the WTO is more than a series of, inevitably 'crisis-ridden', negotiations, and is an accumulated body of law, which the EU has had a major role in shaping" (2009, p. 188). However, the EU also has a significant say in other areas of global governance. As Keukeleire and MacNaughtan point out, the EU "has played a pivotal role in the development, adoption and implementation of important new multilateral legal instruments, such as the Kyoto Protocol, the International Criminal Court (ICC), and various disarmament regimes and initiatives" (2008, p. 302).

2.3.3 TNPO₃: The Ideational Structure

The third and final structure over which an actor can exert influence is the ideational structure, labelled here 'TNPO₃'. It encompasses such intangible factors as beliefs, values, norms, identity and legitimacy. In other words, TNPO₃ is ideational in the sense that it takes ideas, normative interpretations and mental constructs seriously and regards them as causally important in their own right. It is useful to start the discussion by referring to Krastev and Leonard's claim that the new world order is determined not just by the balance of 'hard power', *i.e.* the ability to use economic or military power to coerce or bribe countries to support you, but by the balance of what Nye has famously termed 'soft power' (Krastev and Leonard 2007; also see Leonard 2005). Originally defined in very broad terms as 'non-command power', Nye's concept of soft power encapsulates the ability of a state to get what it wants through attraction, rather than through coercion and payment, arising from the appeal of its culture, political ideals and policies (Nye 1990, 2004).

Although initially designed for the U.S., the notion of soft power can also be used to capture the magnetic pull of the EU. From a Lukesian point of view, attraction or magnetism can be seen as a form of 'passive power'. In the case of the EU, for instance, part of its transformative power, understood here as the power to enable domestic change within third countries, rests on the passive leverage that it draws from its attractive single market and its success as a regionally—economically and politically—integrated group of liberal democracies (Haughton 2007; Leonard 2005; Therborn 2001; Vachudova 2001). Related to this is the attraction stemming from the so-called 'European dream' and the 'European way of living', which reflect the high level of prosperity and quality of life associated with the EU, including high living standards and efficient social welfare systems (see e.g. Bretherton and Vogler 2006). Also the fact that the EU is characterized by a legacy of peaceful relations and successful reconciliation appeals to external partners.

Moreover, the EU seems to have a rather benevolent and non-threatening image compared to other international powers, including the U.S., and is increasingly accepted around the globe as a source of authority on several public policy issues (see e.g. Holden 2009, p. 184). As Holden explains, "[s]ignificant here is that many do not perceive it as an actor in the sense that major states are viewed, thus its own webs of control have tended to elicit less paranoia and resistance than these other actors" (2009, pp. 188–9). As mentioned previously, the EU's magnetic pull stems from its presence, rather than from its intentional agency, which constitutes a purely structural form of structural power. Similarly, (non)governmental actors in third countries may be drawn to the EU's rules or norms independently of intentional EU agency, as is encapsulated by such mechanisms as unilateral emulation, (societal) imitation, (societal) lesson-drawing (see Table 1). At the same time, however, norms and values are also spread through conscious efforts by the EU, thereby testifying to agent-based structural power. This duality is captured in Ian Manners's (2002) concept of normative power, which illustriously represents the ideational underpinnings of the EU's soft power. Indeed, Manners's framework of normative power depicts the EU as a changer of norms in international relations based on combination of its very existence and conscious agency, notably by projecting its internally shared principles and norms onto its external partners (Manners 2002, p. 252).

When it comes to pinpointing the norms and principles propagated by the EU, Manners (2002, p. 240) identifies four 'core' norms, which form a central part of the EU's vast body of laws and policies, namely peace, democracy, the rule of law and respect for human rights and the fundamental freedoms, as set out in Article 6 of the Treaty on European Union (TEU) and incorporated in the EU's various external policies and strategies. In addition, Manners designates four 'minor' norms, i.e. social progress, combating discrimination, sustainable development and good governance. Departing from the proposition that Europeanization consists of "the external projection of internal solutions", Schimmelfennig (2007), in turn, not only considers the EU's export of its constitutional norms, but also of its model of regionalism as well as its "multilaterally managed regulatory framework for liberal markets", or "neoliberal economic model" seen in a more critical perspective. It is

worth noting that the EU's attempt to disseminate its regionalist model can be observed in the EU's tendency to design its policies and strategies for regional groupings of countries rather than for individual states (Schimmelfennig 2007).

2.4 *Overlap Between the Three TNPO Structures*

While $TNPO_1$, $TNPO_2$ and $TNPO_3$ are the material, institutional and ideational structures in their purest, or ideal, forms, in practical terms, they are often found to interact with each other. This is particularly true for $TNPO_{2micro}$, which is present in two different overlaps, notably in $TNPO_{2micro-3}$ and $TNPO_{1-2micro-3}$. Before moving on to identify the overlap between the TNPO structures, it should be noted that the delineations of overlap presented below are tentative rather than definitive, and that the instances of overlap suggested here are indicative rather than exhaustive.

2.4.1 $TNPO_{1-2}$: Overlap Between $TNPO_{1(material)}$ and $TNPO_{2(institutional)}$

By and large, overlap between $TNPO_1$ and $TNPO_{2micro}$ encompasses the extent to which EU aid constitutes a direct intervention in third countries' domestic structures and to which the assistance ensures contact between the two Parties, thereby establishing relationships between the EU and the third country that become institutionalized in one way or other (see e.g. Holden 2009, p. 183). In practice, however, such direct EU intervention hardly ever occurs without deliberate attempts by the EU to push through domestic reforms that are inspired by or draw on the EU model. In short, $TNPO_{1-2micro}$ thus appears to be inherently linked to $TNPO_3$.

In contrast, overlap between $TNPO_1$ and $TNPO_{2macro}$ is more easily observable and does not necessarily interact with $TNPO_3$. Nevertheless, compared to the other types of TNPO overlap, $TNPO_{1-2macro}$ is only a minor case of overlap. It is most likely to occur in the security domain. A case in point is when the EU relies upon a regional security organization such as NATO in order to gain more (geo)strategic influence over a third country.

2.4.2 $TNPO_{1-3}$: Overlap Between $TNPO_{1(material)}$ and $TNPO_{3(ideational)}$

One way in which the EU attempts to diffuse ideas, principles and norms is by coupling them with or channelling them through the provision of such material incentives as market access and financial assistance. By the same token, the EU draws on its formidable trade power to promote non-trade issues, including such principles and norms as sustainable development and respect for social rights. These two examples point to the interaction of ideational and material factors that may occur between $TNPO_1$ and $TNPO_3$. The overlap between both structures

largely constitutes agent-based structural power, as the overlap derives mostly from conscious EU agency. Yet, in some cases, the overlap clearly testifies to structural power that is purely structural in nature. A case in point is when producers and/or legislators in a third country experience the necessity to adopt EU product standards as a result of competitive pressures (cf. the notion of ‘competition’, see Section “Understanding and Operationalizing the ‘Transnational’ Dimension of TNPO” and Table 1).

2.4.3 TNPO₂₋₃: Overlap Between TNPO_{2(institutional)} and TNPO_{3(ideational)}

In constituting the interaction between institutional and ideational factors, TNPO₂₋₃ encompasses the extent to which ‘institutions matter’ as the site for socialization through dialogue. The overlap can be observed at both the micro-institutional and macro-institutional level, although it occurs predominantly at the former level. In essence, TNPO_{2micro-3} encompasses modes of rule transfer and norm diffusion based on EU-initiated processes of communication and social learning. In contrast to the interaction between TNPO₁ and TNPO₃, overlap between TNPO_{2micro} and TNPO₃ thus largely follows a logic of appropriateness, capturing how third country actors internalize EU norms not because they calculate the consequences of the norm adaptation but because they feel that norm conformance is ‘the right thing to do’. As Manners (2009, p. 3) argues, normative power implies the use of persuasive action, which involves constructive engagement, the institutionalization of relations, and the encouragement of dialogue between the parties. The theoretical mechanism underlying processes of socialization suggests that, through constructive dialogue, the socializee (i.e. the third country) is persuaded by the legitimacy of the socializer’s (i.e. the EU) interpretations of the world and changes its identity and interests accordingly (Checkel 2005, p. 812; also see Warkotsch 2009, p. 252). As the outsider fully internalizes the projected norm, norm diffusion through persuasive action is assumed to be more sustainable than norm compliance resulting from strategic calculation, which might end when the incentive structures changes (Checkel 2005, p. 813; Warkotsch 2009, p. 252).

TNPO_{2micro-3}, in the form of rule transfer and norm diffusion based on EU-initiated processes of communication and social learning, constitutes agent-based structural power, as those dialogue processes of socialization are driven consciously and deliberately by the EU. It is noteworthy that this makes it fully distinct from behavioural adaptation as a result of ‘lesson-drawing’ or ‘unilateral policy emulation’ (see Table 1). They do not occur in the overlap, but fall entirely under TNPO₃ and reflect a purely structural type of structural power, as norm compliance is induced by domestic factors rather than by pro-active EU norm promotion

2.4.4 TNPO₁₋₂₋₃: Overlap Between TNPO_{1(material)}, TNPO_{2(institutional)} and TNPO_{3(ideational)}

In the most basic—and most comprehensive—respect, TNPO₁₋₂₋₃ encompasses the extent to which EU cooperation agreements with third countries both establish institutionalized relationships and offer options for the provision of technical and financial assistance, which in turn serve to diffuse norms and values and/or to export parts of the *acquis* into the legal orders of the partner countries (see e.g. Petrov 2008, p. 46). In the same context, it also captures how these EU agreements offer options for the formalized incorporation of conditionality, which also serve to diffuse norms and values and/or to export parts of the *acquis* into the legal orders of the partner countries. In addition, TNPO₁₋₂₋₃ also encompasses the extent to which EU agreements and formalized arrangements allow for the promotion of norms and principles through transgovernmental cooperation at the sectoral, bureaucratic/ technocratic level (cf. external governance).

3 Concluding Remarks

This chapter sought to offer a structurally integrative approach in order to address the lack of structurally integrative perspectives in the literature on the EU's external power. Rather than bluntly rejecting the predominant theoretical perspectives, the chapter in fact suggested to incorporate some of the theories' propositions in developing a model that combines elements from agent-focussed approaches with insights from structural perspectives, notably from new realist IPE and EU external governance perspectives. As such, the chapter worked eclectically with arguments drawn, on the one hand, from neorealism, neo-institutionalism and constructivism, and on the other, from the EU external governance literature and new realist IPE.

Central to the chapter's theoretical argument is the claim that an analysis of power needs to account for the distinction between the relational and the structural level on which power operates, as well as for the interplay between the two levels. To account for this, the chapter introduced a conceptual tool, which it labelled 'transnational power over' (TNPO). Rather than being a theory, TNPO provides a conceptual frame that serves to broaden and, arguably enhance, our understanding of the EU's power over third countries. In particular, it seeks to assess the extent to which the EU's power over another actor derives from its control over a constitutive mix of structures, which determine the range of options available to the other actor. This constitutive mix of structures comprises three structures, notably a material, an institutional and an ideational structure. The term 'constitutive' also reflects the considerable level of overlap occurring between the structures. In other words, TNPO serves to assess the extent to which the EU's power over another actor derives from its control over a material, an institutional and an ideational structure

and the interaction between the structures, which, *ceteris paribus*, determine the range of options available to the other actor.

Importantly, such a definition of TNPO can only work based on the assumption that (1) power, whether intentional or unintentional, active or passive, can be transnational in nature; that (2) structures have an 'enabling' or 'facilitating' impact; and that (3) structures shape and determine the context within which actors operate and relate with each other. Accordingly, it is essential to consider that TNPO constitutes power wielded not directly over another 'actor', but directly over the underlying 'structures' that determine the range of options available to that other actor.

In order to trace and assess transnational and intergovernmental mechanisms of EU impact across the three TNPO structures and their respective overlap, the chapter constructed a toolbox, which centres on four analytical distinctions: (1) EU-driven versus domestically driven mechanisms, (2) mechanisms based on rationalist logics of action versus mechanisms following constructivist logics of action, and (3) agent-based versus purely structural mechanisms of TNPO, and (4) transnational and intergovernmental mechanisms of EU impact.

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Behind the Charter: The EU Ethical-Legal Identity in an International Order

Cristina Pace

1 Introduction and Outline

Since the Treaty of Lisbon came into force on 1 December 2009, the Charter of Fundamental Rights of the European Union (hereafter “the Charter”) became legally binding for the EU and all its Member States.¹ Starting with the European Council held in Cologne in 1999, it took a significant period of time, approximately 10 years, for the Charter to gain the status of primary law of the EU. The Charter is also the first European legal instrument to include all categories of rights in a single text, those being economic, social and cultural rights as well as civil and political, consequently reinforcing the international agreements on the indivisibility of all human rights, democracy and the rule of law reached at the United Nations Vienna World Conference on Human Rights of 1993. The aim of the Charter, to build and reinforce the role of “*Europe as an actor on the global stage*”, is explicitly declared and recognized by the EU itself when stating that such a role has to be achieved “*by bringing together Europe’s external policy tools, both when developing and deciding new policies*”, giving Europe “*a clear voice in relations with its partners worldwide*”.² From an

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¹ The Treaty of Lisbon “*amends the current EU and EC treaties, without replacing them.*” Please consult: European Union, Treaty of Lisbon. Taking Europe into the 21st century, The Treaty at a glance. Accessed May 13, 2012, from http://europa.eu/lisbon_treaty/glance/index_en.htm

² European Union. Treaty of Lisbon. Taking Europe into the 21st century, The Treaty at a glance.

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historical point of view, the Charter is the end product of a lengthy discussion within Europe about the form of which recognition of fundamental rights should take, both within the European Community as well as in its external dimension. The Charter is also considered in its operation as an instrument that acts to boost the legitimacy of the European Union, both inside and outside its internal borders (McCrudden 2001). In implementing the Charter the EU has certainly made human rights' protection a central aspect of its policy and relations. A consideration of the broader history which brought to the proclamation and entering into force of the Charter is therefore essential for an understanding of several subsequent issues. To have an idea about the reasons behind the Charter and its value in the global international scene, it is in fact necessary to expand upon its background and founding rationale, delving deeper into the justifications for its creation.

This chapter will attempt to clarify those reasons, further explaining why the Charter was considered necessary since the European citizens seemed to be already well equipped in this respect, in particular after the adoption of the Council of Europe's Convention for the Protection of Human Rights and Fundamental Freedoms (ECHR) in 1950, and the remarkable work conducted by the European Court of Human Rights (ECtHR) in Strasbourg during the last 60 years. The analysis will show that, despite the fact that a common European "Bill of Rights" was already contained within the ECHR³ and that a corpus of Community fundamental rights could have continued to develop in the framework of the European Court of Justice's (ECJ)'s law-making practice; the European Charter of Fundamental Rights was still considered necessary for the sake of legal clarity and in order to foster the image of the Union on an international scale. Additionally, the Charter operated to compensate the democratic deficit of European institutions, making rights more visible for the citizens of the Union.

At first glance, the Charter does not seem to refer to the external relations of the EU, and the document is presented as a constitutional document for "internal use" only, in order to consolidate fundamental rights applicable at the Union level (European Council, Presidency Conclusions 1999). However, as the Charter addresses not only Member States but also the institutions and bodies of the Union, there can be no doubt that EU institutions and bodies are equally legally bound by it when acting in the context of EU external activities (Wouters 2001, p. 4).

The material in this chapter is divided into four main sections. The first section will give a general overview of the EU's historical aspirations to become a supra-national power from a global perspective in a changing world. Despite practitioners' contradictory definitions underling the *sui generis* character of the European Union, described in turn as an "*unidentified political object*" (Jacques Delors 1985, in Drake 2000, p. 24), a "*federation*" (Fischer 2000), a "*normative power*" (Manners 2001), a "*super state*" (Morgan 2005) or a "*strange*

³ All EU member states are also parties to the ECHR, even though the EU itself is currently not. However, article 6 (2) TEU of the Lisbon Treaty foresees the obligation on the EU to accede to the ECHR.

animal” (Cameron 2007, p. 24), such a willingness can be recognized from the very beginning of the European project and has been reconfirmed by the final adoption of an articulated “Bill of Rights” for the EU, as a medium for improving the constitutional and political legitimacy of the Union. The second section will give a short overview of the history of the Charter and the main steps in its creation, first regarding its conception and drafting, subsequently its elaboration and multi-level analysis, and lastly its final approval, proclamation and entering into force with the Lisbon Treaty in December 2009. A special focus will be given to the Charter’s external dimension and its role in shaping the EU’s historical aspirations to become a global power.

The third section will delve deeper into analysing the fundamental reasons behind the need for a European Charter, including a brief analysis of the main differences between the ECHR and the Charter. The Charter will then be considered in the context of its symbolic and practical link to the debate concerning the EU’s ethical-legal and cultural identity, which in turn attests to the Community’s gradual transformation into a post-national political entity.

The fourth and final section will conclude via an evaluation of the Charter’s added value in the global international scene, especially in the light of its scope, limitations and applicability and in consideration of the coming into force of the Lisbon Treaty, which made the Charter legally binding for the EU and all its Member States, in turn reinforcing its external dimension.

2 EU’s Supra-National Power: Global Aspirations and Political Objectives

In the framework of the ongoing political debates concerning the possible power shift from traditional industrial powers to emerging post-national powers, the EU can be considered as an emerging global, international actor, which significantly differs from traditional forms of power (e.g. Member States). In a contemporary, “globalized world”, in which western nation-states are experiencing major political, socio-economic and cultural transformations, the European Union can be considered one of the most significant attempts to create a post and supra-national political identity, exemplifying how, in the last two decades, the rise of “*post-national constellations*” of political authority has led to serious attempts to renovate “*both the idea and the practice of sovereignty beyond the state*” (IFL 2011; see also Habermas 1998). Together with the decolonization and globalization processes, the collapse of the Soviet Union and the consequent end of the East–west conflict, the emergence of a new “information era”, the recent EU’s enlargement (2004 and 2007), the increase in mass migration and refugees movements, the blurring of state borders and the changing environment of international relations, we are now undergoing an expedited and complete metamorphosis of the old concept of

nation-state, further undermining the old Westphalian system.⁴ The idea of a sovereign, territorially defined nation-state, with a single cultural-social identity and a common language and history has radically evolved and has been radically challenged. The concept of sovereignty, based on this idea of “homogeneous” states and national identities, has been confronted with a profound reconceptualization, becoming one of the most challenged political notions. Various attempts have been made in order to build a new post-national political idea, contributing at the same time to a new, inclusive definition of national identity. A thorough contestation of the concept emerged in correspondence with new phenomena usually considered as belonging to the general phenomenon of globalization: the increasing transnational interconnectivity between markets, institutions and people, as well as the changing ideas about human dignity, the results of technological developments, the intensification of regional integration, the increasing interdependence on common issues worldwide and the new emerging global threats which transcend the state level (especially environmental issues and global security threats).

These are some of the events which characterize an entry into a post-Westphalian era, in which the investigation of possible post-national forms of politics, acquires growing importance, as well as a greater understanding of the fact that global threats require common action in order to be solved. New ideas of governance embrace, for example, the idea of a “*world government*” (Lu 2008), the building of a “*cosmopolitan democracy*” (Held 1995, p. 267; Archibugi 2008) or the development of mechanisms of global governance as “*multi-level governance*” (Enderlein et al. 2010, p. 80). New actors other than nation-states (non-state actors) are therefore emerging as novel players in the international relations game, assuming a progressively more important role: actors such as regional and supranational organizations (e.g. the European Union), non-governmental organizations and multinational companies. Furthermore, it is important to recognize that a significant contribution to the evolution of this concept has developed from the role played by civil society organizations, which have commented and criticized both national and European policies, thus contributing to the emergence of a new European civil society.

Regarding the European Union as an outstanding example of regional supranational organization, it is possible to historically affirm that it has progressed well beyond a simple confederal-style union, developing exclusive competences over certain issues, especially through the development of the “*acquis communautaire*” over national legislations, and the supranational jurisprudence of the European Court of Justice (ECJ), (Weiler 1991).

The question however remains, how and whether the EU can be regarded as an “effective” global power in world politics, one that makes a difference to both the local and global *equilibrium*, able to extend its values and exert its influence over an

⁴The Westphalian system was based on the concept of sovereignty and created the concept of the “modern nation-state”. Since the peace of Westphalia in 1648, it has been considered to constitute the political and territorial order in Europe.

extensive part of the world, in what concerns both its impact on economy and development, its capacity to deliver external aid and its security and defense policy.

As I will argue in this essay, attempts have been certainly made in order to provide the EU with a symbolic legitimacy and “ethical identity”, for example through the stipulation of the European Constitutional Treaty⁵ and the adoption of a Charter of Fundamental Rights which aimed to consolidate the European political identity through the recognition, promotion and protection of a common ethical and legal background, as well as providing a set of common rights and shared values, and in so doing, justifying a supra-national sovereign intervention.

However, despite the fact that many achievements have been positively reached at EU level, namely the enhancement of peace and stability in the continent and the establishment of a common market and monetary union; many important “*legitimacy deficiencies*” have been pointed out and the EU has been often classified as a weak and divided entity, particularly incoherent regarding its role as a global actor in international politics. (Eriksen and Fossum 2004, p. 435). Problems related to the EU internal and institutional structure, its democratic deficit and the largely inter-governmental nature of its foreign policy have been often underlined (MacCormick 2007).

The EU is therefore described as “*a novel type of entity whose principled and constitutional status is ambiguous and incomplete, and whose underlying telos is not clear*” (Eriksen and Fossum 2004, p. 435).

Many indicators have pointed to such weaknesses and internal division in the past number of years. For example, the lack of a consistent and effective intervention during the Balkans war, the exclusion of the EU from the final negotiations at the COP15 (15th session of the Copenhagen Climate Change Conference), the EU’s indecision concerning the US’s plan to intervene in Iraq each represented a rather weak standing of the EU in the global scene.

