



The Foreign Policy OF THE European Union

ASSESSING EUROPE'S ROLE IN THE WORLD

Second Edition

FEDERIGA BINDI AND IRINA ANGELESCU
EDITORS

FOREWORD BY PIERRE VIMONT

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Foreword

From the very beginning of the European project, the role and place of the European Union in the world has been a constant question for all of the actors involved. A final answer has not yet been found. This volume edited by Federiga Bindi and Irina Angelescu reminds us well of the importance of this question and offers a particularly welcome general overview during these times of doubt and pessimism.

The foreign policy of the European Union was built slowly, progressively, sometimes even painstakingly and remains an unfinished work. This observation is at the heart of the European question, of understanding how to transform European economic success into real political power and to offer new purpose to this historically unprecedented project. Launched at the end of the Second World War, based on the idea of Franco-German reconciliation and the will to find again peace and prosperity in a continent ravaged by unceasing wars for more than half a century, the European project has achieved its mission. Today, however, it is in search of a new purpose—of a new “narrative,” as the Americans say—one which can bring confidence and hope to European peoples. One can say that European foreign policy is essential in order to fulfill this objective because Europe’s capacity to give all the necessary force and weight to its external action largely depends on the place Europe will inhabit in today’s globalized world.

Contrary to what has often been said, the diplomacy of the European Union is far from being underdeveloped. It has registered a fair measure of success in diplomacy and security that has permitted the EU to distinguish itself in the Middle East, Africa, or the Balkans. The recent events of the Arab Spring have permitted the EU to adopt a strategy that is being implemented progressively and is an interesting test of the EU’s ability to face two essential problems: help define the new Mediterranean future—without arrogance and with constant

care for dialogue and listening—and assume the responsibility to support a southern neighborhood currently undergoing a key historical moment.

It would thus be equally wrong to ignore the reality of this European foreign policy as it would be exaggerated to consider that its goal had been achieved. Europe has been patiently building its diplomacy since the beginning of the 1970s, when it launched its first form of political cooperation. The Treaty of Lisbon and the creation of the position of high representative/vice president of the European Commission given to Catherine Ashton, as well as the creation of the European diplomatic service, have opened a new and undoubtedly essential stage of European foreign policy. By acquiring the right means to give more continuity, coherence, and complementarity to its international action with that of the member states, the European Union took a big step in its ambition to play a greater role in the international arena. The instruments are currently in place, and it is now up to the European actors to make the best use of them.

The challenge is far from over, and it would be unrealistic to pretend otherwise. Achieving Lisbon's potential will require decisive engagement from European institutions, and equal determination from individual EU member states to willingly let external action by the EU find a natural place alongside national foreign policy. Finally, success is dependent on the capacity of the new European diplomats in the EEAS to create a real team spirit at the European level. This in turn requires that European foreign policy exemplify a strategic vision to define Europe's role, place, and mission in the world. The EU also must innovate and take the initiative and never ignore the fact that it has to remain permanently accountable to the member states and to the European Parliament if its wants to be seen as "everybody's home." This is a very ambitious endeavor—one that would lead eventually to a Europe whose values and principles become an integral part in the measures adopted by the international community to respond to the challenges of globalization.

Throughout the process leading to the creation of the EU, Europeans knew how to embody their ideals in projects such as the Lomé Convention, the Mediterranean Partnership, the European Neighborhood Policy, as well as other entities. Today they need to go one step further and decide what kind of power they want to be so that they know what place they can reclaim in the international community. It is only in this manner that the European Union can hope to become an actor fully exercising its influence in the world. The key to this future belongs to the Europeans themselves; their will and their capacity to act together condition the emergence of a truly comprehensible European foreign policy that is faithful to its aspirations and capable of responding to the challenges of our times.

Pierre Vimont
Executive Secretary General
European External Action Service

Avant Propos

Le rôle et la place de l'Union européenne dans le monde ont constitué depuis les origines du projet européen une question qui taraude tous les acteurs engagés dans cette aventure et qui n'a pas encore trouvé de réponse définitive. C'est la raison pour laquelle l'ouvrage de Federiga Bindi et Irina Angelescu représente un utile rappel à l'ordre et offre une vision d'ensemble particulièrement bienvenue en ces temps de doute et de pessimisme.

La politique étrangère de l'Union européenne, qui s'est construite progressivement, lentement et même parfois laborieusement, reste encore une œuvre inachevée. Mais ce constat est au cœur même de la problématique européenne, à savoir comment transformer le succès économique de l'Europe en une vraie puissance politique et offrir une nouvelle finalité à ce qui est une entreprise historique sans précédent. Lancée après la 2^{ème} guerre mondiale sur l'idée de la réconciliation franco-allemande avec la volonté de retrouver la paix et la prospérité dans un continent ravagé par des guerres incessantes depuis plus d'un demi siècle, la construction européenne a plus que réussi son pari. Mais elle se trouve aujourd'hui à la recherche d'une nouvelle raison d'être, d'un « narrative » comme disent les Américains, qui rende aux peuples européens confiance et espoir. Et chacun perçoit que, pour remplir cet objectif, la politique étrangère européenne est une pièce essentielle de cet objectif. Car de la capacité de l'Europe à donner à son action extérieure toute la force et la dimension nécessaires dépend pour une large part la place que celle-ci sera capable de tenir dans le monde globalisé qui constitue aujourd'hui notre environnement naturel.

Contrairement à ce qui est souvent affirmé, la diplomatie de l'Union européenne est loin d'être en retard. Elle peut afficher des succès dans le domaine de la diplomatie ou de la sécurité qui lui ont permis de s'affirmer, au Proche-Orient, en Afrique ou encore dans les Balkans. Les récents événements du printemps arabe ont été l'occasion pour l'Europe d'afficher une stratégie qui se met en place progressivement mais qui témoigne déjà d'une réelle aptitude à faire

face à deux problèmes essentiels : aider à définir—sans arrogance et avec le souci constant de dialogue et de l'écoute—le nouvel avenir méditerranéen et assumer la responsabilité qui incombe aux européens dans l'appui à ce voisinage du Sud en train d'affronter un moment clé de son histoire.

Il serait donc erroné de vouloir ignorer la réalité de cette politique étrangère européenne tout comme il serait exagéré de croire le but déjà atteint. L'Europe construit sa diplomatie avec patience depuis le début des années 70 quand a été lancée la coopération politique. Elle vient d'ouvrir une nouvelle étape, sans doute essentielle, avec le Traité de Lisbonne et la mise en place du poste de Haut Représentant/Vice Président de la Commission européenne confié à Madame Ashton auquel s'ajoute la création d'un nouveau service diplomatique européen. En se dotant de moyens propres à donner à son action internationale plus de continuité, de cohérence et de complémentarité avec les diplomaties des Etats membres, l'Union européenne a franchi un pas majeur dans son ambition de jouer un rôle accru sur la scène mondiale. Désormais, les instruments sont en place et il appartient à tous les acteurs européens d'en faire le meilleur usage.

La partie est loin d'être gagnée et il serait irréaliste de prétendre le contraire. Chacun sait que le pari de Lisbonne exigera un engagement résolu des institutions européennes, une détermination égale des Etats membres qui doivent accepter de laisser cette action extérieure européenne trouver son essor et sa place naturelle à leur côté et enfin une aptitude des nouveaux diplomates européens à créer un vrai esprit de corps au niveau de l'Europe. Cela exigera que la politique étrangère européenne se dote d'une vision stratégique ouvrant la voie à la définition de ce qui doit être le rôle, la place et la mission de l'Europe dans le monde ; qu'elle puisse également innover et faire preuve d'esprit d'initiative ; qu'elle ne perde pas de vue enfin qu'elle doit rendre en permanence des comptes aux Etats membres ainsi qu'au Parlement européen si elle veut être considérée comme « la maison de tous ».

L'entreprise ne manque pas d'ambition. Elle peut permettre d'inventer à terme le visage d'une Europe dont les valeurs et les principes s'incarneront demain dans des actions à la mesure des défis de la globalisation.

Tout au long de leur cheminement vers cette Union en devenir, les Européens ont su incarner leur idéal dans des projets qui s'appelaient Convention de Lomé, partenariat méditerranéen, politique du voisinage et bien d'autres encore. Aujourd'hui, il leur faut aller plus loin et définir quel type de puissance ils veulent être pour savoir quelle place ils entendent revendiquer au sein de la communauté internationale. C'est à ce prix que l'Union européenne peut espérer devenir un acteur à part entière et exercer sa pleine influence dans le monde. Mais la clé de cet avenir est entre les mains des Européens eux-mêmes; c'est de leur volonté

et de leur capacité à agir ensemble que dépend cette émergence d'une vraie politique étrangère européenne, compréhensible de tous, fidèle à ses aspirations et en mesure de répondre aux défis de notre temps.

Pierre Vimont
Secrétaire Général Exécutif
Service Européen pour l'Action Extérieure

The Foreign Policy
OF THE
European Union

Introduction

Two years ago we began this volume with a question regarding whether the concept of a European Union (EU) foreign policy was paradoxical, as Jan Zielonka has suggested.¹ According to Zielonka, the EU wanted to become a powerful international actor without becoming a superstate and hoped to have a strong impact on Europe and the rest of the world without basing these aspirations on a well-defined and consistent strategy. The adoption of the Treaty of Lisbon was meant to address this paradox, but, two years on, the picture is even more blurred.

The history of European integration includes the struggle by the European Economic Community/European Union (EEC/EU) to acquire substantial external dimension prerogatives, that is, a foreign policy. The Treaty of Rome (1957) opened the way for external relations of the European Communities (EC) based on economic considerations. The Pleven Plan in 1950, the creation of the Western European Union in 1954, and the Fouchet Plan proposed in 1961 subsequently attempted to add diplomatic and military capacities to the external economic competencies the EC had already acquired. The aim was to turn the EC into an autonomous actor. All these attempts failed to achieve their purpose, but the logic of the European integration process eventually led to a progressive evolution toward closer cooperation in foreign policy.

In the 1970s, a crucial measure undertaken on this long path was the creation of the European Political Cooperation (EPC). As a precursor of the Common Foreign and Security Policy (CFSP), the EPC came to symbolize the need for dialogue at the European level. The member states had to understand that, on the international stage, their interests were best defended if they worked together. The EC already conducts an autonomous economic foreign policy in international forums such as the World Trade Organization (WTO). The EU itself, as part of the Middle East Quartet (with the United Nations, the United

States, and Russia), is directly involved in significant cases of international negotiations such as those concerning the Israeli-Palestinian conflict. However, the balance is counterweighted by the individual membership of EU member states in international organizations. The permanent status of France and Great Britain on the United Nations Security Council is probably the most prominent example here. Furthermore, individual member states largely focus on bilateral negotiations with third parties—and, indeed, continue to conduct their foreign policy primarily in this fashion. However, as illustrated in recent years by the Libyan crisis, the Arab Spring, the ongoing decades-long peace process in the Middle East, the Georgian crisis, or the Russian-Ukrainian gas crisis, Europe could benefit from more cooperation and a single, unified voice to counter third parties' policies of *divide et impera*.

This second edition of *The Foreign Policy of the European Union* aims to assess the state of European foreign policy and the degree of EU success in proposing itself as a valid international actor two years after the entry into force of the Lisbon Treaty. The complexity of this subject demanded bringing together the foremost experts on different aspects of EU foreign policy. The first edition drew on the findings of an international conference held in Rome in July 2008, organized by the University of Rome Tor Vergata in collaboration with the Center for American Studies in Rome and the Brookings Institution. Four years later, in order to reflect changes in the international environment, new topics have been added and contributors to the first edition have updated (or, in some cases, rewritten) their chapters. As in the first edition, the contributors come from different disciplinary backgrounds and provide a unique mix of academics and policymakers. One of the few volumes of its kind on the subject of the EU's foreign policy, *The Foreign Policy of the European Union* provides timely updates on individual issues both past and present, theoretical and practice-oriented, and country- and region-specific.

This volume also deals with both “horizontal” and “vertical” issues. Vertical issues focus on particular geographic regions; horizontal issues explore themes relevant to the EU's external affairs. Vertical analyses are based on the EU's relations with the rest of the world, from its immediate neighbors to East Asia, North America, the Middle East, and Latin America. Horizontal issues include the EU's foreign policy tools, ranging from those provided by the CFSP to Justice and Home Affairs (JHA), and monetary policy and the European Neighborhood Policy (ENP).

In more specific terms, the volume addresses the following questions:

—How have relations between the EC/EU and the rest of the world developed historically?

—What are the instruments the EC/EU has set up to deal with different parts of the world?

—What are the main objectives that the EU wants to pursue in other areas of the world? How have they changed over the years?

—Is it possible to say that there has been a shift of attention by the EU in its foreign policy, from economic issues to political ones?

—Has the EU contributed to the development of human rights, peace, and democracy?

—Has the EU contributed to the economic development of specific areas of the world?

—Does EU foreign policy contribute to creating a European identity?

—Is the EU considered a useful and reliable partner?

Part I of the volume is devoted to the EU's foreign policy tools. First, Federiga Bindi provides a historical overview of the EU's creation and the evolution of its foreign policy. Then Nicola Verola focuses on the new tools that the EU has acquired since the Lisbon Treaty. He notes an evolutionary crescendo in the EC/EU's treaties, with the Lisbon Treaty at the top, which granted a unique judicial personality to the EU and created the position of "High Representative of the Union for Foreign Affairs and Security Policy" (hereafter "high representative"). After a careful analysis of the various institutional and legislative changes brought about by the Lisbon Treaty, Verola argues that instead of pushing for a more efficient CFSP, the provisions of the treaty appear to be more focused on keeping under tight control any potential evolution of the CFSP.

The chapter by Raffaele Trombetta complements Verola's juridical perspective by offering an overview of the EU's foreign policy tools. He points out that when analyzing the EU's foreign policy, one should not fall into the trap of looking only at the Common Foreign and Security Policy (CFSP). By looking at the EU's past successful enlargements and at relations with the neighborhood, Trombetta suggests that particularly in the aftermath of the Arab Spring, it is rather in the field of "low politics" that the EU has achieved more success and offers the most promising incentives for democratic change in the region.

Stephan Keukeleire and Kolja Raube are more skeptical than two years ago about the effectiveness of the European Security and Defense Policy (ESDP), now the Common Security and Defense Policy (CSDP). However, they point out that civilian missions are one of the recent "success stories" of European integration and an innovative element of the EU's military aspirations. Although the ESDP/CSDP represents a significant transformation in the EU's struggle to obtain its own military capability, they warn that the CSDP has a long way to go before achieving this.

The chapter by Francesca Longo highlights the link that has emerged between two former pillars of the EU—the CFSP and the JHA—after the creation of the Area of Freedom, Security, and Justice (AFSJ). She argues that the EU has been and essentially remains a "civilian" and "normative" power. Longo analyzes

the 2003 European security strategy and the EU's relations with Mediterranean countries to present her case. She suggests that the EU is not focusing as much (as its U.S. ally might want) on military power, because Europe has developed its own model of conflict resolution, placing more emphasis on shared values and "low politics."

Part II of the volume is dedicated to the EU and its relations with the neighborhood. Tom Casier provides an up-to-date analysis of the the European Neighborhood Policy (ENP), which, he points out, was too broad a framework to encompass the diversity of all the partner states. Consequently, the EU had to reconsider its approach and create new frameworks, such as the Union for the Mediterranean (UfM) and the Eastern Partnership (EaP). The ENP represents a shift in the EU's strategy of creating stability across its borders through means other than membership conditionality. Ultimately, Casier argues, the success or failure of the ENP will be determined by the outcomes of the social learning process and the ability of the EU to consistently put forward a coherent voice when dealing with its eastern and southern neighbors.

Serena Giusti and Tomislava Penkova discuss the rather ambivalent historical relations between the EU and Russia, which oscillate between attraction and rejection. They explore how the incorrect self-perceptions of the EU and Russia vis-à-vis each other distort their relations. Giusti and Penkova also emphasize that different positions adopted by individual EU member states on Russia significantly affect the EU's foreign policy effectiveness. Russia exploits this division to its own ends. They warn that despite recent progress in its relations with Russia, the EU still holds insufficient leverage, and the eurozone crisis is diminishing the EU's impact in the neighborhood. Given Russia's geopolitical weight, this fact holds important consequences for contemporary international relations and, in particular, for transatlantic relations.

In another chapter, Serena Giusti and Tomislava Penkova examine the EU policy toward Ukraine and Belarus. In looking at these two countries and their interactions with the EU, the United States, and Russia, the authors challenge many of the conventional views on the subject. They point out that the past two years have seen many developments in the relations with the two countries. Ukraine has been less western-oriented under the presidency of Viktor Yanukovich, while the EU has failed to draw Belarus closer in its orbit and isolated it further with sanctions it imposed after the December 2010 presidential elections. Giusti and Penkova recommend that the best way to deal with the eastern neighborhood is for the EU to pragmatically and consistently engage Russia in an attempt to create a "win-win" situation for the entire region.

Siniša Rodin discusses relations with another important neighboring region: the Western Balkans. He looks at the relations between the EU and individual

countries in the region and comes to the conclusion that in institutional terms, it is the European Commission, the EU Council, and individual member states (not the high representative) that play the more significant role in the region. In other words, the Lisbon Treaty has not been successful in establishing one voice for the EU when dealing with (all) third countries. The fact that the EU's policy toward the Western Balkans is a mix of enlargement and common foreign and security policy only partly explains this situation. After providing an up-to-date overview of the EU's relations with the countries in the region, Rodin strongly advocates the future enlargement of the EU. He warns that in the absence of a new cycle of membership negotiations in the Western Balkans and with Turkey, the EU's institutional memory will be negatively affected and future enlargements will be unnecessarily delayed.

Joseph Joseph addresses one of the most contentious issues in the history of EU enlargement: the possible membership of Turkey. He points out that despite the growth in the number of EU candidate countries since 2010, Turkey continues to be a tricky case and has hardly made any progress in its accession negotiations. Aiming to provide an overview of the challenges and opportunities that Turkey presents to the EU and vice versa, he concludes that unlike two years ago, ambivalence exists on both the EU and Turkish sides. He predicts that heated debate will continue for years and concludes that accession negotiations will be not so much a matter of contention over the *acquis communautaire* but a mission of diplomatic maneuvers and negotiations.²

In a chapter about the EU and Mediterranean non-member states, Alfred Tovas returns to the mechanisms of the ENP introduced in this volume by Tom Casier. Tovas looks at a specific case: the ENP and the Arab countries of the Mediterranean basin and argues that the EU should pay special attention to this region, because with the rise of China and India, it will likely become more dependent on the Mediterranean region for the import of energy supplies. In this sense, he suggests that it is important for the EU to be more flexible and compromising with some of its short-term interests (for example, protectionism in agriculture or limited mobility) in order to achieve better and mutually beneficial relations with the neighborhood in the medium and long term. Tovas argues in favor of a rational, reasonable approach and a sober calculation of the impact of the ENP on Arab countries, as well as on the interests of the other key superpower acting in the region: the United States.

The chapter by John Peet complements Tovas's by looking at recent geopolitical trends following the Arab Spring in the wider Middle East. He suggests that until now the EU has looked at this region through a series of negative prisms determined more by domestic considerations (such as fear of instability or of illegal immigration) than by foreign policy ones. Peet praises some of the

high representative's work in the peace process efforts and concludes with some proposals on how the EU could enhance its presence in the region.

Part III of the volume discusses the relations of the EU with the other continents. The chapter by Daniel Hamilton addresses the impact of the Lisbon Treaty on transatlantic relations. He observes that both the EU and the U.S. are frustrated with the complexities of each other's institutional structure and decisionmaking arrangements and that the Lisbon Treaty has done little to address these aspects. Hamilton argues that it is in the field of "domestic politics" (for example, police and judicial cooperation and counterterrorism efforts) that the Lisbon Treaty has brought the greatest changes to EU-U.S. relations. He also points out that transatlantic relations have failed to evolve in the same rhythm as the changes taking place in the EU. Hamilton warns that in the absence of conscious efforts from both sides to preserve and enhance these relations, the nature of contemporary challenges may encourage the two sides to drift apart.

In a chapter dedicated to the EU's relations with Latin America and the Caribbean, Joaquín Roy recalls that it was only after Spain and Portugal joined the EU that relations with this region increased. Roy argues that the relationship between the EU and the region is unequal but beneficial, inasmuch as the EU is one of the biggest donors in this area and offers a model for integration. Despite contemporary internal challenges, the EU continues to be engaged, giving these countries an alternative to dealing with the United States.

The shadow of the United States is also present in Finn Laursen's chapter dedicated to EU-Canadian relations. The asymmetry favors the EU, with Canada relatively more interested in developing freer trade and greater cooperation with the EU. Laursen puts EU-Canadian relations into broader perspective, describing their development alongside and through (other) international organizations. He proposes stronger ties between Canada and the EU and decries the fact that recent trade relations have deteriorated because of disputes caused by the EU's common agricultural policy (CAP), various nontariff barriers, and fisheries policies. In the absence of more free trade ties with the EU, he warns that Canada may well shift its attention toward other regions of the globe, such as East Asia.

In his chapter dedicated to the relationship between the EU and Africa, Maurizio Carbone emphasizes that the African continent has always played a major role in European foreign relations, going back to the founding Treaty of Rome. He critically analyzes the provisions of the series of three major agreements between the EU and Africa: the Yaoundé Convention, the Lomé Convention, and the Cotonou Agreement. Carbone argues that the EU approach toward Africa has been driven by its neoliberal interests with emphasis put more on protecting its own issues (security and migration) to the detriment of those

of African countries (better aid and improved trade deals). Indeed, Carbone warns that the EU's short-sighted approach has made it lose ground and influence in the region, opening the way for other important players such as the BRICs (Brazil, Russia, India, and China).

In her chapter on the EU's relations with East Asia, Philomena Murray argues that there is increasing common ground between these actors through multidimensional engagement in trade, investment, development, market access, and various aspects of foreign policy. These positive relations are determined by the EU's soft power, perceived as a beneficial alternative to the American approach. However, she warns that the EU is not perceived as a unitary and coherent actor in the region and that the recent eurozone crisis has raised further questions about the applicability of the EU model in East Asia. Murray points out that despite the region's colonial past, the EU failed to adopt a coherent approach toward the region even before the 1990s. The Treaty of Lisbon has done little to remedy this situation. Because the EU high representative, the president of the EU Council, and the president of the EU Commission all appear to be speaking for the EU internationally, this institutional complexity creates confusion. Murray argues that the EU's expectations should be realistic and that while the interest of the EU is to promote a "global Europe," East Asian countries mainly want to counterbalance U.S. influence in the region.

Mara Caira analyzes the evolution of the EU's foreign policy with a significant power : China. She provides a historical overview of EU-Chinese relations, from the beginning of formal relations in the 1970s to the present time, when relations between the two actors appear to be driven mostly by pragmatism. She points out that EU-Chinese relations remain limited to sectoral dialogues, given the existence of areas of contention (Taiwan, Tibet, and arms embargo) and China's lack of understanding of the nature of the EU project. As in the case of the other vertical issues, the relationship between the EU and China is almost triangular, with the United States always present in the background. Caira points out that the Treaty of Lisbon contains many potential instruments for the deepening of EU-Chinese relations, and, like other authors in the volume, she highlights the crucial role the high representative could play in the process. She suggests that the eurozone crisis has greatly impacted the EU's prestige in China, because the EU common currency had been seen here as one of the most successful results of the European integration process.

