

Chapter 6

The European Union and the Contradictions of Complex Interregionalism

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6.1 Introduction

The European Union (EU) has systematically supported regional integration and simultaneously promoted interregionalism as key components of its external relations strategy around the world. In doing so, it has specifically sought to enhance relations with emerging regional groupings. This strategic support has made the EU, without question, the most active sponsor of interregional relations, credited by many commentators with having actually developed the concept. Malamud notes that the ‘consolidation of European unity since the signing of the Treaty of Maastricht in 1992, along with the contemporary mushrooming of integrating regions all around the world, illustrate a significant new phenomenon’ (2003: 53). The significant phenomenon to which Malamud was referring is interregionalism, spreading both due to the dynamics of regionalisation and globalisation and to the strategic support of the EU. Region-to-region interregionalism—that is to say, relations between the EU and other regional organisations—is not, however, the only relationship that the EU seeks to engage in when it approaches other regions of the world. At the intercontinental level, it engages in what can be termed ‘transregional relations and strategies’, whilst at the bilateral level it has developed a complex web of agreements and negotiating processes that runs alongside and often cuts across its activities at the transregional and interregional levels.

The simultaneous development, and coexistence, of different levels of relations with regions has created a phenomenon that has been termed ‘complex interregionalism’ (Hardacre and Smith 2009; Hardacre 2010)—a phenomenon that is

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uniquely (thus far) to be found in the EU's interregional strategies. The term 'complex interregionalism' relates specifically to the result of the EU's external relations policy of differentiation between levels of relations that has been implemented since the 1990s. Complex interregionalism was originally centred on the sustained strategic pursuit of region-to-region relations (as opposed to bilateral or other limited relationships) across the globe, notably with respect to Asia, Africa and Latin America. In its original form, this strategic initiative on the part of the EU centred on the pursuit of 'pure interregionalism' with regional integration bodies, and it was complemented by the search through transregional relations for broader intercontinental frameworks. This original orientation has been tempered by a variety of factors in recent years, leading to more bilateral developments in EU external relations—often at the expense of region-to-region relations. Bilateral and region-to-region relations are often not compatible; hence the choice of one or the other relationship implies a decline, or an end, to the other relationship. As a result of recent developments in EU 'complex interregionalism' towards bilateral relations, important questions arise about the inclination, or the capacity, of the EU to continue to devote its energies to interregional relations and to the export of regional integration models. To address these questions it is important to understand the linkages and/or tensions between the key levels of 'complex interregionalism' as it has developed and fluctuated over the past decade.

The framework of 'complex interregionalism' thus offers an analytical lens through which to understand these fluctuations in EU external relations between transregional, pure interregional and bilateral relations, and more importantly the reasons behind them. It generates important questions about the extent to which the EU is capable of sustaining its initial search for differentiated interregional relationships when faced with the difficulties of implementing such a strategy, and about the ways in which this reflects internal inter-institutional tensions within the EU itself, particularly between the Commission and the Council of the EU. These tensions have been put into a new context by the implementation of the Lisbon Treaty, with its new institutional arrangements for the conduct of the EU's external policies and the resulting uncertainties about responsibilities and powers in the post-Lisbon Union. There are a number of important provisions and developments in the Treaty that have already had, and will have in the future, direct and important consequences for the pursuit of complex interregionalism across the globe.

By setting out to look at the apparent recent trend in EU external relations towards bilateral relations, at the expense of the pursuit of pure interregional relations, and at the internal reasons why this has happened in the EU, this chapter also assesses the future prospects for interregionalism as part of EU external relations. What role will pure interregionalism play in future EU strategies, and to what extent can the EU sustain a broad approach to complex or differentiated interregionalism? To answer these questions the chapter is separated into two main sections. The first section contains an overview of the evolution of complex interregionalism in EU external relations, in which the balance between transregional, interregional region-to-region and bilateral relations is analysed. This section also presents comparative illustrations from the development of EU relations with Africa, Asia and Latin

America as a means of highlighting the trends and some of the ‘external’ problems they have created.

The second section of the chapter focuses on the internal institutional reasons behind the changes in EU strategy, which we see as having been driven thus far by the relationship between the Commission and the Council. This section also explores the potential consequences of the Treaty of Lisbon for the EU’s interregional strategies, providing some initial discussion of actual and potential implications for the ‘three pillars’ of interregional relations (political, trade and development), the role of the European External Action Service (EEAS) and the new powers of the European Parliament (EP) in external relations strategy and implementation. The conclusions assess the potential futures for the EU’s strategy of complex interregionalism in light of internal institutional changes and external challenges, and particularly the extent to which interregionalism can be seen as a continuing vehicle for the export of the EU’s integration model.