It is certainly true that Europe has always had the ambition of playing a role on a global and international scale, recognized as early as 1937 by Young, who entitled this phenomenon “*Europeanization*” (Young 1937). Certainly Europe has long been considered at the center of the most revolutionary technological, institutional and political inventions and “*Western values and assumptions have been internalized to a remarkable degree in almost every other major culture*” (Roberts 1985, p. 278). The European Union’s presence in the world’s economy is still considered powerful. EU represents:

“the largest single economic entity in the world, with half a billion people and a gross domestic product (GDP) slightly larger than that of the United States [...] The EU’s presence in the world economy manifests itself not only through trade, capital and migratory flows but also via an intense regulatory activity. It is, if not the main, at least the second most important regulatory power in the world in just about every area, including: competition policy, [...], environmental protection, [...]; money, with the euro being the second largest international currency in the world (behind the US dollar); and financial market regulation, with European markets also ranking number two in the world (again

⁵ Which was however rejected by the French and the Dutch *referenda* in May and June 2005.

behind the US). The European Union is not only a global economic power, more or less on a par with the United States. It is also the undisputed regional economic power of a geographical area that encompasses Europe, the Middle East and North Africa (EMENA)” (Sapir 2007, p. 1).

Yet, some authors still speak of a “*European malaise*” (Beck and Grande 2007, p. 1) and the EU is considered to be consistently lacking all the essential characteristics that are usually associated with the notion of “global power”. Such characteristics are instead mostly associated with the concept of a traditional nation-state, which entails a clearly defined hierarchy and center of authority, as well as extensive control over all fields of life of its citizens (in the political, economic, social and cultural sphere). Furthermore, such a perception relates to the classical conception of international security, which has been traditionally linked to the protection of physical and political integrity of sovereign states; consequently requiring the protection of internationally recognized boundaries (if necessary also through the use of military force), the prohibition of the use of force between states and the principle of non-intervention in the internal affairs of other states.

The European Union indeed has a peculiar role within the international arena, one that differs from any traditional form of power (nation-state), especially regarding both its institutional structure and the intergovernmental nature of its foreign policy (MacCormick 2007). Such uniqueness is based on differing levels of policy, whereupon some areas of policy are dealt with at a communitarian level, while also respecting the different priorities and concerns of each member country as well as their respective foreign policies and the overriding intergovernmental framework.

However, some authors (e.g. Manners 2006) sustain that it is exactly what is commonly considered to be a point of weakness (at least compared with old-style power politics) that makes the EU powerful on the global scene. The EU power manifests not through the use of force or in a “traditional fashion”, but predominantly through its character of normative and civilian power and the use of soft-power instruments and legislative agendas, such as economic incentives and the prospect of membership that in turn attracts and influences the policy and behavior of other states.

For example, policies of conditionality and economic incentives made it possible for the EU to exercise a broad influence over potential candidate countries, which became deeply dependent on the EU’s trade services, policies and financial opportunities.

In conclusion, the EU can be effectively considered as a “world power”, especially regarding its communitarised policies (namely trade and monetary policy), even though its effectiveness is largely based on specific policy fields and related to specific regions of the world.⁶

⁶ Predominantly, this includes the “enlargement regions” of Central and Eastern Europe and recently South Eastern Europe. For instance, the EU remains highly invested in post-conflict state building and in bringing democracy and stability to the Balkans’ region.

On the other hand, the EU can be considered as less effective in other regions or policy areas and in particular, in regards to its capabilities in the security and defense policy, its soft-power measures having been often criticized as “too soft”, only reactive and ultimately ineffective.

On a final note it should be highlighted that the complex structure of the EU should not be seen as a detracting factor, but rather an important characteristic of the nature of the EU, particularly due to its crucial role in the destabilization of the traditional Westphalian notion of power.

The EU’s multi-layered structure and post-national governance model could instead be considered to be an advantage when addressing the complex and interconnected challenges of today, increasingly so if the EU continues to adequately meet the challenges expressed in its foreign policy objectives, namely the promotion of regional cooperation, human rights, peace and good governance, the promotion of the rule of law and the protection of minorities. The EU may therefore be “*unlikely to be transformed into a superpower in the near future, but maybe it will become a trend setter for a modern form of foreign policy in a globalized world*” (Guérot 2009; see also Haas 2009 and Wetzel 2012).

3 The Charter of Fundamental Rights of the European Union: *In Foro Interno et in Foro Externo*

In this section I will provide a short overview of the history of the Charter and of the main elements comprising its structure, with a special focus on the Charter’s external dimension and its role in shaping the EU’s historical aspirations to become a global power. A description of the Charter’s broader history and basic content is of foremost importance for a proper comprehension of the reasons behind its adoption and an evaluation of its consequent value in the global international scene.

In their nascence, the EU Treaties did not include any reference to fundamental or human rights. The need for a codified catalogue of fundamental rights at the EU level emerged only in 1970 when, in the *Internationale Handelsgesellschaft* case, the German court stated that a piece of EU legislation was infringing the German Constitution. Answering to the German court, the ECJ stated that respect for fundamental rights did form an “*integral part of the general principles of law protected by the Court of Justice*” and that inconsistency with fundamental rights protection could eventually authorize judicial review and legal challenges to European law (ECJ, Case 11/70 *Internationale Handelsgesellschaft* 1970). With this ruling, the ECJ developed a doctrine of “unwritten rights”, subsequently binding on the Community institutions.

The ECJ’s fundamental rights jurisprudence was eventually accepted and incorporated as hard law with a statement to that effect into the Maastricht Treaty in 1992. With the Treaty of Amsterdam in 1997, new specific human rights competences were created, especially in the area of non-discrimination. Human

rights provisions were also incorporated during the accession process of new Member States, allowing for their suspension in cases of systematic breaches of human rights. However the EU general human rights competences were only recognized in 1999 when the European Council in Cologne formally decided to initiate the drafting of a codified catalogue of fundamental rights for the EU (European Council, Presidency Conclusions 1999).

The Charter of Fundamental Rights of the European Union was officially proclaimed in 2000 during a meeting of the European Council in Nice (European Council, Presidency Conclusions 2000). However it was still considered as a merely “solemn proclamation”, while its tangible legal status remained uncertain and without full legal effect. It was only 10 years later, with the entering into force of the Lisbon Treaty, that the Charter assumed its current status as the Union’s own Bill of Rights.

Although strongly criticised at its outset (The Economist 2000; Weiler 2000), the Charter, which was written in a very short time frame (only 9 months), subsequently garnered considerable praise, particularly due to the innovative “Convention’s method”⁷ and the inherent allowances for broad participation by the civil society (Deloche-Gaudez 2001).

Since the entering into force of the Lisbon Treaty in 2009, the Charter became officially binding: EU bodies, institutions and member states of the Union must now “*act and legislate consistently with the Charter and EU’s court will invalidate EU legislations that contravene it*” (IILSS 2012). The Commission further committed itself to elaborating annual reports aiming to increase public awareness regarding the application of the Charter and to measure the progress of its implementation. Additionally, a Fundamental Rights Agency (FRA) was set up in 2007, through a process of revising the mandate of an existing monitoring center (European Commission 2011, p. 4).

The Charter applies equally to member states, however only in situations when they are implementing Union law and does not extend the competences of the EU beyond the competences given to it into the treaties.⁸

The Charter further places obligations and responsibilities on the EU’s institutions and provides citizens with effective means of enforcing their rights either in national courts or in the ECJ.

While including in a single document all categories of rights, the Charter’s advocates have noted that the standard of human rights protection it provides may be even higher than that of the ECHR, usefully complementing it. The ECHR is mostly confined to civil and political rights whereas the Charter evidently contains a much wider breadth of rights.

⁷ Particularly if compared with the traditional method of the intergovernmental conference (ICG).

⁸ See: Article 51/2 of the Charter concerning the Charter’s field of application: “*The Charter does not extend the field of application of Union law beyond the powers of the Union or establish any new power or task for the Union, or modify powers and tasks as defined in the Treaties*”.

The Charter also reveals an innovative character that goes beyond the meaning of traditional rights, including some “new rights” or so-called “third generation rights”. These rights refer to modern trends in language and to issues of global concern such as the environment, bioethics, data protection and good governance.⁹ The inclusion of such rights in the Charter was the end-result of an intense debate on the adaptation of fundamental rights to the challenges of a constantly changing society. As underlined in the Preamble of the Charter itself: “*it is necessary to strengthen the protection of fundamental rights in the light of changes in society, social progress and scientific and technological developments by making those rights more visible in a Charter*” (Fourth recital of the Charter’s preamble).

Consequently, the Charter is considered as a far-reaching and up-to-date declaration of rights for EU citizens, containing rights that were not envisaged at the time of the ECHR in 1950, leaving the ECHR to represent rights goals on basic level and the ECJ free to further develop and go beyond the rights contained in the ECHR. In fact, as recognized in article 52(3) of the Charter, the EU may be afforded a higher standard of protection, since it foresees that “*this provision shall not prevent Union law providing more extensive protection*”. As a consequence of this norm, the EU and national courts may be able to develop and extend the rights contained in the ECHR via interpretations of the Charter.

As concerning the Charter’s external characterization, which is also the primary focus of this essay, it is possible to assert that the Charter has an additional role in the external dimension of EU policy, especially concerning human rights, development issues and the promotion of regional cooperation. The Charter furthermore reconfirms the EU’s historical aspirations to become a global power, even though, as briefly mentioned in the introduction to this chapter, it is presented at first sight as a constitutional document for “internal use only”.

The Charter is in fact addressing not only the member states of the Union but also EU institutions and bodies, meaning that the latter are equally legally bound by the Charter concerning their external and third-party relationships.

The Charter’s external dimension is particularly evident when considered in the context of state applications for EU membership, as far as EU accession requires the complete adherence to the principles set out in Article 6 TEU,¹⁰ which reads:

⁹ See: Article 3, Right to the integrity of the person; Article 8, Protection of personal data; Article 37, Environmental protection; Article 41, Right to good administration. Cf. also Article 9, Right to marry and right to found a family, in which the right to marry and found a family is more in line with national legislations which recognize other ways of creating a family outside of the traditional marriage confines, while the ECHR speaks only of the right of a man and woman to marry.

¹⁰ 2007/C 306/01, Treaty of Lisbon amending the Treaty on European Union and the Treaty establishing the European Community, signed at Lisbon, 13 December 2007. Article 49 EU subjects membership applications of European countries to the respect for the principles set out in Article 6(1) EU.

Article 6 (TEU)

1. The Union recognises the rights, freedoms and principles set out in the Charter of Fundamental Rights of the European Union of 7 December 2000, as adapted at Strasbourg, on 12 December 2007, which shall have the same legal value as the Treaties. The provisions of the Charter shall not extend in any way the competences of the Union as defined in the Treaties. The rights, freedoms and principles in the Charter shall be interpreted in accordance with the general provisions in Title VII of the Charter governing its interpretation and application and with due regard to the explanations referred to in the Charter, that set out the sources of those provisions.
2. The Union shall accede to the European Convention for the Protection of Human Rights and Fundamental Freedoms. Such accession shall not affect the Union's competences as defined in the Treaties.
3. Fundamental rights, as guaranteed by the European Convention for the Protection of Human Rights and Fundamental Freedoms and as they result from the constitutional traditions common to the Member States, shall constitute general principles of the Union's law.

States requesting to join the “European club” should therefore fully comply with the principles set out in this article, including the respect for human rights and fundamental freedoms. Article 7 TEU provides for the suspension of rights of Member States if there is “*a clear risk of a serious breach by a Member State of the values referred to in Article 2*”. Even if the Charter do not require any additional standards to be met in order to claim membership rights, the human rights standards that must be attained by applicant states have been meanwhile increased and reinforced.

It is evident that the Charter has the advantage of providing greater transparency and legal clarity both for the EU internal and external dimensions as well as for other external actors interacting with the EU, such as third countries, NGOs and international organizations.

On a final note, since the early 1990s, human rights have had an increasing importance in the external policies of EU. Even if the delimitation of the Community's external human rights competences is still controversial, the emergence of human rights as a “transversal” Community objective is quite clear: human rights clauses have been included in all EU major international agreements with third countries, either through “special incentive” mechanisms or “conditionality requirements”.

As recognized in the Charter itself (Article 51(2)), member states' constitutional traditions, the role of the ECHR and the jurisprudence of the ECJ contributed to an already significant level of normative protection of human rights in the European Union, long before the adoption of the Charter. However, the contribution of the Charter can be still considered of great importance as it stands as the first written, codified catalogue of rights for the EU, and consequently contributes to the reinforcement of legal security and transparency as well as to an increasing legitimacy of the European Union both among its citizens and at a global level. Furthermore

the new mentioned Article 6 TEU of the Lisbon Treaty demonstrates that clear steps have been taken for the protection of fundamental rights in Europe. A clear example of this commitment can be seen in the obligations placed on the EU to accede to the European Convention for the Protection of Human Rights and Fundamental Freedoms (ECHR), (Article 6(2) TEU, Lisbon Treaty).

4 EU Ethical-Legal Identity in a Changing World

As previously mentioned in this essay, various attempts have been made at both institutional and political levels to provide the EU with a symbolic legitimacy and a specific “ethical identity”, in amongst the framework of a dynamic changing world and in parallel with the emergence of new forms of “post-national” political authority. Attempts have been made in this direction through the acquirement and use of symbols and instruments that are most commonly associated with the central characteristics of a traditional political identity.

The attempted stipulation of an European Constitution (rejected by the French and the Dutch *referenda* in 2005) as well as the proclamation and following adoption of the Charter of Fundamental Rights of the European Union, witnessed this willingness on the part of the EU to become a political, as well as an economic entity, thus overcoming the so called “functionalist approach” which advocated the idea that a common trade policy would have automatically instigated social and political integration.

The European Charter of Fundamental Rights was therefore adopted into the framework of a specific strategy aimed at developing a European political identity through the recognition of a set of rights and common values. Such an identity would have favoured the construction of a common political system of ethics, making Europe stronger at the international level and attesting to the Community’s gradual transformation into a post-sovereign political entity (see IFL 2011).

The central aim of the Charter is also explicitly mentioned in its Preamble, stating “*the peoples of Europe, in creating an ever closer union among them, are resolved to share a peaceful future based on common values*” (First recital of the Charter’s preamble). The Charter “*presents itself as a fully up-to-date ‘Ius Commune Europaeum’ of human rights protection in Europe*” (Wouters 2001, p. 3) and aims, in particular, to establish a common ideology and a common idea of European citizenship.

It was furthermore stressed the fact that the Union “*is founded on the indivisible, universal values of human dignity, freedom, equality and solidarity*” (Second recital of the Charter’s preamble), which acts to reinforce the international understanding on the indivisibility of all human rights, democracy and the rule of law reached at the United Nations Vienna World Conference on Human Rights on 25 June 1993.

It was however emphasized that “*the Union contributes to the preservation and to the development of these common values while respecting the diversity of the cultures and traditions of the peoples of Europe*” (Third recital of the Charter’s

preamble), underlining the central idea of a compromise in which the elements of a “European identity” would mingle with both the cultural and political differences of the different member states composing it.

Even the dynamics in which the Charter was drafted and the registered broad participation of civil society and non-state actors, evidences the contribution of different European “political families” and the necessary “balance of values” among them.

In spite of this, even if at a European internal level the Charter does not extend the competences of the EU beyond the competences given to it in the treaties (Article 51(2)), when considering the impact of the Charter on EU external relations, a risk may emerge that third countries may judge the European “Bill of Rights” as written from a “Eurocentric perspective”, acting as an instrument for exporting (or imposing) European cultural values and democracy outside the EU borders.

Such a consideration leads us to the central question of whether the EU is or has ever been willing to promote a universal model of human rights standards throughout the world.

The principle of universality and indivisibility of all human rights, which characterize the “Western vision” of the international system for the protection of human rights, has been consistently defended by the EU as the guiding principle for both its internal and external actions, in a view to promote basic rights and fundamental freedoms worldwide.

As stated in the introduction to the last *EU Annual Report on Human Rights and Democracy in the World in 2010*:

“2010 was the first full year in which the EU began to work under the provisions of the Treaty of Lisbon, which spelt out the principles underlying CFSP as follows:

The Union’s action on the international scene shall be guided by the principles which have inspired its own creation, development and enlargement, and which it seeks to advance in the wider world: democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity, and respect for the principles of the United Nations Charter and international law” (European External Action Service (EEAS), Report 2011, p. 6).

The EU has always declared that human rights clauses inserted in international agreements concluded by the EC, do not seek to establish new standards for the international protection of human rights and that the basic terms of reference are relate to the already existing international standards such as the Universal Declaration of Human Rights (UDHR), which is, at this point, customary law. Additionally, the human rights clauses do not seek to change the basic nature of agreements, simply constituting a “*mutual reaffirmation of commonly shared values and principles*” and a “*precondition for economic and other forms of cooperation*” (Brandtner and Rosas 1998, p. 474).

Nonetheless, such standards should be re-analyzed to conform with the new confines laid out by the Charter, and the indivisibility of human rights should be re-defined in this new context.

The Charter itself contains an argument for protecting diversity through Article 22, which states that “*the Union shall respect cultural, religious and linguistic diversity*”, applicable not only inside EU internal borders but also in its external dimension.

However, a harsh criticism has already been put forward concerning the EU external policy on fundamental rights, with the EU having been accused of Western human rights imperialism, Eurocentrism, or European Messianism (Sjursen 2006, p. 242; Gerrits et al. 2009). Such criticisms are predominantly put forward by those countries which do not share the same values and priorities of the EU and which do not have the same conception of human rights, dignity and democracy. Another harsh critique leveled against the EU is the accusation of adopting an “*inconsistent and incoherent approach to fundamental rights protection*” (Mathisen 2010, p. 4). This entails the idea that the strong focus on fundamental rights protection in EU external relations does not seem to correspond to an equally strong “internal” protection of fundamental rights, being the EU considered unable to properly protect the human rights of its own citizens (or persons residing in the EU territory), inside its own internal borders. In light of the EU’s aspirations to be recognized as an emerging global and democratic power, the EU should be willing and ready to respond to such criticisms.

5 Conclusions

This chapter has attempted to clarify the main reasons which underpin the need for a European Charter of Fundamental Rights, highlighting that an updated and detailed “Bill of Rights” is considered essential for the sake of greater levels of transparency and legal clarity, for both the EU’s internal and external dimensions and for other external actors interacting with the EU. The Charter was identified as an effective vehicle to improve the political legitimacy and credibility of the Union as a global player in the field of human rights, effectively reconfirming human rights and the rule of law as two of the main cornerstones of the European Union. This is particularly significant if considered in the context of the contemporary debate on emerging global powers and in a time in which the democratic deficit of EU institutions is presented as a permanent defect. The reflections made aim to outline the importance of the value of the Charter within the global international scene as well as to reconfirm the EU’s aspirations to become a global, supra-national power in world politics and global order. The fundamental bases for such a power are (or should be) the values of “*human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities*” (Article 2 TEU), which have been at the heart of the European project since its nascence. Criticisms of the Charter’s impact and importance must equally be addressed and internalized, such as those which blame the EU for its weak or cautious standing in the international scene or those which accuse the EU in turn of “Western human rights imperialism”, “Neo-colonialism”,

“Euro-centrism” or “European Messianism”. As has emerged from this chapter, the EU continues to be criticized as a weak and internally divided entity, particularly concerning its role as a global actor in human rights, while many authors remain skeptical of the effectiveness of the EU’s burgeoning role as a “human rights organization”. Furthermore, the EU’s activity in this area remains politically constrained, existing predominantly in the realm of inter-governmental decision-making processes. However, beyond the classical conception of nation-state and “global power”, the European Union may still be considered as having a unique role within the international arena, one that differs and surmounts “old-style” and traditional forms of power. Significant developments have also been reached in the field of human rights, especially if we consider that the total abolishment of the death penalty is now a reality in all the EU countries and that the EU has been granted special rights for participation in the work of the UN, while also giving its full support (technical but also financial) to the ICC and the UN treaty bodies. The EU manifests its power in a “non-traditional manner”, through its “legalistic approach”, its fundamental characteristics of normative and civilian power, and the use of soft-power instruments and legislations. The EU can therefore be effectively considered as a “world power”, even though its power mainly affects specific regions and policy fields. Furthermore, the complex structure of the EU, its post-national governance model, and multi-layered structure, should not be seen as an obstacle, but rather as an advantage, especially when addressing the interconnected contemporary challenges of today’s globalized world. The new Charter of Fundamental Rights of the European Union may have a role in meeting those challenges, by pursuing, in parallel with a better protection of human rights at an EU level, a better promotion of regional cooperation, peace and good governance at a global level. An in-depth reflection on this topic and suggestions, in the academic field as well as in the institutional one, may certainly aid in addressing all major criticisms while concurrently tackling the challenges of a progressively transforming world.

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From Harbinger to Role Model: The Influence of the Euro in Regional Monetary Cooperation

Miguel Otero-Iglesias

1 Introduction

The creation of the euro can be described as an ‘epoch-making event’ in the history of money. Despite the flaws in its institutional design, which have been highlighted by the ongoing debt crisis in the periphery of the Eurozone (EZ), the European Monetary Union (EMU) project is the most ambitious attempt of monetary cooperation in history. By pooling monetary sovereignty, EZ countries have attempted to gain both autonomy and influence, in other words, more monetary power (Cohen 2008a) in the international monetary arena in a context of rapid geopolitical and systemic changes characterized by the relative decline of the West, the ascent of new emerging powers and the increasingly malfunctioning flexible dollar standard (FDS).

The rapid consolidation of the euro as the second most used currency has triggered extensive research in the field of currency geopolitics. However, most of this scholarly work has focused on euro-dollar rivalry, overlooking the ideational footprint of the single European currency in other regions.¹ While the euro is a long way from competing with the dollar for top currency status, its impact in the realm of ideas regarding regional monetary integration has been considerable. As Marsh argues, “in Asia, Latin America and the Middle East, the euro supplies a template for a wide range of regional monetary unions that may be established in coming years” (2009, p. 2). Cohen goes further claiming that “EMU is clearly viewed as a test case for a strategy of pooling, rather than surrendering, monetary sovereignty. If Europe’s experiment comes to be seen as a success, it could have a powerful demonstration effect,

¹ It is impossible to make reference to all the literature that has covered the dollar vs. euro debate along the years. Just to highlight a few examples, see Mundell and Clesse (2000), Chinn and Frankel (2008), Pisani-Ferry and Posen (2009) and Cohen (2010).

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encouraging similar initiatives elsewhere” (2008b, p. 231). In a similar vein, Rogoff (2011) acknowledges that “if the euro survives and goes on to assume co-reserve status with the dollar, surely there will eventually be a strong trend towards consolidation elsewhere. Other blocs will form to mimic the euro’s success. They will aim to enjoy lower interest rates, and greater resilience to financial crises.”