Finally, part IV presents a horizontal approach and discusses the EU's promotion of its values and models abroad. Laura Ferreira-Pereira argues that for the EU to be able to promote peace, democracy, and respect for human rights in the world, politics is not enough. In order to present itself as a model on the basis of "what the EU is" and the values it espouses, it needs to be a "model

power.” This requires the European Union to play a proactive role and to act in a consistent way at the international level.

In the following chapter, Elena Baracani compares the EU and U.S. approaches to foreign policy. She argues that “democracy promotion” lies at the heart of both actors’ foreign policy agendas and that they are united by a series of similarities. She also points out that while the United States has a long history of democratic promotion, the EU has only recently become a promoter of democracy.

In the final chapter, Federiga Bindi and Irina Angelescu summarize the findings of the various contributions to this volume and assess the present state of EU foreign policy. They concur with the general belief that the EU’s external actions are most effective when there is unity of purpose among its member states. They argue that it would be limiting to compare the foreign policy of the EU with that of nation-states, and that the EU has been most successful in its relations with third countries in the field of “low politics” (economic, judicial, and police cooperation). While the Lisbon Treaty does not make the EU look more like a state, it provides the tools for a more effective foreign policy—but the EU’s success is conditional on the common political will among member states and institutions.

Notes

1. Jan Zielonka, “Introduction—Constraints, Opportunities and Choices in European Foreign Policy,” in *Paradoxes of European Foreign Policy*, edited by Jan Zielonka (The Hague: Kluwer Law International, 1998), p. 11.

2. The *acquis communautaire* is the entire body of legislation of the European Communities and Union. Applicant countries must accept the *acquis* before they can join the EU.

*The European Union's
Foreign Policy Tools*

PART
I

European Union Foreign Policy: A Historical Overview

In the words of Walter Hallstein, “One reason for creating the European Community [was] to enable Europe to play its full part in world affairs. . . . [It is] vital for the Community to be able to speak with one voice and to act as one in economic relations with the rest of the world.”¹ However, the early European Community did not have a coherent foreign policy *stricto sensu*. The European Economic Community (EEC) treaty did, however, contain important provisions in the field of external relations that evolved and became increasingly substantive as the years went by. The purpose of this chapter is to provide a comprehensive view of the evolution of European foreign policy (EFP) in its various forms and stages. The chronological description presented here links the different actions and decisions taken by the EEC with the external and domestic events facing the member states at that time.

The European Defense Community

During the negotiations for the Schuman Plan (1950), on which the agreement to form the European Coal and Steel Community (ECSC) is based, concerns emerged about a possible German rearmament. German disarmament after World War II had created a sort of power vacuum in the heart of Europe, which was dramatically emphasized after the Korean War. The United States suggested creating an integrated operational structure within the sphere of the Atlantic alliance within which a German army could participate under direct American control. This arrangement was to become the North Atlantic Treaty Organization (NATO). The French government rejected this proposal and offered as an alternative the so-called Pleven Plan (1950), named after French prime minister René Pleven. The Pleven Plan called for the creation of a European army that would be placed under the control of a European ministry of defense. The soldiers were to come from the participating countries, including Germany. The

plan, nevertheless, discriminated against Germany in that the future of the German army would have been entirely—not partially, as in the other countries—embedded within the European army.

The French proposal included all the members of the North Atlantic alliance, as well as Germany. However, only Germany, Italy, Belgium, and Luxembourg, besides France, met in Paris on February 15, 1951, to start negotiating a possible new treaty. The Netherlands joined on October 8, while the United States, Great Britain, Canada, Norway, and Denmark sent observers. The outcome was the European Defense Community (EDC) agreement signed on May 27, 1952. As Jean Monnet's brainchild, the European Defense Community differed from the Pleven Plan and proposed a supranational structure along the lines of the ECSC. The EDC also implied a certain degree of economic integration, necessary considering that military integration in many ways called for a standardization of industrial-war capabilities.

Between 1953 and 1954, the EDC treaty was ratified by Germany and by the Benelux countries (Belgium, the Netherlands, and Luxembourg). The treaty was approved by the competent parliamentary commission in Italy, but the parliament as such did not take a vote, waiting for France's lead instead. In the meantime, in Paris, Robert Schuman had been replaced by Georges Bidault as minister of foreign affairs in a new government led by Pierre Mendès-France that also included the Gaullists. Public opinion was divided between the *cédistes* (who favored ratification) and the *anticédistes* (opposed), and as a consequence the treaty failed to pass a vote in the National Assembly on August 30, 1954.

The problem of German rearmament remained open. A new initiative came this time from the English foreign secretary, Anthony Eden. This initiative benefited from U.S. support. Throughout 1954, a number of agreements were signed allowing for Germany's membership in NATO, Italian and German membership in the Brussels Pact, the creation of the Western European Union (WEU), Germany's assurance that it would not engage in the creation of atomic arms, and a British agreement to station two British divisions in Germany. The question of European defense thus became a transatlantic issue and a taboo in Europe for decades to come.

The European Economic Community

As a consequence of the EDC's failure, the Treaty of Rome did not deal with foreign policy. However, the treaty establishing the European Economic Community (EEC) did foresee some degree of foreign competence in the EEC's external relations. These included: a common external trade tariff (as a complement to the customs union) and external trades; the possibility for other states to join

the EEC; the establishment of a free trade area with the French, Belgian, Dutch, and Italian territories; and the creation of a European Fund for Development, as stipulated in article 131 of the treaty. Similarly, articles 110–16 dealt with commercial policy, in relation both to third states and to international organizations. The treaty affirmed in article 110 that, by establishing a customs union, the member states aimed to contribute “to the harmonious development of world trade, the progressive abolition of restrictions on international trade, and the lowering of customs barriers.” To that extent, they were to create a common commercial policy based “on uniform principles, particularly in regard to changes in tariff rates, the conclusions of tariff and trade agreements.”² The member states were “in respect of all matters of particular interest to the common market, [to] proceed within the framework of international organizations of an economic character only by common action.”³

The Commission was given a leading role in the field of commercial policy. Not only was the Commission entrusted with the power to submit proposals to the Council of Ministers for the implementation of the common commercial policy, it also had the ability to “make recommendations to the Council, which shall authorize the Commission to open the necessary negotiations” if agreements with third countries needed to be negotiated.⁴ For a member state facing economic difficulties, the Commission could authorize the Council to take the necessary protective measures as foreseen in article 115 TEEC. In article 228 the treaty also entrusts the Commission with the power to negotiate agreements between the EEC and one or more states or international organizations. Agreements such as those based on tariff negotiations with third countries regarding the common customs tariff were to be concluded by the Council, after consulting with the National Assembly where so required by the treaty.⁵

Articles 131 to 136 of the treaty dealt with the associations of non-European countries and territories having special relations with the EEC countries.⁶ The possibility of enlarging the EEC was addressed in article 237, which established that “any European State may apply to become a member of the Community. It shall address its application to the Council, which shall act unanimously after obtaining the opinion of the Commission.” Last but not least, article 210 TEEC established that the Community had legal “personality” or status. Even today, only the Community possesses such legal personality. As Nicola Verola explains in the next chapter, it is only with the adoption of the Lisbon Treaty that legal personality has been attributed to the European Union.

The Fifth (French) Republic

In the spring of 1958, following the Algerian crisis, General Charles de Gaulle was called to lead the French government. He accepted on the condition that a

new national constitution would be prepared. The new constitution, approved by a referendum in September 1958, marked the beginning of the Fifth Republic. In November 1958, Charles de Gaulle became its first elected president. Contrary to pessimistic expectations that he would destroy the newborn EEC, de Gaulle quickly adopted the financial and monetary measures necessary to implement the common market in France.

Yet de Gaulle had a rather contradictory personal view of Europe and of France's role within it. On the one hand, he wanted a "European Europe," able to counterbalance the United States and the USSR. On the other hand, he was eager to keep Europe as a "*Europe des Etats*," a community in which the member states would retain their full national sovereignty. This contradiction came to characterize the French approach to the process of European integration and constitutes one of the major contradictions of a European foreign policy today.

De Gaulle instinctively averted any institutional shift toward greater European integration, while at the same time pushing for stronger coordination between the six member states ("the Six") in the field of foreign policy. With this in mind, in 1958 he proposed regular meetings between the EEC foreign ministers. This proposal was approved on November 23, 1959. The first meeting was held in January 1960 and is the basis for today's CAGRE (the Conseil Affaires Générales et Relations Extérieures), an essential element of the EFP. De Gaulle further reiterated his support for European cooperation and the need for meetings at the level of heads of state and government. The first summit of this kind was held in Paris, on February 10–11, 1961, with the assistance of the foreign ministers; it was the precursor to the European Council. The Dutch foreign minister, Joseph Luns, however, rejected the idea of regular meetings and was even less fond of the idea of creating an ad hoc secretariat. Hence the EEC leaders decided to create the so-called Fouchet Committee, which would be responsible for developing proposals for political cooperation. The Fouchet Committee's report was presented on October 19, 1961. It proposed a union of states with the aim of developing a common foreign and defense policy. Unsurprisingly, these proposals faced resistance by a number of member states, and after several modifications the report was ultimately put aside despite de Gaulle's rage.

The Origins of the European Union's Development Policy

In the early 1960s, the EEC took its first steps to form a development policy. In 1963 the Yaoundé Convention was signed by the EEC and the eighteen former colonies of the Six. In 1969 the convention was renewed for a period of five years. Initially, it was essentially a policy toward (francophone) Africa. Following the 1973 EEC enlargement it was then extended to cover the African members of

the British Commonwealth and other former colonies in the Caribbean and the Pacific. The Yaoundé Convention (1963–75) maintained the system introduced by the Treaty of Rome: an aid allocation for five years, channeled through the European Development Fund (EDF), and a trade regime based on reciprocal preferences.

The Kennedy Round

As mentioned, the EEC treaty established that the EEC should represent its members in external trade matters. The General Agreement on Tariffs and Trade (GATT) negotiations were clearly part of this category. The Kennedy Round (1964–67) marked the first round of negotiations in which the six member states were represented by the EEC.

During the GATT meetings held in Geneva, the EEC could negotiate from a position of strength. It had signed a number of important commercial agreements with Greece (1961), Turkey (1963), Israel (1964), Lebanon (1965), and the Saudi Arabian Monetary Agency countries (1963) and was about to further expand its commercial relations to the Mediterranean, Central Asia, and Africa. In ten years EEC exports had soared by 265 percent within the free trade area and by 113 percent with third countries. In 1962, under President John F. Kennedy, the United States had passed the Trade Expansion Act, allowing the United States to bargain for lower tariffs on whole families of products instead of negotiating item by item. Yet two years later the United States had to accept the principle of “unequal cuts,” consisting in a cut of tariffs by 50 percent for the United Kingdom and the United States and a cut by 25 percent for the EEC countries. The Kennedy Round was thus an important first test for the EEC and its foreign policy and an important step forward for the Europeans as they sought to reduce the commercial gap with the United States.

Soon afterward, in 1968 and ahead of schedule, the EEC’s customs union for goods became a reality with the removal of tariffs and quotas among the Six. With internal tariffs eliminated, the Common External Tariff (CET), also known as the Common Customs Tariff (CCT), was introduced for goods coming from third countries.

The United Kingdom–France Problem

In 1961, the English conservative government led by Harold Macmillan introduced a request to join the EEC. Negotiations thus began with the UK, alongside Ireland, Denmark, and Norway. The conditions set down by the English were uncompromising. To make matters worse, at least from the point of view of de Gaulle, on July 4, 1962, President Kennedy launched his Grand Design, an idea aimed at enhancing the cooperation of an enlarged European Community

with the United States. The situation further deteriorated when, on December 18, 1962, at Nassau, Kennedy offered Polaris missiles to Great Britain. The same offer was made to France but was rejected. De Gaulle viewed the American proposal as a way for the United States to dominate Europe with respect to nuclear weapons. Moreover, in his eyes, Britain's acceptance of the proposal was a clear indication of the UK's true allegiance.

De Gaulle thus abruptly ended all negotiations with the United Kingdom and offered it an Association Agreement instead, a move that was taken as an insult by the British, as it would have put the United Kingdom on the same level as Greece and Turkey.⁷ Finally, on February 21, 1966, de Gaulle announced that France would reassume full sovereignty over the armed forces on its territory and withdraw formally on March 7 from the operative structures of the Atlantic pact (NATO), although not from the Atlantic alliance.

In 1967, Harold Wilson's Labor Party won the elections in Great Britain. Wilson soon announced that the United Kingdom would once again apply for EEC membership on May 2, 1967. De Gaulle again vetoed the accession on November 27, 1967. After having lost a referendum on the reform of the Senate and of the French regional framework on April 27, 1969, de Gaulle resigned and Georges Pompidou was elected president of France on June 15.

The Origins of the Pact on European Political Cooperation

In a press conference on July 10, 1969, Pompidou presented his ideas for the future of Europe in what is commonly known as Pompidou's *Triptique*. The summit in The Hague took place on December 1–2, 1969, and approved these ideas. They consisted of three principles: completion, deepening, and enlargement. More specifically, the *Triptique* called for the completion of the Common Market by January 1, 1970, with particular attention to the financing of the Common Agricultural Policy (CAP) through the resources of the Community; the deepening of the Community, especially in the field of economic and monetary policy; and enlargement to include Great Britain and other countries, with the condition that the Community would adopt a common position before negotiations. The Hague Summit Declaration mentioned the establishment of the Common Market as "the way for a united Europe capable of assuming its responsibilities in the world."⁸

With respect to deepening, Etienne Davignon, then political director of the Belgian Foreign Ministry, was charged with studying potential future steps down the path of European integration. The Davignon Report, adopted by the foreign ministers on October 27, 1970, in Luxembourg, was especially important with regard to policymaking and European foreign policy. It established the principle

of regular meetings among the EEC foreign ministers, eventual meetings of the heads of state and government, regular consultations on matters of foreign policy among member states, and regular meetings of the political directors of the Six. What emerged from the report was the so-called European Political Cooperation (EPC), which institutionalized the principle of consultation on all major questions of foreign policy. The member states would be free to propose any subject for political consultation. The European Commission would be consulted if the activities of the European Community were affected by the work of the foreign ministers, and the ministers and the members of the Political Affairs Committee of the European Parliament would hold meetings every six months.

The subsequent Copenhagen Report of July 23, 1973, further specified the EPC's role and mechanisms. According to the report, the EPC established "a new procedure in international relations and an original European contribution to the technique of arriving at a concerted action."⁹ It resulted in an institutional framework "which deals with problems of international politics, is distinct and additional to the activities of the institutions of the Community which are based on the juridical commitments undertaken by the member States in the Treaty of Rome."¹⁰ The Copenhagen Report established that the ministers of foreign affairs would meet four times a year and whenever they felt it was necessary. It stressed the role of the Political Committee as the body entrusted with the preparation of the ministerial meetings and created the "Group of Correspondents" and the system of European telex (COREU). The Copenhagen Report also emphasized the importance of subcommittees and working groups. The first ones were to deal with the Commission on Security and Cooperation in Europe (CSCE), the Middle East, the Mediterranean, and Asia. They established the principle that ambassadors accredited to countries other than members of the EEC could consult with each other.

The First Enlargement

Last but not least, the Hague Declaration called for the enlargement of the European Community. The negotiations with the United Kingdom, Denmark, Ireland, and Norway were divided into two phases, based on French demands. The first set of negotiations took place among the Six, during the first semester of 1970. The second took place with the four candidates beginning on June 30, 1970. The country holding the Presidency represented the general position of the Six. The Council also gave the Commission the mandate to research a solution for various problems that emerged during the negotiations by working with the candidate countries.

When the treaty was signed on January 22, 1972, the United Kingdom, Denmark, and Ireland became members of the Community starting January 1, 1973.

It became known as the “Europe of the Nine.” In Norway, despite the positive conclusion of the negotiations and a clear yes vote in the Storting, a referendum on September 25, 1972, rejected EEC membership with 53.5 percent of the votes. A free trade agreement was thus signed with the remaining member countries of the European Free Trade Association (EFTA), including Norway.

The United Kingdom was to thank the EEC several times in its first years of membership. The United Kingdom was not left to deal alone with the civil war in Rhodesia in the mid-1970s or when Argentina invaded the Falkland Islands in April 1982. The immediate response and solidarity of the Community in imposing sanctions on Argentina (April 10, 1981) was in fact much stronger than that of the United States. Despite gaining much from their support, the UK did at times oppose the EEC’s common positions on foreign policy. For example, in 1985, when violence broke out in South Africa and the government declared a state of emergency, it took several months for the UK to agree to sanctions against South Africa. It eventually agreed only on the condition that these measures would be implemented nationally.¹¹

The Birth of the European Council

In 1974 another (potentially) important actor in European foreign policy emerged: the European Council. On April 2, 1974, Pompidou passed away. Valéry Giscard d’Estaing was elected president on May 19, 1974. In Germany, Helmut Schmidt had replaced Willy Brandt as chancellor. Giscard d’Estaing’s motto was “l’Europe est ma priorité,” and although he was not a supporter of supranational institutions, he was convinced of the need to revive the process of European construction. Following Jean Monnet’s advice, on September 14, 1974, Giscard d’Estaing organized a meeting with the other heads of government and with the (French) president of the European Commission, François-Xavier Ortoli. An agreement was reached to organize such gatherings every three or four months. At the subsequent Paris summit in December 1974 the European Council was born under the slogan “The Summits are dead, vive les Conseils Européens!” The European Council was composed of heads of state or government and their foreign ministers, with the participation of the president of the European Commission. They were to meet three times a year, and any other time deemed necessary, within the framework of European Political Cooperation.

Also in 1974 the first meeting of what was to become the “Gymnich formula” was held at Gymnich Castle in Germany’s Rhineland region. The formula referred to the informal meeting of the foreign ministers to consult on matters of foreign policy.

Troubled Relations with the United States and the World in the 1970s

By the beginning of the 1970s, the EEC had begun to feel pressure from the international community to engage further in international affairs. The Arab-Israeli wars, the oil crises, and the Vietnam War were all external events pushing the Europeans together. Later, the Soviet invasion of Afghanistan (December 1979) and the Iranian revolution and hostage crises (1980) underlined the need for a common European response. Other events affecting the EPC included the establishment of martial law in Poland, the Argentinean invasion of the Falklands, and the Israeli invasion of Lebanon. Germany also wished to give a European hat to its *Ostpolitik*.

Transatlantic relations became strained in the 1970s. Until the end of the Kennedy administration, the United States had been generally supportive of the European integration process.¹² That started to change in the late 1960s. By the 1970s, the United States perceived the EEC as an economic competitor and held it responsible for the deficit that the United States experienced in its balance of payments. U.S. behavior vis-à-vis the EEC became rather contradictory. The United States insisted that Europe should contribute more to NATO expenses while the U.S. president, Richard Nixon, affirmed the principle of American leadership over the organization. Similarly, Secretary of State Henry Kissinger called 1973 the “year of Europe.” Yet the idea was essentially that the United States had global responsibilities and interests while Europe’s interests were and could only be regional.

In response, on December 14, 1973, the EEC foreign ministers adopted in Copenhagen a “Declaration on European Identity.” Its objective was to better define the EEC’s relations and responsibilities to the rest of the world and the place they occupied in world affairs. In the declaration, the Nine affirmed that “European Unification is not directed against anyone, nor is it inspired by a desire for power. On the contrary, the Nine are convinced that their union will benefit the whole international community. . . . The Nine intend to play an active role in world affairs and thus to contribute . . . to ensuring that international relations have [a] more just basis. . . . In pursuit of these objectives the Nine should progressively define common positions in the sphere of foreign policy.”¹³ It was also decided on June 11, 1974, that the country holding the Presidency should consult with the United States on behalf of its partners.

In any event, the United States continued to disagree with the Europeans on a number of foreign policy issues, including the Middle East. The Europeans

themselves were divided until the Six-Day War in 1967. October 1973 brought a new war and the subsequent OPEC oil embargo on the United States and the Netherlands. Between October and November of that year, the Nine agreed on a common view and on a common declaration regarding the legitimate rights of the Palestinians. The Nine greeted the Camp David peace talks (1977–79) without any noticeable enthusiasm. In the Venice Declaration of June 12–13, 1980, they reaffirmed the Palestinians' right to self-determination and for the Palestine Liberation Organization (PLO) to be included in peace negotiations. The election of U.S. president Ronald Reagan, who was resolutely against any European initiative outside Camp David, and the Israeli invasion of Lebanon (June 6, 1982) put an end to European activism in the area. Still, the EEC took action in favor of the Palestinians and became gradually more critical of Israel.¹⁴

A similar story took place in neighboring Iran. When on November 4, 1979, the U.S. embassy in Tehran was seized and sixty-three hostages were taken, the United States immediately responded with a boycott on imports of Iranian oil and froze Iranian assets in the United States. While the EEC called several times for the release of the hostages, it did not support the U.S. call for sanctions. Only on April 22, 1980, did the EEC agree to sanctions, although only if implemented by the individual states.¹⁵

Relations with Eurasia were also a matter of contention in transatlantic relations. The EEC and the United States clashed over the question of Poland when martial law was declared on December 13, 1981. While the United States imposed sanctions both on the USSR and Poland and pushed the Europeans to do likewise, the Europeans agreed on March 15, 1982, to only a limited number of restrictions on the USSR (on imports). This was the first time they had used article 113, referring to commercial policy, for political purposes.

In the case of the USSR, it took three weeks for the EPC to formulate a response to the Soviet invasion of Afghanistan in December 1979. Moreover, the Europeans disagreed with the U.S. decision to boycott the 1980 Moscow Olympics. The United Kingdom supported the U.S. position, but France and Germany stood opposed, worried that it would undermine deterrence.¹⁶ As a consequence of the slow EEC response to these events, in 1981 it was decided that three member states could call for an emergency meeting of the EPC.

Finally, Europe's relations with Asia during the 1970s and 1980s proved somewhat less problematic. In 1975, China was the first socialist country to recognize the EEC, and in 1978 a first agreement was signed, followed in 1985 by an agreement on trade and economic cooperation. In 1978, a cooperation agreement was also signed with ASEAN.

Democratization in Southern Europe: Toward the Community of the Twelve

Meanwhile, the geography of Europe had changed with the end of the dictatorships in Greece, Portugal, and Spain. The “regime of the colonels” came to an end in Greece in 1974, the same year that the long dictatorship of Antonio Salazar in Portugal was overthrown by the Carnation Revolution. In 1975, with Franco’s death, Spain also started its *démarche* toward democracy. All three countries quickly introduced a request for EEC membership. It was politically impossible for the EEC to close the door on these new democracies, which needed institutional support to consolidate, especially politically and economically.

For France, enlargement in the South would have balanced the EEC, reinstating it at the center of the Community. However, the three candidate countries were characterized by low wages, high inflation rates, unstable currencies, low-cost agriculture products, and underdeveloped industrial sectors. The EEC dealt with each one differently: Greece, mainly owing to heavy French and U.S. pressure, was admitted into the EEC on January 1, 1981. This quick action soon proved to be a major mistake as the new Greek government led by the Socialist Andreas Papandreou rose to power and asked for special economic benefits for Greece. In 1985 he obtained the creation of the Integrated Mediterranean Program.