6.2 Complex Interregionalism in EU External Relations

The EU has pursued an ambitious and increasingly complex interregional strategy across the globe for over 30 years, focused on three world regions: Asia, Africa and Latin America (Regelsberger in Edwards and Regelsberger 1990: 5; Alecu de Flers and Regelsberger 2005). The strategy first took shape in the EU’s relations with Asia, such that in 2012 the EU has long-standing interregional relations with the Association of Southeast Asian Nations (ASEAN) and transregional relations through the biennial Asia–Europe Meeting (ASEM). These two sets of relationships have established the EU as a player in a wide range of issues concerning Asia in the global arena, but it is also fair to say that they have operated much more prominently in the economic (trade and development) sphere than in the political, security or other domains. Despite limited involvement in a range of regional conflicts (Aceh, East Timor), the EU remains largely an observer in respect of Asian security problems. Notwithstanding these established multilateral relationships—or perhaps, because of their limited impact—the EU has been moving, in recent years, towards more bilateral relations in Asia—opening (preliminary) bilateral Free Trade Agreement (FTA) negotiations with Singapore, Malaysia, Indonesia, Vietnam and Thailand, and courting a number of ‘strategic partners’ headed by China and India.

The EU’s relations with Africa have always had a strong element of interregionalism, especially in relation to development issues arising from the Lomé and then the Cotonou Conventions, ranging from the original EU–African, Caribbean and Pacific (ACP) relations through to the current negotiations for Economic Partnership Agreements (EPAs) under Cotonou. Whilst there has always been a strong region-to-region element in relations under Lomé and Cotonou, this has only moved towards pure interregionalism as a result of the implementation of Cotonou (Söderbaum et al. 2005: 365). These long-established aspects of the EU’s policies have more recently been complemented by the effective designation of

Africa itself (in the shape of the African Union, AU) as a ‘strategic partner’ and the development of the *Joint Africa–EU Strategy* with a number of key thematic priorities. At the same time, the involvement of the EU in a series of African security issues, including conflicts in central Africa where EU missions have been deployed under United Nations (UN) mandates, has given a specific twist to the balance between economic and political issues. Whilst the EU has not resorted in wholesale fashion to the bilateral route as it has in Asia, the relationships between the Union and key regional partners such as South Africa, Nigeria and Egypt have often led to issues of priority and focus.

Finally the EU’s interregional relations with Latin America are possibly the most extensive and well developed. At the transregional level, the EU interacts through the biennial EU–Latin America and Caribbean (LAC) Heads of state summit and then on a pure interregional level with the Southern Common Market (MERCOSUR), the Central American Common Market (CACM) and the Andean Community (CAN) (see contributions by Santander, Costa and Dri). In contrast to both Africa and Asia, the EU has moved forward, at varying speeds over time, with its interregional relations with the three Latin American subgroups without any pronounced move towards bilateralism. Recently, however, the announcement of Brazil as a ‘strategic partner’ for the EU, and the pursuit of similar relationships (as well as a fully-fledged Free Trade Agreement) with Mexico, have complicated this picture, as have the fluctuating fortunes of negotiations between the EU and the regional organisations with whom it has attempted to develop long-term partnerships in Latin America.

This short overview of the evolution, and current state, of EU interregional strategies points to a number of aspects that need to be explored more fully: firstly the fact that the EU used the same strategy across three world regions; secondly that the strategy was received and worked differently in the different world regions—something that is reflected in the current state of interregional relations across the three regions; and finally that in certain circumstances the EU has felt the need to move to more bilateral forms of relationship, whilst retaining the rhetorical commitment to transregional and pure interregional agreements. Figure 6.1 below provides a summary of the EU’s key interregional links in 2012.

The discussion so far has assumed that ‘EU strategy’ is an unproblematic notion, but in reality it is a contested and often questionable construct, both within and outside the Union. To take one ‘external’ example, the announcement that certain countries are ‘strategic partners’ of the EU does not automatically ensure that those countries will respond as the EU would like them to (the example of India is important here, but the phenomenon can be found in almost all cases). In the internal EU context there is an inherent tension between the focus and interests of different institutions, notably the Commission and the Council, and there are also tensions within—for example—the Commission, between the Directorates General (DG) that focus on trade, development and broader political or security relations with key regions, and within the Council where there are different national trade and development interests. It can be argued, in particular, that there is an inherent tension between the Commission as the instigator of an interregional strategy, the Council

<u>Transregionalism</u>
ASEM (1994) (Asia)
Europe – Latin America Summit (1999) (Latin America)
EU – Africa Summit (2000) (Africa)
<u>Pure Interregionalism</u>
EU – ASEAN (1980) (Asia)
EU – SAARC (1994) (Asia)
EU – Rio Group (1999) (Latin America)
EU – CACM (1993) (Latin America)
EU – MERCOSUR (1995) (Latin America)
EU – CAN (1996) (Latin America)
EU – EAC (under negotiation) (Africa)
EU – ESA (under negotiation) (Africa)
EU – SADC (under negotiation) (Africa)
EU – West Africa (under negotiation) (Africa)
EU – Central Africa (under negotiation) (Africa)
EU – CARIFORUM (2008) (Caribbean)
EU – Pacific (under negotiation) (Pacific)
EU – GCC (1989) (Middle East)