EMU has thus not only been seen as a successful attempt to better protect the EZ from external shocks coming from the inherently unstable FDS, it has also been considered as a template for regional monetary cooperation and monetary sovereignty sharing procedures. Moreover, given that the global financial crisis has shaken the overall structure of the International Monetary System (IMS) and its intellectual underpinnings, actors around the world, similar to the 1930s, are operating in an environment of Knightian uncertainty, in which incumbent institutions, such as the FDS, are being questioned and new arrangements are proposed (Zhou 2009; Camdessus et al. 2011). It is precisely in this context of uncertainty in which the idea of the euro acquires special relevance. If the euro succeeds, its appeal as a role model will increase, triggering more monetary cooperation in other regions and further undermining dollar dominance. If it fails, it will show that monetary sovereignty is difficult to share beyond the state level, proving the resilience of the Westphalian state system in monetary affairs. In both cases EMU serves as a laboratory for the rest of the world.

So far, assessments of the ideational effects of the euro such as the ones quoted above have been based on speculative prognoses. They have not been supported by any particular source of evidence. The aim of this chapter is to provide the empirical material to support this hypothesis by proposing an agential and constructivist approach based on the use of in-depth semi-structured financial elite interviews in China, Brazil and the states of the Gulf Cooperation Council (GCC). The results of this research show that the euro has had a profound ideational impact in its challenge to the dollar and that its symbolic effects have stimulated multilateral monetary cooperation, acting as a blueprint for prospective regional institutional change. However, given the current difficulties surrounding EMU, the euro is not a role model in every region.

In China, for instance, the euro is better described as a harbinger for regional monetary integration within the ASEAN+3 Chiang Mai Initiative. As a matter of fact, for Chinese financial elites there are certain parallels between Germany’s embeddedness in Europe through the euro, and China’s possible embeddedness in East Asia through the internationalisation of the Renminbi or the creation of a single currency. The euro might disintegrate and the harbinger might not survive, but in any case there will be lessons to be learned. In Latin America, especially in Mercosur, the euro functions more as a source of inspiration. Financial elites in Brazil hope that at some point they will be able to unite the continent and enhance monetary cooperation, being the single currency a distant dream. Along the way, they are keen to draw on the European experience and expertise. The use of local currencies in intraregional trade is one step in this direction. Finally, in the GCC the euro is still perceived as the role model. Since the goal of a single currency was

announced, the leaders of the GCC have tried to emulate the integration steps that led to the euro. This has not changed with the crisis.

Nonetheless, my fieldwork results also serve to illuminate why EMU is difficult to emulate. Its special features are unique and therefore difficult to repeat. Latin America does not have a central bank matching the strong reputation of the Bundesbank. The GCC has a central bank with strong reputation, the Saudi Arabian Monetary Authority (SAMA), but it lacks the political counterweight scenario that exists between France and Germany. Finally, in East Asia, this counterbalance exists, but Japan and China do not share the political-economic division of labour characteristic of the Berlin-Paris axis.

In sum, EMU has proven that monetary sovereignty sharing among independent member states is both possible and useful. The euro is thus better described overall as a harbinger, which can show the way forward, but which can also succumb during the journey. As of yet, the harbinger is still alive and progressing. Its footprints are visible in the three case study regions studied.

The chapter is structured as follows: Section 2 explains the importance of ideas in moments of Knightian uncertainty and briefly describes the methodology used to grasp these ideas. Section 3 provides a general overview of the ideational footprint of the euro. The following three sections in turn show how the euro is better described as a harbinger in East Asia, a source of inspiration in Mercosur and a role model in the GCC. Throughout these sections it will also be shown that the consolidation of the euro has encouraged financial elites to favour a multicurrency system rather than current dollar unipolarity.

2 Ideas, Uncertainty and Monetary Integration

There is little doubt that the material impact of the euro in its challenge to the dollar has been limited. Despite its consolidation as the second international currency, the euro has a number of structural limitations that preclude it from replacing the dollar. These include economic factors such as insufficient financial integration and liquidity in its assets markets, political shortcomings related to having a monetary union without a fiscal and political union, and limited European military ambitions (Cohen 2010; Eichengreen 2011; Otero-Iglesias and Steinberg 2013).

Nevertheless, the consolidation of the euro has had a deep footprint in the realm of ideas, an aspect that has been overlooked by the literature. The European currency does not have the overall structural capacity to de-throne the dollar, but it has built sufficient defenses *to be perceived* (especially up to the recent sovereign debt crisis in the EZ periphery) as a protection shield vis-à-vis US monetary power. This, in turn, has promoted monetary integration in other regions that also want to gain autonomy from the malfunctioning FDS. In sum, the euro has shown that pooling monetary sovereignty is both feasible and useful and that there is an alternative to the hegemonic regime of the dollar that has been in place since WWII.

EMU is not the first time that the EU has acted as a laboratory and a source of inspiration for other regions. The EU has long been an active promoter of its

economic and political model beyond its borders and, by virtue of being the most advanced experiment in regional integration, it has both shaped and diffused ideas about multi level governance and the feasibility of advanced forms of sovereignty sharing. For the EU, promoting regional integration in other parts of the world is a strategy for constructing a new global order based on inter-regional cooperation (Börzel and Risse 2009; Hardacre and Smith 2009).

Following this trend, upon the basis of the relative success of the Euro in the decade before the Global Financial Crisis (2008), the European authorities, as will be shown below, promoted EMU as a role model for regional monetary integration by sponsoring conferences and seminars related to this topic and by developing research and sharing best practices and expertise with authorities of other regions. In this regard they have shown that Europe is able to exercise considerable power in the third face of power focused precisely on the ideational realm (Lukes 2005).

Blyth (2002, p. 35) has provided the theoretical framework to understand this process. He has shown that economic ideas are a key driver of systemic institutional change, especially in periods of high insecurity, delegitimation of the dominant regime and systemic economic collapse.²

The Great Recession which started in 2008 is not just another cyclical crisis in the evolution of the IMS, it is a systemic one, potentially comparable to the Great Depression. In such periods of widespread uncertainty, the pillars of the system are shaken, and one of the pillars of the current system is the centrality of the dollar in international economic transactions. This crisis has exposed the flaws in the FDS and it has demonstrated that the US structural deficits are a permanent source of instability. With this in mind, widespread calls for reform have come from as far apart as Beijing, Brasilia, Moscow and Paris. The emerging consensus in these capitals is that dollar unipolarity is not compatible with an increasingly multipolar economic and political world order (Bénassy-Quéré and Pisani-Ferry 2011). The problem is how to change it without provoking another major crisis.

This high level of insecurity about the future of the IMS makes this transitional period an age of Knightian uncertainty, as developed by Knight in 1921 (cited in Blyth 2002, p. 31).³ This type of uncertainty is qualitatively different from the one emanating from situations of high risk. As explained by Blyth, in situations of Knightian uncertainty “agents can have no conception as to what possible outcomes are likely, and hence what their interests in such a situation in fact are (2002, pp. 31–32)”. This means that simple concepts of economic rationality, which are useful in normal times,

² For Blyth (2002, p. 35) ideas matter because they allow agents to reduce uncertainty by interpreting the nature of the crisis; they serve as collective action and coalition-building resources; they are used as weapons that allow to attack and delegitimize existing institutions; they are seen as institutional blueprints to construct new institutions; and they underpin the new emerging institutional framework.

³ Other indications that we are in a moment of Knightian uncertainty in the IMS are the high price of gold, long run fiscal problems in the US and the EZ, the over-accumulation of foreign reserves by China, the use of unprecedented monetary policies such as quantitative easing in the West and an ongoing global public debate about the lack of political leadership in the world system.

provide poor guidance for action because, ultimately, rationality depends on ones identity, culture and institutional embeddedness (Watson 2005).

Here is where the role of ideas and perceptions takes a preponderant role in determining what is feasible in transforming monetary affairs (Odell 1982; McNamara 1998; Verdun 2000). To change the current, disruptive status quo, policymakers in emerging markets need first to make sense of how the current crisis came about, then they need to figure out how to best cope with the current situation of uncertainty and finally they need to generate a narrative that can lead to the transformation of the rules of the game. Normally, in these transitional periods what policymakers tend to do is to look at similar experiences. They try to find possible blueprints to amend the situation (Blyth 2002). It is in this context where the material-ideational impact of EMU emerges. If there is a region in the world that has tried to weather the instabilities of the FDS since its inception, this is the EZ. Since the collapse of Bretton Woods in the 1970s, the Europeans have battled to regain stability and autonomy in monetary affairs, first by fixing exchange rates among themselves with the European Exchange Rate Mechanism (ERM), and more recently with the introduction of the euro (Henning 1998; Marsh 2009; Padoa-Schioppa 2010). In this regard, they have shown that monetary sovereignty sharing among independent nation states is possible. This is ideationally significant because, as Kirshner (2003, p. 12) points out, “with regard to money, the power of ideas does more than just shape the possible. It defines the feasible”.

2.1 *Research Methodology*

In order to grasp the ideational footprint of the euro it is necessary to go beyond traditional positivist and quantitative methods of analysis. Therefore, for this type of research the use of in-depth semi-structured elite interviews (Dexter 2006) is required. The interview material is complemented by scholarly secondary sources and official documents, if available, in order to triangulate the evidence. As with all qualitative research with a reduced number of interviews, I need to highlight that my results are only exploratory and not conclusive. Moreover, it needs to be noted that most of the interviews were conducted before the sovereign debt crisis in the EZ reached its peak. I am aware that perceptions might have changed since then.⁴ In any case, the ‘Laboratory’ metaphor still holds. EMU is a test study. If it succeeds, it will increase its appeal, if it fails, it will provide lessons on how not to establish a monetary union. So overall the concept of monetary harbinger is the most appropriate.

The core of the material comes from 76 interviews with financial elites conducted in London, Rio de Janeiro, São Paulo, Brasilia, Beijing, Dubai, Abu Dhabi, Riyadh and

⁴ Current fieldwork in China undertaken in May 2012 shows that these perceptions are still broadly valid.

Jeddah between 2008 and 2010.⁵ Participants were officials at the ministries of finance, central banks and related agencies and sovereign wealth funds; senior executives at state-owned or private commercial banks and other private financial institutions; and senior experts from think-tanks, universities and financial press.⁶ Most of the government and banking officials interviewed asked for anonymity.

Once the elites agreed to be interviewed, the conversations were usually insightful and friendly. None of the interviews lasted less than 30 min and on average the duration was 1 h. Some interviews even lasted a few hours, which means that the interviews were sufficiently in-depth to grasp the perceptions on the euro of these elites.⁷

3 The Ideational Footprint of EMU

Despite all the structural flaws highlighted above, the project of EMU receives considerable praise from an overwhelming majority of participants in this research, at least up to the European debt crisis. The interviewees in all three case study regions are particularly impressed by the political will behind the European single currency, epitomized by the pooling of different monetary sovereignties behind the creation of the euro. So far, they consider it a success story and in general they believe that the euro will survive the current turmoil. Two metaphors are repeatedly used: that the euro is an experiment; and that it is a young child or teenager, in reference to the short history of EMU. For a senior Chinese official, the euro is a remarkable achievement, ‘especially considering that this is an experiment that has never been tried before in history of humankind. The euro has had great symbolic effects in China’ (I-X-19 2009). For Yu Yongding, an influential Chinese economist and former member of the monetary policy committee of the Chinese central bank, the euro is an ‘epoch-making event’ that will help create a more stable international financial system. ‘Before the euro we had a US hegemony based upon the US dollar but I see the euro as a clear challenge to the hegemonic power of the dollar’ (Yu 2009). Similarly to many other Chinese financial elites, Yu does not believe the euro will substitute the dollar as the top international currency, rather, when he says that the euro challenges dollar hegemony, he means that the success of the euro has shown that there can be a monetary system with different international currencies.

⁵ The 76 interviews are geographically distributed as follows: UK ($n = 5$), Brazil, ($n = 11$), Saudi Arabia ($n = 15$), United Arab Emirates ($n = 16$), China ($n = 29$). The anonymised transcripts of the interviews can be requested for evidence-check by contacting the editor.

⁶ Participants in the latter groups were chosen as primary sources because of their policy advisory roles. Others were interviewed as secondary sources to enhance the background knowledge.

⁷ In Brazil the interviews were conducted in Portuguese, and in China, Saudi Arabia and the UAE in English. I acknowledge that a possible bias in the answers could be my European identity, which could make the interviewees more inclined to speak more positively about the euro. However, in light of the critiques that most of these elites directed to the EZ for not speeding up the integration process, if existent, this bias was rather minor.

Similar comments are to be found among senior officials and bankers in the GCC and Brazil. Asked about what they find most appealing about EMU, these financial elites would say that the single currency has enhanced intraregional and international trade, has eliminated exchange rate volatilities, has delivered price stability and has fiscally disciplined the historically profligate and inflation-prone countries from southern Europe. The latter is interpreted as something outstanding, especially among Chinese participants who were more inclined to praise German-style fiscal rectitude than their Brazilian and GCC counterparts. Nonetheless, GCC policymakers at the central banks would praise the disciplinary character of EMU too, which in the words of one senior official, can “force countries to introduce painful structural reforms which they would otherwise not implement: first to meet the entry criteria, and then to remain in the Union. The best example of this is now the PIGS [Portugal, Ireland, Greece and Spain] who need to introduce reforms if they want to get help from Germany” (I-S-11 2010).

Overall, the influence of German-style discipline is also underpinning the reputation of the ECB as a successful guarantor of price stability. This is one of the reasons why the euro has appreciated against the dollar in the past decade and why, despite the recent debt turmoil, it has not collapsed vis-à-vis the greenback. The appreciation bias of the euro is attracting a lot of admiration. However, what most participants in this research do not realise is that this strength undermines the growth prospects of EMU. International investors like to hold an international currency that appreciates against the rest of currencies because of its tighter monetary and fiscal framework. Thus, the euro is stronger externally. However, this strength weakens it internally by eroding competitiveness and fostering unemployment in the EZ. This is to be seen in the current crisis.

Nonetheless, since money is based on trust, when a currency is persistently strong its holders believe in its creditworthiness and in the underlying political structure that underpins it. This logic sits at odds with the EZ since as yet it has no political authority to back it up. But here is where perceptions matter. The perception of many international investors is that the EZ is a political construct in the making. One participant from a leading GCC financial institution captures this idea.

“People in the markets have since the mid 1990s started to see Europe as the United States of Europe. The speculative attacks in 2010 against the single currency are just a way to test this hypothesis. In general most of the participants in the markets assume that there is an underlying political will to support the euro. If not this project would never have started. Political union is down the road” (I-Y-9 2010).

With this rather optimistic (and for many euro-sceptics naïve) perspective on the future of EMU in mind, most financial elites interviewed see the EU as an important pole in an increasingly multipolar IMS. In their view, step by step, crisis after crisis, the EU is acquiring greater strength and independence, the consolidation of the euro being just the monetary representation of this development. This newly acquired autonomy and power in monetary affairs is appealing. They see how currency union in Europe has protected weaker economies with weaker currencies from major swings in exchange rates and how an internationally accepted euro is able to absorb

shocks easier than the previous national currencies. Of course, they are well aware that there is a price to pay for this stability. Weaker countries cannot devalue their currencies as they did before EMU, but for the majority of interviewees this will have two positive outcomes: on the one hand, it will show the necessity to coordinate further European economic and fiscal policies, inching towards political union, and, on the other, it will force these countries to introduce the necessary structural reforms to regain competitiveness. So far, the EZ seems to be moving in this direction.

4 EMU and Monetary Cooperation in East Asia

In China and East Asia at large there are many voices that see EMU as a possible template for regional monetary cooperation (Eichengreen 2007). EMU is constantly referred to in conferences, seminars and articles covering issues of monetary cooperation either as an example to follow or as a model not suited for the Asian context. In both cases the ideational impact of the euro is unquestionable. The vast literature focused on “lessons for East Asia from Europe” (Park and Wyplosz 2008, p. 7) on monetary cooperation supports this argument. As Gao Haihong, a leading Chinese scholar on regional monetary cooperation, notes, the euro’s consolidation can be seen as an example for Asia, among other reasons, because “the rise of the euro provides a successful regional solution to the problems of the current dollar standard” (Gao 2008, p. 381). While the euro has been perceived in China as a good protection mechanism against the instabilities of the FDS (Xu 2007), with the coming of the sovereign debt crisis in the EZ in 2010, some of this enthusiasm has receded. The euro functions thus as a harbinger for regional monetary integration. When things go well, it is increasingly seen as a blueprint, but when it stumbles the feasibility of currency unions is seen with more caution.

In any case, Asian monetary integration has not stopped since the signing of the Chiang Mai Initiative (CMI) in 2000. The CMI brings together the 10 members of the Association of South East Asian Nations (ASEAN)⁸ plus China, Japan and South Korea, in what is known as the ASEAN+3 framework. The first step of the CMI was to set up a system of bilateral currency swaps (BSA) and bond repurchase arrangements to provide liquidity to member states in need. In 2007, the finance ministers of ASEAN+3 agreed to streamline the decision-making process of the BSAs through a more multilateral approach in what is called a self-managed reserve pooling arrangement (SRPA). “The SRPA, [...] essentially replicates the model of the European Monetary Cooperation Fund” of the 1970s (Park and Wyplosz 2008, p. 78) and thus could possibly be seen as the foundation for an Asian Monetary Fund (Zhang 2009) and a regional single currency in the long term. After the global financial crisis, the CMI member countries agreed in 2009 to increase the liquidity fund from \$80 to \$120 billion, with South Korea, Japan and China providing 80 % of the funds, and to

⁸ The ten countries forming ASEAN are Brunei, Burma (Myanmar), Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand and Vietnam.

establish “an independent regional monitoring body to ensure effective management and use of the cooperative reserve pool” in future crises (Zhang 2009, p. 29). This reform was officially ratified in March 2010 with the signing of the Chiang Mai Initiative Multilateralization (CMIM) Agreement which included the establishment of the ASEAN+3 Macroeconomic Research Office (AMRO) in Singapore. This is a considerable step forward in East Asian regional monetary cooperation since for the first time there is an attempt to establish a supranational institution with macro-economic surveillance responsibilities. The main aim of this project, as explained by a senior Chinese official, ‘is to create a structure similar to the IMF but in Asia’ (I-X-3 2009).⁹ These developments show that East Asian monetary cooperation accelerates in periods of crisis. A feature shared with Europe.

Despite these advances, the willingness among certain financial elites to create an Asian single currency (Kawai 2009), and the symbolic effects of the euro, which have run in parallel to official European support for monetary integration in the region (Sánchez 2005), progress in East Asian monetary integration has been difficult. The biggest hurdle is the regional rivalry between Japan and China. As explained by Qin Yaqing, senior advisor to the Ministry of Foreign Affairs of China, “EMU is an example that has to be studied very carefully, but it cannot be copied. East Asia has many cultural differences with Europe [. . .]. There are still a lot of political divisions, especially between China and Japan” (Qin 2009).

In principle, by having two counterbalancing heavyweights, East Asia would be closer to the European model than the GCC and Mercosur, dominated by Saudi Arabia and Brazil. But the counterbalancing of Germany and France is quite unique. After the horrendous experience of the Second World War, Germany has been content to be the economic superpower, leaving political leadership to France—at least up until now. The creation of the euro is a consequence of this division of labour. In Asia, however, it is hard to see either Japan or China letting the other take this political leadership role (Eichengreen 2007).

The presence of the US in the region is also seen by many Chinese officials as an obstacle for more integration. American scholars such as Grimes (2011) point out that in 2008, when the Korean central bank was short of dollars, Korean officials were happy to accept a \$30 billion swap line offered by the FED. The CMI liquidity mechanisms, on the other hand, were not utilised despite the central bank of China offering a similar bilateral swap line.

Since East Asian monetary cooperation proceeds in small steps due to the political tensions between Japan and China, the Chinese authorities have started to take unilateral steps to internationalize the Chinese Renminbi (RMB). However, this process is also influenced by the trajectory of the euro. As Yu and Gao (2009) point out, similarly to Germany in Europe, China’s regional power and strength is seen with suspicion by its neighbours. In this regard, to avoid

⁹ In parallel to the CMI and CMIM initiatives, the ASEAN + 3 countries have also put great efforts in establishing an Asian bond market. This development also needs to be seen as an important step towards regional monetary integration and out of dollar unipolarity (Gao 2008, p. 379).

future confrontations, China might allow the RMB to penetrate increasingly the streets of neighbouring countries, and once the population of these countries accepts the economic might and hegemonic status of China, the hope is that these same populations might be forthcoming in accepting a monetary union dominated by China, as is the case with Germany in Europe.

In the long run, Chinese authorities would like to see a transition from the current one-and-a-half monetary system (Cohen 2010) to a multi currency world that mirrors the multipolarity of the world economy. In this regard, the success of EMU is considered in Beijing the first necessary step for this to happen.

5 EMU as Source of Inspiration for Monetary Cooperation in Mercosur

EMU has also had strong ideational impact in Mercosur for several decades. As Maria Celina Arraes, former deputy governor for international affairs at the Central Bank of Brazil acknowledges, EMU has acted as an inspiration for monetary integration in Latin America since the 1960s, when the European Payments Union inspired the regional payments system with multilateral settlement in South America. For her: “The rise of the euro is a unique, outstanding event and is an unparalleled model for Latin American countries’ monetary integration ambitions” (Arraes 2009, pp. 162–163). In a similar vein, a senior banker claims that “We here in Mercosur mirror ourselves on the EU; we want to create something similar”. And he adds: “there are still many obstacles to get there, but who would have thought in the 1950s that the Europeans would achieve today’s degree of integration?” (I-W-1 2008).

As these statements show, European monetary cooperation has been a source of inspiration in Latin American for a long time. Moreover, since the beginning of the financial crisis in 2008, Argentina and Brazil have started to invoice their bilateral trade in their local currencies to be more protected from dollar shocks (Chin 2010). As the Europeans before, they are keen to use their own currencies instead of the dollar.

Following the European path, all these steps toward regional monetary cooperation have always been surrounded in Mercosur by debates about who will exercise political leadership and how feasible closer economic integration is (Ferreira de Mendonça and Da Silva 2004). As early as in 1997, the Brazilian development bank BNDES proposed a monetary union for the Mercosur bloc based on “an agreement similar to Maastricht” (Giambiagi 1997). In 2000, Ian Goldfajn, who later became member of the monetary policy committee of the Central Bank of Brazil, put forward a similar proposal, also based on the European experience (Giambiagi 2001). The European influence is not only reduced to the passive mode of appeal and attractiveness. The European Commission has actively promoted regional monetary cooperation in Latin America on the basis of the perceived success of the European experience (EC and BCB 2008).