As a consequence, negotiations with Spain and Portugal stalled, and those two countries did not become members until January 1, 1986. With their membership, the EEC became more interested and involved in Latin America. In subsequent years, relations were established or further developed with subgroups in the region. The San José dialogue (with Costa Rica, Guatemala, Honduras, Nicaragua, and Panama) was particularly important as European foreign ministers decided to send a strong signal to the United States (which was at the time involved in several Central American countries) by attending in full the first meeting in San José de Costa Rica, in September 1984. In 1990 a dialogue with the Rio Group was institutionalized.¹⁷ The Treaty of Asunción was signed in 1991 with the Common Market of the South, Mercosur (Argentina, Brazil, Paraguay, and Uruguay), followed by the Interregional Framework Cooperation Agreement in 1995. The year 1996 marked the beginning of a political dialogue with the Andean Community (Bolivia, Colombia, Ecuador, Peru, and Venezuela).

The 1980s and the Need for EEC Reforms

With the second enlargement, the EEC reached a format (“the Twelve”) that it believed would endure for a long time. Attention shifted to the need for internal

reforms in order to complete the internal market. The internal market was one of the original goals of the EEC treaty that had remained unachieved. Member states also pushed for the reform of the EPC in order to make it more effective and ensure more active participation of the European Community in international affairs.

On October 13, 1981, the then ten member states adopted the London Report, further outlining the functions of the EPC domestically and abroad. For instance, it established regular consultations with EEC ambassadors in third countries and elaborated on the function of the Gymnich meetings and potential emergency meetings of the ministers of foreign affairs. The subsequent Stuttgart Solemn Declaration of June 19, 1983, enlarged the EPC's scope of action to include "the political and economic aspects of security" (point 3.2). The declaration also called for the "progressive development and definition of common principles and objectives [and] the possibility of joint actions in the field of foreign policy" (point 3.2), while stressing the need for consistency between action taken by the EPC and the Community. Last but not least, the declaration, also known as the Gensher-Colombo plan, called for concerted action on "international problems of law and order"—what came to be called Justice and Home Affairs (see discussion of the Maastricht Treaty below).

On February 14, 1984, the European Parliament, under Altiero Spinelli's leadership, approved a "draft treaty," calling for a new European Union that would be given legal personality and allow for greater coordination of the EPC and external relations. According to the draft treaty, the European Council would also have the authority to extend foreign policy coordination to defense and arms trade questions. Although the draft treaty was not endorsed by the member states, they did, in 1985, undertake the first major reform of the treaty with the so-called Single European Act (February 17 and 28, 1986).

The Single European Act

With regard to foreign policy, the major effect of the Single European Act (SEA) was the codification of the European Political Cooperation and the European Council. The SEA formalized intergovernmental cooperation in foreign policy without changing its existing nature or methods of operation. Title III of the SEA specifically dealt with the treaty provisions on European cooperation in the sphere of foreign policy and affirmed that the member states should inform and consult reciprocally "to ensure that their combined influence is exercised as effectively as possible through coordination, the convergence of their positions and the implementations of joint action" (article 30.2.a), and that "common principles and objectives are gradually developed and defined" (article 30.2.c). In codifying what had been informally established over the years through a

number of different texts and treaties, the SEA defined the role of the European Council, the European Commission, and the Parliament within the EPC. A leading role was given to the first; the possibility to assist in all matters was given to the second; and the minimal right to be informed was granted to the third. Coordination on matters of European security was mentioned, specifically on the political and economic aspects of security, as well as the development of a European identity in external policy matters. Member states were asked to define common positions within international institutions and conferences and to mutually assist and inform each other. The SEA also codified the role of the Presidency and of the troika (the high representative for the Common Foreign and Security Policy, the foreign minister of the country holding the EU Presidency, and a senior representative from the European Commission) in the EPC, as well as of the different decisionmaking levels (European correspondents, the Political Committee and related working groups, the Council of Ministers). A secretariat based in Brussels was established to assist the Presidency in dealing with the EPC. Last but not least, member states' missions and the European Commission's delegations were asked to intensify their cooperation with third countries.

The SEA also substantially increased the role of the European Parliament, to which it gave the power of assent both in future enlargements of the Community (as foreseen in new article 237 of the treaty establishing the EEC), and in agreements with either third states or international organizations involving "reciprocal rights and obligations, common actions and special procedures" (new article 238 of the treaty). The latter became what are essentially the present-day Association Agreements.

The End of the Cold War

As mentioned, in the late 1980s the member states were convinced that the EEC's membership would remain stable for the long run. However, dramatic changes were to take place that would profoundly affect both the Community and the world. The year 1989 brought great changes in Eastern Europe. In June, Solidarity won the elections in Poland and the Iron Curtain separating Austria and Hungary fell. During the summer, an increasing number of Eastern Europeans arrived in Western Europe through Austria, aiming for the most part to reach the Federal Republic of Germany. In autumn, massive demonstrations took place in the rest of Eastern Europe. In Czechoslovakia the protesters, led by Vaclav Havel and Alexander Dubček, obtained the resignation of the entire Communist Party. In December, Havel was elected president of the republic. In Bulgaria, Todor Živkov was forced to resign in November; the reformist foreign

minister Petar Toshev Mladenov took his position and quickly announced liberal elections before May of the following year. In Romania, the opposition forces had taken control of the entire country by December. Nicolae Ceausescu was captured in his attempt to escape and was immediately tried and shot. The true symbolic event among these dramatic changes, however, took place on the evening of November 9, 1989, when the gates between East Berlin and West Berlin were reopened with the fall of the Berlin Wall.

All of these changes brought both hope and fear about the prospect of a united Germany. The solution of the European leaders was to have a united Germany in a stronger Europe. On December 8–9, 1989, the European Council in Strasburg approved the idea of German reunification. Germany would be reunified and the four eastern *Länder* would be incorporated without needing to revise the EEC treaties.¹⁸ At the same time, the EEC leaders decided to summon an intergovernmental conference to establish the European Monetary Union (EMU). As the president of the European Commission, Jacques Delors declared in front of the European Parliament: “We need an institutional structure that can withstand the strains.”¹⁹

On April 18, 1990, François Mitterrand and Helmut Kohl proposed to complete the monetary union with a political union that would ensure democratic legitimacy, institutional efficiency, the EEC’s unity, and coherence in the economic, monetary, and political sectors and eventually a common foreign and security policy. The European Council endorsed Mitterrand and Kohl’s proposal in Dublin on April 28, 1990, with the United Kingdom and Portugal dissenting. In June 1990, the European Council in Dublin decided to convene two intergovernmental conferences (IGCs) before the end of the year: one to discuss the monetary union and the other to discuss the political union, which was to include a common foreign policy. In the meantime, Germany reunified and the four eastern *Länder* were incorporated into the Federal Republic of Germany and the EEC, again without any formal modifications of the treaties.²⁰ The two IGCs lasted for all of 1991. On February 7, 1992, the Maastricht Treaty, or Treaty on the European Union (TEU), which created the new European Union, was signed.

The Treaty on the European Union, or the Maastricht Treaty

The Maastricht Treaty established a Common Foreign and Security Policy (CFSP) for the European Union. The Iraqi invasion of Kuwait in August 1990 was a source of friction among EEC partners, in particular between Prime Minister Margaret Thatcher’s government in the United Kingdom and the others. It led to disagreement over issues of security, majority voting, how to integrate

foreign policy into the Community, and whether the philosophical distinction made between security and defense could be abandoned. Different views were also expressed over whether the WEU should be merged with the EU. The United States and the more pro-NATO member states were extremely worried about this possibility and what they saw as an impediment to NATO and Western security.²¹

In the end, the European Political Cooperation was replaced by the Common Foreign and Security Policy, which constituted the second pillar of the new three-pillared European Union, according to Title V and associated declarations. The CFSP was to safeguard the common values, the fundamental interests, and the independence of the Union; to strengthen its security and its member states in all ways; to preserve peace and strengthen international security; to promote international cooperation; to develop and consolidate democracy and the rule of law, respect for human rights and fundamental freedoms, as spelled out in article J.1.2 of the TEU. Articles J.1.3 and J.3 stipulated that such objectives were to be pursued through systematic cooperation between member states and by "joint actions." Member states were to act in a "spirit of loyalty and mutual solidarity," refraining from "any action which is contrary to the interest of the Union or likely to impair its effectiveness as a cohesive force in international relations."²² Member states were also to inform and consult with each other and define "common positions" around which to conform their national policies. They were also to coordinate in international organizations and international conferences. The WEU was to be closely associated with the CFSP, acting as a bridge to NATO, and the CFSP was finally permitted to address the previously taboo question of "defense," with the possibility of gradually moving toward a common defense system.²³

The Presidency was to represent the EU in CFSP matters. Abroad, member state diplomatic missions and European Commission delegations were to cooperate, and the European Parliament was to be consulted. The general guidelines concerning the CFSP were to be defined by the European Council, to which the TEU granted the proper status of EU institution, and implemented by the Council, both acting on the basis of unanimity, as stipulated by article J.8. Foreign policy was to be discussed in the Council of Ministers, while the European Commission received a (joint) right of initiative and became associated with the CFSP. Extraordinary meetings of the Council of Ministers could be convened as needed in the event of an emergency. Finally, the EPC Secretariat in Brussels was to be enlarged, and it was also agreed that the European Community budget should pay for the CFSP's administrative expenditures. Different, though, was the question of who would pay for operational or nonadministrative expenditures. This topic had not come up with the EPC because it was

assumed that in the spirit of intergovernmentalism, each member government would pay individually. Title V did not create a budget for the CFSP. Rather, it created a system for charging operational costs to the EC budget and letting the Council decide whether to charge the EC budget of member governments for operational expenditures associated with joint actions, thus opening the door to endless procedural battles.²⁴

At the European Council on June 26–27, 1992, before the implementation of the TEU, the Lisbon Report specified what areas would be of interest to the EU (the so-called Lisbon goals). These areas were defined geographically, as, for example, Central and Eastern Europe (including Eurasia); the Balkans; the Maghreb and the Middle East; transatlantic relations (the United States and Canada); the North-South dimension (Africa, Latin America, the Caribbean, and Asia); and Japan. They were also defined with respect to horizontal issues such as security issues (the CSCE process and the policy of disarmament and arms control in Europe, including confidence building measures); nuclear and nonproliferation issues; and the economic aspect of security, in particular control of the transfer of military technology to third countries and control of arms exports.

Between November 1993 and May 1995, eight joint actions were pursued. These actions included observing elections in Russia and South Africa, supporting measures to enhance stability and peace in the Central and Eastern European countries (CEECs) and the Middle East, providing humanitarian aid to Bosnia, promoting the indefinite extension of the Non-Proliferation Treaty (NPT), controlling the export of dual-use (civil and military) goods, and strengthening the review process of anti-personnel landmines. During the same period, fourteen common positions were also adopted, mainly concerning economic sanctions against third parties.²⁵

The TEU also modified the articles of the treaty dealing with the common commercial policy. It had become urgent to clarify the relationships between proper trade policy and the new CFSP.²⁶ New article 228a of the TEU specified that in the event that the CFSP generated a need for sanctions, the Council would decide this based on qualified majority voting (QMV) on a proposal from the Commission. The new wording of the EU commercial policy increased the European Parliament's power of assent regarding all agreements in the field of external trade. As stipulated in article 228 of the TEU, this field concerned policy areas covered by the co-decisionmaking procedure in domestic matters, as well as in areas likely to have important budgetary implications for the Community.

Last but not least, the new treaty established the steps and the conditions needed to create an economic and monetary union by 1997, or 1999 at the latest.²⁷ Also, in response to fear about crime from the East after the fall of the

Berlin Wall, the Maastricht Treaty established means of cooperation among member states in the field of internal security. This cooperation fell under the jurisdiction of Justice and Home Affairs (JHA), as stipulated by article K.

The Maastricht Treaty set up a system based on three “pillars”: two inter-governmental pillars (the CFSP and the JHA) and the supranational EC pillar. The treaty also foresaw the possibility to “communitarize” step by step the JHA through the so-called *passarelle* mechanism—that is to say, without having to further review the treaty.

The Fourth Enlargement

A new enlargement to the north was now appearing on the horizon. By the end of the 1980s, the relationship between the EC and the European Free Trade Association (EFTA) had become a priority for both parties. Formal negotiations between the two organizations started in December 1990 and ended in October 1991. The European Economic Agreement (EEA) was signed on May 2, 1992, in Porto. Yet, as the fall of the USSR had opened new scenarios, a number of EFTA countries also introduced requests for EEC membership: Austria on July 17, 1989; Sweden on July 1, 1991; Finland on March 18, 1992; and Norway on November 22, 1992. On January 1, 1995, the EU grew to encompass fifteen member states. Once again, in a Norwegian referendum a negative vote prevented Norway from entering.

Changing Patterns in Transatlantic Security Relations

The events of 1989 had first and foremost a relevant impact on ideas about European security. In 1991, both the Warsaw Pact and the Council for Mutual Economic Assistance (Comecon) among Eastern European nations ceased to exist. In November of the same year, the North Atlantic Cooperation Council (NACC) was set up in order to enable security consultations with the Eastern European states. In 1992 a “forum of consultation” was created within NATO, including only the CEECs, but not Russia. In 1994 they were offered the status of “associate partners” by the WEU: that meant that they could eventually participate in Petersberg-like operations but were not offered the WEU’s security guarantee. In January 1994, NATO set up the Partnership for Peace to allow consultation and cooperation at the politico-military level between all the CSCE member states. In the light of events in the former Yugoslavia, it was becoming clear that NATO, the EU, the WEU, and the *constituenda* OSCE needed to cooperate to the greatest possible extent. Peacekeeping in particular emerged as a central concept in European security discussions. At the July 1992 Helsinki summit the CSCE decided to launch peacekeeping operations and other crisis management operations. The previous month the WEU had issued the “Petersberg

Declaration” showing its willingness to engage in humanitarian, peacekeeping, and crisis management tasks. In December 1992, NATO also joined the mainstream by agreeing to participate in UN operations on a case-by-case basis, thus ending its formal ban on out-of-area engagements. In fact, NATO had already started to cooperate with the UN and the WEU in the Balkans.²⁸

For their part, the Europeans had begun to talk of a European security and defense identity (ESDI), once again alarming the United States, which was eager for the Europeans to bear more of the burden, but not to rival NATO. The United States was determined to locate any such entity firmly within the boundaries of transatlantic relations. The resulting decision to create combined joint task forces, ratified in the Berlin Council of June 1996, made NATO’s facilities and forces available to the WEU when it wanted to act but could not sustain action with its own forces. NATO’s enlargement, a process that paralleled the EU fifth enlargement, at times created serious transatlantic antagonism.²⁹ On July 8, 1997, the North Atlantic Council in Madrid invited the Czech Republic, Hungary, and Poland to begin accession talks with a view to joining NATO by its fiftieth anniversary in 1999. The EU followed in December of the same year by deciding to open negotiations with the ten CEECs and Cyprus.

Dealing with the Central and Eastern European Countries

The USSR did not recognize the EEC until 1988, the same year Comecon and the EEC signed a trade agreement. Just one year later, however, the USSR’s former satellites aimed to become part of the EEC. The Community was fast in responding: economic and trade agreements were signed in 1988 (with Hungary and Czechoslovakia), 1989 (with Poland), and 1990 (with Bulgaria and Romania) and then replaced with Association Agreements (the so-called Europa agreements) in 1992 (Hungary and Poland) and 1993 (the Czech Republic, Slovakia, Bulgaria, and Romania) and Slovenia (1996). The Europa agreements provided a framework for political dialogue, promoted trade and economic relations between the CEECs and the EEC (virtually eliminating trade barriers), and provided the basis for financial and technical assistance and for the gradual integration of the CEECs into a wide range of EU policies and programs. In addition, the EU set up programs to assist countries with their preparations for joining the European Union. For the first time, Europe was to be united on the basis of common ideals and principles, and the EEC put all its weight into using agreements to positively influence the democratic and economic development of the CEECs. The Copenhagen European Council in June 1993 specified the criteria to be fulfilled by prospective candidates (the so-called Copenhagen criteria): a working democratic system; the rule of law; respect for human rights and protection of minorities; a functioning market economy; and the

ability to take on the obligations of membership (economically and politically). In 1994 the Essen European Council approved a pre-accession strategy. As part of this, the associated countries would participate in an enhanced political dialogue on CFSP matters and also become associated with the WEU. In 1995 the Madrid European Council added a fourth condition: the implementation of and adaptation to the *acquis communautaire* (the entire body of legislation of the European Community and Union). This condition was determined by a view that considered enlargement “a political necessity and a historic opportunity for Europe,” which would “guarantee stability and security for the Continent.” According to the decision of the European Council in December 1997, negotiations with the Czech Republic, Estonia, Hungary, Poland, Slovenia, and Cyprus began on March 31, 1998. A year later Latvia, Lithuania, Malta, Slovakia, Bulgaria, and Romania were also invited to join. The successful transformation, democratization, stabilization, and incorporation of the neighboring countries has been one of the most significant foreign policy achievements of the EU.³⁰

Relations with Russia in the 1990s

After the fall of the Soviet Union in 1991 the EEC reacted quickly and strongly. Relations with Russia were less successful than hoped, despite the decision in 1993 to have joint meetings twice a year and the 1995 adoption by the Council of a strategy on Russia. A strategic partnership agreed to in Corfu on June 25, 1994, was not enforced until 1997 because of the first Chechen War (1994–96). In Vienna a report on the “northern dimension” of EU policies was approved in December 1998, and in June 1999, at Cologne, a new common strategy toward Russia also got the green light.

The disintegration of the USSR also raised the tricky issue for the EU of whether to recognize the constituent republics of the dissolved federation. This problem was presented by (the former) Yugoslavia. Two of the main former USSR republics, Ukraine and Belarus, have antagonistic relations with the EU. The founding pillar of the EU-Ukraine relationship is the 1998 Partnership and Cooperation Agreement (PCA) from which the European Neighborhood Policy (ENP) followed in 2004. Thus the EU has since then tried to offer a carrot-and-stick approach, which does not, however, contemplate the possibility of membership. As for Belarus, the EU decided to resort to “negative conditionality,” suspending contractual agreements after 1997.

Relations with the Balkans in the Early 1990s

The disintegration of the former Yugoslavia was a very good illustration of European disunity. In the midst of the debates, Germany (and the Vatican) announced the unilateral recognition of Slovenia and Croatia (December 23, 1992). The rest

of the Europeans had no choice but to follow suit. The war in the former Yugoslavia, which had started in June 1991, is also a textbook case of the failure of European foreign policy. In the first year of the conflict the EU futilely tried to negotiate an agreement. Only through the intervention of the United States and its hosting of the series of negotiations did the war come to an end with the Dayton Accords (1995). An EU “regional approach” to the western Balkans was elaborated, but it was not until the spring of 1999, with the Kosovo crisis, that the EU seemed to opt for a clear “accession strategy” for the (new) countries in the area.³¹ In June 1999 the Stability Pact for South Eastern Europe was launched. One year later, the Feira European Council (June 2000) declared the Balkans to be “potential candidates,” and in November of that year the first summit between the EU and the Balkan heads of state and government was held in Zagreb. In June 2003 the “Salonika Agenda” gave concrete substance to the membership promise.

In contrast, the Albanian case, with so-called Operation Alba, was a lost opportunity for Europe. Under the pressure of events in Albania in March 1997, Italy asked the EU to use the tool of “reinforced cooperation”—that is, an action organized by a reduced number of member states—to address the crisis. When the Nordic states refused, the rather successful operation Alba was then transformed into a multinational force organized by the Italian government under the auspices of the UN and the OSCE.

Relations with the Middle East and the Mediterranean in the Early 1990s

As mentioned, the Middle East has been an issue of division between Europe and the United States. In 1986, for instance, there was a major crisis involving Libya. After terrorist attacks at the airports in Vienna and Rome in December 1985, the EEC foreign ministers agreed to intensify their cooperation in several areas linked to security. The United States, however, insisted that Libya should be singled out as responsible for terrorism in Europe. While the divided Europeans were discussing the issue, the United States took action and, informing only the United Kingdom (and using their bases), launched a punitive raid on Libya. This act was strongly criticized by the rest of the Europeans, and after a tense investigation in the European Parliament the UK was forced to admit that, in violation of its EPC obligations, it had failed to warn its European partners of the U.S. action.

The First Gulf War in 1991 was also initially an issue of disagreement both with the United States and among Europeans (eventually British, French, and Italian forces took part in the war under U.S. leadership). The disagreements were not as strong as those over the Second Gulf War, when France and Germany came down on one side and the members of the “coalition of the willing” on the other side.

The southern shore of the Mediterranean Sea has always been a priority interest for Europe. Beginning in the 1970s, the EEC signed a number of trade and cooperation agreements with Mediterranean countries. Agreements on agriculture, energy, industry, distribution trades, infrastructure, education and training, health, environment, and scientific cooperation exist with the Maghreb countries (Algeria, Morocco, and Tunisia), the Mashreq countries (Egypt, Jordan, Lebanon, and Syria), Israel, the PLO (formerly with the Gaza Strip and the West Bank), and the Gulf states. In 1991 the Renewed Mediterranean Policy created a new financial instrument and indicated new fields of cooperation. A major attempt to revitalize and develop a framework for relations with the Mediterranean countries came in November 1995 with the Barcelona Euro–Mediterranean Conference (also known as the Barcelona Process). Comprising twenty-seven participants, including the PLO, it set up regular meetings and launched the idea of a EuroMed free trade zone, which is, however, still far from being achieved.

Relations with the Rest of the World in the Mid-1990s

The first half of the 1990s witnessed a relaunch of the foreign ambitions of the European Community. With the United States, the relationship continued on its ambiguous path. On the one hand, both sides claimed to attach great importance to closer cooperation and to stronger relations; on the other hand, they have been involved in petty disputes, threats, retaliation measures, and counter-retaliations. In November 1990 a transatlantic declaration was adopted in which both parties affirmed their determination to strengthen their partnership, by informing and consulting with each other, strengthening the multinational trading system, and cooperating in fields such as medical research and environmental protection. The transatlantic declaration also affirmed the principle of biannual meetings between the U.S. president and the EU president in office (and the European Commission). In one such meeting in Madrid in 1995, Bill Clinton, Jacques Santer, and Felipe Gonzales set out a framework for action with four major goals: promoting peace, stability, democracy, and development around the world; responding to global challenges (including fighting international crime, drug trafficking and terrorism; and protecting the environment); contributing to the expansion of world trade and closer economic relations; and building bridges across the Atlantic (working with business people, scientists, and others). The main objective of the so-called New Transatlantic Agenda was the establishment of a transatlantic marketplace designed to eliminate trade barriers, expand trade and investment opportunities, and create jobs on both sides of the Atlantic. Following that, in November 1995 a transatlantic business dialogue (TABD) was also launched. In 1996 a joint declaration and an action plan were also signed with Canada.

In 1994 a white paper outlining a “new Asia strategy” was approved during the German Presidency. The EU had meanwhile also ratified a number of trade agreements with India, Pakistan, Sri Lanka, Bangladesh, Macao, Mongolia, Thailand, and China. A framework for a cooperation agreement was agreed in October 1996 with South Korea, while a joint declaration between the EC and Japan was adopted in 1991, establishing cooperation on trade, environment, industry, scientific research, social affairs, competition policy, and energy.