Fig. 6.1 The EU's main interregional relations in 2012 (Source: Own creation)

as the legitimating body for the strategy, and both the Commission and the Council as the implementing bodies for specific aspects of the strategy. What is more, implementation needs to take account of the specific regional contexts into which the strategy is projected, as noted by one of the present authors:

[Complex interregionalism] encapsulates the tension between the fact that EU interregionalism is a strategy that is implemented in different regions according to local circumstances, according to a set of core aims and with a standard model in an attempt to achieve similar outcomes....Given that interregionalism has evolved in a context of differentiation, this has created region by region examples of complex interregionalism whereby interregionalism as a strategy has to be implemented.

(Hardacre 2010: 106)

This distinction is important in understanding and evaluating complex interregionalism because it is one of the key reasons why we have witnessed fluctuations in the EU's external relations between transregional, interregional and bilateral levels (in certain regions); the Commission builds and delivers the strategies, which can contain powerful normative as well as material elements, and also negotiates with key regional partners, whilst the Council ultimately has to authorise them through the signing of Association Agreements (which crucially include FTAs) and its approval of specific institutional arrangements.

As noted above, the obvious other key element in this equation is the receptivity of partner regions and their level of regional integration. To put it simply, the EU's search for regional partners may find the candidates either unwilling to proceed or

Stage 1: (Pre-1978)	<ul style="list-style-type: none"> - Early interregionalism - Created and existing regional partners - Cooperation agreements signed - Principally Asia and Africa
Stage 2: (1978–1990)	<ul style="list-style-type: none"> - Interregionalism expands in EU strategy - EU develops existing relations and seeks new ones - Principally Asia and Africa
Stage 3: (early 1990s)	<ul style="list-style-type: none"> - Height of Interregionalism - EU finds new partner regions across globe - EU starts to differentiate its relations by region
Stage 4: (1995–2005)	<ul style="list-style-type: none"> - EU develops transregional discussion <i>fora</i> (Summits) - EU misses opportunities to solidify interregional relations - EU needs to find new framework for Africa—interregional - EU encounters problems with partner region levels of regional integration
Stage 5: (from 2005)	<ul style="list-style-type: none"> - EU starts to move towards strengthening bilateral relations with key trade partners in key regions - EU struggling to sign off on interregional negotiations due to partner regional integration issues and Council reluctance - Council drive towards bilateral FTAs with key trade partners in Asia

Fig. 6.2 Five stages of EU complex interregionalism (Source: Own creation)

incapable of doing so on the basis that the EU would prefer. One of the most obvious examples in this area is the EU's decade-long search for a more sustained partnership with MERCOSUR, a regional integration organisation set up in part on the basis of the example provided by the EU itself, but one which has been prevented from moving forward both by its own internal divisions and by the thus far insurmountable obstacle of agricultural trade in relations with the EU. Problems have also been encountered in the EU's pursuit of EPAs with regional groupings in Africa especially, where the EU's 'construction' of partners with which to negotiate sits very uneasily alongside existing African attempts at regional integration. Finally in Asia there has been an outright rejection of the EU model of regional integration, leading to the development of an 'ASEAN way' (Rüland 2002: 8). These elements become clear when we look at the five main stages in the development of complex interregionalism, as summarised in Fig. 6.2.

Figure 6.2 highlights the recent move away from an apparently consistent and coherent strategy towards stronger relations with regional groups across the globe, in which the European Community (EC) aspired towards comprehensive three pillar (political, development and trade) partnership agreements. In stages 1–3 (that is, from the 1970s to the early 1990s) the Commission was very much in the driving seat in negotiating cooperation agreements and in giving varied support for partner regional integration projects—a process that clearly encompassed the 'export' of key EC ideas and institutional fixes (Farrell 2005: 264; also see Doidge in this volume). In this sense, as Stage 3 highlights, the mid-1990s were very much the zenith for EU interregional strategy. At this time the EU was already working with ASEAN in Asia and with the ACP grouping, predominantly covering Africa, and these two

major partnerships were joined by MERCOSUR and the two other rejuvenated Latin American integration vehicles CACM and the CAN. It was also around this period in time that some key tensions emerged in the strategic process: whilst broad frameworks and rhetorical or normative commitments to interregional partnerships could be established, the strategy that the Commission had largely framed needed to be delivered on in various regions, i.e. there needed to be progress and results—and the results that were identified often took the form of Association Agreements incorporating FTAs. There was thus a clear potential contradiction between the search for regional partners and the promotion of regional integration outside Europe, and the more concrete demands of EU external trade as expressed, for example, in the *Global Europe* strategy (not to mention the potential issues arising around such areas as political conditionality and the EU's efforts to re-shape domestic societies through the recasting of its development policies) (European Commission 2006).