Despite these efforts, so far this process has been slow and disappointing. This is why the concept of inspiration is here more appropriate. As a senior banker recognises:

“Economically, we need more integration in macroeconomic indicators and politically we need more political determination to come together, but this is difficult. We believe in the Mercosur project and we want to integrate further but we will not achieve this in 10, 20 or even 30 years. The EU itself, with its differences and internal tensions, shows that it is a long journey” (I-W-10 2008).

Virgílio Arraes, Professor of International Relations at the University of Brasilia, agrees. He reckons the single currency will come, but only “in the very long term”. Nonetheless, he is convinced that it will happen, since, in a similar fashion to the EU, “it will become a necessity for the survival of [Latin] America” (Lacerda 2008). Others are not convinced. The majority of the literature that has studied the feasibility of a currency union in Mercosur focuses on the Optimal Currency Area (OCA) theory, and in most cases the conclusion is that hitherto this regional bloc “is not an OCA” (Chagas and Baumann 2007, p. 106). One economic factor that stands out when comparing Latin America with the EZ and East Asia is that until now “Latin American countries have very low levels of integration” (De Grauwe 2009, p. 98). This reduces the benefits of a common currency among Latin American countries and makes the region distinct from Europe. Another factor that was present in Europe and is not applicable to Latin America, is that in Europe several countries used EMU to import the reputation and credibility of the Bundesbank in its hawkish approach to inflation (De Grauwe 2009, p. 99). However, given that almost all central banks in Latin America, including Brazil, have had serious problems to control inflation in the past, this institutional benefit does not apply to this region—at least not yet.

In sum, there are a number of economic factors that hinder monetary integration in Mercosur. Nonetheless, drawing precisely on the lessons of EMU, which is not an OCA either, the majority of Brazilian elites would certainly not disagree with Chagas and Baumann’s statement that when it comes to establishing a monetary union “political reasons might be more important than economic reasons” (2007, p. 97).

In the medium to long term everything is possible. The ideational can certainly crystallize in the material. What is perceivable for now is that a large number of financial elites in Brazil think that regional monetary cooperation will be a logical evolution from a monetary system dominated by the dollar to a multipolar monetary system with different monetary blocs.

6 The Euro and Monetary Cooperation in the GCC Region

While the euro functions primarily as a harbinger for East Asia and as a source of inspiration in Mercosur, there is no doubt that EMU is considered the role model for the proposed GCC monetary union. This was made clear by King Abdulah of Saudi Arabia at the 2001 Muscat Summit when he stated that EMU was the “model to follow” (cited in Rutledge 2009, p. 5). In this particular case, the evidence collected for this study is conclusive. For an overwhelming majority of interviewees there is no doubt that EMU has served as the example to follow for GCC Monetary Union (GCC MU). One senior official was particularly straightforward. For him, “it is clear that the proposal of creating a monetary union in the GCC would not have emerged without the realisation of EMU” (I-S-12 2010). For this same official, “EMU has given the ruling

elites in the GCC the confidence that monetary union is possible, not only from a political point of view, also from a technical standpoint' (I-S-12 2010).

In other words, GCC policymakers believe in the feasibility of monetary unions because the Europeans have gone through all the different steps, and the experiment has been successful—so far. This view has not even changed amidst the recent sovereign debt turmoil in the EZ. In 2011, the Governor of SAMA, recognised that he was following events in the EZ very closely. 'On the one hand', he said, 'I hate to see you struggling with the current configuration of your monetary union; but, on the other hand, I have to say that I am learning a lot from your experience. You are certainly the laboratory for other monetary unions around the world' (Al-Jasser 2011). From this statement it becomes clear that as long as the EMU harbinger progresses in its journey its appeal as a blueprint and role model will be maintained in the GCC.

As in the Latin American and East Asia, European policymakers have actively influenced the establishment of monetary integration in the GCC. As Rutledge (2009, p. 5) indicates, the ECB "has provided direct assistance to the GCC by providing a 'draft monetary agreement' for the GCC MU [and] the ECB has also run a series of workshops with the GCC Secretariat's MU technical committee". This active cooperation between GCC and European officials has also been confirmed by different participants at the central banks and the GCC General Secretariat in Riyadh (I-S-13 2010; Aluwaisheg 2010). ECB economists have concluded studies on the feasibility of GCC MU (Sturm and Siegfried 2005). In addition, there is also a regular framework of cooperation through high level seminars between the Eurosystem network and the central banks and monetary agencies of the member states of the GCC.¹⁰ It is clear that European advice over the years has had a considerable footprint in the formulation of the guidelines and convergence criteria for GCC MU. As a matter of fact, the "Agreement Establishing the Monetary Union of the Cooperation Council for the Arab States of the Gulf" (GCC 2010), which according to one participant "is the GCC's equivalent of the Maastricht Treaty" (I-Z-12 2010), incorporates provisions for the independence of the future Gulf Central Bank (GCB) which mirror exactly the ECB's legal status.

The GCC MU was supposed to start in 2010, but at the time of writing (May 2012) its successful completion remains doubtful. The most contentious issue, which led Oman to declare in 2006 that it was not ready to join, has been the peg to the dollar. While oil and gas exporting countries such as Kuwait and Qatar have been advocating a de-pegging from the ever-depreciating and inflation-importing greenback (it needs to be noted that one third of GCC imports are priced in euros), less oil-rich "Oman (and probably Bahrain) see advantages in a weak currency, as it makes their non-oil manufactured goods more internationally competitive" (Rutledge 2009, p. 8). These

¹⁰ These seminars, which bring together the governors of the central banks and senior staff from the European Commission and the GCC General Secretariat, are currently conducted every 2 years. The three seminars organised so far were held in Mainz (Germany) in 2008, in Rome (Italy) in 2010 and in Abu Dhabi (UAE) in 2012.

divergences are also behind the pulling out of Kuwait in 2007 of the GCC fixed peg to the dollar agreement.

Furthermore, the most recent setback for GCC MU came in May 2009 when UAE declared that it would drop out of the project after Saudi Arabia announced that the Gulf Monetary Council (GMC), the precursor of the future Gulf Central Bank (GCB), would be headquartered in Riyadh and not in Abu Dhabi or Dubai, as was expected. Had the Saudis given up the headquarters of the future GCB to the UAE the situation might have been different. For UAE policymakers, this would be a clear message that Riyadh is serious about establishing an independent organ, but with the GCB located in Riyadh there is fear among policymakers of other GCC countries that GCC MU does not mean monetary sovereignty pooling, but rather monetary sovereignty submission to the mandates of Riyadh. For all these reasons there is no real political will among the smaller GCC member states to establish a common currency (Bitar 2010). And if there is one lesson that the GCC can definitely draw from the experience of EMU it is that the establishment of independent supranational institutions is an absolutely necessary condition for the success of monetary unions (De Grauwe 2008).

Nevertheless, despite UAE's withdrawal, Saudi Arabia has not changed its plans to create a GCC MU in the future (the new proposed date is now 2015). If anything, with the drop out of UAE, Riyadh now has fewer obstacles to implement the project given that the remaining Kuwait, Qatar and Bahrain have little political weight in the GCC (I-Z-5 2010). In March 2010, the GMC was officially established in Riyadh, with the governor of SAMA chosen as its first chairman. Nonetheless, despite these institutional advances, the reality on the ground is that GCC MU is still distant. The large majority of financial elites interviewed are sceptical about the success of the project. Officials in public positions in the UAE would declare that the main problem is that the requirements and the convergence guidelines set out by the EMU experience are very tough, especially those demanding transparency (Rutledge 2009). On top of this comes the problem that in the GCC there is only one big country: Saudi Arabia, which has no counterpart to replicate the experience of Franco-German cooperation that led to the creation of the euro. Finally, institutional cooperation and trade interdependence are still underdeveloped in the region. As a western advisor to the government of UAE states; "Here they want to create a monetary union before even having a [real] free trade area" (I-Y-7 2010).

Looking into the future, some GCC officials argue that "the important thing is to show that the GMC and the GCB can be independent bodies. Once this is achieved, the UAE will at some point join in again" (I-S-6 2010). As to the exchange rate regime, the answer is that at the beginning the idea is to continue with the peg to the dollar, but then "everything is open to discussion". For a senior official from the GCC Secretariat, the end goal of GCC MU should be to de-peg from the dollar and have an independent and autonomous monetary policy away from the FED like the ECB has (Aluwaisheg 2010). The economic logic would point towards that direction, but in the GCC region, political influence on monetary issues has traditionally been exercised from outside and it is doubtful whether the US would be enthusiastic about a common

GCC currency de-pegged from the dollar (Momani 2008).¹¹ In any case, the general perception in this region is that we are moving gradually from dollar unipolarity to a multipolar system and that the euro is a first step in this direction.

7 Conclusion

The aim of this chapter has been to provide empirical evidence in support of the thesis that claims that EMU has triggered symbolic effects in stimulating the creation of regional monetary cooperation and monetary unions, and in enhancing the desirability for the establishment of a multicurrency system that can overcome the flaws inherent to current dollar unipolarity. For financial elites in Brazil, the GCC and China the euro is a historic experiment in monetary sovereignty pooling that, if successful, will increase its role model appeal in the years to come. Thus, the evidence collected suggests that the euro can be classified as a blueprint for prospective institutional change in a moment of Knightian uncertainty and therefore that EZ has been able to project considerable ideational power.

Financial elites perceive the euro as a tool to increase intraregional and international trade, secure price stability, promote fiscal discipline, provide protection against the instabilities of the dollar and integrate further the continent. However, since, the possibility of an EMU break-up is real (especially since the 2010–2012 sovereign debt crisis in the EZ), the euro is only to be seen as a role model in the GCC region. In East Asia it is better described as a harbinger and in Mercosur as a source of inspiration. Overall, the figure of harbinger is the most adequate because EMU might show the way forward but also the paths to avoid.

It is to be seen whether this ideational influence is translated one day in more institutionally consolidated regional monetary integration. Nonetheless, EMU has also proven to financial elites in all three case study regions that an IMS with several international currencies might be possible, and also more efficient and stable than dollar unipolarity. This perception is in clear opposition to Kindleberger's (1986) view that the most efficient IMS is one where there is only one dominant international currency, and also in contrast to the network externalities theory which claims that economic agents tend to favour one particular currency (Chinn and Frankel 2008). Contradicting these theories, a considerable number of participants in all three case study regions, envisage the gradual move from the current monetary system (with the dollar as senior pole and the euro as junior pole) to a tripolar system where the dollar,

¹¹ Geopolitical considerations are common among GCC financial elites that do not hold public positions. One of the geopolitical rumours in Dubai is that the UAE did not drop out of the GCC because of the future GCB location in Riyadh, but rather because of US pressure to abandon a project that could lead to a more independent GCC monetary policy and therefore to the de-pegging from the dollar. In a region washed with conspiracy theories, this might be another one. Nonetheless, several participants would refer to it and others would consider it as perfectly plausible given that dollar hegemony depends to a large extent on the GCC region remaining pegged to the dollar (I-Y-3 2010; I-Y-8 2010; I-Z-13 2010, see Momani 2008).

the euro and possibly the RMB or a common Asian currency compete against each other. In this regard, based on the sample of this research, the emerging consensus among financial elites in emerging markets tilts in favour of the tripolar scenario (Eichengreen 2011; Otero-Iglesias and Steinberg 2013). It is worth noting here that while in the Kindlebergerian view, a tripolar system would lead to tensions and conflict, for the majority of these elites international competition would bring a more stable and efficient system. In sum, what the consolidation of the euro as the second most used international currency has done is start a race of different international currencies for the top position. The dollar might continue to be the dominant one, but its predominance is assumed to be in decline fostering first regional and eventually global competition.

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A Toolbox Approach to the EU's External Climate Governance

Katja Biedenkopf and Claire Dupont

1 Introduction

Climate change is a global problem. Action in only one jurisdiction to combat climate change is insufficient. In its endeavor to mitigate climate change, the European Union (EU) must, therefore, consider the global context and engage in global climate governance. This chapter outlines the tools that it can use in this quest. We discuss the options available to the EU and how or when they may be used to influence global climate governance. The EU's external governance options are conceptualized as a toolbox. In order to effectively influence global climate governance, we argue, the EU can rely on a set of four groups of governance tools: international treaties and agreements, cooperation, coercion and incentives, and pioneering policy. It is not one of these tools but rather a combination of options from its toolbox that makes the EU a global climate power. The tools' potential effectiveness depends on the particular situation and circumstances. Some tools might be very efficient in certain situations and absolutely unsuitable in others. The EU cannot arbitrarily choose any tool. It has to find the right one to match the circumstances at hand—just like a screwdriver would be an unsuitable tool to nail

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two pieces of wood together. One would rather choose a hammer and a nail for this task. However, if the hammer and nail are unavailable, one could use alternative tools, such as a screw and a screwdriver or glue. While the alternative tools (or combination of alternative tools) may not have precisely the same desired effect, they still represent positive options in the absence of better solutions. This chapter uses the metaphor of a toolbox for disentangling EU external climate governance, being aware that not all instances of EU external action are conducted as purposefully as one would use a tool.

A practical example of the multi-tool approach in EU external climate governance is found in the EU's greenhouse gas (GHG) emissions trading system (ETS).¹ The EU adopted a Directive introducing this system in 2003—the world's largest and first compulsory trading system for GHG emissions, showing the EU's use of ambitious pioneering policy as a climate governance tool. This policy was part of the EU's commitment under the 1997 Kyoto Protocol, which prescribes GHG emission reductions for its signatories, and demonstrates the EU's promotion of international agreements as a climate governance tool. In 2008, the EU ETS was revised to include emissions from the aviation sector—a unilateral measure of the EU with external effects. As of 2012, all airline carriers that operate flights to or from an EU airport must possess CO₂ emission allowances for these flights. Countries such as China and the US vehemently condemned the inclusion of aviation into the EU ETS. Domestically, however, the US and China both introduced measures on GHG emissions trading. In the US, state-level programs were introduced in the 2000s and federal legislation was deliberated but not adopted. China introduced pilot projects on emissions trading in different regions in 2012. While there is no official treaty or collaborative agreement, EU officials engage in dialogues with other jurisdictions,² including the US and China, to share information about their own ETS experience, making use of cooperation tools in external climate governance. As this brief sketch shows, there are a number of different EU climate governance activities that can be deployed in different circumstances.

We do not aim to label or to classify the EU as a specific kind of power, such as normative power (Manners 2002, 2006), civilian power (Duchêne 1973) or market power (Damro 2012). Instead, we focus on the EU's different options to shape global climate governance and assess the opportunities and limits of these tools. We establish that the EU can well be considered a global climate power, defined here as possessing the capacity to exert external influence. The approach taken in this

¹ Emissions trading systems are based on a jurisdiction-wide emissions limit. Each large emitter is assigned a certain amount of emission allowances, based on their emissions. Excess allowances can be sold to other emitters. Excess emissions must be covered by the purchase of extra allowances from other emitters. The price for allowances varies according to demand and supply. It is up to the emitters to decide whether to buy allowances or to invest in emission reduction measures (Biedenkopf 2012a, pp. 6–7).

² The term jurisdiction, rather than country, is used in this chapter, since subnational entities, such as states, provinces and cities, are also involved in climate policy, and in some instances introduce their own measures irrespective of their national government's activities.

chapter encompasses different aspects of the various conceptualizations of the EU as a power but it is not limited to one of them. For example, the size and attractiveness of the EU market—central aspects in the concept of market power—are important for the tools related to sanctions, incentives and transnational effects of pioneering policy. The EU's normative preferences for multilateralism and environmental protection—a central element of normative power—play a role in the tools related to international agreements, dialogue, cooperation and pioneering policy.

Literature on EU “actorness” (Bretherton and Vogler 2006; Vogler 2011) and leadership provides a useful conceptual basis for understanding the EU as a global climate power (Schreurs and Tiberghien 2007; Zito 2005). This literature assigns various types of leadership to the EU, including structural leadership, entrepreneurial leadership, cognitive leadership and symbolic leadership (Gupta and Grubb 2000, pp. 19–23; Wurzel and Connelly 2011, p. 13). There are a number of overlaps among the types of leadership and the tools that can be used to exercise them. While structural leadership relates to hard power and can be associated with coercive tools to influence third parties, entrepreneurial leadership is based on unilaterally introducing pioneering policy. Cognitive leadership refers to the use of ideas to influence certain policy decisions, which can be achieved through the EU's promotion of its own pioneering policies and through cooperation tools, such as information exchange. Symbolic leadership, which refers to rhetorical statements rather than substantive action, is a leadership type that is less likely to lead to significant change unless combined with another approach. Additionally, literature distinguishes among transformational leadership styles, leading to “history changing events” and transactional leadership leading to small and incremental changes in third parties' policies (Wurzel and Connelly 2011, pp. 12–15). The types of leadership rely on different, partially overlapping, tools.

While much of the literature examining the role of the EU in global climate governance focuses on its ability to influence the on-going international negotiations (Eckersley 2012; Gupta and Grubb 2000; Oberthür 2007, 2011; Oberthür and Roche Kelly 2008; van Schaik 2010; Vogler 2011), this chapter includes other arenas for EU influence. As the ETS example shows, EU action comprises both unilateral and bi- and multilateral action. Some activities are binding requirements (hard law) such as the inclusion of the aviation sector into the EU ETS Directive. Some others are soft law or external effects through learning and emulation processes resulting from the EU's introduction of its pioneering ETS. This chapter contributes to the literature on EU climate leadership, but goes beyond the usual focus on international negotiations by understanding that the EU possesses a variety of tools that can be used to influence climate policy globally and in various jurisdictions. In order to effectively influence global climate governance, the EU needs to rely on a combination of styles and tools (Falkner et al. 2010, pp. 260–261).

The following section examines each of the four groups of the EU's external governance toolbox in turn: international agreements, cooperation, coercive measures and pioneering policy, discussing the advantages and limitations of

Table 1 EU external governance toolbox

	Bi- and multilateral	Unilateral
Hard policy tool	International treaties and agreements	Coercion and Incentives
Soft policy tool	Cooperation with extra-EU jurisdictions	External effects of EU pioneering policy

each group of tools. Based on this elaboration of the toolbox, Sect. 3 discusses the interaction amongst the groups of tools, with reference to anecdotal examples from EU climate policy, and especially to the EU's ETS. Section 4 provides some concluding remarks on the potential of the toolbox approach, both for the evolution of the EU's external climate governance and for future research into the EU as a global climate power.

2 The EU's External Governance Toolbox

The EU's external governance toolbox includes unilateral action by the EU and bi- and multilateral action together with other jurisdictions (Falkner et al. 2010, pp. 260–261). The measures taken by the EU can also be divided into hard and soft policy tools. Literature on hard and soft law describes the varying degrees of legalization of policy measures. Hard policy tools refer to “legally binding obligations that are precise [...] and that delegate authority for interpreting and implementing” the measure (Abbott and Snidal 2000, p. 421). Soft policy tools refer to purely political arrangements and diffusion processes “in which legalization is largely absent” (Abbott and Snidal 2000, p. 422). The distinction between hard and soft measures can be seen as a scale ranging from purely hard to varying degrees of softness (Abbott and Snidal 2000, pp. 421–424). Based on these distinctions, on who adopts a policy measure, and on what type of policy measure is adopted, the EU external governance toolbox is divided into four groups of tools, as shown in Table 1. These are broad groups that include a number of more specific tools.

The four groups of EU external governance tools are: international treaties and agreements, cooperation with extra-EU jurisdictions, coercion and incentives, and external effects of EU pioneering policy. This characterisation helps us better understand and analyse the ways in which the EU engages in, and can shape, external climate governance. They are considered as ideal types and can contribute to exploring scope for improvement. The analytically clear distinction sometimes becomes blurred in practice. For example, one EU law can combine pioneering policy with coercive or incentive measures. The transition from using one group of tools to another is thus relatively seamless, and one specific tool can prepare the ground for the use of another. Additionally, the use of tools can evolve over the

Table 2 Unilateral vs. bi- and multilateral tools

	Decision sequence	Potential barrier to application
Bi- & Multilateral	EU + extra-EU jurisdiction jointly	Need for consensus, risk of lowest common denominator
Unilateral	EU initiates Extra-EU jurisdiction follows (or not)	Uncertainty that extra-EU jurisdiction follows

lifetime (and development) of a policy measure. As outlined in Sect. 3, if the use of one particular tool fails, an alternative option could be considered.

Table 2 develops further the idea of *who* adopts a particular measure, and how this affects the choice of a particular tool. For the bi- and multilateral tools, the EU adopts the respective measure jointly with extra-EU jurisdictions. This means that all parties (or a majority of parties) agree. This multi-party agreement is thus the basic condition for the use of external governance tools based on bi- and multilateral measures. If extra-EU jurisdictions are unwilling or unable to engage in international agreements or cooperation with the EU, these groups of tools cannot be employed. For unilateral measures, the EU follows a two-step sequence to influence global climate governance. It first introduces a measure unilaterally, and then extra-EU jurisdictions can follow with their own policy measure. It is easier for the EU to introduce a unilateral policy measure that does not require the consent of extra-EU jurisdictions. However, the second step in external climate governance depends on the extra-EU jurisdiction's willingness and ability to either concede to the EU's sanctions and incentives or to follow the EU's pioneering policy example.

Clearly, in choosing among the groups of tools, the domestic conditions in extra-EU jurisdictions play a role. For bi- and multilateral tools, extra-EU jurisdictions are involved in the design of the policy agreement or cooperation and can therefore block the EU's efforts if they do not agree. For unilateral tools, extra-EU jurisdictions cannot influence the adoption of the EU measure. They can, however, resist the coercive pressure and incentives or disregard the EU's policy example. In these cases, the success of the EU external governance tool depends on the attractiveness of the measure for extra-EU jurisdictions to follow.

The second distinction between the tools is based on their *character* as a hard or soft policy tool (see Table 3). With hard policy measures, the expected policy change is apparent and relatively predictable. International agreements outline commitments for signatories, and unilateral coercive and incentive measures force extra-EU jurisdictions to change policy (as long as these jurisdictions concede to the coercive measure and/or agree to the international agreement). Soft policy tools are more likely to result in incremental change that can be uncertain at the outset. Such tools include collaborative projects and learning from an EU example. These tools do not require any concrete policy change in the extra-EU jurisdiction, but lead to changes of attitudes, norms and perceptions. While the outcome from the deployment of soft policy tools is less certain and predictable than in the use of hard

Table 3 Hard vs. soft policy tools

	Type of policy change	Degree of certainty
Hard Policy Tools	Immediate, apparent change Relatively radical change	Relative certainty of type of change
Soft Policy Tools	Incremental, not necessarily apparent change, based on changes of attitudes, norms, and perceptions	Relative uncertainty of type of change

policy tools, the advantage with soft tools is that it is easier for extra-EU jurisdictions to agree to them. Their relatively non-binding character, and lack of concrete requirements for policy change, lowers the acceptance barriers. In the use of soft policy tools, however, the domestic conditions of the extra-EU jurisdiction are particularly key. The EU can promote its policy, but the processes are largely dependent on the extra-EU jurisdiction's adaptation of EU policy to its own domestic conditions. This makes these tools more flexible than a hard tool that prescribes a concrete measure. The following four subsections discuss the groups of tools in greater detail.