With Latin America the European Union has enjoyed a strategic partnership since the first biregional summit held in Rio de Janeiro in 1999. EU–Latin America summits have since been held every other year.

As for Africa, in 1990 the Lomé IV Convention was signed. Since 1997 it has also included South Africa. One of the first CFSP joint actions was to send observers to South Africa to help prepare for and monitor the April 1994 elections. In December 1995 the European Council declared that it would support Organization of African Unity (OAU) efforts at preventive diplomacy and peacekeeping. In June 2000 the Cotonou Agreement replaced Lomé.

The events of the early 1990s led the Community to incorporate the principle of political conditionality into its external relations. Human rights considerations were made an explicit part of the Community’s development policy with the November 1991 declaration on human rights, democracy, and development. The possibility of human rights clauses in agreements with third countries was then envisaged. In May 1995 the European Council decided that *all* agreements signed by the EC would include respect for human rights and democratic principles as founding elements.

The Amsterdam Treaty

With another enlargement in sight, a decision was taken in Corfu in June 1994 to hold a new intergovernmental conference. For that purpose the Spanish minister of European affairs, Carlos Westendorp, was asked to lead a reflection group, which concluded that the main objectives of the treaty revision should be: (a) to make Europe more important in the eyes of its citizens; (b) to make EU decisionmaking more efficient; and (c) to provide the EU with greater responsibility and power in addressing foreign relations. The IGC was launched in Turin on March 29, 1996; the new treaty was adopted by the European Council of Amsterdam on June 16–17, 1997, to enter into force on May 1, 1999.

The Amsterdam Treaty substantially revised some of the CFSP provisions. Articles 11 to 28 of the Treaty on the European Union are devoted specifically to the CFSP. The most important decision in terms of improving the effectiveness and the profile of the Union’s foreign policy was the decision to appoint the

secretary general of the Council to the office of high representative for the CFSP. The high representative, together with the foreign minister of the country in the EU Presidency and a senior representative from the European Commission would now form a new troika (article J.8, TEU). In his job, the high representative would support the newly created Policy Planning and Early Warning Unit (or Policy Unit). For the first time EU foreign policy was to have a name and a face. The impact of this innovation was not initially clear, as several member states thought that a low-profile figure would be suitable for the new job.³² Following the EU debacle in Kosovo, the 1999 Cologne European Council opted for the high-profile political figure of Javier Solana Madriaga, who as secretary general of NATO had just led NATO military operations in Serbia. Solana took up the post on October 18, 1999, for a period of five years, a term that was then twice renewed. The Presidency was given the power to negotiate international agreements in pursuit of both the CFSP and the JHA, assisted by the European Commission when appropriate (article J.14, TEU).

A second innovation of the Amsterdam Treaty was the creation of a new “common strategies” instrument. In 1999–2000, three common strategies were adopted, toward Russia, Ukraine, and the Mediterranean. However, because they offered no real added value to the strategies and partnerships the EU had been developing since the mid-1990s, this new instrument was quickly dropped.³³ The treaty also introduced a slight relaxation of the voting requirements in the European Council. As foreseen by article J.13 of the TEU, there are more possibilities for qualified majority voting once a joint action or a common position has been agreed on, as well as the possibility of “constructive abstention” by one or more member states. However, since the Council hardly ever votes, this provision did not have a real effect on CFSP decisionmaking.

Amsterdam also strengthened the relationship between the EU and the WEU, with a view toward possibly integrating the WEU into the EU. The EU gained access to the WEU’s operational capabilities for humanitarian and rescue tasks, peacekeeping, and tasks of combat forces in crisis management (the so-called Petersberg tasks that were approved in 1992 by the WEU). Finally, the financing of CFSP was clarified, with the EC budget becoming the default setting, apart from military and defense operations. The European Parliament thus gained a larger control over financing. The new treaty also made the possibility of an EU defense policy seem more likely by replacing the word “eventual” with “progressive” in article J.7.³⁴

The possibility to negotiate internationally in the field of external economic relations was extended by Amsterdam to services and intellectual property with new article 113(5) of the TEU. The new treaty also foresaw in its article 228(2) the possibility to suspend the application of an international agreement.

Last but not least, Amsterdam called for the development of an area of freedom, security, and justice (AFSJ). It incorporated the *acquis* of the Schengen agreements of 1985 and 1990 into the EU, thus locating asylum, immigration, and border control measures under pillar 1 (new Title IV, TEU), while police and judicial cooperation in criminal matters remained under pillar 3.

Toward the Fifth Enlargement: The Treaty of Nice

The fifth enlargement was to be far more complex than the previous ones, given the institutional, political, and socioeconomic differences of the CEECs. The number of candidates was thirteen, more than all the former candidate countries added together. Without considering Turkey, the enlargement would increase the Union's geographic territory by 30 percent, its population by 29 percent, and its GNP by 10 percent. Therefore, the enlargement to the countries of Central and Eastern Europe and to the south shore of the Mediterranean had significant institutional implications. Protocol n. 23, attached to the Treaty of Amsterdam, introduced a revision in two stages: the first for a Union with twenty member states or fewer, and the second for successive enlargements.³⁵ Meeting in Cologne on June 3–4, 1999, the European Council decided to convene one more intergovernmental conference at the beginning of 2000 with the aim of resolving the institutional questions that had to be solved before enlargement. The European Council of Helsinki (December 10–11, 1999) further set the aims of the IGCs, namely the so-called leftovers: the organization of the European Commission, the reweighting of the votes in the European Council, and the extension of the qualified majority voting system. The result was the Nice Treaty, agreed upon in December 2000 in a besieged Nice. Among the issues of interest, it modified the conditions for setting up enhanced cooperation in the CFSP by reducing to eight the minimum number of participating member states and simplifying the procedure for authorization. Because of British opposition, this cooperation was not extended to matters of defense. The new Treaty of Nice entered into force on February 1, 2003, and contained new CFSP provisions. Notably, it increased the areas that fall under qualified majority voting and enhanced the role of the Political and Security Committee in crisis management operations.

Toward a European Security and Defense Policy

Meanwhile, domestic changes took place in the United Kingdom and in France, now led by Tony Blair and Jacques Chirac. The two countries negotiated secretly on matters of European defense. The result was the Saint-Malo Declaration of

December 4, 1998, which stated that the EU needed to be in a position “to play its full role on the international stage.” Because of this, it needed “the capacity for autonomous action, backed by credible military forces, the means to use them, and a readiness to do it, in order to respond to international crises.” To many people’s surprise, it thus announced that the WEU would be, after all, folded into the EU and then disappear. This was heralded at an informal European Council meeting at Portschach under the Austrian Presidency. The United States had no option but to accept the ESDP. However, this came with the condition that the EU avoid the “three Ds”: no decoupling (of ESDP from NATO); no duplication (of capabilities); no discrimination (against non-NATO members). The so-called Berlin Plus arrangements of December 2002 now govern relations between the EU and NATO in crisis management.³⁶

Meanwhile, at the fiftieth anniversary of NATO summit (April 25, 1999), the idea of European defense cooperation was endorsed. It noted its compatibility with the alliance, while at the same time enlarging NATO to include the Czech Republic, Hungary, and Poland.

The European Council meeting in Cologne in June 1999 announced the end of the WEU by the start of 2001 and the arrival of a legitimate EU defense policy. The EU would take over the WEU institutions and personnel. Javier Solana was appointed WEU secretary general in addition to his role as high representative for the CFSP. In response to the events in Kosovo, at the Helsinki European Council in December 1999 it was agreed that by 2003 the EU would be able to deploy up to 60,000 troops within sixty days for at least one year to deal with Petersberg task operations. New permanent political and military bodies would be established under the European Council. Two months later they were already holding their first meetings. In May 2003 the Council agreed that the EU had operational capabilities across the full range of Petersberg tasks.

A European security strategy (ESS) entitled “A Secure Europe in a Better World” was approved by the European Council in Brussels on December 12, 2003. It was drafted under Javier Solana and considered a counterpart to the U.S. security strategy. While affirming that “Europe has never been so prosperous, so secure or so free,” the ESS concludes that “the world is full of new dangers and opportunities.” Thus, in order to ensure security for Europe in a globalizing world, multilateral cooperation within Europe and abroad was to be the imperative, because “no single nation is able to tackle today’s complex challenges.” The ESS also identified a list of key threats Europe needed to deal with: terrorism; proliferation of weapons of mass destruction; regional conflict; failed states; and organized crime. It indicated as a strategic priorities for Europe the neighbors (Balkans, Eurasia, Russia), the Mediterranean, and the resolution of the Arab-Israeli conflict. The EU was to promote regional governance in Europe

and beyond and needed to become more capable and more coherent. The European Defense Agency was created in July 2004.

Toward a European Union of Thirty-Plus

On May 1, 2004, the Czech Republic, Estonia, Hungary, Poland, Slovenia, Cyprus, Latvia, Lithuania, Malta, and Slovakia joined the EU, followed on January 1, 2007, by Bulgaria and Romania, thus bringing the EU to a membership of twenty-seven countries. There is no doubt that enlargement has been one of the most successful policies of the EU.

One of the major external policies bolstered by the last rounds of enlargement was securing the new external borders of the EU. The 2004 Hague Program set the course for the EU's action in the area of freedom, security, and justice for the years 2005–09, and in 2005 a strategy for external dimensions of the JHA was approved. The Schengen Information System (SIS) was upgraded, and in 2005 the European Agency for Management at the External Borders (Frontex) became operational.

Since then, the EU has incorporated AFSJ issues into its cooperation and Association Agreements with third countries and organizations, such as the 2003 agreement with the United States on extradition and mutual legal assistance.

Another issue of concern became the fight against terrorism after the 9/11 attacks in the United States and the 2004 and 2005 bombings in Madrid and London. If before these attacks the action undertaken by the EU was mainly directed at fighting terrorism internally, later action was also taken abroad. In 2001 the EU governments agreed on an EU action plan on counterterrorism, which was then revised and adopted by the European Council in 2004 as the EU Plan of Action on Combating Terrorism. By this point, external relations had become increasingly relevant. Among the main objectives of the plan of action are actions towards countries where counterterrorist capacity or commitment to combating terrorism must be enhanced. The EU also initiated a political dialogue on counterterrorism with the United States, Russia, India, Pakistan, Australia, and Japan. In 2005 the EU adopted a counterterrorism strategy composed of four strands: prevention, protection, pursuit, and response. The EU was heavily engaged in formulating and adopting the 2005 UN Convention against Nuclear Terrorism and the 2006 UN Counter-Terrorism Strategy. It encouraged third states to ratify existing UN conventions and protocols.³⁷

Despite the fatigue and the problems, however, Croatia completed the process of membership negotiation, and, following the referendum held on January 22, 2012, the EU will comprise twenty-eight members. Negotiations are still

under way with Turkey (although Turkey seems to be less and less interested in membership now); Iceland, Macedonia, Serbia, and Montenegro also have the status of candidate countries. The historical significance of this enlargement to twenty-eight has not been adequately saluted either within or outside the EU. The lack of fanfare in recognizing the importance of incorporating one of the main actors of the Yugoslavian civil war as a member state is due to the “state of confusion” the EU has experienced in recent years. If the EU were a golf player, one could say that once two major stepping-stones had been achieved—the 2004–07 enlargements and the entry into force of the Lisbon Treaty—the EU has experienced the typical paralysis after reaching the eighteenth hole.

In June 2008, Ireland rejected the Lisbon Treaty, but then approved it one-and-one-half years later in October 2009, amid much ado about Poland’s and the Czech Republic’s intentions. Despite all difficulties, the new Treaty finally entered into force in January 2010. Following its ratification, a new EU executive had also been selected in November 2009. José Manuel Barroso was confirmed as European Commission president and assumed office in January 2010, along with the relatively unknown Baroness Catherine Ashton, who was made the EU high representative. Since her first press conference, the day of the nomination, Baroness Ashton made no secret of her lack of experience in the field of foreign policy (and of her willingness to learn about it). To the new post of EU president was named Belgian prime minister Herman Van Rompuy. In parallel that year of 2009, a major EU partner, the United States, saw President Barack Obama take charge in that country. In both the case of the EU and of the United States, expectations perhaps were too high, and the need to set up new administrations slowed down responsiveness and contributed to creating a perception of inaction.

In fact, not only did the EU fail to significantly upgrade its diplomatic outreach external action, but it rather became only interested in domestic and logistical problems. With the excuse that the new “European Diplomatic Service” had to be set up, the EU foreign policy decisionmakers—Commission, Council, and the member states—engaged themselves in non-so-well-hidden fights on who-gets-what in terms of posts and means. The EU therefore spectacularly failed in December 2009 at the Copenhagen summit on climate change—one of the EU’s strongholds—and it was not even invited to the last-minute summit organized by Barack Obama to find a sort of closing deal. The EU was further humiliated a few months later (May 2010) when Obama canceled the EU-U.S. summit that was to take place in Madrid (it finally took place at the margin of the Lisbon NATO summit in November 2010, to be privately dismissed by Obama as too technical). Likewise, the EU failed to foresee the coming of the Arab Spring—in

its own backyard—and was slow and fuzzy in its response, thus missing a spectacular chance to contribute to the democratic development of the area. Finally, the French decision to attack Libya (March 20, 2011)—which forced into action European (and American) partners—clearly showed the willingness of some member states to continue using foreign policy as a domestic tool to the detriment of EU common action.

Notes

1. Walter Hallstein, *United Europe: Challenge and Opportunity* (Harvard University Press, 1962), p. 79.

2. Treaty establishing the European Economic Community, art. 113.

3. *Ibid.*, art. 116.

4. “The Commission shall conduct these negotiations in consultations with a special committee appointed by the Council to assist the Commission with this task and within the framework of such directives as the Council may issue to it.” *Ibid.*, art. 113, 3.

5. *Ibid.*, art. 114.

6. In particular, the treaty established that the Community could negotiate Association Agreements with a union of states or an international organization giving birth to “reciprocal rights and obligations, common action and special procedure.”

7. The Association Agreement with Greece was signed on July 9, 1961, and became effective on November 1 of the following year. The agreement with Turkey was still under negotiation.

8. The Hague Summit Declaration, December 2, 1969, point 3.

9. The Copenhagen Report, July 23, 1973, Part I.

10. *Ibid.*, point 12(a).

11. Not until 1986, when the ANC refused to meet with the United Kingdom’s foreign secretary and Council president Sir Geoffrey Howe, did the UK finally change its position and agree to Community sanctions on September 16, 1986.

12. Federiga Bindi and Palma D’Ambrosio, *Il futuro dell’Europa* (Milan: Franco Angeli, 2005).

13. “Declaration on European Identity,” December 14, 1974, point II.9.

14. C. Hill and K. E. Smith, *European Union Foreign Policy: Key Documents* (London: Routledge, 2000), p. 299.

15. *Ibid.*, p. 317.

16. *Ibid.*, p. 259.

17. Established in 1986 with an initial membership of six, the Rio Group now comprises twenty-three countries: all of the Latin American countries plus the Dominican Republic, Jamaica, Belize, Guyana, and Haiti. Cuba joined the Rio Group in November 2008. The other Caribbean countries are represented by one of the full Caribbean members (presently Jamaica).

18. Such a decision was in fact made in Dublin on April 28, 1990.

19. Jacques Delors, *Le nouveau concert Européenne* (Paris: Editions Odile Jacob, 1992).

20. As far as the treaties of the Community are concerned, the only modifications concerned the number of members in the European Parliament. Of course, the main consequence was that Germany, which was a clear contributor to the Community budget in the past, would receive substantial financial aid for the new *Länder*.

21. Hill and Smith, *European Union Foreign Policy*, pp. 151–52.

22. Treaty on the European Union (TEU), art. J.1.4.

23. *Ibid.*, arts. J.2. and J.4.

24. B. White, *Understanding European Foreign Policy* (New York: Palgrave, 2001), p. 105.

25. *Ibid.*, p. 103.

26. Hill and Smith, *European Union Foreign Policy*, pp. 158–59.

27. On January 1, 1994, the so-called second phase of the EMU began (the first phase having been the freedom of circulation for capital accomplished under the single market). The European Central Bank (ECB) was thus created. Prospective EMU members had to comply with four criteria related to interest rates, the public deficit, and inflation rates. On May 2, 1999, the heads of state and government decided that eleven countries qualified to join the EMU: Portugal, Spain, France, Luxembourg, Belgium, Holland, Ireland, Italy, Germany, Austria, and Finland. The United Kingdom and Denmark opted not to participate; Greece was eventually accepted to join as of January 1, 2001.

28. Hill and Smith, *European Union Foreign Policy*, p. 195.

29. *Ibid.*, pp. 194–95.

30. S. Keukeleire and J. MacNaughtan, *The Foreign Policy of the European Union* (London: Palgrave Macmillan, 2008), p. 259.

31. See Luca Gori's chapter in this volume.

32. Keukeleire and MacNaughtan, *Foreign Policy*, pp. 54–55.

33. *Ibid.*, p. 55.

34. TEU, art. J.7, reads: "The common and security policy shall include all questions relating to the security of the Union, including the progressive framing of a common defense policy."

35. "At least a year before the number of member states exceeded twenty, a conference for the representatives of government was summoned with the aim of reexamining the dispositions of the Treaties, in particular, the composition and the performance of its institutions," Protocol n. 23, attached to the Treaty of Amsterdam.

36. Keukeleire and MacNaughtan, *Foreign Policy*, p. 176.

37. Keukeleire and MacNaughtan, *Foreign Policy*, pp. 227–38.

The New EU Foreign Policy under the Treaty of Lisbon

The Common Foreign and Security Policy (CFSP) was undoubtedly one of the most debated issues during the EU's "constitutional" process, which stretched from 2002 to 2007. The final outcome was not clear-cut. And so it remains, after the entry into force of the Treaty of Lisbon on December 1, 2009.¹ True, the new treaty introduces important CFSP innovations, but it also limits their scope through a series of conditions. It is worth focusing on both of these aspects in order to better understand what EU foreign policy might look like in post-Lisbon Europe. In so doing, this chapter first defines the position of the new CFSP within the framework of EU policies. It then focuses on the substantial innovations in the CFSP and concludes by addressing the pros and cons of the Lisbon Treaty's institutional architecture.

The CFSP in the Context of EU Policies

Following the legacy of the Constitutional Treaty, an important innovation of the Lisbon Treaty is the introduction of the EU legal personality. In the pre-Lisbon setting, only the European Community had a legal personality, whereas the EU's international status was uncertain. With the Lisbon Treaty, there is no longer a distinction between the two entities: the European Union encompasses all previous European avatars and becomes the sole representative of EU institutional settings both internally and externally. An important consequence of this fact is the overcoming of the distinction between the first pillar (European Community policies) and the second pillar (the CFSP) introduced by the Treaty of Maastricht. This means that the latter is now part of mainstream—Lisbon single pillar, we might venture to say—policies. At face value, this brings an end to the complex multipillar architecture created in Maastricht. However, it has to be kept in mind that the Treaty of Lisbon submits this simplification to several

conditions. All of them emphasize the special nature of the CFSP vis-à-vis the other policies.

First, CFSP specificity is stressed by its very location within the new treaty complex. According to the Lisbon Treaty, all provisions pertaining to the CFSP are included in the Treaty on the European Union (TEU), whereas all other policies are dealt with in the Treaty on the Functioning of the European Union (TFEU).

This separateness is at odds with the fact that the CFSP is strictly associated with other policies (such as commercial policy, international treaties, and development cooperation) within the broader concept of European external action. The Treaty of Lisbon tries therefore to show that the CFSP is “distinct from but intertwined with” the other “external action” policies through an ingenious, albeit circuitous, drafting. So the new title 5 of the TEU is divided into two chapters. Chapter 1 refers to the “horizontal” general provisions on the European Union’s external action. Chapter 2 contains specific provisions on the CFSP. Conversely, specific provisions related to the other external action policies of the EU are to be found in title 5 of the TFEU.

Second, the difference between the CFSP and the other policies is stressed by the specific provisions detailing the former. In this respect, paragraph 1 of article 24 of the new TEU is quite revealing. Its first part basically reiterates article 17 of the old TEU, according to which “the Union’s competence in matters of common foreign and security policy shall cover all areas of foreign policy and all questions relating to the Union’s security, including the progressive framing of a common defense policy, that might lead to a common defense.”² It is important to note here that the formulation of the Constitutional Treaty was less hypothetical: “The common security and defense policy shall include the progressive framing of a common Union defense policy. This will lead to a common defense when the European Council, acting unanimously, so decides.”³

The second paragraph mentions the special procedures that the CFSP needs to follow. First, the CFSP is defined by and is to be implemented by the European Council acting unanimously. Second, the policy is to be put into effect by the high representative of the Union for Foreign Affairs and Security Policy and by member states. Third, the adoption of legislative acts in this field is excluded. Fourth, the specific role of the European Parliament and the commission in this area is defined by the treaties. Fifth, the Court of Justice has no jurisdiction on CFSP matters. It is worth noting here that article 1-41 of the Constitutional Treaty seemed to leave larger room for maneuver to the minister of foreign affairs. The European Council was assigned the task of elaborating a common defense and security policy and adopting the necessary decisions. However, the union’s minister of foreign affairs was the only one in charge of implementing them (as opposed to the current formulation, according to which the European

Council “defines and implements” the CFSP, while the high representative “puts it into effect”).

Most of the caveats and conditions to which the CFSP is subject in the new treaty were already in the Constitutional Treaty. But the new layout of the TEU, as amended by the Lisbon Treaty, somehow magnifies them. It can be argued that their enumeration right at the beginning of the article introducing the CFSP aims at stressing the differences between the CFSP and other EU policies.

Third, the distinctiveness of the CFSP is confirmed by two almost cypoccat declarations attached to the final act of the conference. Declaration 13 emphasizes that “the provisions in the Treaty on the European Union covering the Common Foreign and Security Policy, including the creation of the office of high representative of the Union for Foreign Affairs and Security Policy and the establishment of an External Action Service, do not affect the responsibilities of member states, as they currently exist, for the formulation and conduct of their foreign policy.” The same declaration stresses that the EU and its member states will remain bound by the provisions of the charter of the United Nations and, “in particular, by the primary responsibility of the Security Council and of its members for the maintenance of international peace and security.” As if the message were not clear enough, declaration 14 in the final act reads as follows:

In addition to the specific rules and procedures referred to in paragraph 1 of Article 11 of the Treaty on the European Union, the Conference underlines that the provisions covering the Common Foreign and Security Policy including in relation to the High Representative of the Union for Foreign Affairs and Security Policy and the European External Action Service 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.⁴

The same declaration states that the provisions governing the CFSP do not prejudice the specific character of the security and defense policy of member states and underlines that CFSP provisions do not give new powers to the commission nor do they increase the role of the European Parliament.

As a matter of fact, these declarations only repeat *ad abundantiam* concepts already explicitly formulated in the articles of the treaty or implicit in its architecture. It is therefore revealing that member states felt compelled to restate the obvious. In a nutshell, the political message of declarations 13 and 14 is that member states don’t trust each other (or supranational institutions) and hesitate to fully commit themselves to a common foreign policy—as if their main

responsibility were to keep a tight rein on the CFSP rather than making sure that it works properly.