Stage 4 of the development of interregional relations should have been about the cementing of key interregional relations with ASEAN and with MERCOSUR, but this proved impossible for two key reasons. Firstly the level of regional integration of ASEAN and MERCOSUR was making region-to-region agreements very difficult to consider—especially in the case of ASEAN. In Asia the EU was required to rethink its strategy and how to move forward with key developing countries there. With MERCOSUR it was less of a concern (although still a concern) over the level (and aspirations) of regional integration but more a negotiating issue whereby the Council (and key member states in particular) was unwilling to grant the agricultural concessions needed to seal an agreement with the Latin American bloc (see Santander in this volume). By the end of the 1990s, therefore, the EU's interregional strategies were showing the first signs of serious strain; this was compounded by the re-shaping of EU relations with developing countries through the conclusion of the Cotonou Convention and by the opening of negotiations aimed at concluding a series of Economic Partnership Agreements with various African, Caribbean and Pacific countries.

The current stage of EU interregional strategy appears to show an important move away from interregionalism in favour of bilateralism in Asia, but not yet (or not to the same extent) in Latin America or Africa. In Africa the EU is working closely with existing African regional organisations for capacity-building and institutional support in terms of aid, and also in many ways for peace/security. This is somewhat at odds with the EPA negotiations that are being conducted with the more artificial EU-created regions. The question of coherence in African regional integration, a very important challenge, is not being assisted by the actions of the EU. The situation in Southeast Asia is particularly worth looking at in a little more detail given the important change of focus. The EU launched formal interregional negotiations with ASEAN in 2007 in an attempt to harness the economic drive of the region in an interregional free trade agreement (despite reservations regarding the level of regional integration), but these negotiations never really took off and in March 2009 the parties officially designated a 'pause' in negotiations. In December 2009 the Council instructed the Commission to pursue bilateral FTA negotiations in the region so that the EU did not lose any ground to competitors who were signing

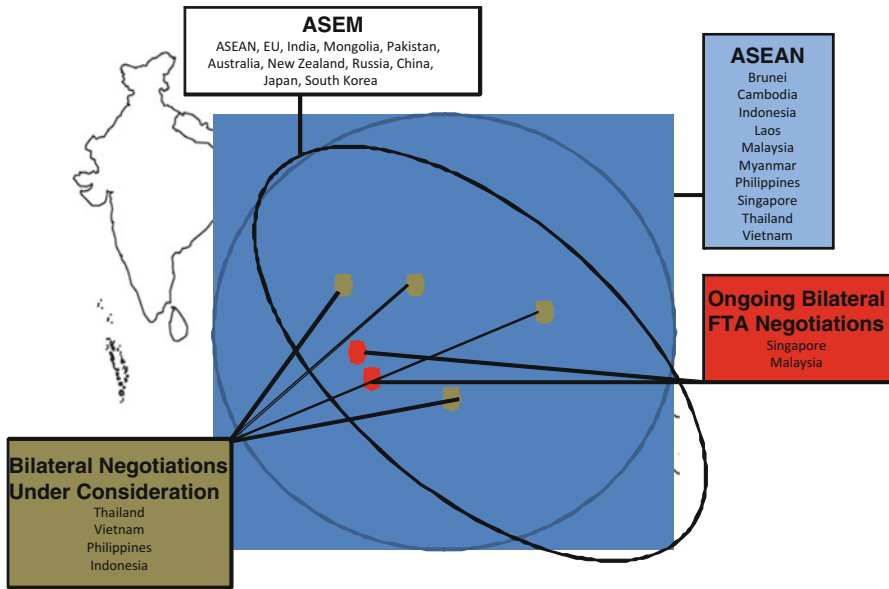


Fig. 6.3 EU complex interregionalism in Southeast Asia in 2012 (Source: Own creation)

FTAs in the region (United States, China and Japan, for example). This means the interregional picture in Southeast Asia resembles that outlined in Fig. 6.3.

Therefore, what started out as a strategy with ‘an increasing emphasis on interregionalism as a guiding principle for the EU’s foreign policies and external relations’ (Söderbaum et al. 2005: 366) has in the space of a few years been almost entirely reversed—with important long-term consequences. This pattern has not (yet) been fully replicated in Africa, where the EU is locked in EPA negotiations (although, as noted above, those negotiations raise important questions about the nature of interregional strategies), nor in Latin America. In Latin America the EU moved to upgrade its bilateral relations with Brazil in 2007 (stopping short of trade relations) (European Commission 2007) but is still negotiating with MERCOSUR at the interregional level.