2.1 *International Treaties and Agreements*

The first group of tools is international treaties and agreements. The EU can negotiate and adopt binding commitments together with other jurisdictions. International agreements bind all signatories to specific goals, standards and practices, or establish sets of rules and organizations, which steer and constrain the policy decisions of participating parties. Sanctions for non-compliance can be agreed. With transboundary or global policy problems, such as climate change, jurisdictions recognize that they cannot solve the problem unilaterally and choose international collaboration instead (Albrecht and Arts 2005; Bernstein and Cashore 2000, pp. 78–80; Holzinger et al. 2008, pp. 556–558). The decision to change policy must be taken with the consent of all participating parties (or the required majority). International agreements can be concluded on a broad multilateral basis but they can also take the form of bilateral agreements.

The EU has been part of the international climate process since its inception. It advocates ambitious climate change mitigation measures and engages in steering international agreements in this direction. In the ratification and implementation of the Kyoto Protocol, the EU invested many resources in persuading countries such as Japan and Russia to ratify the Kyoto Protocol, leading to its entry into force in 2005. The EU has thus been considered the champion of the Kyoto Protocol (Damro and Méndez 2003, pp. 87–91; Hovi et al. 2003, pp. 15–20).

International agreements are a useful tool for EU external climate governance because the commitment of a group of jurisdictions to introduce a certain policy measure guarantees a geographically far-reaching effect. International agreements,

once ratified, represent a binding commitment by the signatories and provide possible sanctioning or enforcement mechanisms for non-compliance. They can thus provide relative certainty of the signatories' compliance with the agreed measures.

International agreements, however, are the result of negotiated compromise. In cases of widely diverging positions, agreements cannot always be found, or else the result tends to be weak. Extra-EU jurisdictions' preferences and positions thus limit the application and effectiveness of this group of external governance tools. When it is impossible to find a compromise within a large group of jurisdictions, an agreement among fewer actors could be adopted. This potentially higher degree of commitment comes at the expense of geographical scope. A trade-off between the level of commitment and the geographical scope could represent a difficult choice. For the successful conclusion of bi- and multilateral agreements that (at least partially) reflect the EU's policy objectives, the extra-EU jurisdiction must be somewhat receptive to EU diplomacy and persuasion. Conversely, successful EU persuasion requires sufficient understanding of the extra-EU conditions and positions so that the EU can address and accommodate them.

Examples of the limitations of the international agreement tools can be found in climate governance. Multilateral climate negotiations have proved cumbersome and difficult. The withdrawal of the US from the Kyoto Protocol in 2001 demonstrates the challenge of reaching international agreement. Since 2000, an increasing polarization has occurred, and emerging economies such as China, India and Brazil are playing an increasingly important role in the negotiations. With the election of US President Obama, expectations rose that an international agreement for the period after 2012 could be reached at the 2009 UNFCCC Conference of the Parties (COP) in Copenhagen. Instead, only a weak accord was noted at the Copenhagen conference (Gupta 2010, pp. 648–651). Subsequent COPs in Cancun and Durban in 2010 and 2011 brought some advances, but the negotiations remain far from an ambitious and binding international agreement.

2.2 Cooperation with Extra-EU Jurisdictions

The second group of tools is cooperation with extra-EU jurisdictions and actors. These tools include processes of exchanging information and experiences, and jointly implementing projects. The EU can work with extra-EU jurisdictions using a range of political and regulatory dialogues and diplomatic activities for collaboration. These collaborative efforts are generally quite informal. While some forms of dialogue and cooperation are based on official agreements setting up the framework for meetings and information exchanges, these agreements do not prescribe any concrete climate policy or goal. For this reason, most of these processes can be characterized as soft measures, since legally binding obligations are (largely) absent. Political dialogues can thus result from an international agreement that does not prescribe policy objectives for these dialogues. Dialogues

facilitate personal contact and socialization among actors at various levels of hierarchy, between EU and extra-EU jurisdictional actors. They provide a venue for the EU to try to persuade other jurisdictions to follow certain policies and approaches (Devuyst and Men 2012, pp. 180–184). Cooperation tools include the training of civil servants in policy-making and implementation. Socialization helps actors develop a greater understanding of each other's culture, norms and policies, and can potentially lead to the assimilation of norms and understanding on certain issues. Socialization is generally a mutual process in which each actor develops a better understanding of the other side and can thus adjust his/her normative perceptions. It is not a one-way process, and EU actors also adjust their understanding (Finnemore and Sikkink 1998, pp. 895–905; Niemann and Schmitter 2009, p. 60).

The EU engages in an increasing number of cooperation activities related to climate change. In March 2005, the European Council stressed the need for strategic cooperation with third countries, in particular to effectively involve major energy-consuming countries in climate policy, including emerging and developing countries (European Council 2005). This sparked increased European Commission activity to engage in strategic cooperation with a number of countries. Since 2005, the EU has established dialogues and cooperation arrangements with Australia, Brazil, Canada, India, Japan, Mexico, Russia, South Africa and the United States. The stated aim of such dialogues is to facilitate and support the design of domestic climate policy and to influence countries' international negotiation positions. For example, at the 2005 EU-China Summit, the EU-China Partnership on Climate Change was agreed (European Commission 2005). Under this partnership, an institutionalized dialogue was established and cooperation projects were implemented, including on emissions trading and carbon capture and storage (CCS) technology. A Bilateral Consultation Mechanism was set up, which institutionalized meetings of senior officials twice a year and, since 2010, also meetings of Chinese ministers and EU Commissioners on an ad hoc basis. The discussions include domestic policies on both sides, possibilities for cooperation, and international negotiations. Non-binding cooperation between the EU and the US takes place, for example, in the International Carbon Action Partnership (ICAP), of which the European Commission and US states that have introduced a regional ETS are members (Selin and VanDeveer 2010, p. 347).

Cooperation tools can therefore be useful for EU external climate governance because they provide opportunities for socialization. The joint implementation of projects and dialogues can foster mutual understanding and change in policy positions and preferences. These tools necessitate a certain degree of common understanding between the EU and extra-EU jurisdictions. Similar to the international agreement tools, extra-EU jurisdictions' preferences and positions limit the application and effectiveness of this group of tools. For cooperation to be considered successful, the extra-EU jurisdiction must agree to cooperate. It must be somewhat receptive to the subject of the cooperative measure—otherwise it would be reticent to engage in any cooperation effort.

2.3 *Coercion and Incentives*

The third group of tools is unilateral measures whose primary aim is to initiate policy change in an extra-EU jurisdiction. This includes punitive measures such as sanctions and (military) force, as well as incentive-based measures, such as financial incentives and rewards (Busch and Jörgens 2005, pp. 862–864; Simmons et al. 2006, pp. 790–791; Tews 2005, p. 64). These measures have a coercive element because they demand a policy change in another jurisdiction. Sanctions and incentives generally imply an asymmetric power relationship between the EU and the extra-EU jurisdiction. The extra-EU jurisdiction must be dependent on the EU to be receptive to change. Military means are generally regarded as the principal coercive tools, but they are not applied in climate governance. Coercive measures, in this case, can include sanctioning certain products and services from jurisdictions that have not introduced sufficient climate change mitigation measures. In some cases, the threat of coercive measures is sufficient to trigger the targeted policy change. Incentives include attaching the condition of policy change in an extra-EU jurisdiction to the EU's provision of financial or other support.

In its external climate policy, the EU has relied more on incentives than on coercive measures. Many coercive measures traditionally include the use of so-called hard power, linked with structural leadership. While the EU does not rely on traditional military hard power, it can resort to coercive measures related to financial aid and trade and economic policies, due to its market size and power. In incentive-based tools, the EU gained much experience during its Eastern enlargement rounds in 2004 and 2007. Europeanisation scholars find that incentives were the most significant tool of EU external governance in enlargement because EU membership was a very attractive incentive (Knill and Tosun 2009, pp. 873–875; Schimmelfennig 2005). EU membership does not play an incentivizing role in climate governance when looking beyond the EU's near neighborhood, but the EU does use other incentives. It recognizes that “(i)ndustrialised countries, for their part, will have to significantly boost their cooperation with developing countries to provide the necessary finance and technology and to support capacity building” (European Commission 2009, p. 21).

An example of incentive-related provision can be found in the EU ETS. It includes the possibility to exempt airlines, which are based in countries with measures to reduce emissions from aviation, from purchasing emission allowances. This is an incentive to other jurisdictions to introduce emissions reduction measures in the aviation sector. While it seems questionable that this is a sufficient incentive, it nonetheless could contribute to facilitating the introduction of related measures.

Coercive measures such as border adjustment measures have also been discussed in the EU. Border adjustment measures are intended to level the playing field between domestic producers, to which EU climate regulation applies, and foreign competitors, unencumbered with climate legislation. Border adjustment measures can tax extra-EU producers to bring the costs of their products to the level of the regulatory compliance costs of EU producers. This has been discussed, but, due to

its controversy, has not been implemented.³ Border adjustment measures can also be rebates for exported goods out of the EU. The EU ETS was criticized by the iron, steel, cement, paper and aluminum sectors for negatively affecting their international competitiveness (van Asselt and Brewer 2010, pp. 47–49). The 2008 revision of the ETS Directive thus provides for the allocation of (a larger share of) free emissions allowances to certain industries that are particularly exposed to international competition and carbon leakage. The Directive also allows Member States to compensate their most electricity-intensive sectors, through national state aid schemes, for increases in their electricity costs resulting from the ETS.

Coercion and incentive tools can be a useful for EU external climate governance because the EU can unilaterally decide to introduce the measures and set the conditions the way it considers most appropriate. Unilateral measures do not require the consent of extra-EU jurisdictions, so the EU need not compromise. It can set the terms of the measures according to its objectives. In negotiation situations in which compromises are difficult to find, the EU can try to impose policy change in extra-EU jurisdictions by the means of coercive and incentive-based tools.

Since the EU can introduce such measures regardless of other jurisdictions' willingness to accept them, these measures do not guarantee an external result because extra-EU jurisdictions and actors could decide not to concede to the EU's pressure or incentive. Coercive measures and incentives depend on the attractiveness of the incentive or the severity of the coercion. Attractiveness and severity are domestic context-dependent. Whether, and to what extent, extra-EU jurisdictions concede to unilateral EU measures varies with factors such as the divergence between EU-demanded policy change and domestic policy and politics, and the degree of dependence of the extra-EU jurisdiction on the EU.

2.4 Transnational Effects of EU Pioneering Policy

The fourth group of tools is unilateral measures that primarily target EU domestic policy change but that additionally have transnational effects. These effects could be labeled a by-product of the respective policy, although one of the EU's considerations when adopting policy may be the aim of setting an ambitious example. Such internal policies can have transnational effects leading to the adoption of similar measures outside the EU. The EU policies in this category generally have pioneering characteristics. They include new and innovative approaches or provisions that go beyond existing policies, with an ambitious scope, requirements or a new policy instrument. The policy is thus pioneering if it does not exist in that form or with that level of ambition in other jurisdictions. This definition of pioneering not only includes measures that raise the level of

³ Financial Times. EU Turns Away from Carbon Tax on Imports. November 25, 2007.

ambition towards more stringent climate mitigation measures, but also includes measures that go beyond existing measures by, for example, applying a new approach to reach existing objectives.

Transnational effects of pioneering policy can take the form of learning from, emulation of, and adjustment to, EU policy. Revisions of extra-EU actors' policy positions as a result of learning, emulation and adjustment can lead to the adoption of extra-EU policy affected by and similar to the EU policy (Biedenkopf 2012b, pp. 110–111). Extra-EU actors such as policy-makers, NGOs, industry actors and academics can learn from EU policy, and assess whether the same or similar policy could be applied in their jurisdiction. EU pioneering policy can generate new information and models that inform actors and that incite them to revise or corroborate their policy positions (Checkel 2001, pp. 560–564; Dolowitz 2009, pp. 320–321; Meseguer 2006, pp. 38–45). Extra-EU actors can also revise their policy position on normative grounds to advocate policy similar to EU pioneering policy. In this case, their motivation is based on the so-called 'logic of appropriateness', while in the case of learning it is based on the 'logic of consequences' (Finnemore and Sikkink 1998, pp. 891–893; March and Olsen 1989, pp. 160–162).

EU policy can also lead to policy change in an extra-EU jurisdiction, where policy positions could be revised as a result of an alteration of the costs and benefits of introducing policy similar to EU policy (Simmons and Elkins 2004, p. 172). EU policy that requires, for example, product design changes applies to EU as well as extra-EU actors that are active on the EU market. They must either change or cease their activities in the EU market accordingly (Vogel 1997, pp. 561–563). Compliance in extra-EU jurisdictions with similar requirements becomes less costly because investment in compliance with the EU policy has been made. This constitutes an alteration in the policy context in a potential follower jurisdiction.

The transnational effects resulting from the EU applying requirements to its market that also affect extra-EU actors active in the EU market contain a coercive element in the sense that market actors must change certain practices or quit their EU market activities. Nevertheless, these dynamics are conceptually separated from the group of coercive measures since the primary aim of the policy measure is not a policy change in an extra-EU jurisdiction but rather the regulation of the EU market. The resulting transnational effects are a by-product, which can, however, be anticipated in the EU policy-making process. The political discussion in this context revolves around equal treatment of EU and non-EU market actors and setting an example, but it is not targeted at extra-EU actors only.

The EU has introduced a number of pioneering climate policies since the mid-1990s/early 2000s. Leading international climate policy by example has been important for ensuring legitimacy of EU climate leadership claims (Oberthür and Roche Kelly 2008, p. 43), and introducing pioneering policy is one tool to achieve this. Examples of the EU's leadership ambitions are clear in many statements, such as the following: "The European Union is leading global action on climate change, both by setting out what needs to be done internationally to limit global warming to 2 °C and by committing to very significant cuts in its own greenhouse gas emissions" (European Commission 2009, p. 9). In 2007, the European Council

set ambitious goals for EU climate policy for 2020 that were globally unprecedented. To achieve these targets, the EU adopted a Climate and Energy Package in 2009, which included the revision of the ETS. Since its revision, the EU ETS is more ambitious. It is the largest ETS in the world and was the first binding program for GHG emission trading. Other jurisdictions, including several US states and Canadian provinces, have also started working on their own GHG emission trading programs. The designers of these programs drew lessons from the EU experiences and the EU, thus, affected the design of these initiatives (Biedenkopf 2012a, pp. 18–22).

EU pioneering policy tools can be useful for promoting EU external climate governance because the EU can unilaterally introduce such measures. EU internal policy-making and preferences determine the design and level of ambition of the respective policy and compromise with external parties is not required. This can enable the EU to introduce far-reaching measures that reflect its preferences and norms.

Nevertheless, the transnational effects of EU internal policy also depend on the domestic context in extra-EU jurisdictions. If, for example, the political context is relatively hostile to ideas related to the EU policy, transnational effects are likely to be weak, especially if a limited number of actors are receptive to learning and emulation. Actors involved in the policy-making process in such a jurisdiction are unlikely to take EU policy into account (Biedenkopf 2012b, pp. 109–110).

The discussion of the advantages and scope conditions of the four groups of tools shows that not every tool can be applied in every situation and not every tool will have the same effects in any given situation. In certain circumstances, certain tools are more promising for the EU to achieve the desired external climate governance outcome than others. Based on the discussion above, the following section elaborates the EU's use of its toolbox and the interaction amongst the tools.

3 Using the Entire Toolbox—Interaction Amongst the Tools

The groups of tools for EU external climate governance interact in different ways. First, given that each of the groups of tools provides certain advantages and limitations to the achievement of EU climate governance, they can be better deployed in certain situations, and under certain conditions, than in others. Second, when the EU's preferred tool is ineffective, it can revert to the second best option, or can choose a combination of tools, provided that these tools promise some success. Third, the groups of tools can interact in both positive and negative ways, either mutually reinforcing each other for positive outcomes, or reducing their effectiveness. The EU can apply different tools in combination in a single policy measure or piece of legislation, and the tools can thus mutually reinforce each other, which may possibly promise a greater effect than deploying the tools individually. This section discusses some of the elements of this multifaceted

interaction, with reference to anecdotal examples of the EU's use of the tools in its external climate governance.

The EU is committed to, and prefers, what it labels 'effective multilateralism', and promotes international agreements as the solution to global problems. The EU treaties do not contain provisions on a hierarchy of foreign policy tools, but Article 10 of the Treaty on the European Union (TEU) includes the promotion of "multilateral solutions to common problems" and "an international system based on stronger multilateral cooperation". In its 2003 security strategy, the EU affirms that "(w)e need to pursue our objectives both through multilateral cooperation in international organisations and through partnerships with key actors", that "(t)he development of a stronger international society, well functioning international institutions and a rule-based international order is our objective" and that "(i)t is a condition of a rule-based international order that law evolves in response to developments such as (...) global warming" (European Council 2003, pp. 9–10, 13). While multilateralism is stressed in the EU's foreign policy, the 2003 security strategy also mentions "assistance programmes, conditionality and targeted trade measures remain an important feature in our policy that we should further reinforce" (European Council 2003, p. 10). Authors such as Manners (2002, 2006) argue that the EU's normative basis for its external relations is related to its particular historical evolution based on multilateral collaboration and integration. Multilateralism encompasses many norms that are reflected in the EU and its policy (van Schaik and Schunz 2012, pp. 173–174).

Yet, despite the EU's preference for multilateralism and the apparent advantage of such tools for promising more concrete and predictable change and commitment, these groups of tools are not effective in every situation. If an extra-EU jurisdiction is unwilling or unable to cooperate, compromise and conclude an agreement, bi- and multilateral tools cannot be applied. In cases of great divergences in interests among parties, the result can be reduced to a lowest common denominator that does not yield the EU's desired objectives. Unilateral measures can play a role in such instances of deadlock in international negotiations.

The inclusion of the aviation sector into the EU ETS is an example of such a case. Since 2012, all airline companies that operate flights to and from EU airports must participate in the ETS. The EU's preferred option would have been an international agreement in the International Civil Aviation Organisation (ICAO), which has discussed emissions trading since the 1990s. However, agreement on a binding measure to abate GHG emissions has not been forthcoming in that forum (Kulovesi 2011, pp. 539–541). Jos Delbeke, Director General for Climate Action at the European Commission, confirmed in a speech in February 2012: "ICAO is the right place to advance action on market-based measures for aviation and the EU strongly supports its work (...). While the EU ETS legislation is an important step, I can be absolutely clear that the EU wants greater reductions to be agreed through ICAO. We have been clear that we are willing to review our legislation, in the light of agreement on market-based measures being agreed in ICAO". The EU set the condition that an ICAO agreement must be a global solution, must deliver more emissions reductions than under current measures, must be non-discriminatory for

all airlines and must set targets for ICAO member countries. The EU ETS provides an incentive for countries that wish to see changes in the EU legislation to engage in the ICAO process, Delbeke noted.⁴ This preferred tool was unsuccessful due to diverging interests and lack of active support for an international measure on the reduction of GHG emissions from aviation. The EU thus decided to pursue a unilateral measure, which did not require the consent of extra-EU jurisdictions, but does have direct external effects. Although this measure is inferior to an international agreement because it only covers GHG emissions related to flights to and from the EU, it is superior to the alternative of no measure, and given that extra-EU jurisdictions had no influence on the design of the rules, it may push these actors to re-engage in ICAO discussions.

However, the reaction of countries such as the US, China, India and Russia to the EU ETS rules on aviation emissions also showed the risk of such unilateral measures. Thirty-two countries protested against the EU measure and met to discuss options to oppose the EU ETS rules.⁵ A number of Chinese and Indian airlines failed to comply with the EU requirement to submit 2011 emissions data and both countries' governments encouraged their airlines not to comply with the EU rules.⁶ In the US, in October 2011, the House of Representatives voted in favor of a legislative proposal that would prohibit US airlines from participating in the ETS,⁷ but the US Senate did not pass this law. The EU thus risked retaliatory measures from some of its major trading partners, showing that unilateral measures could perversely result in toughened stances and more rigid policy positions in international negotiations.

External effects of EU pioneering policy can also contribute to filling the void created by a deadlock in bi- and multilateral negotiations. The US withdrawal from the Kyoto Protocol, under George W. Bush's administration in 2001, led to increased activities by subnational entities in the US, at state- and city-level. While these jurisdictions cannot conclude international agreements, they can learn from and emulate EU policy, and they can engage in formal and informal collaboration efforts with the EU. While various initiatives to introduce GHG emissions trading at the federal level in the US failed, groups of states, some of them joined by Canadian provinces, became active. They introduced regional GHG emissions trading programs. The Regional Greenhouse Gas Initiative (RGGI) was introduced by Northeastern states and started trading in 2008. In 2012, California and Quebec started their emissions trading program under the auspices of the Western Climate Initiative (WCI). Although the triggers for the programs were domestic, there was significant collaboration with, and learning from, the EU in the

⁴ Keynote speech by Jos Delbeke, Director General for Climate Action. Conference on *A New Flightplan—Getting Global Aviation Climate Measures Off the Ground*, Brussels, February 7, 2012.

⁵ ENDS Europe. Anti-ETS Countries Agree Counter-Measures. February 22, 2012.

⁶ ENDS Europe. Chinese and Indian Airlines Miss ETS Deadline. May 15, 2012.

⁷ ENDS Europe. US Representatives Back Draft Anti-EU ETS Law. October 25, 2011.

design of these subnational and regional GHG emissions trading initiatives (Biedenkopf 2012a, pp. 15–24). Where hard policy tools cannot be applied, such as in cases of subnational entities and the failure of ambitious international agreements, soft policy tools can contribute to influencing climate policy in extra-EU jurisdictions. The combination of external effects of EU pioneering policy and cooperation contributed to the development of subnational climate policy in North America. This subnational policy may contribute to generating pressure for the introduction of federal climate policy.