In this respect, the reference to the primary responsibility of the UN Security Council (UNSC) members is emblematic. Apart from the fact that the UN charter makes no reference to the responsibilities of individual UNSC members, it is worth noting the regressive nature of the declaration as compared to article 34 of the TEU. This article stipulates that “member states which are also members of the Security Council will, in the execution of their functions, defend the positions and the interests of the Union, without prejudice to their responsibilities under the provisions of the United Nations Charter.”⁵ This language seems much more forward thinking than that used in the declarations.

The contrast between the declarations and article 34 is further magnified by the enhanced external role of the high representative. The last paragraph of article 34 states that “when the Union has defined a position on a subject which is on the United Nations Security Council agenda, those Member States which sit on the Security Council shall request that the High Representative be Invited to present the Union’s position.”⁶ It is important to note here that the member state *shall* request, not *may* request.

So whereas article 34 fosters a better coordination among the EU member states, including those having specific positions in the UNSC, the declarations attached to the final act of the Lisbon Treaty point in the opposite direction. They do so by emphasizing that the new treaty does not aim to limit the possibility of EU member states to autonomously determine and enact their own positions on foreign policy matters, especially in the UNSC. This clearly shows that one of the main hurdles on the path toward a stronger and more convincing CFSP are the privileged positions retained by some EU member states in the international forums.

Fourth, brand-new provisions introduced by the Treaty of Lisbon further exemplify the specificity of the CFSP article 39 of the TEU and introduces an ad hoc legal basis for the legislation on data protection. Consequently, decisions regarding data protection in the arena of the CFSP will not be taken in codecision with the parliament and will require unanimity of the council.

Furthermore, in order to prevent the risk of an evolutionary approach to the interpretation of the flexibility clause, a special mention is inserted into article 352 of the TFEU clarifying that the flexibility clause inherited from the old treaty establishing the European Community cannot be used to pursue CFSP objectives. In addition, the clause has to respect the limits fixed by article 40 of the TEU (the principle of nonencroachment between the procedure established for the CFSP and the procedures established for the other external action policies). Legally speaking, the wall of separation created by article 40 is unnecessary. If

the treaty mandates a specific procedure for the CFSP and different (ordinary) procedures for the other external action policies, it goes without saying that the two procedures should not mix. However, the original intention of the member states was clearly to obviate the risk of evolutionary interpretations.

The Substantial CFSP Innovations Brought by the Lisbon Treaty

As far as the functioning of the CFSP is concerned, the Lisbon Treaty maintains most of the institutional innovations introduced by the Constitutional Treaty. The most important additional innovation is the “double-hat” position, which combines the preexisting portfolios of the CFSP high representative and of the EU commissioner for external relations. The Constitutional Treaty christened this new high official *union minister for foreign affairs*. However, the negotiations leading to the Lisbon Treaty modified the title in order to ease some of the EU member states’ fears about losing national sovereignty. More reassuringly, the new title is *high representative for foreign security and defense*.

The high representative is nominated by the European Council by qualified majority voting, with the endorsement of the president of the European Commission. She or he becomes a full member, and vice president, of the commission. The responsibilities and powers of the high representative vary depending on whether he or she is acting in matters pertaining to EU external relations (previously part of the first pillar) or in matters that fall under the CFSP umbrella (the former second pillar). In the first case, the high representative acts according to the collegiality principle, as an integral part of the European Commission. In the second case, the high representative acts as an agent of the European Council, with a right of initiative of his or her own. Furthermore, the high representative presides over the Foreign Affairs Council, with duties to ensure the coherence of all aspects of EU foreign policy, and is assisted by the European External Action Service, which is made up of national diplomatic services personnel and personnel from the European Council’s Secretariat and the European Commission.⁷

The whole package is quite interesting. But it comes with some ambiguities. For example, although the high representative is supposed to spearhead EU external action, he or she has no formal authority over the other commissioners who deal with foreign-affairs-related matters, such as enlargement, commerce, and development cooperation. The same goes for his or her role in the council. As president of the Foreign Affairs Council the high representative is expected to ensure the coherence of EU foreign policy, including external actions decided upon by other council configurations. But the General Affairs Council, whose presidency rotates among all the member states, could claim

the same responsibility. The partially overlapping competencies of those two council configurations (as well as the latent competition with the presidency) could spur controversy. However, it has to be noted that the high representative has considerable positional advantages in any turf battle. Despite the treaty's ambiguity, the high representative's centrality within the decisionmaking process and the administrative resources granted that individual by the treaties (the European External Action Service, to start with) could still make it possible to exert *de facto* leadership across the board.

The key to success will be his or her ability to take advantage of all these instruments and relate with the other commissioners and the member states. It must be hoped that Catherine Ashton, who was appointed high representative in November 2009, proves on the field that she possesses the necessary authority, prestige, and coalition-building capacity.

The European External Action Service is also vital for the success of the high representative's mission. The secretary general of the European Council, the high representative for the Common Foreign and Security Policy, the European Commission, and the member states began the preparatory work on the European External Action Service on the eve of the entry into force of the Lisbon Treaty. By the time these lines are written, the service has rolled on. It is a *sui generis* service, separated by the commission and the council secretariat and composed of personnel recruited among the member states (one-third) and European institutions (two-thirds). Its organizational chart remains to be completed, though, notably as far as the member states' quota is concerned. More generally, the service will need a few years to gain its footing and carve out its role among member states and other European institutions. Potentially, it could play a very useful role not only in supporting the high representative but also in helping hybridize the different foreign policy traditions as well as the organizational cultures of European institutions and of the national diplomatic services.

As far as decisionmaking procedures are concerned, the Lisbon Treaty introduces two sets of innovations concerning extension of qualified majority voting and enhanced cooperation. With regard to the former, the Lisbon Treaty preserves in practice all of the Constitutional Treaty's innovations. Most important, in the case of the CFSP, the same general provision applies, which permits the European Council to unanimously decide whether to adopt qualified majority voting in areas where unanimity is still foreseen.⁸ Theoretically, this provision could be used to normalize the CFSP—but not the European Security and Defense Policy (ESDP), which is explicitly excluded—aligning its procedure with “ordinary” policies. And this, without even bothering to convene an inter-governmental conference.

A special provision is foreseen for the CFSP, according to which the European Council can unanimously adopt a decision stipulating that the council act by qualified majority in cases other than those referred to in paragraph 2 of article 31 of the TEU.⁹ Consequently, should the member states decide to make use of this special clause (*passerelle*), the qualified majority would be introduced not for the whole CFSP but only for specific types of decision. What exactly “cases other than those referred to in paragraph 2 of article 31” means is not completely clear. But we might infer that the expression refers to specific fields (for example, human rights) or to decisions taken in specific forums (for example, common positions within, say, the Organization for Security and Cooperation in Europe) or to decisions arrived at through new procedural conditions to be determined.

One such type of decision is already devised in article 31, paragraph 2. This paragraph enumerates the (very limited) cases in which decisions can be taken through qualified majority voting in the area of the CFSP and is almost identical to article 23 of the “old” TEU—bar one provision. According to the newly added second bullet, the council shall act by qualified majority voting when adopting a decision defining an EU action or position on a proposal that the high representative has presented following a specific request from the European Council, made on its own initiative, or that of the high representative. In principle, this provision, however tangled it might sound, could lead to a modicum of qualified majority voting in the CFSP, although its potential is diminished by an “emergency brake,” which was added by the 2004 Intergovernmental Conference. This stipulates that, should a member of the European Council oppose “for vital and stated reasons” the adoption of a decision to be taken by qualified majority voting, the vote will not take place. In that case, the council, acting through a qualified majority, may request that the matter be referred to the European Council for a decision by unanimity.

The whole article 31, paragraph 2, second-bullet mechanism will realistically work only for situations in which either none of the member states has particularly strong preferences or there are no major divisions within the council. In these cases, it is reasonable to assume that the heads of state and government easily reach the consensus necessary to request a proposal by the high representative and that no member state considers that its interests are so vital as to activate the emergency brake.

Conversely, on particularly sensitive issues it is unlikely that the heads of state and government would take the chance of asking for a proposal from the high representative. And even if they did, the procedure could be wrecked at a later stage, since member states would hardly resist the temptation to activate the emergency brake if outvoted.

Concerning the second set of procedural innovations introduced by the Lisbon Treaty, one of the goals of the constitution was to streamline as much as possible the three enhanced cooperation procedures (one for each pillar) provided for by the old treaties. This goal has not been fully met. True, Lisbon cuts some corners and makes enhanced cooperation in the field of CFSP easier. But the difference with the ordinary enhanced cooperation procedure remains. For example, authorizing a specific enhanced cooperation in the field of CFSP takes a unanimous vote of the Council of Ministers, even though for the ordinary policies a vote by qualified majority voting is sufficient.¹⁰ This does not mean that there are no positive developments. The 2007 Intergovernmental Conference confirmed the right of the members of an enhanced cooperation (any kind of enhanced cooperation, including CFSP) to adopt by unanimity a decision stipulating that the qualified majority voting rule apply where the provisions of the treaties applicable in the context of that specific enhanced cooperation mandate unanimity. Similarly, where the provisions of the treaties that may be applied in the context of enhanced cooperation impose a special legislative procedure, the members of the cooperation can switch to the ordinary legislative procedure.¹¹ It has to be noted, however, that this does not apply to military or defense matters.

Defense Policy

Most of the stipulations discussed in relation to the CFSP are also applicable to the ESDP. If the new article 24, the two declarations, and many provisions of the Lisbon Treaty aim at buffering the CFSP, preventing any unwarranted development, this is all the more the case for the ESDP. This logic is also reflected in article 4 of the TEU, on relations between the European Union and its member states. Using the same formulation as the Constitutional Treaty, it stipulates that the EU shall respect essential state functions, “including ensuring the territorial integrity of the State, maintaining law and order, and safeguarding national security.” It goes on to emphasize that “national security remains the sole responsibility of each member state.”

However, these provisions do not diminish the global significance of the ESDP reform brought about by the new treaty. Indeed, Lisbon borrows from the Constitutional Treaty a series of important innovations in the field of defense, which by now is considered an integral part of the CFSP.¹² First, the scope of the so-called Petersberg tasks—the missions that the EU may accomplish by both civil and military means—is considerably increased.¹³ It is also stipulated that the council can decide, by unanimity, to grant the responsibility of managing these missions to a group of states.¹⁴

Second, the possibility is envisaged that the member states that want to assume a larger role in this field can create among themselves a permanent structured cooperation after a decision of the council. This decision needs to be agreed upon by a majority vote and after consultation with the minister of foreign affairs.¹⁵ The criteria for access to the permanent structured cooperation are defined in an ad hoc protocol. Its first article stipulates that the structured cooperation is open to any member state that wants to enhance its defense capacity. It can do so by increasing its national contribution to the main European programs of equipment providers or by participating in, for example, multinational task forces and the activities of the European Defense Agency in developing defense capacity, research, acquisition, and armaments. It should be able to provide combat units for any foreseen missions, as a national force or as part of a multinational task force, all of them organized as combat forces, with the elements of support, transport, and logistics and the capacity to pursue the above-mentioned missions as stipulated by article 44 of the TEU.¹⁶ These combat units were to be provided by 2007 at the latest, and they would be deployed within five to thirty days, in particular following a demand from the United Nations. They would be deployed for a varying period, from 30 to 120 days.

Article 46 of the TEU (Constitutional Treaty, ex article 3-312) stipulates that any member state can request participation in an existing structured cooperation. It should first notify its intention to the European Defense Council and to the minister of foreign affairs of the European Union. The Defense Council can then adopt a European decision confirming the participation of any interested member state that meets the criteria and commits to the duties entailed in the protocol.

At the same time, it is stipulated that member states will commit to a reciprocal defense.¹⁷ While showing consideration for the specific conditions in certain member states (ostensibly, those historically committed to neutrality), this formulation introduces an obligation to provide mutual assistance should a member state be the victim of military aggression on its territory. This aspect is particularly important to creating an authentic European defense community compatible with the framework of NATO and the UN. Using the same mind-set, the Lisbon Treaty stipulates the creation of an agency with arms, research, and military capacity (the same provisions included in the Constitutional Treaty). Anticipating their entry into force, the decisions establishing the agency were unanimously adopted by the council on July 12, 2004.

With regard to the decisionmaking process, it should be noted here that the unanimity rule is even stronger in the ESDP than in the CFSP. However, both the Lisbon Treaty and the Constitutional Treaty enumerate a series of limited but important cases when the unanimity rule can be replaced by qualified majority

voting. This is the case, for example, for the determination of the statute, headquarters, and functioning of the European Defense Agency, for the beginning of a permanent structured cooperation, and for the creation of an initial budget for financing certain preparatory missions of the ESDP. An important innovation here is the possibility to use enhanced cooperation, although, unlike the CFSP, the special *passerelle* clause of the TEU—article 333—does not apply.

Conclusions

From the preceding remarks we may draw the conclusion that the Lisbon Treaty has somehow circumscribed but not neutralized the most innovative Constitutional Treaty provisions concerning the CFSP.

Some might attempt to resurrect the old pillars, using as a pretext the fact that the CFSP is dealt with in the TEU, as opposed to the other policies, that are detailed in the TFEU. But the global layout of the two treaties and, above all, the single legal personality of the EU should constitute a sufficient protection against this risk.

At the end of the day, leaving aside the technicalities and the many caveats introduced by the Constitutional Treaty and the Lisbon Treaty, the factor that will determine the success or failure of the “new CFSP” will be the capacity of the high representative to create a common European political will on the main international issues. And it is a fact that, in essence, the high representative retains most of the powers that the Constitutional Treaty gave to the EU minister of foreign affairs in order to reach this goal.

It is discouraging, however, to see the diffidence and reluctance that underlie the demands that so many member states filed while negotiating the new treaty. Between 2005 and 2007 institutional negotiations sometimes appeared to be seen as an instrument to create shields of protection against the other member states and European institutions, rather than as a way to promote common interests. It is clear, therefore, that until these reservations are overcome, and mutual confidence fully restored, the European integration process will not make significant progress, at least not with twenty-seven member states.

In the CFSP and ESDP, as in other arenas of European integration, unanimity could prove to be too cumbersome. It is therefore crucial that some provisions of the Lisbon Treaty permit, under specific circumstances, limiting the veto power of individual member states. This is especially true for the clauses on permanent structured cooperation and for the ad hoc provisions in the field of defense policy, which permit some member states to proceed more rapidly than others on the integration path—in case these others dig in their heels. It is now up to the leaders of the member states and European institutions, using

the tools offered by the Lisbon Treaty, to develop a genuine European foreign and security policy.

Notes

1. It must be remembered that the Treaty of Lisbon is an offspring of the Treaty Establishing a Constitution for Europe, commonly referred to as the Constitutional Treaty, which was signed on October, 29, 2004, after long negotiations, including a quasi-constitutional debate at the Convention on the Future of Europe. The rejection of the document by French and Dutch voters in May and June 2005 brought the ratification process to an end. Following a period of reflection, the Treaty of Lisbon was negotiated to replace the Constitutional Treaty. The layout of the two texts is completely different, but the Treaty of Lisbon preserves many of the innovations of the Constitutional Treaty.

2. Treaty on the European Union (TEU), article 17 (<http://eur-lex.europa.eu/en/treaties/dat/11997M/htm/11997M.html#0145010077>).

3. Treaty Establishing a Constitution for Europe, article 1-41, part 2 (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2004:310:0011:0040:EN:PDF>).

4. Declaration Concerning the Common Foreign and Security Policy (<http://eur-lex.europa.eu/en/treaties/dat/12007L/htm/C2007306EN.01025502.htm>).

5. Article 34, TEU (eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2008:115:0013:0045:EN:PDF).

6. Article 3-305, Constitutional Treaty (eur-lex.europa.eu/JOHtml.do?uri=OJ:C:2004:310:SOM:EN:HTML).

7. Article 27, TEU.

8. See article 48, para. 7, new TEU; ex article 4-444, Constitutional Treaty.

9. See article 31, para. 3, and ex article 1-40-7. This provision was already present in the Constitutional Treaty, ex article 3-300.

10. Article 329, TFEU; ex article 3-419, Constitutional Treaty.

11. Article 333, new TEU; ex article 4-422, Constitutional Treaty.

12. Article 42, TEU; ex article 1-41, Constitutional Treaty.

13. Article 43, TEU; ex article 3-309, Constitutional Treaty.

14. Article 42, para. 5, TEU; article 44, TEU; ex article 3-310, Constitutional Treaty.

15. Article 46, TEU; ex article 3-312, Constitutional Treaty.

16. Ex article 3-309, Constitutional Treaty.

17. Article 42, TEU; ex. article 1-41.7, Constitutional Treaty.

The Making of EU Foreign Policy— Does Lisbon Matter? A View from Within

For most commentators the European reaction to the Arab Spring has been another disappointment. The European Union was not a main stakeholder in the process, and for some it seemed as if the EU as a whole was not concerned about the events. There is some truth in this: the intervention in Libya, for instance, was mainly a French and British operation, while Germany chose not to be involved. Yet it would be unfair to jump to the conclusion that the EU failed to react fittingly to the crisis in the Arab world altogether, and to interpret the EU's position as one more piece of evidence of the inconsistency or even complete lack of a European foreign policy. It is true that the Common Foreign and Security Policy is not comparable with the foreign policy of any individual member state, but it would be misleading to believe that it represents the full potential that the EU foreign policy can offer. Rather, it is one tool that the EU can use to promote its interests in the world. This may fall short of the expectations of those who negotiated the Maastricht and then the Lisbon Treaties. However, I would like to propose a broader approach to EU foreign policy, one that would, as is the case with national foreign policy, take into account the whole range of actions and instruments that make up the EU's role in the world. After all, this was the rationale behind one of the most relevant changes introduced by the Lisbon Treaty: the unification of the previously separated roles of high representative for Foreign Affairs and Security Policy and vice president of the European Commission. In other words, by embracing a large variety of policies and instruments, I will try to offer a more complete assessment of the strengths and weaknesses of EU foreign policy and the impact of the Treaty of Lisbon.

The views expressed in this chapter reflect solely those of the author in his personal capacity and not necessarily those of his institution, the Italian Ministry of Foreign Affairs.

The European Union as an Area of Prosperity: The Case of EU Enlargement

The European Union is an area of prosperity and its main achievement in the last twenty years has been the spreading of its benefits, values, and wealth to the countries on its borders that for many years had been under a communist regime. The enlargement to certain Central and Eastern European countries is one of the most remarkable contributions that the European Union has made toward achieving peace in the world. In this sense, the enlargement policy has always been one of the pillars of EU external action, as a means of fulfilling the original purpose of the European project itself—the reunification of the continent under the values of peace, democracy, stability, and prosperity.

There is little doubt that the accession of the ten Eastern European states has fostered a redistribution of income and wealth in the continent, above all to the benefit of the new member states. In the years from 1995 to 2000, the gross national product (GNP) has grown on average by 2.5 percent in the original fifteen European countries and by 4.5 percent in the ten new member states. From 2001 to 2007, the increases were 2 percent and 6.5 percent, respectively. This difference in growth has meant a reduction in the gap between the two GNPs per capita: in 1996, the average GNP per capita of the ten new member states (around \$8,000) was about a third of that of the fifteen original states (\$21,000); in 2007, the gap was reduced to approximately 50 percent. Unfortunately, this positive trend has been adversely affected by the economic crises of 2008 and 2011. Nevertheless the power of accession is still strong as new countries are striving to join the European Union.

This process of EU enlargement is continuing. During the Hungarian presidency of the EU (itself a former communist country), Croatia completed the negotiations for accession: the Accession Treaty was signed in December 2011 (at the end of the Polish presidency, another new member), and formal accession should take place by July 2013. Croatia's accession will be an important step forward for the European integration of all the Western Balkans. The region continues to face important political challenges related to the transition to democracy, while some bilateral disputes still hamper regional cooperation. In such a context, it is self-evident that the "European perspective" represents the only way to promote the definitive consolidation of democracy, security, stability, and economic development in this area. The EU mission to unify the continent cannot be considered accomplished until all the Western Balkan countries join the European family.

Through the Stabilization and Association Process, the region has made noteworthy progress in establishing stability, democracy, and security. Pro-European

governments are in place in all Western Balkan countries. Democratic reforms still seem to be the most effective way of eradicating the historical roots of instability in the area—nationalism and ethnic strains. The key issue now is to ensure that the Western Balkans keep their focus on the European agenda. The European Union therefore needs to guide and encourage this ongoing process. The Serbian case is emblematic. A pro-European government has put forward an agenda of economic and political reforms with the objective of meeting the EU criteria and ultimately joining the EU. By doing so, it has enjoyed a good degree of internal consensus, which was strengthened by certain results: in 2010, for instance, public support for the “European perspective” rose sharply thanks to the decision by the European Union to liberalize its visa policy. The EU went further and granted Serbia candidate status in March 2012. The next step will be the beginning of negotiations. By the same token, the “European perspective” has proven to be a powerful catalyst for the much-needed reforms, even in countries still facing a more complicated transition, such as Bosnia-Herzegovina and Albania. Kosovo is also at the top of the EU’s agenda, and the opening of a dialogue conducive to the liberalization of the visa policy was announced in spring 2012.

In this framework, special attention must be given to Turkey. It has committed itself to the EU integration process and has achieved remarkable progress in recent years, encouraged by the “European perspective.” It is in the EU’s interest to make sure that Turkey maintains a strong commitment to its European path. Ankara is a strategic partner of the EU in the regional stabilization process, in energy security, and in the areas of justice, freedom, and security. Turkey’s accession into the EU will add vitality and vibrancy to the Union and its policies. Besides contributing to its modernization, Turkey’s accession would have a decisively positive impact on stability in the entire region of the Mediterranean. Turkey’s extensive knowledge and engagement in areas where the EU has wide strategic interests, such as the Caucasus, Central Asia, and the Middle East, will enrich the Common Foreign and Security Policy.

The Neighborhood Challenge: A New Approach for the Mediterranean

I return to the challenges posed by the Arab Spring. The complexity of the societies within the EU’s southern neighbors and the wide range of causes at the root of the events that are dramatically changing the region (such as the unsatisfied demand for democratization, economic and social inequalities, high unemployment rates, poor living conditions, lack of modernization, widespread corruption, and so on) led the EU to a comprehensive revision of its relationships with its southern Mediterranean neighbors and the launch of a new strategy,

epitomized in two communications *A Partnership for Democracy and Shared Prosperity with the Southern Mediterranean* and more recently *A New Response to a Changing Neighborhood*.¹

The European Union offers a wide variety of instruments—for example, support for economic development, support for civil society, enhancement of trade and investment relations, and well-managed mobility of people. This support is at the core of a long-lasting stabilization, the foundations of which are based in freedom, a thriving civil society, respect for human rights, the democratic process, national reconciliation, and good governance. The ability to tackle the Arab Spring crisis effectively will be a test of the EU's capacity to assume its share of responsibility and reliability as a global player, capable of successfully promoting the consolidation of democracy, security, stability, and economic development at its borders. In this sense, it will be crucial for the EU to succeed in affirming its role as a major stakeholder in the management of present events within southern Mediterranean countries.