The EU’s interregional strategies as of 2012 thus seem to reflect only a distant echo of the initial idea that the EC and then the Union should seek out partnerships with kindred organisations in other regions, support them and see them as building blocks for a world based on interregional partnerships. As noted above, one set of reasons for this erosion of the EU model is to be found in the dynamics of complex interregionalism itself—the accretion of new levels of interaction and institutionalisation necessitates a new variety of strategy and a mix of transregional, interregional and bilateral strategies. At the same time, the development of the broader global arena has created new possibilities for alignment and de-alignment, and has transmitted pressures for conformity with institutions of global governance in such a way that pure interregionalism is less feasible, or appropriate, as a strategy than it was in

the 1970s or 1980s. Both of these sets of ‘external’ arguments are well taken, but the focus in the rest of this chapter is on the ‘internal’ aspects of the EU’s interregional strategies: is there something in the internal institutional and other dynamics of the EU that makes pure interregional strategy and the export of EU norms, values and institutions less salient or practical in 2012 than it was 20 years ago?

6.3 Drivers of Complex Interregionalism in EU Policy-Making

Historically, the internal drivers of EU interregionalism are to be found in the intersecting roles of the Commission and the Council. The European Parliament has not had a major influence over the strategy, or the implementation, of complex interregionalism given its limited role in external relations. The Parliament has evidently played a role in sanctioning EU funding for regional integration in the budget procedure and it has also, on occasion, had an impact on the broad climate of relations between the EU and its key regional partners. For example, the Parliament’s championing of human rights in respect of Myanmar has at times had an important influence on relations with ASEAN. Beyond this the Parliament has largely been supportive of the Commission’s strategy and positions, in particular as they have represented a contribution to the building of a distinct ‘European identity’ in external relations. We will come back to the role of the Parliament in interregionalism at the end of this section because the changes brought about by the Treaty of Lisbon signal an interesting new role for it (also cf. Costa and Dri in this volume).

The Commission has carefully crafted a series of strategy documents to push forward its interregional aspirations and it has been very successful in supporting regional integration around the world. In some senses it is more accurate to say that the Commission has been the main sponsor of regional integration and interregionalism than it is to credit this to the EU—because it is very much a Commission construct. The Commission’s influence can be read in almost all founding texts of regional integration efforts, such as its outreach and support across the globe. For some, this Commission support has gone too far and become blinded to other developments; for example, Söderbaum, Stålgren and Van Langenhove accuse the Commission of ‘striking self-confidence’, both in its view of the merits of regional integration and in the way it has pursued it in partner regions (notably by creating regions to partner with in Africa). The same authors also quote the Commission as being eager to export the ‘reality of the EU to a world hungry for its presence’ (Söderbaum et al. 2005: 371). This Commission drive has been unstinted for over 30 years and has had extremely important implications for many partner regions, whose regional integration has been spurred and bolstered by Commission driven financial, technical and political support. For example, the EU, through Commission initiation, pledged 50 million Euros to MERCOSUR in the 2007–2013 period to help consolidate and advance its regional integration (also see contributions in this volume by Doidge, Hettne, Santander, Costa and Dri).

This strategic drive from the Commission has, however, wilted somewhat in recent years due to the problems and resistance that it has faced in partner regions. First and foremost, not all regions have shown an appetite for increased regional integration, and a number of them have been anxious to differentiate their efforts from the 'EU model', something that has notably been the case with ASEAN, as mentioned above. Furthermore, in literally all partner regions, the Commission has struggled to negotiate FTAs with 'virtual regions', a term its officials have in the past used in connection with MERCOSUR (Hardacre 2010: 217). To negotiate comprehensive FTAs on a region-to-region basis, the partner region has to be able to negotiate regionally and then ensure smooth regional implementation—two things that all EU partner regions have problems with. Thus, even within the Commission there is a dichotomy between the strategic pursuit of interregionalism and the problems of giving effect to the strategy through negotiations. This can be compounded by the fact that in many interregional negotiations, the EU's partners face not just one Commission but more frequently two or three: the Commission of hard-nosed trade negotiations, the Commission of development policy and the Commission of political conditionality and the search for 'good governance'. These problems notwithstanding, the Commission remains the staunchest advocate of regional integration and by logical extension interregionalism. The key difference in 2012 is that, beyond a certain point, the Commission's strategy needs to be implemented and show results—which depends on the Council. In recent years the Council has intervened more actively in the Commission's strategy to outline where it will continue to support the Commission's interregional efforts, by signing agreements—because the Commission's strategy has to be implemented.