However, the example of the subnational regional GHG emissions trading initiatives in North America points to some limitations of the soft tools' effectiveness, and shows how they may be better deployed in combination with other tools. Climate policy measures in a few US states will not lead to the same emissions reduction as a federal policy covering all 50 states. Additionally, the impetus for the inception of the North American initiatives was domestic. Only after the decision to implement regional GHG emissions trading programs was taken could the EU successfully contribute to the policy design. Therefore, while soft policy tools often contribute to policy development, they need to fall on fruitful grounds and are effective in some situations only. This highlights the limitations faced by the EU in steering extra-EU developments.

Cooperation tools and international agreements can also interact. Cooperation and dialogue can help the EU to understand better the specific context and international negotiating position of other countries. It is important to build the political will and the capacity to introduce ambitious climate policies to achieve the goal of limiting global warming to 2 °C. Collaboration can contribute to this, along with incentive-related measures that provide financial and technical support in the respective extra-EU jurisdiction. A further potential overlap in the tools can combine bi- or multilateral agreements to implement a coercive measure, if, for example, the EU decides with other jurisdictions to impose sanctions on a particular country.

The examples provided in this section illustrate some of the ways in which the different tools interact and the choices the EU faces when designing its approach to global climate governance. The discussion is not exhaustive and does not attempt to systemize the interaction effects. Rather, the examples outline how and when the tools have been deployed individually or in combination, and under what circumstances. This section thus outlined some of the major challenges that the EU faces as a global climate power. Some external governance tools can be a partial substitution for another tool and contribute to creating more favorable conditions for multilateral negotiations, which is the EU's prioritized global governance mode.

4 Conclusions

This chapter proposed a conceptualization of EU external governance as a toolbox. The EU can choose from different tools, which it can introduce either unilaterally or bi- and multilaterally, to exert influence in global climate governance. These tools

can be hard or soft policy. This leads to a classification of EU external governance tools into four groups: international treaties and agreements, cooperation with extra-EU jurisdictions, coercion and incentives, and external effects of EU pioneering policy. Each of the groups of tools holds potential to advance EU influence in international climate governance, but they also have limitations. None of the tools is a silver bullet that solves all problems. While the EU shows a preference for multilateral solutions, this is challenging in climate policy in practice. International climate negotiations progress slowly and they may prove insufficient for the EU to pursue its climate policy goals. Considering the EU's declining weight in international negotiations and the rise of more actors at the negotiation table, the EU cannot solely rely on the international process. Therefore, whether the EU achieves its external climate policy goals depends on its skill in using the entire external governance toolbox effectively.

The discussion of examples from climate policy shows that the EU has made use of different tools provided by its toolbox, especially cooperation with extra-EU jurisdictions, promoting external effects of pioneering policy and incentives. The use of sanctions does not seem widely used. While the chapter did not provide an exhaustive examination of the EU's use of external governance tools in climate policy, the examples nevertheless show that the EU is greatly engaged in external climate governance. The case of GHG emissions trading shows that the EU has successfully undertaken various initiatives based on different tools to influence external climate policy. These examples provide a strong indication that the EU is, indeed, a global climate power.

The discussion on the interaction amongst the different tools highlights that there can be both synergies and conflicts among the use of the tools. The tools' interaction seems to be a web of various effects, which are difficult to anticipate. The example of the inclusion of the aviation sector into the EU ETS showed that unilateral measures can act as a catalyst for enhanced engagement in international negotiations, but can simultaneously trigger some hostile reactions and, possibly, retaliatory measures. The use of soft policy tools can therefore play an important role. They are less controversial, as they do not prescribe a policy change and are more flexible. Soft policy tools can contribute to incremental rapprochement between the EU and other jurisdictions. This can prepare the ground for international agreements but it can also serve as a stand-alone measure leading to extra-EU climate policy without binding international commitments. The flexibility and reliance on incremental change in extra-EU jurisdictions does, however, mean that the outcomes from soft policy tools are rather unpredictable. A flexible use of the full range of measures provided by the toolbox, depending on conditions, seems unavoidable.

This chapter focused on the conceptual discussion of the different groups of tools at the EU's disposal in its attempts to influence global climate governance, with particular references to the ETS. It aims to contribute to the emerging literature on EU external governance put forward by, for example, Lavenex and Schimmelfennig (2009). These authors, too, conceptualize EU external governance beyond the classical foreign policy realm of international negotiations and hard

power. Examples of EU climate policy help describe the use of the toolbox and its limits and opportunities. A full-fledged empirical analysis of climate policy would provide an interesting follow-up to this chapter. The toolbox approach could additionally be applied beyond the realm of climate policy. In many other policy areas, the EU faces similar challenges with regard to its global governance goals, where, like in climate policy, the EU may wish to become, or maintain its status as, a global power.

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The Changing Context of Global Governance and the Normative Power of the European Union

Hanna Tuominen

1 Introduction

The European Union (EU) is a novel type of entity in global politics. Its distinct nature has raised debates concerning the EU's possible status as an actor,¹ as well as debates on how to best characterize this specific 'actorness'. The EU's singularity is also considered to produce exceptional behavior. The most famous definition of the European Union claims that it is a *normative power* in the sense that it changes the 'normality' of global politics. However, there seems to be no agreement on the precise meaning of this power or its relation to other forms of power. The Normative Power concept has been used to refer to normative identity, normative interests, normative behavior, normative means of influence and normative ends.² This chapter studies why and in what sense the EU can be considered a normative power. It also reflects how the current global order challenges the legitimacy and relevance of this kind of role conceptualization.

This chapter asserts that the *external* environment is the most important conditioning factor to set the possibilities for the development of a certain role or identity.³ The external context also largely influences how the role of an actor will shift over time. Different role perceptions depend on power and its distribution. The Normative Power Europe (NPE) argument is a product of a certain time and environment, where several factors supported the development of the normative power role. Currently the circumstances of Europe have changed, which have

¹ Bretherton and Vogler (2006).

² These criteria do not presuppose each other (Forsberg 2011a, p. 1191).

³ This fact does not diminish the value of internal conditions, like the internal political context and capability in determining the role of an actor (see Tocci 2008).

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influenced the relevance of the normative power formulation, and posed new challenges for its implementation. At the same time, the entire concept of power, the relevance of different forms of power, as well as the distribution of power seem to be on in flux. This calls for a reevaluation of the EU's power role and practices.

This chapter offers an overview and evaluation of the relevance of the EU's normative power in this changing global context. In this chapter, first a short historical overview will show how the concept of normative power evolved and how different historical conditions supported it. Then the more precise meaning of normative power claims is analyzed through a wider power analysis. This analysis assesses the relationship between different forms of EU power, and locates its normative power claims. In the conclusion, the relevance and possible potential of normative power formulation in future global politics is discussed.

2 Civilian, Military or Normative Power

To understand why the EU is currently characterized as a normative power, we examine how previous ideas have contributed to the evolution of this idea. There is a long tradition of characterizing the role of the EC/EU in a distinct manner. If we consider the emergence, success and decline of these concepts, it seems evident that the *Zeitgeist* of certain historical moments has much to do in explaining them.⁴ Changes in the external global environment as well as in the internal European integration process have influenced the interplay between more Realist vs. more Idealist perceptions of Europe's possible roles. In a similar way, the normative power notion is a product of certain time, and its current challenges are related to the changing global environment.

Debates about the EC/EU's international role date back to 1970s, when the atmosphere of global détente raised discussion about Europe's possible potential and role in the world.⁵ François Duchêne called the European Community a *civilian power* in the sense that it preferred non-military means when influencing others. Duchêne never described civilian power in any precise way, but it included at least civilian means and ends, a sense of common responsibility, and a built-in sense of collective action, which expressed social values of equality, justice and tolerance.⁶ This kind of civilian power role was considered exceptional and progressive;

Europe would be the first major area of the Old World where the age-old process of war and indirect violence could be translated into something more in tune with the twentieth century citizen's notion of civilized politics. In such a context, Western Europe could in a sense be the first of the world's civilian centres of power.⁷

⁴ Gerrits (2009).

⁵ Dinan (2004, p. 125).

⁶ Duchêne (1973, pp. 19–20).

⁷ Duchêne (1972, p. 43).

Duchêne noted that recent developments in Western Europe were largely dependent on exceptional external circumstances, and because of that the EC could not work as a model for others. However, the EC could shape the international *milieu* with the help of its own experiences in ways that went beyond mere self-interest.

Changes in the nature and distribution of power in international relations during the 1970s seemed to point to the diminution of the importance of traditional military power. But the civilian power idea lost its attractiveness⁸ in the 1980s thanks to the Second Cold War, as realist power conceptions became more dominant.⁹ Hedley Bull's famous realist contribution to the discussion of Europe's global role argued that the "civilian power Europe" concept was a contradiction in terms. According to Bull, the neo-idealist or neo-progressive thinking of the 1970s was constructed on a weak foundation. The power or influence exerted by the European Community was conditional upon a strategic environment provided by the military power of states, which it does not control. Bull argued that Western Europe should be more self-sufficient in security and defence, and not so dependent on the United States.¹⁰ Bull's suggestion was unimaginable in the Cold War context, but the trend towards military power was strengthened through the agreement to a common European security and defence policy in 1999. Many neoconservatives like Robert Kagan continued to believe that the only way for Europe to be a credible global force was to develop its military capabilities.

Nevertheless, the EU's "softer" power role became more predominant in the debates. In 2002 Ian Manners took Hedley Bull's argument as a starting point for his discussion of the international role of the EU. Manners wrote that the developments of the 1990s in international relations had led us to reconsider both of the notions of civilian and military power. These notions shared some common basic assumptions, which had lost their relevance in the post-Cold War context.¹¹ There was a need for a new kind of role concept that would go beyond the state-centric perspective and refocus on the ideations and power of norms. In Manners' view, normative power was a result of the EU's transformative impact on the very dynamics of international politics. Europe's transcendence of the nation-state was reproduced at the global level,¹² and the normative power formulation offered holistic, 'outside-the-box' thinking about the purposes of agency, power and policy in world politics

Manners famously defined the EU as a *normative power* in terms of its ability to shape the conceptions of the 'normal' in international relations,¹³ by changing

⁸ Civilian power concept was developed at least in three "waves" during the 1970s, 1980s and 1990s. In the end there were several different perceptions of what this civilian role was actually about.

⁹ Orbie (2008, p. 7).

¹⁰ Bull (1982, pp. 151–153).

¹¹ Manners (2002, pp. 236, 238).

¹² Bickerton (2011, p. 26).

¹³ Manners (2002, p. 240).

norms, standards and prescriptions of world politics. The EU pursues the spread of particular norms and values, rather than overt self-interested economic or military superiority. Normative power creates a certain kind of EU-identity vs. the image of (“other”) states. Manners wrote that the most important factor shaping the international role of the EU is not what it does or says, but what it is¹⁴: an exceptional power that is based on ideas and conscience.¹⁵ The normative power argument also had a normative purpose: it was conceptualized to increase normative theorizing and normative approaches to the European Union¹⁶—it was not only about what the EU is, but also what it *should* be.

In Manners’ view, the EU’s unique difference derives from its historical context, hybrid polity and political-legal constitution, which have in the post-cold war period accelerated a commitment to centrally place universal norms and principles in its relationships with its Member States and the world: The EU would build its power and ‘greater legitimacy’ on fundamental norms. The EU’s normative engagement can be attributed to the founding principles of the Union: *peace, liberty, human rights, rule of law and democracy*. These values have been given a central focus in the EU’s official documents, most recently within the Lisbon Treaty. Besides these core values it is possible to find four minor principles: *social solidarity, good governance, non-discrimination/equality, and sustainable development*.¹⁷ These values are considered to be universal, gaining their inspiration from established international conventions, treaties or agreements, particularly those significant within the UN¹⁸: Projecting the values externally is a core principle that guides the EU’s external relations.

Manners also argued that this particular difference compared to pre-existing political forms predisposes the EU to act in a normative way.¹⁹ The EU not only promotes norms, but does it normatively. Beyond focusing on the empirical study of the impact of EU norms in different policy areas, the debate has also considered the appropriateness of the particular means the EU has employed: Normative power may use different kinds of mechanisms of power, though these have not been studied extensively in the NPE literature.²⁰ According to Manners, the EU’s normative power stems from six factors that shape norm diffusion in international relations: *contagion* (diffusion of ideas), *informational diffusion* (result of strategic communications), *procedural diffusion* (institutionalization of the relationship between the EU and a third party), *transference* (exchange of goods, trade, aid or

¹⁴ Manners (2002, p. 252).

¹⁵ Diez and Manners (2007, p. 175).

¹⁶ Manners (2006a, p. 184) and Manners (2007).

¹⁷ Manners (2002, pp. 242–243; 2009, p. 12; 2006b).

¹⁸ Manners (2009, p. 12).

¹⁹ Manners (2002, p. 242).

²⁰ Forsberg (2011a, p. 1196).

technical assistance), *overt diffusion* (EU's physical presence in third states and IOs) and *cultural filter*.²¹ These mechanisms help illuminate how the EU shapes norms—and normalizes international relations in a normative manner.

3 Historical Conditions for the Success of the NPE

Just like the previous conceptualizations of the EU's role, the normative power is a product of a certain time.²² It is easier to understand why the EU was characterized as a normative power, if the external and internal factors that supported this new interpretation of the EU's global role in the early 2000s are considered in greater detail. This chapter does not attempt to offer an exhaustive list of factors which did or might have contributed to this normative power role, but reflects via a few examples. Even if the idea of the EU as a normative power had been an internal pursuit to offer legitimacy for EU power, reasons and inspiration for this effort may have external motivation.

3.1 *Post-Cold War Period's Effect on the EU Global Role*

The end of the Cold War and the collapse of communism led to a reconsideration of the EU's regional and global status. As Whitman notes, it was only after the fall of the Berlin Wall that the EU started to define the principles it stands for further, and the role it was prepared to play on the international stage.²³

The context of normative globalization enabled the EU to also assume a more proactive international role by drawing on international ethics, largely institutionalized within the UN: Aggestam has noted that the EU might better be characterized as an '*ethical power*' in these changed circumstances. The emerging normative international context emphasized responsibility beyond borders, and brought issues like human rights, humanitarian intervention, international criminal justice, international economic justice and democracy promotion onto the agenda of foreign policy.²⁴ It is thus not at all surprising that the EU's global role at the time was considered in a normative manner, and the development of its foreign policy was constructed to support the values of democracy, human rights and good governance at the global level. In the 1990s it seemed that the EU's promotion of democracy and human rights would have a bright future. In this sense the EU would be a significant force for good.

²¹ Manners (2002, pp. 244–245).

²² Aggestam (2009, p. 27).

²³ Whitman (2011, p. 1).

²⁴ Aggestam (2008, p. 4).

3.2 Influence of Enlargement on the EU's Global Role

The enlargement policy especially was considered to be a good example of the EU's normative power in practice. It was important to shape Europe's neighbourhood or milieu by taking central and eastern European countries 'back to Europe', and to strengthen democratic processes within them. These countries were also keen to accept EU norms and values and transform their entire systems to match the EU standards. European integration was also considered to offer a successful regional example which other regions could eventually follow. Yet scepticism towards this kind of global transformative role and capacity of the EU endured. It seems that normative power works best with those countries that already share similar basic values with the EU—or hope to get remarkable benefits from accepting them. But with countries like Russia and China the normative power may not be that successful.

3.3 The Transatlantic Relationship and Its Effects on the EU's Global Power

The transatlantic relationship also influenced the development of the normative power formulation. The terrorist attacks in 2001 and the unilateralism of US foreign policy under the George W. Bush administration increased the popularity of the idea of the EU's normative power. The EU was characterized as a more attractive partner that respects international law and organizations.²⁵ According to Hyde-Price, the idea was that the American approach to international politics was more prone to the use of military means while the European approach preferred diplomacy, persuasion, negotiation and compromise.²⁶ The US thus became the 'other'²⁷ against which Europe's identity and normative vision of world politics was, at least partly, articulated.

3.4 EU Internal Factors Affecting Its Global Actorness

Internal conditions²⁸ for the development of normative power formulation, however, should not be dismissed. There was a clear internal willingness to develop the EU's capabilities to better cope with different crises that seemed to threaten the

²⁵ In reality, the EU was not a unitary actor and there were divisions between Member States.

²⁶ Hyde-Price (2006, pp. 217–218).

²⁷ Diez (2005).

²⁸ Natalie Tocci separates three conditions for actor's normative behaviour: internal political context, internal capability and external environment (Tocci 2008). Even if I consider the external factor most important in the construction of roles, it is not to deny the relevance of different internal conditions.

EU's interests and security. The Gulf War and the collapse of Yugoslavia strengthened the momentum already developing in the EC toward a common foreign, security, and defence policy.²⁹ The development of a common foreign and security policy from the 1999 onwards emphasized the ambitions to develop a political union and a global 'force for good' as the EU's Security Strategy stated.³⁰ The EU's global actorness or 'presence' had great symbolic value. But as Toje notes, the normative flair of the EU's foreign policy was a response to, rather than a function of a unique historical context, namely unipolarity.³¹ Currently the changes in global power patterns have affected its ability to influence. The results obtained have not really reflected the efforts made.

This short and incomplete list of different conditions shows how a favourable constellation for the development of the EU's normative power role existed. It is also easy to note that the current and future circumstances for normative power will be quite different. The more post-Western, multipolar world order sets greater challenges for normative power. It is not at all evident that the EU's normative power claims will have legitimacy in the changed world order, or that the EU really would have the capability to shape and determine 'normality' in different issue areas. As Manners noted, the normative power thesis was written in a different era, crystallizing the European Union at the end of the twentieth century. It was, and remains to be, a statement of what is believed to be good about the European Union, a statement which needed to be made in order to stimulate and reflect on what the EU *should* be (doing) in world politics.³² It fits well with the post Cold War idealistic and liberalist narrative about the prospects of future global order, but the current global setting is more demanding. The challenges that different risk assessments today mention include transnational and complex issues like climate change, terrorism, organized crime, energy security and weapons of mass destruction. According to Manners the EU should make creative efforts to promote peace, prosperity and progress through prioritizing normative justification over material incentives and physical force.³³

4 Taxonomic Overview of (EU) Normative Power as a Distinct Power Category

If the EU is in fact what the title of this book suggests—a global power in the making—it is important to be more precise on what type of power it is. Whatever adjective we put in front of the word 'power': civilian, military, normative, ethical,

²⁹ Dinan (2004, pp. 233–234).

³⁰ A Secure Europe in a Better World (2003, p. 13).

³¹ Toje (2009, p. 37).

³² Manners (2006c, p. 168).

³³ Manners (2009, p. 23).

responsible etc., it cannot hide the fact that we are dealing with a certain kind of power. The EU is not merely characterized as a normative actor or player,³⁴ but as a normative power. According to De Zutter, the categorization of a political entity as *normative* follows the identification of the power potentials of the entity in the international system.³⁵ In order to understand the Normative Power Europe-claim, normative power must be separated as a distinct power category, and its relations to other forms of power must be outlined.

The debate about the Normative Power Europe has mixed two different meanings of power: ‘power as a powerful actor’, and ‘power as ability to cause effects’.³⁶ In the efforts to find a distinctive power role or identity for the EU, the first meaning has been much more highlighted. Different criteria are set for an actor to deserve normative power status: normative power must have *normative identity*, *normative interests*, *normative behaviour*—“normative” means of *power*, and normative *outcomes*.³⁷ These criteria do not necessarily presuppose each other, but together they set the bar so high that normative power can eventually be considered as an ideal type that an actor can only approximate, as Forsberg suggests.³⁸ The EU might have many of the characteristics of a normative power, and normative power formulation can explain the distinctiveness of the EU’s power, but it is *not* a “perfect type” of normative power in the sense that all of these criteria would be fulfilled. The question then turns out to be how much is sufficient for the normative power status—definition?

On the other hand, the more general definition of power as a potential *capacity* to cause effects³⁹ seems to match with the efforts of current debates on the EU’s future power. We are concerned about the EU’s ability to influence⁴⁰ the future global order. Also, the definition of normative power as an ability to shape normality in global politics is more about this meaning of power. But of course, the manner in which different effects are projected will determine the power role of an actor.

The EU as a normative power tries actively to shape the normality of global politics through the spread of norms. Shaping or determining norms or normality is still closely associated with power—and not necessarily a good thing as such: all major powers have the ability to shape norms, and in this sense they are all normative powers. De Zutter claims that the central question separating different kinds of normative powers is how norms are diffused. The instruments chosen will

³⁴ European Security Strategy (2003) speaks only about the EU as a global player. Is the concept of ‘power’ avoided because of its possible negative connotations or because of the uncertainty about the EU’s power capabilities?

³⁵ De Zutter (2010, p. 1115).

³⁶ Forsberg (2011a, pp. 1190–1191).

³⁷ Forsberg (2011a, pp. 1191).

³⁸ Forsberg (2011a, pp. 1199–1200).

³⁹ Lukes (2007, pp. 83–84).

⁴⁰ The relationship between the concepts of ‘power’ and ‘influence’ is also difficult to define. Power has been treated as a subcategory of influence and influence has been considered as a specific form of power.

be related to the acceptance or rejection of an actor's constitutive norms as universal, universable or particularistic.⁴¹ The EU defines its constitutive norms (previously mentioned) as universal. Much depends on the attitudes of norm-takers—do they conceive these norms as universal or not? It is also possible that an actor is not at all interested in the promotion of universal norms.

Different taxonomies of the various mechanisms of power might be helpful in understanding how the EU's normative power works in practical reality. Unfortunately the six mechanisms of norm diffusion that Manners has proposed, do not offer a very precise picture of the workings of normative power. The most common taxonomy of power used in the study of international politics is based on the distinction between military, economic and cultural—or ideological—power. In the case of the EU, the division between military, trade and normative or civilian power is partly based on the same logic.⁴² Manners wrote that the notion of a Normative Power Europe is located in a discussion of the 'power-over opinion', *idée force*, or 'ideological power'.⁴³ Normative power in its purest form is based on non-material forms of power like the power of ideas and ideation. The EU's influence can be based for instance on the example that it offers for others to follow.

In practical reality, however, different forms of power seldom exist in ideal or pure forms, and normative power coexists also alongside other forms of influence and power. For example the EU's ability to influence is very much dependent on its economic capacities, sanctions and rewards that may further the adoption of its norms and principles. Manners suggests that normative power may help to ensure that any subsequent or simultaneous use of material incentives and/or physical force is practised in a more justifiable and reflexive way.⁴⁴ The EU's normative power would differ from others exactly because of the way it *combines different power capacities in a normatively more sustainable manner*.⁴⁵ If the EU starts to adopt traditional power measures without normative guidance, as it has actually done lately,⁴⁶ its normative role might instead rather wane.