Some of the introductory paragraphs of the European Commission's communication of May 25 offer the best explanation of how the EU has faced up to the Arab Spring crisis:

A new approach is needed to strengthen the partnership between the EU and the countries and societies of the neighborhood: to build and consolidate healthy democracies, pursue sustainable economic growth and manage cross-border links.

The European Neighborhood Policy should be a policy of the Union with the member states aligning their own bilateral efforts in support of its overall political objectives. Equally, the European Parliament has a central role to play in helping to deliver some of its central objectives. And beyond that, the ENP should serve as a catalyst for the wider international community to support democratic change and economic and social development in the region.

This partnership with our neighbors is mutually beneficial. The EU is the main trading partner for most of its neighbors. Sustainable economic development and job creation in partner countries benefits the EU as well. Likewise, managed movement of people is positive for the entire neighborhood, facilitating the mobility of students, workers and tourists, while discouraging irregular migration and human trafficking. Active engagement between the EU and its neighbors in areas such as education, strengthening and modernizing social protection systems and advancing women's rights will do much to support our shared objectives of inclusive growth and job creation.²

The renewed partnership has safeguarded the main achievements of the existing European Neighborhood Policy (ENP) and its institutional set-ups. However, we need a new approach for the Mediterranean that should be based on a revised set of principles, first of which are partnership and ownership.

Democratization and human rights are not the result of a top-down process. The EU needs to assist southern Mediterranean countries and their peoples to develop their own path toward democracy, but in a manner that avoids a prescriptive approach based on uniform schemes, benchmarking, and deadlines and that in turn risks backfiring and alienating even those governments genuinely ready to cooperate. As a corollary of the above, the EU has to offer “tailor-made” solutions, in line with the specificities of each country.

The ENP incentive-based approach toward partners that offers “more for more” has to be safeguarded. Nonetheless, as the ENP is a political instrument, the EU cannot use a mechanical equation to determine the amount of funding that a country receives on the basis of its progress in establishing a democratic process. Such a calculation could result in a counterproductive reduction in financial support for the most unstable countries. On the contrary, the EU needs to envisage the possibility of reversing the “differentiation principle” in specific cases and increasing assistance where it is most needed.

Through a new dialogue with our southern partners the EU needs to develop initiatives for jointly managing irregular and legal migration policies. Mobility partnerships will soon be launched with Tunisia and Morocco. The European Commission is also planning similar initiatives with Egypt and Libya, when conditions are met. The commission aims to bring together in a systematic and comprehensive manner all immigration policies (be they legislative or practical) to ensure the safe and well-managed movement of persons between the EU and the Mediterranean countries. These new policies should focus also on circular migration, vocational training, and voluntary return programs, together with specific safeguards for increasing capacity building and financial support in border management as well as for preventing and fighting against irregular migration and trafficking of human beings. Visa facilitation and readmission agreements should also be negotiated.

To achieve concrete results, it is necessary to guarantee adequate financial support to our southern partners. Given the magnitude of the Arab Spring crisis, a mere rationalization of present allocations is not sufficient. The EU needs to increase not only European Neighborhood and Partnership Instrument (ENPI) allocations and extend the area of intervention of the European Bank on Reconstruction and Development (EBRD) to the Middle East and Northern African region but also to envisage a synergic use of available financial resources: ENPI, the European Investment Bank, EBRD lending, the Facility for

Euro-Mediterranean Investment and Partnership, the Instrument for Stability, the European Instrument for Democracy and Human Rights, macrofinancial assistance, international financial institutions' funds, bilateral funds, and the like.

The objective is to mobilize a critical mass of financial resources for promoting economic reforms and socioeconomic development: the EU should assist partners in developing a sound business climate, thus also paving the way to easing market integration. At the same time, support should be given to establish a strong private sector and to develop infrastructure: interventions could be focused on the promotion of Small and Medium Enterprises (SMEs) (through grants, loans, and microcredit, for example), on technology and know-how transfer, and on infrastructural integration in the energy and transportation sectors, such as the EU project for use of renewable energy in the Med countries (solar plan, electricity interconnections, seaways, and so on).

A reinforced economic integration has to be an essential topic in future relations with EU's southern neighborhood. Besides concretizing the "neighbors' stake in the internal market" in the fields of transportation, energy, the environment, and Mediterranean integrated maritime policy and fishery policy, the EU should accelerate the conclusion of ongoing bilateral negotiations and enhance preferential trade relations with a view to deeper market integration.

The Attraction of the Single Market: Trade and Investment

Another important tool of EU external actions is the attraction of becoming a member of a single market of approximately 500 million people. The EU is the world's largest market and the biggest world trade power with approximately a 20 percent share in the global trade of goods and services. For almost all countries in the world, the EU is the largest trade and investment partner. Those partners are therefore keen to enhance their economic and trade relations with the EU.

The main and most effective vehicle for developing closer trade ties is the Deep and Comprehensive Free Trade Area (DCFTA). DCFTAs provide for the gradual dismantling of trade barriers and aim for regulatory convergence between the EU and the interested partner in areas that have an impact on trade, in particular sanitary and phytosanitary rules (SPS), animal welfare, customs and border procedures, competition, and public procurement. These rules are designed to be dynamic in order to keep pace with regulatory developments in the EU's internal market. For the most advanced partners, a DCFTA can lead to a progressive economic integration with the EU internal market. Because DCFTAs entail a progressive approximation of EU rules and practices, they require a high degree of commitment to complex and broad-ranging reforms. This commitment needs strong institutional capacity. The reforms can be

politically challenging and require the involvement of the business community as well as other interested parties. To embark on negotiations, partner countries must be WTO members and address key recommendations that will enable them to comply with the resulting commitments. They must also have made sufficient progress toward EU's common values and principles.

This approach is above all appropriate for our eastern partners. Ukraine is first on the list and a DCFTA, in the framework of an Association Agreement, is ready to be signed. A similar path will be followed by Moldova, Armenia, and Georgia.

Trade policy is a formidable instrument that can also be used effectively with new partners in areas such as Asia. A free trade agreement (FTA) was signed with South Korea in 2010, opening the way for a new era in the European relationship with one of the most active economies in the world. Negotiations are ongoing with Singapore, India, and Malaysia. Japan has also shown interest in developing relations with the European Union and is ready to open FTA negotiations. Japan is actually a special and very interesting case. It accurately represents the opportunities and also the limits of EU engagement with some countries. Given that the EU and Japan share fundamental, democratic values and common positions on major global issues, there is untapped potential for a closer EU-Japan relationship. The EU and Japan's joint efforts, operating as key global players, would prove a significant contribution to confronting the most urgent global challenges. The decision taken during the latest EU-Japan summit in Brussels to upgrade bilateral relations to a strategic partnership and start the process that will lead to FTA negotiations and a political framework agreement is therefore welcome. The European Union and Japan both have much to gain from intensifying their mutual cooperation, starting with the opening of their respective markets. However, this has to take place on a level playing field. In Japan, foreign investment and trade are still hampered by a large number of so-called nontariff barriers, and their dismantlement must be a precondition for any FTA negotiations with Japan.

The EU is also committed to strengthening transatlantic relations. The economy still lies at the heart of its partnership with the United States; both sides of the Atlantic share the objectives of a full recovery from the economic crises and a full exploitation of this relationship's economic potential. The transatlantic partnership also aims at enhancing cooperation in facing global security challenges with both the EU and the United States sharing the same threats and priorities.

Strategic Partners

The EU's economic weight has to be used as leverage to increase its political influence and soft power in general. In this sense EU trade policy could be used

not only as an instrument to advance economic interests, but also as a tool aimed at promoting its values and at boosting its influence on global issues (security, human rights, climate change, the fight against terrorism, poverty reduction, and regional stabilization). To reach this goal, the EU has to reinforce its standing as a promoter of welfare and stability in the world and as a capable and responsible international partner in crisis management, while at the same time identifying precise and realistic objectives to pursue in the areas where its interests are at stake. It is crucial that the EU adopt an open attitude toward the request of emerging powers to play a greater role in the setting of the international agenda and in the elaboration of global rules. Their request represents, in fact, a precondition to push for a parallel commitment by them to assume corresponding responsibilities. This vision lies at the core of the EU's relationships with those emerging powers that it considers strategic partners—China, India, and Brazil. Intensive cooperation with such countries is indeed a tool for mutually strengthening the global stance on the world stage and a constructive influence on the most relevant global issues.

A new profile of the European Union in the world has to be found where the EU can adapt its external policy to changes in the international arena according to the different weights assigned to emerging actors in the decisionmaking process.

From a methodological point of view, the definition of “strategic partnership” should primarily respond to a shared need of both parties in which each partner recognizes the other as a subject capable of having a decisive influence in crucial macro areas; its own access to vital resources for economic development and the containment of its own most visible and immediate security threats could be relevant factors in this regard.

A case in point is Russia. A long-term strategy is needed to ensure continuity and coherence in the EU's actions toward Moscow. Certainly the energy issue is pivotal in any present and future cooperation, but the EU should try to engage Russia in a broader agenda and to share responsibilities in facing the various threats to international security.

The EU's ambition to play a meaningful role as a global actor cannot be dissociated from enhanced activity in the main multilateral forums. The Lisbon Treaty offers a great opportunity to raise the European profile in the United Nations, and the EU should not miss the opportunity to make the European voice, not just those of its members, be heard and respected.

The European Union as a Community of Values

The EU voice will be all the more appreciated if the European Union proves its ability to promote effectively the values that are at the core of its own existence.

The approach that the European Union takes toward its partners has to be based on mutual accountability and shared commitment to universal values of liberty, democracy, respect for human rights, fundamental freedoms, and the rule of law.

One of the most serious violations of human rights and fundamental freedoms is discrimination on the basis of religion or belief, which has not been limited to a particular confession or to a specific region of the world, but which in recent years has been targeted particularly at Christian communities in several countries.

At the end of 2009, after a wave of violence against religious minorities occurred in several countries, the European Council adopted ad hoc conclusions on freedom of religion, and, in June 2010, it promoted an “action plan” and developed a “task force on freedom of religion,” which meets regularly in Brussels at the senior level. Its main task is to implement measures for the promotion of religious freedom, broadly divided into four categories: bilateral actions, multilateral initiatives, financial support for the promotion of human rights and democracy, and education and capacity building. At the end of 2010, a document outlining the “guidelines” and “key messages” of the Union with regard to religious freedom was disseminated to the EU delegations and member states’ embassies worldwide.

In February 2011, the Foreign Affairs Council decided that the EU would conduct periodically a worldwide survey on the status of religious freedom. The first survey was completed by May 2011, after which the European External Action Service received country reports from the EU delegations, which included sections on specific actions taken by the delegations in coordinating the activities of member states at the local level.

With these data, the European Union will define a list of ten to fifteen countries where religious discrimination is of serious concern. The EU also will include the principle of freedom of religion in all relevant EU policies (such as the European Neighborhood Policy Action Plan commitments, country strategies, and indicative assistance programs) and will present new initiatives at UN and regional forums to engage all major stakeholders (including EU institutions; the European Parliament; the Office of the High Commissioner for Human Rights (OHCHR); UN Special Rapporteur; NGOs; and confessional and non-confessional organizations).

The Treaty of Lisbon: New Foreign Policy Instruments

The question to ask now is how the Lisbon Treaty has affected the effectiveness of this large variety of tools and actions. Before the Treaty of Lisbon, the EU’s external action was conducted by three separate actors: the High Representative

for Foreign Affairs and Security Policy (HR), the European Commission, and the rotating presidency. Such a fragmented design hindered any genuine attempt to turn EU economic power into political power. The Lisbon Treaty is a significant step forward because it has conferred powers on the HR that make this position a pivotal element of EU architecture (the HR is also permanent president of the Foreign Affairs Council and participates in the European Council). However, the HR has not been able to make full use of the position's prerogatives and power. In the words of Baroness Ashton, speaking before the European Parliament concerning the role of the European Union vis-à-vis the Arab Spring: "It was like flying an airplane while we are still building the wings and somebody is trying to take the tail fin off at the same time."

The European Union is continuing to build the "airplane" that, it is hoped, will allow the high representative "to fly" one day. One of the main innovations introduced by the Treaty of Lisbon is the creation of a "European" diplomatic service: the European External Action Service (EEAS). Development of the EEAS has intensified over the last year; there are now 125 EU delegations, which have replaced the former European Commission delegations. The delegations have new competencies and new people. With almost one-third of the diplomatic staff coming from the member states, the EEAS automatically has the experience of national diplomacy, which has enabled it to make its voice heard widely. In 2010, it issued 310 statements covering the entire range of competencies and activities of the EEAS, while in the first six months of 2011, 285 EU statements had already been issued.

Finally, one should not neglect or underestimate the extraordinary contribution to peace and prosperity by EU operations all over the world. The EU is conducting ten civilian missions (in Bosnia, Kosovo, Afghanistan, and Georgia, for example), having completed seven already. Three military operations are still active—Althea in Bosnia; Atalanta, protection of vessels off the Somali coast; and the European Union Training Mission in Somalia—while five have now been completed.

Conclusions

This wide range of policies and instruments makes the European Union a powerful actor in world affairs. However, its actual role is less than its potential; thus the EU is not perceived for what it really is. The economic crises that began in 2007–08 has forced the EU to focus inwardly, and increasingly the European Union is seen to have diminishing influence in the world. A new effort is needed and, from this point of view, the EU institutions, starting with the high representative and the EEAS, have an important task to fulfill. At the same time, the

continuation of EU enlargement, trade relations, and a new approach toward our neighbors will all help to reinvigorate the EU stance. Ultimately the strength and the capacity of the EU to be an influential player will depend mainly on its capacity to still be an example and model for the world.

Let me conclude by quoting the President of the Italian Republic, Giorgio Napolitano, from his speech before the General Assembly of the United Nations on March 28, 2011:

In the universality of the UN, the European pattern does not claim to be a one-size-fits-all model. Yet, by succeeding beyond any realistic expectation, the EU epitomizes the benefits and added value of multilateralism and international cooperation. Let me take pride in our journey from ashes and rubble to a healthy union of peoples and governments. What we have achieved in Europe, in peace, stability, prosperity and justice is what the Charter of United Nations stands for in the world.

Notes

1. European Commission, *A Partnership for Democracy and Shared Prosperity with the Southern Mediterranean*, Brussels, COM (2011) 200 final, March 8, 2011; High Representative of the Union for Foreign Affairs and Security Policy and the European Commission, *A New Response to a Changing Neighborhood: A Review of European Neighborhood Policy*, Brussels, May 25, 2011.

2. High Representative of the Union for Foreign Affairs and Security Policy and the European Commission, *A New Response to a Changing Neighborhood*.

Common Security and Defense Policy: Development, Added Value, and Challenges

Quite surprisingly, the Common Security and Defense Policy (CSDP)—labeled the European Security and Defense Policy (ESDP) until the Lisbon Treaty¹—emerged in the previous decade as one of the spearheads of the EU's foreign policy and a main asset in the EU's foreign policy toolbox.² Even more, the CSDP seemed to become one of the rare recent success stories of European integration. This came at a time when the integration process seemed to be in disarray, with growing divergences between the twenty-seven member states, a weakened institutional framework and European leadership, and serious hurdles to getting the Lisbon Treaty ratified. In a quite short period of time, the EU managed to translate the first ideas on the CSDP into concrete operational capabilities, leading to more than twenty operations on most continents by 2011. The emergence of the CSDP as a light in the darkness was remarkable, particularly as the military and security dimension has been one of the major taboos in the European integration process for several decades. This fundamental change was made possible because, for the first time in some fifty years of European integration, the member states had managed to sufficiently overcome two major areas of tension that had paralyzed EU foreign policy: the cleavages between European integration and Atlantic solidarity and between civilian and military power. However, by the time the Lisbon Treaty entered into force, in late 2009, the expectation that CSDP would definitively be the spearhead of European foreign policy had to be modified.

This chapter discusses the historical background, explaining the long-standing taboo on military and security issues; analyzes the establishment of the CSDP and of the EU's military and civilian crisis management instruments and

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operations; and concludes with an evaluation of the challenges of the CSDP in light of other policy instruments and the EU's obligation to look into consistency and coherence in structural crisis management.³

Historical Background

After World War II, the resulting Western European military weakness, American military superiority, and the perceived Soviet threat meant that for most Western European states the Atlantic alliance and the American guarantee were the essential prerequisites for security.⁴ In April 1949, the signing of the North Atlantic Treaty sealed America's commitment to providing a security guarantee for its Western European allies. However, it was not clear at that time what kind of military structures would be established to organize Western Europe's collective defense and what the position of West Germany would be. Whereas the Europeans pushed for greater American leadership and the continued presence of American soldiers, the United States initially expected Western European countries themselves to assume more responsibility for guaranteeing Europe's defense.

The escalation of the East-West conflict and the outbreak of the Korean War in 1950 transformed this context, and half a year later the North Atlantic Treaty was upgraded, becoming the North Atlantic Treaty Organization (NATO). An integrated military alliance, including a heavy commitment of American troops with an American supreme allied commander, directed the territorial defense of Western Europe and reflected U.S. leadership as well as America's direct role in managing European affairs.⁵ This dependency on the United States also largely defined and restricted the parameters of member states' national foreign and security policies and attempts to initiate European cooperation and integration in the field of security and defense. Practically every proposal was, and still is, reviewed by a major part of the member states against what has been labeled the "What do the Americans think?" test.⁶ The appropriateness and feasibility of an EU security and defense policy initiative came to be measured not solely in terms of its importance for European security or European integration, but also or often even in the first place for its impact on transatlantic relations and acceptability in Washington.

The logic of the Atlantic choice was confirmed in the early 1950s and 1960s by the failure of French attempts to bring defense within the scope of European integration: first through the Pleven Plan and the failed European Defense Community, next through the rejected Fouchet plans. In October 1950, the French launched the Pleven Plan, under which military units from the member states would be integrated to create a European army, which would operate under the

direction of a council of member states' ministers. Following the example of the European Coal and Steel Community (ECSC), the creation of a supranational European Defense Community (EDC) meant that German soldiers could operate within a European army without having Germany create a new German army. That was unacceptable to most European states, which barely five years earlier had been the victims of German aggression. Negotiations over the Pleven Plan finally resulted in the EDC Treaty, which was signed in May 1952 by the six member states of the ECSC (France, West Germany, Italy, the Netherlands, Belgium, and Luxembourg). However, the treaty was less "communal" and "European" than its title suggested. The French had been forced to accept that the project would be more intergovernmental and more linked to NATO than foreseen. By mid-1954, improvements in the East–West relationship had lessened the urgency to create a European army and, amid growing concerns about the loss of national sovereignty in security and defense, the French Assembly refused to ratify the EDC Treaty.⁷

Following the failure to establish the EDC, an alternative method was needed to address the question of German rearmament. The solution was the creation of the Western European Union (WEU) through the signing of the Modified Brussels Treaty of October 1954. This treaty allowed West Germany and Italy to enter a six-year-old military assistance pact among France, Great Britain, and the Benelux countries. Interestingly, the treaty's article IV foreshadowed the arguments and concerns that forty-five years later would also be at the heart of the debate on the CSDP: "Recognizing the undesirability of duplicating the military staffs of NATO, the Council [of the WEU] and its Agency will rely on the appropriate military authorities of NATO for information and advice on military matters."⁸ In practice, responsibility for military affairs was *de facto* passed to NATO. When the WEU was stripped of its potential for independent European defense cooperation, the Europeans also lost the opportunity to use their own military capabilities in pursuit of their own foreign policy choices.

The second French attempt to get the six member states of the ECSC to act as one in foreign policy and defense also failed. With the Fouchet plans of 1960 and 1962, Paris proposed creating a "European Union" with a common foreign and defense policy on the basis of purely intergovernmental cooperation outside the framework of the existing ECSC and European Economic Community (EEC). The subsequent negotiations broke down because the other EEC partners feared that the French plans were aimed at undermining both the Atlantic alliance and the EEC and its supranational method of integration. In 1965, President de Gaulle withdrew France from the military structures of NATO after America and Britain rejected its request to be on an equal footing with the United Kingdom in NATO's military command structure. France's

withdrawal and decision to follow its own military and nuclear doctrine led to a fundamental breach between France and the other EEC countries, making European cooperation or integration in the field of security and defense virtually impossible. That would be reversed only through the Franco-British Saint-Malo Declaration of December 1998, which launched the CSDP process, and through the gradual rapprochement between France and NATO, leading to the decision of French president Nicolas Sarkozy to reintegrate France into the military organization of NATO in 2009.

The fundamental choice between organizing security and defense policy within the Atlantic framework or within a purely national setting (for France) turned military security into a taboo in European integration and set the parameters for attempts in the following decades to pursue cooperation and integration in the field of foreign policy. When the EC member states in the early 1970s initiated the first informal cooperation in the field of foreign policy within the framework of the European Political Cooperation (EPC), it was clear that the EC/EPC would manifest itself exclusively as a “civilian power.”⁹ The EPC lacked both military and civilian crisis management instruments, which made it impossible for the European countries to give substance to its declarations and initiatives. The constraints of being “a civilian power in an uncivil world” became painfully obvious during the several military conflicts in the 1970s and 1980s.¹⁰ European military impotence during the Yugoslav wars in the 1990s would be the dramatic consequence of the choices made in the early 1950s. That was especially painful as neither NATO nor Washington was willing to be involved in the initial stage of the Yugoslavia conflict, during the Bosnia war, or in the subsequent Kosovo war. They intervened only later, when tens of thousands of people had already been killed or injured.

These various crises made it impossible for member states to continue to ignore the military dimension of security when negotiating the new Treaty of Maastricht and the new Common Foreign and Security Policy (CFSP), which was to replace the EPC. However, whereas France, Germany, and some other countries were pleading for a “common defense,” the Atlantic-oriented and neutral countries opted for minimal changes. Several ambiguous formulas allowed them to overcome this paralysis and to sign the new treaty text in 1992. First, they agreed that “the common foreign and security policy shall include all questions related to the security of the Union, including the eventual framing of a common defense policy, which might in time lead to a common defense,” as stated in article J.4(1) of the 1992 version of the Treaty on the European Union (TEU). According to article J.4(2) of the same treaty, the Council of Ministers could ask the WEU “to elaborate and implement decisions and actions of the Union which have defense implications.” In article J.4(4), the text also

incorporated safeguards for neutral and NATO-oriented states, indicating that the new arrangements “shall not prejudice the specific character of the security and defense policy of certain member states and shall respect the obligations of certain member states under the North Atlantic Treaty and be compatible with the common security and defense policy established within that framework.”

A closer look at the treaty made it clear that the United Kingdom and other member states had conceded much in words and symbols but nothing in substance and practice. The TEU included the term “defense” and referred to “all areas of foreign and security policy,” but the member states had not provided the EU with its own instruments and institutions to allow it to become active in the field of crisis management or conflict prevention. Also, the intended more intensive cooperation with the WEU proved illusory. That reflected the fundamental rejection by the United Kingdom (and also the United States) of any involvement by the EU or the WEU in military security matters. Not surprisingly, also after the entry into force of the Maastricht Treaty, the EU demonstrated impotence in the Balkans, which further discredited the CFSP.¹¹

The Amsterdam Treaty of 1997 strengthened the relationship between the EU and the WEU. The EU gained access to the WEU’s operational capability for humanitarian and rescue tasks, peacekeeping tasks, and tasks of combat forces in crisis management, including peacemaking (the “Petersberg tasks”). The EU was to “foster closer institutional relations with the WEU with a view to the possibility of the integration of the WEU into the EU.” However, the new provisions on EU-WEU relations were quickly overtaken by a new dynamic, leading to the European Security and Defense Policy.