The strategy/implementation dichotomy is even more evident when it comes to the Council. It is logical to expect that the Council, representing the member states, will reflect the varying intensity of interests among those states in relation to key regions and countries, arising from historical and other roots. Thus, there has always been a more consistent and detailed attention to the EU's interregional strategies in France, the United Kingdom and Spain than there has been among smaller member states with a less weighty colonial heritage, and this has become even more marked since the Eastern enlargement of the Union in 2004–2007 (see Santander in this volume). During the past decade, this has been compounded by the growing focus of the Council (and by certain parts of the Commission) on what might be described as 'economic realism', given a vicious twist by the onset of the global (and then specifically European) financial crisis since 2007. This tendency has cast a big shadow over interregionalism, which was failing to deliver trade benefits as FTAs were not forthcoming, and can be seen as a key driving force in the more recent switch to bilateralism, especially in Asia—here, the economic dynamism of the Southeast and East Asian countries can be defined much more as a threat than as an opportunity in a period where the dynamism of China and other Asian partners contrasts vividly with the fragility of the EU economy.

This tension between a preference for interregionalism at the normative and institutional level and the growing pressure for bilateralism and defensive policies at the practical level has long established roots. Even at the zenith of EU interregionalism,

in 1995, the Commission published an appraisal of FTAs in which it noted that ‘failure on our part to engage in this wider economic co-operation may well result in important economic regions developing a regulatory framework which will potentially hurt the Union’s interests’ (European Commission 1995: Art. 7).

In retrospect, this can be seen as an attempt to square the circle by reconciling an increasingly hard-nosed approach to interregionalism with the broader normative component to which we have already referred. This logic, and strategy, was fine for the Council in 1995 but this was soon to change. As already noted, it did not change uniformly in relation to all partner regions. For example, the Commission led 13 negotiation rounds with MERCOSUR between 2000 and 2004, and on a couple of occasions felt that it had unlocked the difficult negotiations, only to find resistance in the Council. Despite this failure, one mirrored by negotiations with the EPA regions and ASEAN for example, the Council did not press the Commission to open bilateral discussions with MERCOSUR countries. The EU actually reopened region-to-region FTA discussions with MERCOSUR in May 2010, although for reasons we will address, there seems even less chance of success now than there was during the 2000–2004 period. In the case of ASEAN, the dynamics in the Council come very much to the fore. When the EU decided to stop interregional negotiations in 2007, it was only 2 years before the Council requested bilateral FTAs. The reasons why the Council took these steps in relation to Asia and not in relation to other world regions can be explained by the increasing dynamism of the Asian region and by the signing of FTAs with countries in the region by EU trade competitors—leading to a strong demand from member states in the Council to quickly redress this situation and move from the much slower and more difficult interregional level to the bilateral level. Another reason why this is possible with the Asian region is the complementarity of trade dynamics in the EU’s external relations, and specifically the relative absence of the problem of agricultural trade that is so dominant in relations with Africa and Latin America.

The Council is the forum in which member states decide on negotiating mandates, in which they all want to extend their offensive interests (often focused on trade in services and better regulation of markets in developing countries) and to protect their defensive concerns (often agriculture). This makes the Council susceptible to interest group activity around FTAs—especially at times of financial crisis and rising unemployment. An FTA can have very localised impacts on an industry or sector and no national government wants to sign away national jobs. For this reason trade symmetry between FTA partners is important, and in the case of the EU this means that agriculture will be difficult to address if it is an offensive interest of the EU’s partner. This is the case for MERCOSUR and all African EPA negotiations where there is a strong asymmetry of agricultural trade. At the very moment that EU–MERCOSUR FTA negotiations were reopened in 2010, French agriculture Minister Bruno Le Maire told an Agriculture Council meeting, ‘France is opposed to the re-launch of the negotiations between the EU and MERCOSUR’ (MercoPress 2010). The French position was quickly supported by Italy, Ireland and a further 13 member states. This unprecedented show of hostility to a trade negotiation almost dooms it to failure before it begins, but it highlights that the economic realism of the Council trumps Commission strategy.

In Asia the situation is somewhat different because agriculture is less of a concern than it is with Latin American countries, and the interests of the EU are more pressing. There is FTA competition from the United States, China and Japan, all of whom are engaging in active bilateral FTA campaigns in the region (which is not the case with MERCOSUR or Africa). For this reason the Council has pushed to move to bilateral relations in the region—creating a sort of domino effect and a race to negotiate FTAs with the most promising partners. Thus the Council ultimately drives the long-term EU interregional strategy through its implementation of trade provisions and its trade motivations. This explains why the Council has not pushed for bilateralism (yet) in Latin America (trade is not so important for them and there is no pressing competition) and in Africa (trade is not so important for them and there is no pressing competition) whilst it has instigated a major bilateral crusade in Asia.