Another possibility is to follow Joseph Nye and separate similarly between hard (military, economic) and soft (attraction) power mechanisms. Nye claims that in a global information age the relative importance of soft power will increase and this suggests opportunities especially for the United States and Europe.⁴⁷ It is also possible to be a smart power by combining the hard power of coercion and payment with the soft power of persuasion and attraction.⁴⁸ According to Andrew

⁴¹ De Zutter (2010, pp. 1109, 1118–1119).

⁴² This division was originally made by Edward Carr in 1962 (Forsberg 2011b, pp. 218–219).

⁴³ Manners (2002, p. 239). This categorization can of course be challenged.

⁴⁴ Manners (2009, p. 10).

⁴⁵ Diez and Manners (2007, p. 180).

⁴⁶ The EU has copied the technologies and habits of other actors for instance in the 'war on terror' and the 'securitization' of ordinary life, or in trying to rival other 'great powers' (Manners 2009, p. 15).

⁴⁷ Nye (2004, pp. 31–32).

⁴⁸ Nye (2011, p. xiii).

Moravcsik, in an era of multidimensional smart power, Europe is in most respects a preeminent power, superior even to the United States in mobilizing civilian and soft power instruments of international influence⁴⁹: the EU's power toolbox is large, and it can use different types of power. But Diez and Manners argue that normative power and soft power should not be confused, because soft power is an empirical concept, a foreign policy tool or resource, that can be used for both good and negative purposes. In this sense there is not necessarily anything soft in soft power.

In contrast, normative power is an explicitly theoretical concept requiring an understanding of social diffusion and normative practices. The soft power dimension has been used in the US-context—a manner not considered suitable to define the EU.⁵⁰ Yet, these concepts seem to be quite close to each other, and the proposed differences offered have not convinced everybody.⁵¹

The above mentioned taxonomies of power deal with direct forms of *power between* actors, and concentrate on the actor's *capacities*. Barnett and Duvall have tried to merge the power debates in different disciplines with a typology of compulsory, institutional, structural, and productive forms of power.⁵² This taxonomy manages to widen the perspective on power in IR by elevating the latter categories of relational power.⁵³ Power is thus also used when the actors are *constituted* in a certain way, as it influences also their capacities.

The EU may use these different forms of power as part of its normative endeavour. The EU's use of positive and negative conditionality for example can be considered a form of compulsory power. The EU also necessarily benefits from institutional power which makes it possible to set the agenda of international institutions. The normative power debate also constitutes the EU self in a distinct manner and as such is a form of productive power. The normative power role is not an objective categorization but a distinct effort to represent the EU in a certain way.⁵⁴

5 The Essence of the EU's Normative Power

The different power concepts and power mechanisms may inform us about the nature of normative power as a distinct power category. Still, the EU's uniqueness as a normative power should be explained in a more detailed manner. The conceptual vagueness around the EU's normative power role makes it difficult to assess its current and future relevance and legitimacy. I claim that the essence of the EU's

⁴⁹ Moravcsik (2010, p. 153).

⁵⁰ Diez and Manners (2007, p. 179).

⁵¹ Forsberg (2011a, p. 1195).

⁵² Barnett and Duvall (2005, p. 3).

⁵³ Their framework is however, distinctively constructivist (Bially Mattern 2011, p. 696).

⁵⁴ Diez and Manners (2007, p. 183).

normative power can be found in the promotion of *certain universal principles*, and from its commitment to *multilateral* approaches.

The EU's normative power is mainly concerned with the values and norms underlying action. This would suggest that normative power may set limits for the use of power, rather than promoting self-interest⁵⁵ or strategic goals. Normative goals are concerned with the wider environment—though the promotion of values and norms may be in the interests of an actor. The EU's basic values are reflected throughout the EU treaties and declarations. The Lisbon Treaty states that;

*“The Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities. These values are common to the Member States in a society in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail.”*⁵⁶

These values are not unique to the EU, but gain their inspiration and legitimacy from previously established international conventions, treaties and agreements.⁵⁷ These values also guide the EU's action towards others, and offer a source of legitimacy for the Union's external relations:

*“The Union's action on the international scene shall be guided by the principles which have inspired its own creation, development and enlargement, and which it seeks to advance in the wider world: democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity, and respect for the principles of the United Nations Charter and international law”.*⁵⁸

This extract is a good illustration of the EU's normative power identity, and its commitment to apply these values also outside of its borders. Yet scholars have questioned the universal status of the EU norms. Although De Zutter notes that international documents are one indication of a norm's universal standing, a number of other factors codetermine whether a norm is ascribed the attribution of 'universal': the document's wording, the number of ratifications it receives, the exemptions attached to its ratification, its implementation, the documents historical context, and the on-going global debates at the time of norm-diffusion.⁵⁹ Hence the mere promotion of principles which the EU considers universal is not sufficient for a status as a normative power: The EU should not declare the values and await others to follow them—rather, these norms should be developed in a dialogue with others.

⁵⁵ Manners original example of the EU's norm-driven practice was the abolition of death penalty. Because this practice did not serve any European (material) interest, it distinguished the EU from other political actors (Manners 2002, p. 251).

⁵⁶ Treaty of Lisbon, article 1.

⁵⁷ Manners mentions the UN Charter, the Helsinki Final Act, the Paris Charter, the Universal Declaration of Human Rights and UN Covenants, and the Council of Europe/European Convention on Human Rights (Manners 2009, p. 12).

⁵⁸ Treaty of Lisbon, article 21.

⁵⁹ De Zutter (2010, p. 1109).

Another normative power aspect relevant in this case is the EU's commitment to multilateralism.

*“The Union shall seek to develop relations and build partnerships with third countries, and international, regional or global organisations which share the principles referred to in the first subparagraph. It shall promote multilateral solutions to common problems, in particular in the framework of the United Nations.”*⁶⁰

European integration itself presents the most successful example of such a multilateral arrangement, and the EU has externalized its own working methods in its foreign policy. The European Security Strategy (2003) states “effective multilateralism” to be the cornerstone of the EU's interactions with the international community. Multilateralism increases legitimacy of EU politics, which may enhance the external effectiveness of the EU. ‘Effective’ refers to the striving for better governance practices, and shows the willingness of the EU to be the motor of different reform processes. In particular, the ineffectiveness of the UN was in mind when the strategy was proposed. But the term “effective” might also give an aura of instrumentality to the EU's multilateral commitment.⁶¹

A multilateral commitment can be interest or principles based. International organizations are built to serve certain functional or issue-specific interests, which explains the widespread *functional* view of multilateralism in IR theory. The EU is an active member in many international organizations, where it usually defends the interests of its member states. But the EU's multilateral strategy can be examined also from a more *normative* perspective. Multilateral commitment can also be important principle for policy-making. Besides serving interests, the multilateral process may bring other benefits with it and be an end in itself. These benefits are intrinsic to the multilateral process, and have value regardless of the outcomes. Processional benefits include, for example, structuring interaction and ensuring a remarkable level of moderation in global politics.

It must be noted that actors often define their own interests more only during the process of interaction. Multilateralism also gives more certainty over how global policies will be adopted in the future. Multilateralism becomes a matter of routine for actors—a kind “way of life”.⁶² I consider this principle-based multilateralism central for the EU's normative power argument. Multilateralism seems to have an intrinsic value for the EU order, very much compatible and congruent with European values, self-images, and principles that arguably dictate European political action at the international level.⁶³

One of the most obvious multilateral forums where the EU acts in a more principles-based modus is the UN. In UN forums the EU wants to promote and protect certain universal basic values like human rights. Despite the opposition, the EU considers the UN as the most important global institution that can promote

⁶⁰ Treaty of Lisbon, article 21.

⁶¹ Blavoukos and Bourantonis (2011, p. 8).

⁶² Pouliot (2011, pp. 18–22).

⁶³ Lucarelli and Manners (2005), in Blavoukos and Bourantonis (2011, p. 7).

values like peace, equality, democracy, human rights and sustainable development. Even if the results are not always promising, the EU finds these areas important for the maintenance of debate and dialogue. As the European Security Strategy states:

*“The fundamental framework for (the EU’s) international relations is the United Nations Charter. Strengthening the United Nations, equipping it to fulfill its responsibilities and to act effectively, must be a European priority”.*⁶⁴

The reform of the UN system in particular constitutes a critical test for the assessment of the EU’s principled-based multilateral credentials.

The essence of the EU’s normative power thus rests on the principles and particular means for promoting them, namely principled multilateralism. This kind of definition does not take into account the outcomes or end results that normative power is capable of achieving. The EU’s normative power has been criticized for failing to reach results that are proportional to the efforts exerted.⁶⁵ The EU’s record of achieving normative ends is considered mixed and contested.⁶⁶ This is of course dependent on what is considered to be a result of some processes. Consequences should not be too narrowly defined, and they should also include ongoing processes like human rights dialogues. On the other hand, it is still quite difficult to evaluate the impact of the EU’s normative power, because too short a time has passed since its introduction.

6 The Changing Global Context and the EU’s Normative Power

Because the global socio-economic and political context has changed remarkably during the last decade, the debate over the EU’s power and role in the world has intensified. The normative power role of the EU emerged under different circumstances, and now it is appropriate to ask whether it has continued relevance in these changed settings: While the European Union has traditionally promoted global governance mostly through norms, hereby contributing to the strengthening of international law and multilateral practices in different international organizations,⁶⁷ the main elements of the EU’s normative power role, universal principles and multilateralism, are challenged in the current order. Traditional power politics and state sovereignty are on the rise, rather than normative issues like human rights. The unipolar world, in which the US was standing as the sole superpower, is moving towards multipolarity with various centers of power.

⁶⁴ The European Security Strategy 2003.

⁶⁵ Toje (2009, p. 43).

⁶⁶ Forsberg (2011a, p. 1194).

⁶⁷ Jørgensen (2009) offers a good overview of how the EU supports effective multilateralism and global governance in different international organizations.

Besides the emergence of new actors globally, the distribution of power between these actors is also changing dramatically, at least in demographic and economic figures, whereby China, Russia, Brazil and India are rising, and the EU is in decline. This kind of prognosis is still dependent on what kind of power we consider to be important in future international relations. Moravcsik has stressed that power should be treated as multidimensional, focusing on the full spectrum of power capabilities that an actor holds.⁶⁸ The distribution of power has consequences for the promotion of norms and principles. Rising states are keen to hold on to their sovereignty, and less interested in defending universal principles that might justify interventions in states' internal affairs. Additionally, substantive principles, like human rights, are sometimes considered instruments of Western powers to rule others. From this perspective, the EU's normative efforts would simply be a way to enhance its position in a world, where it is actually in decline. The EU has faced severe difficulties in its efforts to promote norms for example in the UN context⁶⁹—normative power appears to have limited tools to influence.

The global transference of power from West to East causes challenges for multilateral arrangements, leading to a debate about the crisis of multilateralism, especially in the UN context. Multilateral organizations may be challenged because they may be sabotaged by the forces of power politics, or because they have moved towards "self-marginalization" as a result of their idealism and ineffectiveness.⁷⁰ Multilateral arrangements are also very vulnerable to power politics and do not usually include credible sanctions. If a powerful state decides to make co-operation difficult in international organization, it usually succeeds quite easily. Simultaneously the role of states is increasing again, while various non-state actors challenge the existing multilateral system.

The EU's (or its member states) current status in many international organizations is a privileged one. Possible reforms in international organizations may diminish the EU's position and ability to influence the global order, as rising powers seek better representation for themselves—and the EU's powerful position is found frustrating. Such representational questions cause friction, and make the multilateral setting more demanding for the EU.

This is particularly evident in the UN context, where states are engaged in a serious reform agenda, showing UN's continued utility, which can be viewed as a process of evolution rather than as a crisis—a crisis would rather exist if states disengaged, and worked outside of the UN, as they have done far more in the past.⁷¹ Yet there are indications that states are in need of more efficient and representational frameworks for action. This becomes most evident in dealing with the current economic crisis, where rapid and effective reaction capabilities are needed.

⁶⁸ Moravcsik (2010, p. 153).

⁶⁹ See for example Brantner and Gowan (2008) for an analysis about the EU's human rights promotion at the UN.

⁷⁰ Newman (2006, p. 160).

⁷¹ Newman (2006, p. 175).

Indeed, in this context, the UN has been eclipsed since 2009 by the rise of the G-20 as a center for informal multilateral engagement. Emergence of the G-20 provides further evidence of the coming multipolar order and declining Western influence.⁷² On the other hand, the G-20 is a self-appointed group with nearly 170 states not represented, and many important perspectives bypassed—indicating the continued significance for new groupings to continue a close cooperation with UN bodies. The EU, for its part, has adopted an active role in many organizations and given remarkable economic contributions.

Strengthening and reforming the UN has been high on the EU's list of priorities.⁷³ The UN's multilateral context still poses challenges for the EU, especially in terms of consolidating two multilateral forums. The EU managed to enhance its status in 2011 in the UN General Assembly, though it is not easy to function in a context of state actors that has existed for years (e.g. the EU can speak only after the state representatives). However, the EU's activities in the UN show its normative commitments to principled multilateralism, despite the increased challenge.

While this chapter has emphasized the role of external factors, a number of internal EU factors will decide the extent of the EU's contribution to global governance in the future. These internal factors include i.a. how the relationships of governments and leaders in the EU will work, how the 'division of labor' between the EU and member states is arranged, how much capabilities are given to the EU institutions, how big the EU will be and how coherently and consistently the EU's institutional setting in Brussels manages to act.⁷⁴ If the member states do not wish the EU to play an active normative role and the EU is not given enough competencies and the appropriate means to act, its contributions to global governance will be rather poor. The Lisbon Treaty clarified the EU's external power and promised more coherence and consistency to the EU's foreign policy and global norm promotion. However, it seems that the developments have also received a lot of criticism.

7 Conclusions

This chapter has studied the evolution, essence and limits of the EU's normative power role. First this chapter outlined how the normative power can be traced back historically, and how the external environment supported this kind of conceptualization. Through the separation between the two meanings of power, 'power as a powerful actor' and 'power as ability to cause effects', we could see that debate on the EU's normative power has mainly considered the first meaning and left the second less studied. Today we are mostly interested in the EU's ability to affect the

⁷² Jokela (2011).

⁷³ Laatikainen and Smith (2006, pp. 2–3).

⁷⁴ Ortega (2007, p. 95).

future global order. The power perspective and different taxonomies showed how the EU's normative power could actually work, and how it was related to other forms of power. The challenges and limits for normative power, and its core ideas of promoting universal principles and multilateral working methods, were considered towards the end of the analysis.

The EU's normative power role has turned out to be a product of its time, supported by external and internal factors that have nowadays faded. The EU must adjust to the changed circumstances and find new creative ways to influence the world. The EU is still willing to understand itself as a normative power that shapes the normality of global politics. However, this normative power is more difficult to practice today, as the EU or its norms are not necessarily considered as attractive as in the past. Thus, the legitimacy of the EU's normative role is challenged in the changing global order and it must find ways to answer this challenge.

The relevance and future of normative power is considerably dependent on how we evaluate future global politics and issues. Opinions on the future of the EU's normative power are diverse, and while some believe in its decline, others are ready to declare it the best power combination for the future world: the EU's decline may have been exaggerated similarly as was its previous 'new superpower' role. The coming order may instead offer new opportunities for the EU, in line with its practical ability to achieve goals.⁷⁵ Perspectives that announce decline are often based on a realist worldview, which measures power capabilities based predominantly on material resources. The EU's mixed capabilities, however, might favor a more prominent role than seems probable today.⁷⁶ By using its diverse power resources more efficiently and normatively in the future, such a normative power may be able to guide and limit other power resources.

The EU as a normative power continues to be a concept which captures something distinctive, if not perfect or ideal, about the EU's foreign policy and wider relation to the world. There are a variety of power dimensions at play in EU actions, varying and depending substantially on the policy and issue area. However, the normative power role seems to be especially relevant in policy areas that include moral questions like climate change, development aid and human rights. The future legitimacy and credibility of the EU's normative power is much dependent on its success in these areas.

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⁷⁵ Youngs (2010, p. 7).

⁷⁶ Moravcsik (2010).

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Domestic Politics in EU External Economic Relations: US-EU Competition in Trade

Aukje van Loon

1 Introduction

During the past decade, the world trading system has undergone a profound transformation. On the one hand, the uncertainty surrounding the conclusion of the Doha Development Agenda (DDA) within the institutional framework of the World Trade Organisation (WTO) has dampened confidence among countries about the multilateral approach to trade liberalisation. On the other hand, free trade agreements (henceforth FTAs)¹ whereby members exchange preferential market commitments are proliferating.² In this “market and competition oriented” environment (Schirm 2002, p. 2; Baccini and Dür 2012, p. 57) with “its emphasis on exports and open markets” (Thiel 1998, p. 61) as hallmarks of the so-called ‘new regionalism’ (Ethier 1998, pp. 1150–1152), FTAs have become the prominent

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¹ FTAs are defined as legally binding arrangements between two or more countries, through which these countries give each other preferential treatment in trade that eliminates trade protection among members. At the same time, each member keeps its own tariff structure in trade with third countries. Regional Trade Agreements (RTAs), Preferential Trade Agreements (PTAs) or FTAs are often synonymously applied to describe trade liberalisation on a regional or bilateral basis. For the purpose of consistency, the term FTA will be used throughout this chapter.

² Thereby making exemptions to the non-discrimination and most-favoured-nation (MFN) principles of the WTO.

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mode of promoting trade liberalisation and market integration (Heydon and Woolcock 2009, p. 3).

This chapter is inspired by the transformed international trade panorama, specifically by the observation that the EU has accomplished FTAs with selected emerging markets, first in Latin America with Mexico (EU-Mexico FTA, also “Global Agreement”) and subsequently in Asia with the Republic of Korea (EU-Korea FTA, also “KOREU FTA”), where previously there were none. In these two regions, the EU has aimed to achieve the highest possible degree of trade liberalisation by targeting emerging markets with high market potential and high rates of economic growth (European Commission 2006, p. 10). It is nonetheless surprising that the EU has accomplished FTAs with two smaller emerging markets with less market potential and economic growth compared to the larger emerging markets, such as China, Brazil and India. These latter markets would be more attractive by having a much greater market potential and economic growth.

Parallel to the proliferation of FTAs,³ scholars have published various studies locating the driving forces of regionalism by focussing on either international or domestic sources of foreign trade policy-making (Aggarwal and Fogarty 2004, pp. 6–16; Crawford and Fiorentino 2005, p. 16; Ethier 1998, p. 1152; Haggard 1997, p. 20; Mansfield and Milner 1999, pp. 602–615; Mansfield and Reinhardt 2003, p. 830; Whalley 2008, pp. 529–531). Although this literature gives significant insight into the causes of regionalism, it does not inform about the actual selection of specific emerging markets as FTA partners (Manger 2009, p. 27). The question posed in this chapter is therefore what drives the EU to accomplish FTAs with some emerging markets and not others?

It is argued here that the EU’s granting of specific emerging markets’ preferential access to its market can be explained by applying an analytical approach that includes both an international and a domestic explanatory variable (Baldwin 1993, pp. 2–5; Baldwin 1997, pp. 877–881; Schirm 2002, pp. 8–9; Woolcock 2005a, pp. 239–244). Such an approach draws attention to the global economic context within which EU foreign trade policy is rooted thereby highlighting in particular US-EU competition in trade. The subsequent influence this might have on domestic politics in EU member state governments’ trade policy positions, responding to pressures from domestic economic interests, is the focus of the second variable.

The chapter is structured as follows. Section 2 will provide background information to the strategy and factors motivating EU FTAs. It will highlight the differences between ‘traditional and new FTAs’. US FTA strategies and motivations are equally described as well as EU-US overlapping FTAs with emerging markets. In Section 3 an analytical approach will be proposed arguing that foreign trade policy positions of EU member governments are shaped by two explanatory variables; US-EU competition in trade and active domestic politics. These arguments are then illustrated in Section 4 through a brief analysis of the

³For more information on why FTAs have proliferated see Heydon and Woolcock 2009, p. 6 and Mansfield and Reinhardt 2003, p. 830.

EU-Mexico FTA thereby specifically focussing on Germany. Section 5 will then summarise the main findings of this chapter in the conclusion.

2 EU and US Trade Governance

Two of the leading proponents of FTAs which contributed early towards transforming international trade governance are the EU and the US. Both are relatively on par, being both regional and global powers (McGuire and Smith 2008, p. 172; Sapir 2007, p. 1). They are also key markets and pre-eminent key players in global trade governance; they are “the world’s largest economic entities by far and (. . .) the leaders of the world trading system” (Schott 2009, p. 12). In fact, EU and US trade and investment relations are the largest in the world (Ahearn 2011, p. 2).⁴ On the one hand, they have been among the strongest advocates of the multilateral approach to trade liberalisation and their cooperation and alignment to the successful conclusion of the DDA is of great significance. On the other hand, as “the two main ‘hubs’ of patterns in PTAs” (Horn et al. 2009, p. 3) they have also each developed an extensive network of FTAs.

2.1 EU FTA Strategies and Motivations

There is no dispute that the EU is a “formidable power *in* trade [and that] it is also becoming a power *through* trade” (Meunier and Nicolaidis 2006, p. 907).⁵ It is the most integrated regional actor in global governance (McGuire and Smith 2008, p. 172) and the largest trading actor in the world.⁶ Being first and foremost a single market, it is this economic ‘weight’ which constitutes the EU being referred to as a “market power Europe” (Damro 2012, p. 683).⁷

Concerning regionalism, the EU set the trend early on by negotiating various FTAs taking place on the ‘sidelines’ of those at the multilateral level. Focussing on a rather narrow geographical scope, the EU negotiated association agreements (AAs)⁸ mainly with its immediate neighbours as part of a process of preparation for full EU membership. These so-called ‘traditional FTA partners’ were selected as having a “top foreign policy priority status for the EU” (Peterson and Sjurgen 1998, p. 161; see also Brenton 2000, p. 14; Dür 2010, p. 186; Messerlin 2001,

⁴ See also: <http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/countries/united-states/> (Accessed February 20, 2012).

⁵ Original emphasis.

⁶ <http://stat.wto.org/CountryProfile/WSDBCountryPFView.aspx?Language=E&Country=E27> (Accessed May 27, 2012).