The Establishment of the CSDP

In the space of a few years, the military dimension, which had for decades been a taboo in the process of European integration, became one of the spearheads of EU foreign policy. That was made possible because in the late 1990s and early 2000s, the member states managed to sufficiently overcome two areas of tension that had paralyzed EU foreign policy: European integration versus Atlantic solidarity and civilian power versus military power.¹² The first area of tension was tackled through intensive high-level negotiations among Paris, London, Berlin, and Washington, while the second was overcome by carefully balancing the NATO states and the EU’s neutral states and by complementing new *military* crisis management tools with *civilian* crisis management tools.

This newfound flexibility in the mind-set of member states was triggered mainly by the Kosovo war in 1998–99, which increased frustration in the capitals of the three largest EU member states and in Washington over Europe’s military

impotence and dependence on the United States. Most European countries, particularly the United Kingdom and France, recognized that Europe had to take more responsibility for security in Europe and that the EU had to become more than merely a civilian power. The British government, under Prime Minister Tony Blair, adopted a more pro-European attitude than the previous British government. It recognized that strengthening Europe's military capacities was essential to rebalance transatlantic relations and thus to safeguard the future of NATO. In Paris, after the debacle in Kosovo, political leaders assumed a more pro-Atlantic attitude and demonstrated a greater willingness to cooperate with NATO.

These moves were sealed in several agreements between the main capitals and within the context of the EU with all partners. The Saint-Malo Declaration of December 1998, signed by President Jacques Chirac of France and Prime Minister Tony Blair of the United Kingdom, provided the political basis for the establishment of the CSDP. This Franco-British declaration was less a shared vision than a compromise between two opposing views on European security. Nevertheless, getting Britain and France to move toward common ground was the fundamental prerequisite for the start-up of the CSDP. In the "Joint Declaration on European Defense" adopted in Saint-Malo, Blair and Chirac agreed that "the Union must have the capacity for autonomous action, backed up by credible military forces, the means to decide to use them, and a readiness to do so, in order to respond to international crises." It was emphasized that Europe would be "contributing to the vitality of a modernized Atlantic Alliance, which is the foundation of the collective defense of its members."¹³ These two sentences in the Saint-Malo Declaration perfectly reflected the traditional priorities of Paris and London, thereby bringing them together in one document and paving the way for further progress within the EU context.

Only half a year after the Franco-British declaration, the EU member states at the Cologne European Council of June 1999 adopted the goal to establish the European Security and Defense Policy in the EU.¹⁴ In their conclusions, the EU member states repeated practically verbatim the two sentences cited above as well as other crucial parts of the Saint-Malo Declaration. That set a pattern that would be followed in other important CSDP steps, with London and Paris (as well as Berlin and, from behind the scenes, also Washington) effectively pre-cooking decisions that were subsequently accepted by the other member states.

The quick succession of new steps in the following years demonstrated that the EU member states took the new CSDP objective quite seriously and were willing to move beyond the declaratory level. In Helsinki in December 1999, half a year after the Cologne summit, the European Council made the commitment to develop the capacity to deploy military forces (known as the "Helsinki Headline Goal"; see below) as well as decisions on the institutional setup of the

CSDP. Within the framework of the Council, a standing Political and Security Committee (composed of national representatives at the ambassadorial level), an EU Military Committee (composed of the member states' chiefs of defense), and an EU Military Staff (which provides the requisite military expertise) were to be created.¹⁵

On the initiative of Sweden and Finland, the EU member states also agreed to develop civilian crisis management capabilities. After the experience in Bosnia, the situation in Kosovo had again strengthened their arguments that civilian crisis management was an essential complement to military crisis management in order to achieve stability over the longer term.¹⁶ The European Council of June 2000 in Feira defined four priority areas for the EU to develop civilian capabilities: police, rule of law, civil administration, and civil protection, with security sector reform and monitoring missions being added to the priorities at a later stage. The member states, reflecting the fact that they were serious in establishing the CSDP, started a series of capability commitment conferences in order to evaluate available military and civilian capabilities immediately after the Helsinki and Feira meetings. The conferences were meant to assess shortfalls and to set out concrete targets and pledges regarding military and civilian personnel and crisis management instruments.¹⁷

The CSDP, NATO, and the United States

One of the most difficult aspects of establishing the CSDP was clarifying the relationship with NATO and the United States (as well as with Turkey). The administration of U.S. president Bill Clinton had called for increased European military efforts and in principle had a positive attitude toward the development of the CSDP. It thereby reversed the historic U.S. opposition to the Europeans developing autonomous military capabilities. However, that was on condition that the EU avoid the "three Ds," as formulated by Secretary of State Madeleine Albright: no decoupling (of CSDP from NATO); no duplication (of capabilities); and no discrimination (against non-EU NATO members).¹⁸ The thorny issue of EU access to NATO military assets and command structures was resolved by the December 2002 Berlin Plus arrangements, which would govern relations between the EU and NATO in crisis management. Under these arrangements, the EU can either conduct an operation autonomously by making use of the operational headquarters of one of its member states or use NATO assets and capabilities. If it opts for the second alternative, the EU can ask for access to NATO's planning facilities, can request a NATO European command option for an EU-led military operation, and can request the use of NATO capabilities. The Berlin Plus arrangements were both pragmatic and symbolic: pragmatic

because the Europeans lacked the core equipment and logistics necessary to conduct major military operations within the CSDP framework, symbolic because they also institutionalized for many member states the essential inter-linking of the EU with NATO.

The December 2002 agreement on the Berlin Plus arrangements came just in time for the EU to take over the NATO operation Allied Harmony in the former Yugoslav Republic of Macedonia (FYROM) in January 2003 (through the EU's first-ever military operation, Operation Concordia), followed in 2004 by the takeover of the NATO-led Stabilization Force (SFOR) in Bosnia-Herzegovina (through the then 7,000-strong EU Force Althea [EUFOR Althea] mission of the EU). In 2003, the EU's first military operation under the Berlin Plus arrangements was followed quickly by the first military operation conducted through the "Europeanized" national operational headquarters of a member state, which was also the first operation outside the European continent (Operation Artemis, in the Democratic Republic of the Congo, with France providing the operational headquarters), and the first civilian crisis management operation (the EU police missions in Bosnia-Herzegovina and in the former Yugoslav Republic of Macedonia). In short, less than three years after the decision of the European Council in Cologne to establish the CSDP and to break the forty-five-year-old taboo on defense, the EU not only had created the necessary institutional and instrumental apparatus, but also had moved to operational action.

These first operations were followed in fairly rapid succession by other military and civilian operations in the Balkans, the Caucasus, Africa, the Middle East, and Asia (see table 4-1). By September 2011, the EU had decided on twenty-four CSDP operations (including seven military crisis management operations, sixteen civilian crisis management operations, and one civilian-military crisis management operation) and nine operations in Europe (mainly the Balkans), ten in Africa, and five in the Middle East and Asia.¹⁹ They have ranged from very small operations, such as the EU border assistance mission in the Palestinian Territories (with a staff of only twenty), to extensive missions, such as EUFOR Althea in Bosnia-Herzegovina (with around 1,400 soldiers), the EU Rule of Law Mission (EULEX) in Kosovo (with 1,650 international staff and 1,200 local staff), and the EU Naval Force (NAVFOR) Somalia (with a troop strength of around 1,400).²⁰

Remarkably, the establishment of the CSDP and its subsequent development were possible despite the open conflict between the EU member states (and between some EU member states and the United States) during the Iraq crisis and the invasion in Iraq in 2002–03. Progress in the field of security and defense might have been expected to be impossible in view of the painful disagreement between those member states that actively participated in the American-led

Table 4-1. *Civilian and Military Missions of the European Union*

	<i>Civilian</i>	<i>Military</i>
<i>Completed</i>		
Operation Proxima (FYROM, 2003–05)	Aceh Monitoring Mission (AMM) (Aceh, 2005–06)	Operation Concordia (FYROM, 2003)
EUPAT (FYROM, 2005–06)	EU SSR Guinea-Bissau (Guinea-Bissau, 2008–10)	Operation Artemis (DRC, 2003)
EUJUST THEMIS (Georgia, 2004–05)	EUPOL KINSHASA (DRC, 2005–07)	EUFOR DR Congo (DRC, 2006) EUFOR Tchad/RCA (Chad, 2008–09) EU support to Amis II (Darfur) (Sudan, 2005–06) (mixed military/civilian)
<i>Ongoing</i>		
EUPM (BiH, 2003–)	EUPOL DR Congo (Congo, 2007–12)	EUFOR Althea (BiH, 2004–12)
EULEX Kosovo (Kosovo, 2008–12)	EUJUST LEX (Iraq, 2005–12)	EU NAVFOR Somalia (Operation Atalanta) (Somalia, 2008–12)
EUBAM to Moldova and Ukraine (Moldova/Ukraine, 2005–)	EUBAM RAFAH (Palestinian Territories, 2005–)	EUTM Somalia (Uganda, 2010–12)
EUMM Georgia (Georgia, 2008–12)	EUPOL COPPS (Palestinian Territories, 2006–)	
EUSEC DR Congo (DRC, 2005–12)	EUPOL Afghanistan (Afghanistan, 2007–13)	
<i>Never launched</i>		EUFOR Libya (Libya, never launched)

Source: This table was compiled by Dimitri Renmans on the basis of the information available on the EEAS website (www.consilium.europa.eu/eeas/security-defence/eu-operations.aspx?lang=en).

military invasion of Iraq (led by the United Kingdom and including most Central and Eastern European countries) and those that actively opposed the war, which they considered both illegitimate and detrimental to global and Western security (led by France and Germany).²¹ Instead, the dramatic events provided new impetus to the CSDP.

First, the wars in Afghanistan and Iraq painfully demonstrated the limitations of European military capabilities, leading to new commitments within the

CSDP to tackle some of the shortfalls through the new Helsinki Headline Goal (including the decision to develop the EU Battlegroup Concept). Second and more important, it became clear that the United States, with its new military engagements in Iraq and Afghanistan and its new “war on terror,” would be unable and unwilling to maintain its extensive military presence in the Balkans, implying that the Europeans should prepare to assume those responsibilities. Washington also wanted NATO and its NATO partners to gradually shift attention to the new security challenges that it considered more important than the situation in the Balkans. In this sense, it was not by chance that the Berlin Plus arrangements were adopted and that the EU for the first time took over a NATO operation in the months preceding the invasion of Iraq in March 2003. Third, as a sign of the member states’ willingness to proceed with the CSDP, progress was not hampered by the rejection of the 2004 European Constitution: new CSDP operations were launched and the European Defense Agency was established. Nor did the difficulty getting the Lisbon Treaty of December 2007 ratified stop the EU from launching its largest civilian crisis management operation (EULEX Kosovo) and its first military autonomous maritime operation, EU Naval Force (NAVFOR) Somalia, in 2008.

The Lisbon Treaty finally entered into force in December 2009 and for the first time provided a treaty basis for the CSDP. Despite the change of label (from ESDP to CSDP) the new treaty provisions mainly institutionalized the CSDP’s existing setup and did not fundamentally alter the basic rules of the game.²² Interestingly, at the moment that the Lisbon Treaty entered into force and that the CSDP was incorporated in the EU treaty, France also had become increasingly aware of the limitations of the CSDP’s military potential and had continued its rapprochement with NATO, leading to the decision in April 2009 by President Sarkozy to rejoin NATO’s military structures. This fundamental shift in French policy was confirmed during the crisis in Libya. In 2011, President Sarkozy and Prime Minister John Cameron of Britain took the lead in starting military operations against the regime of Colonel Qaddafi when the United States made clear that it was not willing to take the initiative. Sarkozy also accepted that the military structures of NATO would provide the framework for those operations, indicating that the obstacles that had resulted from the tension between European integration and Atlantic integration had—at least under the Sarkozy presidency—been partially overcome.

Military Crisis Management Instruments and Operations

The 1999 Helsinki Headline Goal is the basis of the EU’s military capabilities. The Helsinki European Council decided that in “cooperating voluntarily in

EU-led operations, member states must be able, by 2003, to deploy within 60 days and sustain for at least one year military forces of up to 50,000–60,000 persons capable of the full range of Petersberg tasks.”²³ These tasks include humanitarian and rescue activities, peacekeeping, and the tasks of combat forces in crisis management, including peacemaking (joint disarmament operations and support for third countries in combating terrorism and security sector reform were added to this list in 2004). The Lisbon Treaty adds joint disarmament operations, military advice and assistance tasks, conflict prevention, and post-conflict stabilization tasks to the list. This formulation of the Helsinki Headline Goal implicitly points to two fundamental principles of the CSDP, which together underline the CSDP’s parameters and limitations. The first principle is related to the CSDP’s objectives: in contrast to what its title might indicate, the CSDP focuses on various dimensions of crisis management and is not at all related to the territorial defense of the EU member states (which did not change as a result of the new mutual assistance clause in the Lisbon Treaty). It is also clear that the CSDP was not designed for large-scale military operations, such as those in Iraq or Afghanistan. The second principle is related to methodology: European military capabilities are not based on the creation of permanent European forces and even less on the establishment of a permanent European army; they are based on the voluntary and temporary contribution of member states to operations conducted in the framework of the CSDP.

Whereas the 1999 Helsinki Headline Goal was largely inspired by the context of the Balkan wars, the New Headline Goal 2010 (HG2010), adopted by the European Council in June 2004, reflected the new security context after 2001 and the experience with the rapid reaction force used in Operation Artemis in the Democratic Republic of the Congo (DRC).²⁴ With HG2010, the member states endorsed a list of high-profile initiatives aimed at reducing the remaining shortfalls in military capability, including the establishment of a European Defense Agency and the goal to increase capacity in strategic lift. The 2007 Lisbon Treaty holds a new possibility for member states to cooperate in the field of capacity buildup. The goal of the new provisions on “Permanent Structured Cooperation” (Art. 46) is to bring together member states that are able and willing to go further in their cooperation on military capabilities. Yet these provisions remain rather vague and only the future will tell whether this new option will actually be used and render results.

With respect to troop capacity, attention shifted from the capacity to deploy 50,000–60,000 troops (the Helsinki Headline Goal) to the Battlegroup Concept. The Battlegroup Concept implied a more limited number of troops, but it was meant to increase the capacity for rapid reaction.²⁵ For the EU, a battlegroup consists of 1,500–2,000 troops with appropriate support maintained at a high

state of readiness (deployable within fifteen days) and capable of high-intensity operations. On paper, the EU should be able to concurrently deploy two battlegroups for a period of between 30 and 120 days. The groups can be formed by one nation or a group of nations (such as the French-led battlegroup in the first half of 2012, which included French, German, and Dutch troops), with two battlegroups being on standby for a six-month period.

From the start, doubts have been raised about the effectiveness of the Battlegroup Concept, in view of the operational challenges of the half-yearly rotation system, the different and often also limited military capabilities of the various battlegroups, problems of financing, and dependence on the agreement of the countries that take part in the multilateral battlegroups that are on standby. The latter proved to be a major stumbling block, as countries on several occasions were unwilling to use their battlegroup for an envisioned operation or could not reach a consensus about the modalities. That was the case with Germany with regard to a military mission in the DRC in 2006, with the Nordic battlegroup in the discussion of a mission in Chad in 2007, and with the British and the Spanish-Italian battlegroups in 2008–09, in the discussion about sending troops to the DRC.²⁶ By the winter of 2011, the battlegroup had not yet been used in any CSDP military operation.

The result is that several CSDP operations could not be launched because the member states were not willing to conduct operations in risky contexts (such as the DRC in 2008) or preferred other multilateral frameworks for crisis management operations (such as the UN for the intervention following the Israel-Lebanon crisis in 2006 and NATO for the intervention in Libya in 2011) or because battlegroups continued to be established on an ad hoc basis, depending on a “coalition of the willing and able” to contribute troops and to use one of the multilateralized operational headquarters (see below). This “ad hocism” also explains why the EU was often not able to provide a rapid response. For example, half a year or more was needed to deploy the operation for the DRC election in 2006 and in Chad in 2008. On the other hand, the deployment of EU-NAVFOR Somalia indicates that the EU in some circumstances is able to react rather swiftly and that flexible ad hoc solutions, with contributions from countries that can make a real difference in a specific context, can be more appropriate than predetermined battlegroups.

The limited “European” and “integrated” nature of military crisis management also becomes clear from the three options available for the military headquarters of CSDP operations. The first option, under the Berlin Plus arrangements, is to make use of NATO’s operational headquarters located at SHAPE (Supreme Headquarters Allied Powers Europe) in Belgium, with NATO’s deputy SACEUR (Supreme Allied Commander Europe) being the operation commander. This

option was used for only two operations in the Balkans: Operation Concordia, in the former Yugoslav republic of Macedonia (with 400 forces), and Operation Althea, in Bosnia-Herzegovina (initially 7,000 forces, reduced to 2,500 in 2007). As indicated before, in both cases the EU took over responsibility from NATO, which meant in practice that the majority of the soldiers replaced their NATO badges with EU badges and that the deputy SACEUR, not the SACEUR, was the operation commander.

The second option, for “autonomous” CSDP operations, is to use facilities provided by one of the operational headquarters made available by five EU member states (France, the United Kingdom, Germany, Italy, and Greece). Those facilities are then “multinationalized” for the EU operation. In this case, the operational commander also is provided by the member state providing the headquarters. This option was chosen for Operation Artemis, in the DRC, and EUFOR Chad/Central African Republic (both using the French headquarters); for Operation EUFOR DRC (using the German headquarters); and most recently for EU-NAVFOR Somalia (using the British headquarters). Operation Artemis, in 2003, which involved some 1,700 forces, was intended to stabilize security conditions and improve the humanitarian situation in Bunya, in the northeastern part of the DRC, while awaiting UN troop reinforcements (from MONUC, the French acronym for UN Mission DR Congo). Operation EUFOR DRC, in 2006, which included 1,000 forces and held an additional rapid reaction force in reserve, helped to secure the region during the elections in Congo (again in support of MONUC). EUFOR Chad/Central African Republic, in 2008–09, which involved 3,700 troops, was a bridging operation for the UN mission in the Central African Republic and Chad. It protected civilians in danger and the UN staff and facilitated humanitarian aid. EU-NAVFOR Somalia (also called Operation Atalanta), with 1,500 forces, started in late 2008 with the objective of protecting vessels off the Somali coast against acts of piracy.

Assessing these various CSDP operations from the perspectives of effectiveness and added value can lead to different conclusions, depending on the perspective adopted. For instance, Operation Artemis was limited in time and terms of its mandate, but it was seen as useful in supporting the UN mission. A large military operation such as that in Bosnia-Herzegovina can seem to be much more effective and relevant, but that may be mainly the result of its close link to NATO and the remaining security guarantee of the United States.

The third option is to command operations of up to 2,000 troops and civilian experts from Brussels through an integrated civilian-military operations center (OpsCen) within the EU military staff (EUMS) under the command of a designated operation commander. The OpsCen is not a standing headquarters; it is activated through the small, joint civilian-military cell (Civ-Mil Cell)

established within the EU military staff.²⁷ The civilian-military cell was far from the autonomous military headquarters originally proposed by France and Germany, but it went beyond London's original position.

By early 2012, the third option had not yet been used, reflecting the legitimate doubts about the feasibility of the OpsCen option as well as the continuing reluctance of member states to allow the EU to have its own operational headquarters. However, the central position of the NATO headquarters in the military interventions in Libya in 2011 again raised the question in some member states of whether the EU should not strengthen its own headquarters capabilities.

Civilian Crisis Management Instruments and Operations

As noted previously, the June 2000 European Council in Feira defined four priority areas in which the EU should develop civilian capabilities (police, strengthening the rule of law, civil administration, and civil protection), and two additional priority areas were defined later (monitoring missions and generic support capabilities). The Civilian Headline Goal 2008, which was adopted in 2004, included clear objectives for these six agreed priority areas.²⁸

The EU aims to be capable of carrying out any police operation, from strengthening missions (advisory, assistance, and training tasks) to substitution missions (wherein the international force acts as a substitute for local police forces). From a pool of more than 5,000 police officers, 1,400 are to be deployable in less than thirty days. Rule-of-law missions, similar to police missions, are to be capable of both strengthening and temporarily substituting for the local judiciary or legal system. The member states committed 200 judges and prosecutors, some portion of whom were to be deployable within thirty days. Under the civilian administration rubric, a pool of more than 500 experts had to be created, capable of carrying out civilian administration missions to provide basic services that the national or local administration is unable to offer (covering fields such as elections and taxation).

In civil protection, the objective is to develop assessment and/or coordination teams of ten experts that could be dispatched within seven hours as well as intervention teams of up to 2,000 people and additional specialized services. More than 500 experts have been committed to establish a monitoring capability, with possible missions including border monitoring, human rights monitoring, and monitoring of the general political situation. Finally, generic support capabilities to backup the work of EU special representatives or to form part of multifaceted CSDP missions are to consist of a pool of 400 personnel, including experts in fields such as human rights, political affairs, mediation, media affairs, security sector reform (SSR), and disarmament, demobilization, and reintegration (DDR).

In quantitative terms, member states managed to substantially exceed their targets, at least on paper. However, shortfalls were identified in mission and planning support capability, financing, ability to deploy on short notice, common training and exercises, institutional memory, partnerships with other international and local actors, procurement, and capability requirements (particularly judges and staff with financial expertise). The EU's civilian capacity was less integrated than expected, and the capacity goals for 2008 in fact quickly seemed to be unattainable, with progress afterward also very limited.²⁹ In November 2008, when evaluating the Civilian Headline Goal 2008, the EU member states agreed to develop new strategies for civilian crisis management and also adopted a declaration calling for strengthening of capabilities.³⁰ In this declaration they indicated that the EU should be able to conduct "two major stabilization and reconstruction operations, with a suitable civilian component" as well as "around a dozen CSDP civilian missions" of varying formats, "together with a major mission (possibly up to 3,000 experts) which could last several years." However, these goals reflected more the existing situation than they did a clear strategy for the future. Still, to this day and compared with the EU's military instruments, civilian operations are an often-used tool in the context of CSDP (see table 4-1).

Institutionally, on the political level the Committee for Civilian Aspects of Crisis Management (CIVCOM) was established to give advice to the Political and Security Committee and to ensure follow-up on civilian crisis management capabilities and operations. The EU's capacity to conduct civilian operations and to integrate capabilities was expected to further improve as a result of the establishment of the Civilian Planning and Conduct Capability (CPCC), which since late 2008 has been responsible for planning, deployment, conduct, and review of civilian crisis management (see below). The number of people working for the civilian side of the CSDP, however, remains markedly smaller than the number working for its military counterpart, which is paradoxical since there are many more civilian operations than military operations and because the number of civilian CSDP operations is growing (see table 4-1). Furthermore, while the military has recourse to NATO or national headquarters for planning and operational control, the EU staff working on civilian operations cannot rely on backup from external planning entities.