Trade, though, is not the whole of the picture. Whilst the EU is not engaged in a race for FTAs in Africa, it is embroiled in a number of contradictions arising at least in part from the conflicting motivations of different institutional groups within the EU itself. Thus, as already noted, the EPA negotiations following on from the Cotonou Convention have proved intractable, partly as a result of the EU's determination to construct negotiating partners that do not always make sense in regional terms and partly as a reflection of the tensions between the EU's development aims and its trade strategies. At the same time, there is competition in Africa, not so much in trade (with one notable exception) as in development, with China especially promoting a regional presence based on what appears to be a more practical and less normative development model. More recently, the growth of the oil industry in sub-Saharan Africa has intersected with a number of political and security concerns to engage the United States as well as China more strongly in a region which for a long time the EU might have considered a *domaine réservé*. This means that the EU's interregional strategy—still by a long way more comprehensive and wide-ranging than any of its competitors'—is under threat partly because it is so wide-ranging and because of its explicit normative dimensions. In Asia, the predominance of the trade issue means that a number of these more political and normative aspects are suppressed, whilst in Latin America the stakes, at least at present, are relatively lower.

As we can see from this discussion, the relationships between the Commission and the Council are not straightforward when it comes to interregionalism. The Commission has a strong incentive to support a form of regional mimetism (Manners quoted in Aggarwal and Fogarty 2004: 19) elsewhere in the world, partly because of the institutional investment in interregionalism over decades and partly as a reflection of the drive to create a distinctive European identity in external relations. But its position is not monolithic or uni-directional, since there are differences of approach and priorities among different parts of the Commission and these are underlined by the impact of external and internal challenges, especially the economic challenges created by the financial crisis. Whatever the Commission's position, it is also the case that its strategies are ultimately subject to the economic realism of the Council—a force that has grown in recent years, and which has been asserted more directly. The Council in turn is heavily influenced by 'defensive'

economic lobbies, most obviously the agricultural lobby, notably the European Union Farmers Union, 'European Farmers and European Agri-Cooperatives' otherwise known as COPA–COGECA, and as a result the Council is characterised by resistance to agricultural concessions. Given the impact of the financial crisis and the challenge of emerging economic powers such as China and India, this defensiveness is no longer confined simply to agriculture, and has resulted in an increasing focus on competitiveness in the guise of the *Global Europe* strategy—developed, of course, within the Commission in response to member state pressures. It must be noted that the agricultural resistance is not unanimous in the Council as a number of member states do not have defensive agricultural interests; but in at least some cases, those same member states are at the forefront of demands for the regulation of trade with the emerging economies in other sectors.

Have the Treaty of Lisbon and its changes to the framework for the conduct of the EU's external policies modified this apparently bipolar confrontation within the EU over interregional strategy? One point that must be made at the outset is that actually the confrontation is not as bipolar as it might seem. The inter-institutional dynamics operating between the Commission and the Council in respect of interregionalism are complicated, and involve overlapping interests between (for example) DG Trade and those member states most interested in the promotion of EU competitiveness. In the same way, the dynamics create unexpected tensions or complementarities in areas such as development policy, or security policy, where the adoption of more comprehensive or holistic approaches not only reflects the reality of demands in the developing countries but also the increasing intersection of member state and 'European' interests. Lisbon promised to make it easier for the EU to speak with one voice and to pursue joined-up policies, through its creation of the EEAS and of a new inter-institutional relationship between the Commission, the President of the European Council and the High Representative. It also gave the European Parliament new powers, especially in relation to the approval of trade agreements, which were potentially very significant in terms of interregional relations. In principle, all of this would result not only in a greater coordination of EU policies, but also in greater legitimacy for those policies that are agreed, given the broader participation and the involvement of the EP (see the contribution by Costa and Dri).

In reality, the jury is still out (and is engaged in heated argument) on the ways in which Lisbon might affect the EU's capacity to pursue effective interregional strategies. One area of debate concerns the relationship between trade policy and interregional strategy. The Treaty did not fundamentally affect the institutional position of DG Trade, nor the institutional arrangements for the conduct of trade negotiations—so it might be argued that with interregional relations more focused on trade and the pursuit of FTAs, the trend towards a more hard-nosed and materialistic EU stance would continue. That trend might or might not be reinforced by the new powers of the EP, which has already asserted its right of assent in a number of cases, and specifically the FTA with South Korea. Will this make it more difficult to pursue the kind of interregional FTAs that seem to be on the agenda (whether bilateral or more extensive)? The growing politicisation of trade negotiations in the wake of the

financial crisis and the continuing failures of the Doha Round in the World Trade Organisation (WTO) might also make it much more problematic to develop inter-regional trade links in the foreseeable future.