⁷ In contrast or in addition to the EU being a normative power (Manners 2002; Sjurgen 2006).

⁸ See http://eeas.europa.eu/association/docs/agreements_en.pdf (Accessed February 18, 2012).

p. 200; Sapir 1998, p. 726) primarily due to political motivations (Crawford and Fiorentino 2005, p. 16; Glania and Matthes 2005, p. 13; Guerrieri and Caratelli 2006, p. 161; Woolcock 2007a, p. 3).⁹ Enhancing political stability in its immediate vicinity was the EU's pre-eminent goal such as in the cases of the Central and Eastern European countries (CEECS), the western Balkans and the Euro-Mediterranean partners (Brenton 2000, p. 15; Glania and Matthes 2005, p. 14; Heydon and Woolcock 2009, p. 162; Sapir 1998, pp. 726–727).¹⁰ The EU's "use of trade to achieve non-trade objectives" (Meunier and Nicolaidis 2006, p. 912; see also Woolcock 2005a, p. 240) with these selected partners illustrates that commercial interests were perceived as secondary (Woolcock 2007a, p. 3; Graziani 2011, p. 61).

In 1999, EU foreign trade policy pursued a 'managed globalisation' strategy by imposing a moratorium on FTAs, thereby privileging multilateral trade liberalisation (Sbragia 2010, p. 369). With the EU's centre of attention to its preference for multilateralism, other trade actors actively pursued a trade policy mix complementing multilateralism with applying FTAs. As this policy mix permitted others to gain market access vis-à-vis third markets, the EU stuck to its trade strategy, thereby risking the loss of privileged market access covered by other trading actors' FTAs. In 2006, the moratorium was abandoned and the 'managed globalisation' strategy was replaced by the 'Global Europe' trade strategy. While prioritising multilateralism in trade and the completion of the DDA (European Commission 2006, p. 2), this strategy introduced EU trade arrangements, referred to here as the 'new FTAs'. These are based on new motivations, revealing an increasing accommodation of commercial interests rather than political objectives (Dür 2010, p. 208; Gavin and Sindzingre 2009, p. 14; Glania and Matthes 2005, p. 14; Guerrieri and Caratelli 2006, p. 169). Within the context of the 2005 Lisbon Strategy, trade policy was applied as a tool to help create jobs and stimulate growth. This prioritisation of economic motivations went hand-in-hand with the EU broadening its geographical scope by turning its attention towards a change of selection of FTA partners. Instead of selecting partners such as potential members or neighbours, EU FTA counterparts "are carefully chosen partners" (Mandelson 2006, p. 1). The EU has concluded FTAs with several emerging markets. The first FTA accomplished was in Latin America with Mexico in 2000; its latest FTA concluded was in Asia with the Republic of Korea in 2011. The main goal of these 'new FTAs' is not to create benefits for the economies of these countries per se, but to create them for the EU by improving its international competitiveness through accessing emerging markets (European Commission 2006; Graziani 2011, p. 62).

⁹The EU also granted preferential trade conditions either for historical or development motivations to the ex-colonial states of the Africa Caribbean and Pacific (ACP) countries. These preferential trade conditions were however granted on a *unilateral* and not on a *reciprocal* basis (Burckhardt 2013).

¹⁰Besides these political considerations, simultaneously offering EU market access within the context of FTAs also promoted economic stability as economic opportunities stimulated growth within these respective countries.

2.2 *US FTA Strategies and Motivations*

Originally, the US had pursued a reduction in trade barriers within the multilateral framework of the WTO. In fact, similar to the EU, the US staunchly supported multilateral trade. Until 1994 the US had only negotiated two FTAs, one with Israel and one with Canada.¹¹ Similar to the EU, the US equally pursued its early FTAs in its immediate neighbourhood first by establishing the North American Free Trade Agreement (NAFTA) with Mexico and Canada in 1994. This was followed by the launch of the Free Trade Area of the Americas (FTAA) in the same year with the aim to negotiate a hemispheric FTA by 2005. North American regionalism revealed a significant shift in the trade strategy of the US and “represented the emergence of the US as a ‘regional power’” (Sbragia 2010, p. 375). NAFTA was the first large FTA between a developing and developed countries (Hufbauer and Goodrich 2004, p. 37) and was viewed as a “springboard to the world market” (Schirm 2002, p. 9) as a reaction to the fear of ‘Fortress Europe’ (Barfield 2007, p. 240; Sbragia 2010, p. 375; Schott 2004, p. 361). It was not until 2001 however that the US fully embraced regionalism and FTAs emerged at the centre of US trade policy. This meant emulating the trend set by the EU (Dür 2010, p. 201; Feinberg 2003, p. 1019) and challenging “the formerly unquestioned European leadership” (Guerrieri and Dimon 2006, p. 89) in regionalism. The US introduced a trade strategy of ‘competitive liberalisation’, a trade policy mix complementing multilateral trade negotiations parallel to regional and bilateral initiatives. This policy is based on the premise that by partially reducing trade barriers through FTA initiatives this “would set off a competitive process toward global free trade” (Barfield 2007, p. 242) and would subsequently lead to a successful conclusion of the DDA (Bergsten 2002; Zoellick 2002). US trade and investment interests are thus to be achieved by gaining preferential market access in growing markets where commercial concerns prevailed over other considerations (Sbragia 2010, p. 369). Competitive liberalisation, as the core strategy of US trade policy, has been mostly applied, as mentioned above, first in Latin America and then in Asia. The first US FTA with an Asian partner was the Korea-US FTA (“KORUS FTA”) signed in 2007.

2.3 *The EU and the US: Overlapping FTAs with Emerging Markets*

This simultaneous application of FTAs by the EU and the US, a so-called competing regionalism (Schott 2009, p. 16; Woolcock 2007b, pp. 258–259), has been coined as “competitive interdependence” (Sbragia 2010, p. 368), “competitive

¹¹ According to Feinberg these two countries were “special cases” and selected as FTA partners due to Israel being a strategic ally and Canada due to its geographic proximity (Feinberg 2003, pp. 1020–1021; Barfield 2007, p. 240; Rosen 2004, p. 50–77).

cooperation” (McGuire and Smith 2008, p. 3), “contained competition” (Smith 2009, p. 99) or “transatlantic rival economic regionalism” (Van Scherpenberg 2006, p. 37). This has been defined as “one country emulating the trading arrangements of other trading partners to offset the discrimination against its own firms generated by the trade preferences in other FTAs in which they are not a party” (Schott 2009, p. 16). Hence, the external economic relationship between the US and the EU is characterised by a “‘me-too’ pattern” (McGuire and Smith 2008, p. 192) where the prior liberalisation efforts of one preferential trader vis-à-vis third markets shape the subsequent actions taken by the other (Solis and Katada 2009, p. 2; Meunier and Nicolaidis 2006, p. 907). As mentioned earlier, NAFTA was partially a response to the EU’s single market program, whereas the EU’s trade strategy emulates the US “infatuation with FTAs” (Bhagwati 1995, p. 11) in Latin America and Asia. This has created an environment in which the EU appears to be the ‘leader’ at a certain point in time but equally, at a different point in time where it plays catch up to the US, it is the apparent ‘follower’ with regard to FTA initiatives with specific emerging markets. This has led to a situation in which the FTA policies of the US and the EU exhibit a high degree of overlap, i.e. a certain interconnectedness of FTAs concerning the partner countries chosen, and also with regard to the subjects covered (Horn et al. 2009, p. 12). Therefore, a similarity between these US and EU FTAs is the fact that they have been affected more or less to the same extent by the dynamics of competitive trade liberalisation. In addition, the timing of the EU and US negotiations with these countries largely overlapped. Whereas initially in the 1990s the US and the EU were mainly competing in “the race for markets” (Koopmann 2007, pp. 258–259) and establishing trade agreements with the fast growing emerging economies in Latin America, in the meantime, since the 2000s, they have directed their attention towards counterparts in Asia.

3 Analytical Approach

In order to explain the question of what drives the EU to accomplish FTAs with some emerging markets and not others, this chapter will follow the liberal (Moravcsik 1997) and societal (Schirm 2009; 2011; 2013) approach of international relations. Core factors of this society-centred approach include: its focus on domestic sources of government decisions; the inclusion of a variety of domestic actors in its analysis; as well as its assumption of governments’ responsiveness to “dominant societal influences” (Schirm 2009, p. 503). Consequently, it focusses on the influence of domestic politics on governmental preferences (Moravcsik 1997, p. 513; Schirm 2009, p. 503; Schirm 2013 forthcoming). This argument is based on the assumption that governments, which mainly desire to remain in power (Schirm 2009, p. 504; Schirm 2011, p. 50), are responsive to these dominant societal influences, thereby fulfilling their role as “transmission belt” (Moravcsik 1997, p. 518). Thus, “governmental positions strongly express preferences originating from societal influences which exist prior to international strategies and interstate

negotiations. In order to understand the international behaviour of states, it is therefore necessary to first analyse the domestic sources of governmental positions” (Schirm 2013 forthcoming). Hence, in this chapter the suspected connection between interests and governmental positions in EU trade addresses the material impact of discriminatory US FTAs with specific emerging markets via changes in economic conditions for domestic interests which then lobby the EU member governments accordingly.

3.1 US-EU Competition in Trade and Domestic Economic Interests

For this purpose, two explanatory variables are applied: US-EU competition in trade and domestic economic interests. US-EU competition in trade is defined as a competitive dynamic, where the US’ initiation or conclusion of a FTA with an emerging market, through which it aims to capture the largest share of gains possible from trade liberalisation, reduces the gains available to the EU.

Domestic economic interests are defined as material considerations of interest associations which alter in response to changed economic conditions caused by discriminatory US FTAs.¹²

A US FTA with an emerging market can be viewed as “an unanticipated policy change” (Baldwin 1993, p. 5) for EU foreign trade policy. Before it faces potential or existing discrimination, the EU is not necessarily interested in establishing FTAs with emerging markets. However, once the US initiates or concludes a FTA with an emerging market, it induces changes in the economic conditions, i.e. the cost-benefit analysis of domestic economic interests. The changed economic conditions are induced because on the one hand, FTAs liberalise trade between members, while on the other, they discriminate against third parties. Hence the distributive conflict which arises is “between the insiders and outsiders to a given agreement” (Haggard 1997, p. 21). Non-participation of the EU can generate trade diversion, as concentrated losses are imposed on domestic economic interests in the form of trade and investment diversion which lead to decreasing market shares. When they recognise the potential discrimination, or feel the direct negative effects of a US FTA, domestic economic interests are altered and lobby their respective EU member governments to establish competitive conditions. Summin up, the liberal and societal approach comprises the following two hypotheses:

¹² In this chapter, domestic interest associations fulfil the three key requirements (organisation, political interest and informality) of interest groups set out by Eising (2009, p. 4). Specifically, these actors are organised, seek to influence trade policy outcomes and are generally not interested in holding office themselves. As such, both the terms interest associations and interest groups will be used interchangeably.

- (1). If a US FTA with an emerging market is initiated or concluded then this leads to changes in the economic conditions of EU domestic economic interests.
- (2). If EU domestic economic interests are altered as a result of a US FTA with an emerging market, then these affected interests will lobby their respective EU member governments to accomplish a FTA with the same emerging market economy.

3.2 EU Trade Policy-Making and the Liberal and Societal Approach

The society-centred approach, in this chapter, thus focusses on societal interests dominant in domestic politics of EU member states to explain the position of EU member governments in external trade policy-making. EU trade policy outcomes are thus understood as the resultant of bottom-up politics dynamics. Applying liberalism is significant since its assumption that governments' decisions reflect domestic preferences is an often contested assertion when referring to EU trade policy-making. On the one hand, there are studies specifying the collusive delegation argument which highlight the relatively significant independence of decision-makers from societal interests (Meunier 2005, pp. 8–9; Woolcock 2005a, p. 247). Following this argument, the Treaty of Rome gives the EU Commission the authority to determine EU trade policy. In trade negotiations therefore, the EU negotiates as a single actor, with the EU Commission conducting these negotiations on behalf of all the member governments and hence, national governments do not fully control EU trade policy. On the other hand, other studies have been undertaken to reject this contention by following the argument that the ability of the EU Commission to exercise its authority over trade policy is limited by the political and institutional relationships within which it operates (Woolcock 2007c, pp. 221–240; Meunier and Nicolaidis 1999, pp. 478–482). Of particular importance in this regard is the Council of Ministers (CoM) as the EU's principal decision-making body.¹³ With regard to trade policy, the CoM is composed of trade ministers of each of the EU member governments. These trade ministers set the parameters within which the Commission must operate. Thus, even though the Commission has legal authority over trade policy, it exercises this authority under the close scrutiny of the EU's member governments.¹⁴ Thus, the trade policy objectives that EU member governments instruct the Commission to pursue reflect

¹³ Also referred to as the Council of the European Union.

¹⁴ Also, with regard to trade negotiations, although the CoM's voting procedure has been amended several times by subsequent treaties and most issues are now subsequently no longer dealt with by unanimity but by qualified majority voting, in practice the unanimity is still applied. Equally this implies that the Commission is tightly constrained with regard to decision-making concerning trade negotiations.

the demands placed upon these national governments by domestic interest groups (Dür 2008, pp. 28–31; Oatley 2006, p. 82).

This section argues that in order to answer the question posed regarding the selection of specific emerging markets as FTA partners can be explained by two aspects. By highlighting the global economic context, specifically US-EU competition in trade and the subsequent influence this has on the national level focusing on the relationship of domestic economic interests with its respective government and the latter's subsequent trade policy position. The following section will test these assumptions empirically.

4 EU-Mexico FTA: The Global Agreement

In 1990, President Salinas of Mexico had approached the EU in order to promote Mexico as an attractive investment location and potential FTA partner. The EU however showed no interest, one of the reasons that it was too involved with EU enlargement at the time, turning down Mexico's offer to engage in a trade agreement (Cameron and Tomlin 2000, pp. 1–2).¹⁵ When in 1990 Mexico engaged in trade negotiations with Canada and the US which led to the establishment of NAFTA, the EU-Mexico Framework Agreement was established in 1991 only reaffirming the latter's most-favoured-nation status. Yet in 1999, the EU and Mexico concluded the "Global Agreement" which entered into force in 2000. The following two sub-sections will elaborate the argument made above that the EU's accomplishment of FTAs with certain emerging markets has been shaped by active domestic politics of economic interests responding to the competitive dynamic between the EU and the US in gaining access to the Mexican market.

4.1 *US-EU Competition in Trade*

Between 1990 and 1994 EU exports to Mexico increased by 64 % (Manger 2009, p. 9). NAFTA's entry into force on 1 January 1994 however resulted in the EU-15's loss of share of Mexican imports from 11.4 % in 1994 to 8.5 % in 2000 (Inter-American Development Bank 2004, p. 69). In 1995, EU exports dropped to 25.7 % (European Commission 2002: Annex 4, p. 2). NAFTA discrimination towards the EU increased even more when Mexico decided to raise its tariffs against non-NAFTA countries in 1995 and 1999. As a result of this increase in un-weighted average tariffs, from 12.4 % in 1994 to 16.1 % in 1999 (Preuß 2000, p. 28),¹⁶ while countries that had a preferential trade agreement with Mexico were unaffected. The

¹⁵ A FTA with the EU however was high on the agenda on Mexico's 1995 national 5-year development plan <http://zedillo.presidencia.gob.mx/pages/pnd.pdf> (Accessed August 10, 2011).

¹⁶ This reflected the Tequila currency crisis as well as the Asian currency crisis as well as NAFTA discrimination (Preuß 2000, p. 29).

EU however, was faced with a disadvantage especially in comparison with the US whose products entered the Mexican market at a very low tariff rate level. Mexico was, however, a minor trading partner for the EU with EU exports to Mexico having accounted for 0.14 % of total EU exports (Busse et al. 2000, p. 10). Thus, for the EU as a whole, discrimination from NAFTA was of minor significance. A sectoral breakdown however informs a considerable EU reliance on exports of manufactures. For example, for iron and steel (0.35 %) and automotive products (0.25 %), Mexico did present a market of greater importance (Busse et al. 2000, p. 10). This export dependency with regard to specific sectors meant that export losses, although for the EU collectively of minor importance, were of major significance to a concentrated group of domestic economic interests. With the creation of NAFTA, the US was able to capture the largest share of gains possible, whereas EU exporters experienced changed economic conditions through concentrated losses in the form of trade diversion which led to decreasing market shares. Recognising this discrimination from NAFTA and in order to protect EU exporters (Dür 2007), the European Commission published a communication to the Council stating that “if the EU fails to take appropriate steps, its relations with Mexico run the risk of being eroded by the existence of NAFTA, particularly if other countries join up”¹⁷ (European Commission 1995, p. 13). For this reason, the Commission requested a mandate from the CoM to negotiate a new framework agreement with Mexico stating that “without a new, more advantageous contractual framework for trade, Mexico has considerable scope for protecting its market while increasing its customs tariffs (. . .)” (European Commission 1995, p. 17).

4.2 German Domestic Economic Interests

Parallel to this, EU member state governments came under pressure from interest groups to counter the competitive disadvantages and urged their respective governments to achieve “NAFTA parity”.¹⁸ Market losses were severe for Germany, the largest EU exporter to Mexico in 1994, which lost 13.3 % in 1995 (European Commission 2002: Annex 4, p. 2). Due to the trade dependence of the German economy, its foreign trade policy is characterised by “strong domestic interests in open international markets” (Freund 2001, p. 231). Hence, the most vocal and among the first interest groups to address the changed economic conditions of NAFTA for exports to Mexico were the peak business associations (*Spitzenverbände*); the Federation of German Industries (BDI), the Association of German Chambers of Industry and Commerce (DHIT) and the Business Association for Latin America (also known as Ibero-Amerika Verein, IAV) In 1994, they

¹⁷ Chile was also interested in joining NAFTA.

¹⁸ NAFTA parity meant an introduction of a schedule of tariff reductions with the main aim that it would support European exporters to re-establish equal conditions and liberalise access for its exports to Mexico by the same year as the US and Canada (Dür 2007, pp. 843–844).

founded the Latin America Initiative of German Business (LAI) which created the ability to establish and coordinate collective priorities and common positions with the main objective “to secure and enhance the position of German businesses” (Lateinamerika Konzept 1995, p. 9). With respect to NAFTA discrimination the LAI lobbied the German government intensively. In a joint communication they informed Chancellor Kohl warning that without a FTA with Mexico “Germans would miss out on economic market access” (Lateinamerika Nachrichten 1996). Based on this, the German government and the LAI collaborated on the so-called “Lateinamerika Konzept” which was introduced on 17 May 1995 (Lateinamerika Nachrichten 1996). Already in 1994, while holding the Presidency of the second half of the EU Council of Ministers, German Minister of Foreign Affairs Kinkel stated that one of Germany’s main goals of the concept was “to upgrade economic relations” with Mexico (Kinkel 1995).

In May 1995, the EU and Mexico signed the Joint Solemn Declaration establishing the foundations of a prospective new framework agreement. This however followed a two-stage process, which included the negotiations of an “Interim Agreement” first and the negotiations towards a FTA to commence later. In 1996, Chancellor Kohl visited Mexico to represent German business interests “to make up for lost ground” (Die Tageszeitung 1996). During this visit the Chancellor stated that for Germany Mexico was “a priority country” [for] “progressive trade liberalisation” (Lateinamerika Nachrichten 1996).

Due to the protracted process of the two-stage negotiations, the German government was under constant pressure from interest associations. In 1997, BDI President Henkel expressed the urgent need for a EU-Mexico FTA by saying that he “will continue to lobby the Federal German Government (. . .) for the conclusion of a free trade agreement between the EU and Mexico [because this] would ensure that also German companies in Mexico can operate under the same market conditions as their North American competitors” (BDI 1997).

After the Interim Agreement was signed, trade negotiations for the Global Agreement lasted one year, from November 1998 until November 1999. Facing the start of the first round of trade negotiations the LAI made consistent reference to NAFTA parity. As customs duties within NAFTA were decreasing since 1999, “the urgency of the free trade agreement between the EU and Mexico has become even more obvious. In times of globalisation, no market is allowed to be remote for German industry”, (Frankfurter Allgemeine Zeitung 1999). German trade policy positions towards the Global Agreement were thus strongly shaped by domestic economic interests and the responsiveness of the German government to these interests. The case study has shown that on request of the peak interest associations worrying about their market access in Mexico the German government collaborated with these making Mexico a priority country for liberalising trade.

In 2000, the Global Agreement between the EU and Mexico entered into force. It was the EU’s first interregional FTA and was referred to by EU Trade Commissioner Lamy as “the first, the fastest and the best” (Lamy 2002, p. 3). The EU-Mexico FTA achieved its goal of NAFTA parity and went even beyond in that it liberalised 95 % of two-way trade and also included the Singapore Issues.

5 Conclusion

It was argued here that the EU concludes FTAs with specific market when US-EU competition in trade changes the economic conditions of domestic economic interests and when these domestic economic interests subsequently shape their respective governments trade policy positions. The findings correspond to the expectations of the liberal and societal approach to international relations used in this chapter to explain the driving forces of the EU to conclude FTAs with specific emerging markets. In the case of Germany, the creation of NAFTA clearly created a fundamental change in the economic conditions domestic economic interests had faced before. The market losses of the affected domestic economic interests led to these lobbying their government to accomplish a FTA with Mexico. The timing of their lobbying and the content of their statements demonstrates that this lobbying was set off because of NAFTA's establishment and US-EU competition in trade with respect for the Mexican market. This empirical finding thus supports the first hypothesis of this chapter's analytical approach. Also, the role of the domestic economic interests in shaping the EU member state governments' trade policy preferences and the latter's responsiveness is successfully emphasized. This has been made obvious through the close collaboration of the German government with the LAI. This second empirical finding thus also supports the predictions of the liberal and societal approach introduced in this chapter.

This case selection, however, does not allow for generalisations. Nevertheless, it seems reasonable that other EU FTA negotiations can be explained by applying this chapter's analytical approach. The European Commission has stated that the 'new FTAs' "should also take account of our potential partners' negotiations with EU competitors [and] the likely impact of this on EU markets and economies" these might have (European Commission 2006, p. 11). The potential loss of market access in the Republic of Korea in the face of the US-Korea FTA seems to have played a role for the EU's initiation of the KOREA FTA in 2007. Future research on the role of US-EU competition in trade and the role societal interest play might thus constitute a promising way to enhance the understanding of the EU as a global power in the making.

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