A second area of debate concerns the relationship between development and diplomacy. As we have seen development is a concern, to a greater or lesser degree, in all three of the EU's key interregional relationships (with Asia, Africa and Latin America). But two problems have proven disruptive of smooth policy-making in this area since the implementation of Lisbon. One is the need to transfer large numbers of the Commission's development policy staff to the EEAS, coupled with the need to develop a way of working across the two institutions in a situation where the EEAS is responsible for policy development and the Commission for implementation. This is a new, and for some very troubling, area of uncertainty, and it is not one that has been resolved in the first year of the EEAS' operation. Alongside (and connected with) this, there is the growing evidence that development policy is becoming increasingly securitised on a global scale—in other words, that the EU's normative and institutional commitment to a comprehensive and holistic model of development is challenged by the increasing instrumentalisation of development policy. The fear that this will be underlined by the EEAS' role in development policy formation is a significant one, and could destabilise the development dimension of the EU's interregional strategies. This in turn connects to a third area of uncertainty, concerning the politics of the EU's interregional strategies and their relationship to the emergence of new 'strategic partners' in the EU's external relations. We have seen that this is one of the key developments in complex interregional policy for the EU more generally, but there is significant uncertainty about the ways in which this can be reconciled on a continuing basis with the more comprehensive approach to interregional strategy that we have identified in this chapter—and about the priority that those more comprehensive approaches might receive in the foreseeable future.

6.4 Conclusion

This chapter has focused on the development and the prospects of the EU's inter-regional strategies, with specific reference to the emergence of 'complex inter-regionalism'. We have identified the growth of a (partly designed) pattern of 'complex interregionalism' in EU actions towards the three key regions with which it has substantial and continuing involvement: Asia, Africa and Latin America. This pattern is subject to fluctuations and contrasts across time and across the three partner regions, responding to developments in the EU, the partner regions and the global arena. The notion of 'complex interregionalism' draws attention to a number of key aspects of the EU's interregional strategies, including the ways in which the EU has set out to manage and give institutional expression to its interregional relationships. In this context, the management of linkages between the trans-regional, the interregional and the bilateral levels is a key activity, but this activity

does not take place in a vacuum. In particular, the management of interregional relations is complicated by the pressures exerted by broader developments in the global arena, by the unwillingness or inability of partner regions to respond to EU advances, and by the internal organisational dynamics of the EU.

These broad insights have enabled us to come to some more specific conclusions about the current state of play in the EU's interregional strategies, and give the basis for speculating about potential future developments. We have noted the ways in which the transregional, the interregional and bilateral levels of action and interaction have fluctuated in the three partner regions. A key element in this fluctuation seems to be the extent to which there are high stakes to play for in the more material areas of trade (and to this we might add investment, given the new EU powers implied by the Lisbon Treaty), and the extent to which EU member states assert their interests through the Council. In relation to Asia, it is tempting to conclude that it is all about trade, and that this will remain the case for the foreseeable future; in this context, the retreat or the marginalisation of the more comprehensive interregional strategies that we have described might be predictable. It is also very important to emphasise that a sustained move towards bilateral relations undermines the possibility of meaningful interregional relations in the future. If the EU signs a series of bilateral deals with ASEAN member countries the future of region-to-region relations looks very different. In the case of Africa, it is much more about development, and to an increasing degree about security; in this case, we might predict that the EU's involvement would be more directly a part of 'foreign and security policy' rather than external relations and the promotion of the EU's external identity. This being the case, and given the weak incentives for the EU to deviate from the current EPA path, it is unlikely that the bilateral path will be followed in Africa—it is more likely that an interregional approach will persist. Finally, in the case of Latin America, there is the most important evidence in favour of a more comprehensive interregionalism, and of the search for regional partners broadly in the mould of the EU itself; this trend may well continue, but not if the region becomes more politicised or seen as more of an economic threat to defensive interests in the EU.

Alecu de Flers and Regelsberger concluded, in 2005, that the pursuit and promotion of interregionalism had 'helped the EU and its member States to pursue their stated objective of becoming a global power in international relations' (2005: 338). One important aspect of this objective has been the aim of promoting regional integration in the regions with which the EU has partnered itself. But the argument in this chapter implies that this aim has been inconsistently pursued and rarely realised. It has to compete with the more pragmatic, material and immediate pressures exerted by the EU's insertion into the global arena, and it often cannot compete very effectively. It also has to negotiate the internal institutional dynamics of the EU, in ways that have not been simplified by the Lisbon Treaty. Finally, and of the highest importance in the current context, it has to cope with the fact that the EU model itself is under severe challenge from within and from the global arena, and that there are plausible competitors in areas of international activity that the EU has for a long time considered its 'property'. In essence the very promising interregional model that the Commission has pursued politically, financially and technically is proving

easy to unravel with important long-term consequences for regional integration around the world. This is a challenge not only to the EU model in general, but to the normative and institutional basis for the EU's interregional strategies.

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