The two main areas of EU civilian crisis management are the Balkans and the DRC, which complement the military-civilian crisis management operations of the EU in these two areas. The most important, comprehensive, and visible civilian operation is EULEX Kosovo, in which 1,650 European police officials, judges, prosecutors, and other specialists have been involved since 2008 in assisting and supporting the Kosovo authorities in three major areas of the rule of law: police,

the judiciary, and customs. Since 2003, the EU has also conducted the EU Police Mission in Bosnia-Herzegovina, with around 500 police officers and other staff supporting the local police, to create capacity and institutions and to fight organized crime. By mid-2009, the only other mission on the European continent was the EU Monitoring Mission in Georgia, with a staff of 340 personnel who monitor the stabilization process and compliance of the parties to the six-point cease-fire agreement between Russia and Georgia of August 2008.

The main civilian crisis management operations in the DRC are EUPOL DR Congo and EUSEC DR Congo, each with around fifty international staff, which since 2005 have assisted the Congolese authorities in their security sector reform regarding both the police and the army.³¹ Other active CSDP missions outside the European continent in the autumn of 2011 were the rule of law mission EUJUST LEX, which since 2005 has provided training for judges, magistrates, and senior police (mainly outside Iraq); the police mission EUPOL Afghanistan, which since 2007 has mentored, advised, and trained a sustainable and effective civilian police force under Afghan ownership; the military training mission EUTM Somalia, which since 2010 has supported the military training of Somali soldiers by Uganda; and the modest mission in Guinea-Bissau, which since 2008 has provided advice and assistance on security sector reform.³²

When one analyzes the various civilian missions in more detail, a rather clear pattern appears: CSDP missions are less related to conflict prevention and even peace building and crisis management than they are to aspects of (post-conflict) state building, such as the development of rule-of-law structures and long-term security sector reform. That confirms one of the main innovative aspects of the civilian crisis management operations of the CSDP and of the EU at large: the increasing focus on structural crisis management as part of a broader structural foreign policy, which is a policy that seeks to shape sustainable political, legal, socioeconomic, and security structures in third world countries.³³

The Challenge of Consistent and Coherent CSDP Action

Despite their limitations, both in terms of scope and capabilities, CSDP-related instruments have added value to the EU's foreign policy "toolbox." However, structural crisis management and structural foreign policy cannot be undertaken by CSDP action alone. What seems to be required are comprehensive approaches to security policy, and, in practice, a combination of instruments from CSDP and other policy areas is needed to effectively meet needs on the ground—for example, in the case of (post-conflict) peace building. Such a combination of instruments requires proper coordination and complementarity of CSDP actors and other EU and international actors in crisis management.

For that reason, scholars and practitioners have claimed that EU foreign policy consistency and coherence would lead to more efficient and effective foreign policy outcomes.³⁴ In reality, however, consistency and coherence pose a great challenge to CSDP action on the ground.

Consistency and coherence have become prominent legal obligations of EU foreign policy.³⁵ Negatively defined, consistency implies that CSDP action has to be noncontradictory vis-à-vis other EU foreign policy actions; coherence, moreover, implies that CSDP action shall render synergetic effects in collaboration with other policy instruments. In theory, both obligations are mutually reinforcing and both are preconditions for efficient and effective policy outcomes. But while consistency and coherence are obligations, political actors need to follow up on them through political action.³⁶ This challenges CSDP and other EU actors while it implies the need to avoid contradictions and to actively promote synergetic effects between CSDP and related policies and instruments. Along this line, it becomes evident that CSDP policy actors are to coordinate security policies with other external policy instruments during all phases of the policy cycle: planning, agenda setting, decisionmaking, and implementation.

In an attempt to categorize the efforts to coordinate policies in CSDP and the challenges of arriving at a consistent and coherent CSDP, several dimensions have been identified: a horizontal and vertical dimension of consistency and coherence among EU actors and the more specific dimensions of inter- and intra-institutional consistency and coherence.³⁷

The dimension of *horizontal consistency and coherence* looks into the coordination of policies and policy instruments on the EU level, even after the formal abolishment of the treaty pillars through the Lisbon Treaty. In the field of CSDP, military and civilian crisis management policies need to be coordinated with non-intergovernmental policy instruments: related to the CSDP's increasing engagement in developing countries, coordination between crisis management and, for example, development becomes necessary (the so-called security-development nexus).³⁸ Overall challenges of consistency and coordination also follow from the relationship between the CSDP's civilian capabilities and other civilian crisis management instruments that are managed and decided on in a non-intergovernmental framework. Today, it is one of the many tasks of the new high representative/vice president of the European Commission (HR/VP) and the European External Action Service (EEAS) to look into streamlining the different instruments.³⁹

In addition, an often-neglected dimension of the challenge of horizontal coherence is the coordination of CFSP and CSDP instruments. While the development of CSDP resulted in an "upgrade" of the EU's foreign policy because it

allowed the CFSP to move from a declaratory foreign policy (focused on diplomacy) to a more action-oriented foreign policy (focused on more active crisis management), military and civilian crisis management operations have not always been matched by complementary efforts and instruments to strengthen the EU's foreign policy impact on the ground. CSDP operations can indeed be misleading, giving the impression that the EU has an agreed, clear, coherent, and comprehensive policy toward the issues at stake and in foreign policy in general. Agreement on CSDP operations is sometimes a surrogate for a coherent common foreign policy on specific issues. The CSDP action in Kosovo is an example of a case in which EU member states were able to agree on and implement an extensive rule-of-law operation although they strongly disagreed on the fundamentals of the issue and the diplomatic tools to be used (recognition of Kosovo as an independent state).⁴⁰ In order to render effective policy results, CSDP tools must be complemented by proper (noncontradictory) diplomatic messages vis-à-vis external partners and recipient societies. However, diplomatic instruments are often lacking behind the active but limited CSDP missions.⁴¹

Also in CSDP, *vertical consistency and coherence* requires that foreign policies of the member states and the EU are implemented in a complementary fashion.⁴² They must match each other. However, contradictory and poorly coordinated member state objectives can cause compromised CSDP action in the first place—see the case of the EU's (in)action toward Libya. What is more, while military and civilian crisis management implies that a wider set of national actors becomes involved in the CSDP, it makes the preparation and management of CSDP operations much more complicated and leads to major challenges to consistency and coordination among actors and their capabilities and resources. In addition to foreign and defense ministries, ministries of interior affairs, justice, finance, and others are also involved, each with its own bureaucracy, procedures, and culture. Moreover, most of these actors have no or only limited traditional experience in relieving judges, police, and civilian experts from their domestic duties so that they can undertake foreign missions.

In terms of implementation, member states' contradictory objectives (see Kosovo) and noncoordinated national policy instruments (see Congo) challenge the quest for overall alignment with external partners and recipient governments on the ground. In CSDP, as in other policy fields, not only coordination with member states and other international actors becomes important; increasingly coordination and alignment with transnational actors and local authorities are a key to effective implementation of security policy.⁴³

Intra- and inter-institutional consistency and coherence look into coordination efforts within EU institutions and between EU institutions.⁴⁴ In order to

run in a coherent manner with other EU instruments, CSDP action requires institutional coordination. Since Lisbon, the new HR/VP and the EEAS are to increase consistency and coherence horizontally and vertically in the foreign policy system of the EU at large and in CSDP in particular. It is especially with regard to intra- and inter-institutional consistency and coherence that both could directly make a difference. In CSDP, intra-institutional coherence in the EEAS might be increased by a proper institutional interface, like the newly established Crisis Management and Planning Department (CMPD), to level out tensions between military and civilian crisis management cultures in the EEAS.⁴⁵ Indeed, the CMPD's coordinating task is meaningful, and in the future "smart" structural crisis management will remain dependent on the linking of civilian and military tools and the coordination thereof. It has also been argued that previous inter-institutional coordination between Community tools of civilian crisis management and CSDP instruments might be better served in the future by including the Civilian Planning and Conduct Capability and the Crisis Management and Planning Department in the EEAS.⁴⁶ However, ongoing coordination problems in the structural transformation of the EEAS have not yet led to fully operational coordination with CSDP. Rather, poor coordination within the EEAS could well become another explanatory factor for the incoherence of CSDP action on the ground.

Conclusions

Considering that the military dimension was taboo in the preceding decades and that civilian crisis management is a fairly new domain of conflict management, it is fair to say that the development of the CSDP has been rather impressive. The CSDP has been able to move forward while being increasingly perceived by the member states as a positive-sum game in which the added value of military and civilian CSDP missions, in addition to unilateral actions and/or interventions through NATO or the UN, is recognized in a growing number of situations. The time lag between the rhetoric and the reality of civilian and military operations has indeed been relatively small.

The more the prime focus of CSDP lies in the field of structural crisis management and post-conflict peace building, the more the EU needs to find ways to coordinate its various policy instruments on the ground. For this reason, horizontal, vertical and institutional consistency and coherence remain major challenges of future policymaking in CSDP. With the financial crisis roaring over the EU, the upgrade of member state capabilities will remain a sore point of CSDP. However, it can also serve as an impetus for member states to cooperate and pool resources to become more efficient and in the end more effective.

Notes

1. In this chapter we systematically use the abbreviation CSDP, including for analysis that refers to the period both before and after the Lisbon Treaty.

2. Stephan Keukeleire, "European Security and Defense Policy: From Taboo to a Spearhead of EU Foreign Policy?" in *The Foreign Policy of the European Union: Assessing Europe's Role in the World*, edited by Federiga Bindi (Brookings, 2009), pp 51–72.

3. This chapter draws to a major extent on the analysis in S. Keukeleire and J. MacNaughtan, *The Foreign Policy of the European Union* (Basingstoke: Palgrave Macmillan, 2008), and S. Keukeleire and T. Delreux, *The Foreign Policy of the European Union*, 2nd ed. (Basingstoke: Palgrave Macmillan, 2013). For recent comprehensive studies of the CSDP and European crisis management, see S. Blockmans, J. Wouters, and T. Ruys, *The European Union and Peacebuilding: Policy and Legal Aspects* (The Hague: T.M.C. Asser, 2010); S. Vanhoonacker, H. Dijkstra, and H. Maurer, *Special Issue: Understanding the Role of Bureaucracy in the European Security and Defence Policy*, European Integration Online Papers, vol. 14 (2010); E. Gross and A. Juncos, *EU Conflict Prevention and Crisis Management* (Oxon: Routledge, 2011); for other sources, see: www.exploring-europe.eu/foreignpolicy.

4. For a comprehensive analysis of the evolution from the European Defense Community (EDC) to the creation of the Common Foreign and Security Policy (CFSP), see S. Duke, *The Elusive Quest for European Security: From EDC to CFSP* (Basingstoke: Palgrave Macmillan, 1999).

5. See D. P. Calleo, "Early American Views of NATO: Then and Now," in *The Troubled Alliance: Atlantic Relations in the 1980s*, edited by L. Freedman (London: Heinemann, 1983), pp. 7–27; D. Cook, *Forging the Alliance: NATO, 1945–1950* (London: Secker and Warburg, 1989).

6. Keukeleire and MacNaughtan, *Foreign Policy of the European Union*, p. 10.

7. For a comprehensive analysis of the EDC, see E. Fursdon, *The European Defence Community: A History* (London: Macmillan, 1980). For the basic documents, see C. Hill and K. E. Smith, *European Foreign Policy: Key Documents* (London: Routledge, 2000), pp. 16–32.

8. Ibid., pp. 40–41.

9. F. Duchêne, "Europe's Role in World Peace," in *Europe Tomorrow: Sixteen Europeans Look Ahead*, edited by R. Mayne (London: Collins, 1972), pp. 32–47.

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*Justice and Home Affairs as a
New Tool of European Foreign Policy:
The Case of Mediterranean Countries*

The European Union was established with the aim of bringing peace to Europe by creating economic interdependence among European countries. Military cooperation was excluded from the original objectives of integration because the military defense of Western European countries was provided by NATO and the United States. The notion of Europe as a “civilian power” was theorized in 1972 by François Duchêne, and it refers broadly to the use of non-military, primarily economic means by the EU in exercising its international role.

Nevertheless, since the 1970s the European Union has developed several types of policies toward third states. They range from economic policies to foreign policy and security. Even if the institutional arrangements and actors are different from policy to policy and the EU is not a traditional unitary actor with a stable set of preferences and interests, it established a stable set of formal and informal rules and procedures for decisionmaking in the fields of foreign, security, and defense policy. It has developed the “habit of working together,” limiting the member states in their autonomy and promoting the convergence of competing interests.¹ The nature of external European action turns out to be not a temporary convergence of member states’ interests, but a continuous process of redefining the member states’ interests in light of existing institutional structures. Even if the involved actors, the decisionmaking process, and the efficiency of the policy instruments depend on the issue at hand, it is possible to say that institutions, rules, and procedures strengthen the EU’s ability to promote a convergence of interests and to define collective policy strategies toward external actors.

In 1999 the European Council of Cologne decided to provide the EU with the capacity for autonomous military action, backed by military forces, as well as the means to decide to use them in responding to international crises. From 1999 to 2001 a military and political structure was established to implement

that declaration. This new military complex has added the issue of “EU security actorness” to its common foreign policy and has changed the perception of the EU as a “civilian power.”

During the first half of the 2000s, the notion of the EU as a “normative power” emerged. The idea of normative power draws the attention of analysts because it captures the main characteristic of EU international action.² The EU has developed a domestic model for conflict resolution based on shared values and peaceful negotiation. It exports these values and this model to the outside world, influencing both the structuring of global cooperative processes and the issues relating to soft security.

More recently a new theoretical perspective has emerged, aiming to link the concept of the EU as an international political actor with the study of the European model of governance. The bridge between the European Union’s international “actorness” and European governance is based on the idea that “the EU is emerging as a key regional actor in certain global affairs, particularly in such areas as finance, trade, the environment and development, and the current policy is directed towards enhancing the role of the European Union in the global governance system.”³ The research agenda of this new perspective is focused on the role of Europe in the world, the possible application of European governance in external relations, and the relevance of the European model of governance for international and global governance. A relevant research question is the EU’s ability to provide security to its member states and to contribute to the European and global security governance. In sum, is the European Union a *security provider*?

If the Franco-British joint statement issued in Saint-Malo in December 1998 has opened the way for a European Security and Defense Policy (ESDP), and has permitted the establishment of the military complex called the Common Defense and Security Policy, there is less consensus on theorizing the EU as a traditional security actor. European military capabilities remain modest, and the operational activities of the European Rapid Reaction Forces remain small-scale military operations. Moreover, Europe remains absent from important conflicts and dependent on NATO and U.S. forces for its military security.

Nevertheless, criticism of European security actorness fails to consider two sets of arguments. The first is related to the fact that even though the European Union is far from having a military capability comparable with that of the United States, over the past decade it has made progress in the field of military cooperation that would have been unthinkable a few years earlier.

The development of the ESDP is a multifaceted undertaking. For decades security and defense were taboo subjects for European integration, but since the Cologne European Council in 1999 the European Union has developed

a complex institutional and political organization, beginning with the Rapid Reaction Force (RRF). The RRF consists in member states' commitment to deploy within sixty days and sustain for at least one year military forces up to 50,000–60,000 persons capable of the full range of military tasks. The RRF is politically and militarily dependent on common institutions: at the political level, on the Council of the European Union; at the level of foreign and defense ministers and the Committee of Permanent Representatives (COREPER) on the European Union military staff (EUMS), the only permanent integrated military structure of the European Union; on the European Union Military Committee (EUMC), composed of the chiefs of defense of the member states; and on the Political and Security Committee (PSC), formed by national experts at the ambassadorial level.

The PSC has a focal role in the ESPD. First, the PSC oversees the “political control and strategic direction” of the EU's military response to crises and, day by day, it keeps track of the international situation in the areas falling within the Common Foreign and Security Policy. It issues guidelines to the Military Committee and receives its opinions and recommendations. In the event of a crisis, the PSC is the European Council body that deals with crisis situations and examines all the options that might be considered in response. In preparing the EU's response to a crisis, the PSC outlines the Union's political objectives and recommends options aimed at contributing to the settlement of the crisis. In particular, it may draw up an opinion recommending to the Council that it adopt a joint action.

In December 2001, at the European Council of Laeken, the ESPD was declared partly operational. The activities of the Rapid Reaction Force are part of the “Petersberg tasks.” They include humanitarian action, peacekeeping, and peace-making operations. In May 2002 the first joint military exercise was launched and served as a first test of the decisionmaking procedures and of procedures for improving the pre-decisionmaking phase of crisis management.

The change in the European attitude toward defense cooperation can be analyzed as an effect of the Balkan crisis. Despite the sensitiveness of the Balkans for European security, the lack of internal consensus among members on the Balkan crisis and the need to ask for military intervention by the United States made it clear that the cooperation network of the second pillar was not effective in managing crises.

Nevertheless, improving the CFSP by abolishing the requirement that votes be unanimous and adopting qualified majority voting was not inserted in the agenda of the European Union. After the EU's failure to engage in international action in the former Yugoslavia, Kosovo, and Bosnia, the member states preferred to debate the issue of military capability. Their discussion was focused

on the need for a common military force. After the September 11 attacks on the United States made credible the hypothesis that the United States was no longer willing to intervene in a crisis at the periphery of Europe, the establishment of military capabilities to manage crises was perceived as an urgent need to safeguard European security.

The second area to be considered in evaluating the security actorness of the European Union is the nature of its security needs. The EU's security characteristics have changed dramatically since the early 1990s. From Kosovo to Iraq, new dimensions of security emerged, such as soft security, human security, and comprehensive security. These new concerns required security guarantees that cannot ignore military capabilities but that consider highly relevant other security tools, such as dialogue, confidence building, and civilian cooperation in crisis management.

In this context, Europe desires to develop a new security strategy that is multidimensional. In that sense, the European security strategy (ESS) drafted by the high representative for the Common Foreign and Security Policy, Javier Solana, and approved by the European Council in December 2003 is a first attempt to define a common vision of the EU's role in the international security environment underpinning the military tools created from 1999 to 2001.

Solana's security strategy starts from the new security scenario: the end of a direct military threat to Europe's security, the rise of a new form of inter- and intrastate armed conflict on the European periphery, the diffuse threat posed by international terrorism, and new menaces such as organized crime, illegal immigration, socioeconomic underdevelopment, regional conflicts, lack of democratic institutions and respect for human rights, failed states, failing multilateral institutions, and environmental problems.

Stressing the new multidimensional nature of security, the ESS document emphasizes that, "as a union of 25 states with over 450 million people producing a quarter of the world's Gross National Product (GNP), the European Union is, like it or not, a global actor" that "should be ready to share in the responsibility for global security," while noting at the same time that in recent years "European forces have been deployed abroad more often than in any previous decade." The document focuses on the main threats to international security and identifies a three-way strategy for dealing with the new security environment. First, it suggests "address[ing] the threats" with a strategy of "preemptive engagement" since "conflict prevention and threat prevention cannot start too early." Nevertheless, preemptive engagement is a concept based not on the preventive use of military force but on the preemptive use of "a mixture of instruments," for "none of the new threats is purely military; nor can any be tackled by purely military means." This mixture comprises a menu of different tools, such as the

promotion of the rule of law and respect for human rights; trade and development, in combination with “conditionality” (meeting certain specified conditions); and the readiness to act when multilateral commitments are not lived up to or when states place themselves outside international society.⁴

Second, Solana urges the European Union to “build security in our neighborhood,” to stress the validity of the collective security approach, and to establish “a ring of well-governed countries . . . with whom we can enjoy close and cooperative relations”: the Balkans, Ukraine, Moldova, and Belarus, the countries of the southern Caucasus and the Mediterranean. The third aspect of Solana’s strategy is strong and active European support for an effective multilateral system and for “a stronger international society based on the central role of international institutions, well functioning international institutions and a rule-based international order.” At the end, the ESS calls for European measures aimed at strengthening the decisionmaking mechanisms of the EU and providing it with standby forces in order to create an effective crisis management capacity; contributing to the building of local conflict prevention mechanisms and crisis management capabilities in key regions; reinforcing the verification mechanisms of the non-proliferation treaties; tightening export controls of weapons of mass destruction and armaments; and establishing a counter-proliferation committee under the UN Security Council to monitor compliance with relevant agreements and resolutions.

Solana’s strategy represents the first attempt of the Union to replace the “civilian power approach” with a “multidimensional power” equipped with a set of useful tools for confronting the multidimensional nature of actual threats. In this framework, the establishment of the Justice and Home Affairs policy (JHA) is part of a security strategy based on the project of developing regional stability abroad.

JHA was introduced for the first time by the Treaty of Maastricht (1993) as a policymaking domain of the EU with the aim to develop cooperation among member states on domestic security policy. The Treaty of Amsterdam (1999) included JHA in the broader project of establishing an “area of freedom, security and justice” (AFSJ) throughout the EU. The AFSJ is not a unique policy field. It encompasses a broad number of policies and is formally related not only to security concerns, but also to the justice and freedom domains. Nevertheless, the largest part of the AFSJ policies is related mainly to the security sector.

The Treaty of Amsterdam introduced a further novelty in this area: the EU acquired for the first time the capacity to act internationally in the domain of justice and home affairs. This provision has been followed by a strong emphasis on the need to develop an external dimension of the JHA for the EU. In 2005 the “Strategy on the external dimension of the area of freedom, security and

justice” was adopted based on the project to link internal and external aspects of EU security.⁵ The main argument underlying this document is based on a double role the external dimension of JHA policy plays in the EU system. On the one hand, JHA policy “contributes to the establishment of the internal area of freedom, security and justice.”⁶ The document stresses that domestic security is more effective if common values are shared by third countries, and, in particular, in the neighborhood countries.

On the other hand, JHA “supports the political objectives of the European Union’s external relations,” particularly in the field of international security and stability.⁷ In fact, the process of “externalizing” JHA policy has the relevant aim to face the “new” security challenges. The strategy identified the political priorities, which must orient the external dimension of JHA: promote human rights in third countries, strengthen institutions and good governance, improve third countries’ capacity for migration, asylum, and border management, and provide support to third countries to fight terrorism, organized crime, and related criminal offenses.

In February 2010 the European Council adopted the “Internal Security strategy,” which describes a new paradigm of internal security: “The concept of internal security must be understood as a wide and comprehensive concept which straddles multiple sectors in order to address these major threats and others which have a direct impact on the lives, safety, and well-being of citizens, including natural and man-made disasters such as forest fires, earthquakes, floods and storms.”⁸ In this context “a concept of internal security cannot exist without an external dimension, since internal security increasingly *depends to a large extent on external security* [emphasis added].”⁹

The external dimension of the JHA should be considered a specific political choice that aims to improve the EU’s role globally as a promoter and exporter of internal values and norms, while at the same time implementing the EU security doctrine and agenda. By establishing an external dimension to fight organized crime, illegal immigration, and terrorism through a specific set of tools for acting toward third countries, Europe has also secured the near abroad. The Mediterranean is the first neighborhood area to be the focus of the new stabilization mission of the AFSJ because of its high relevance for EU foreign policy.

AFSJ and the Mediterranean

The relevance of the AFSJ in stabilizing relations between the EU and the Mediterranean countries can be analyzed from two different perspectives: the EU domestic security perspective and the EU foreign policy perspective. The domestic perspective considers internal security to be connected with the

security relationships between the EU and all the countries that are perceived as potential sources of instability and threats.

From the foreign policy perspective it is to be noted that, over the past decade, the promotion of the international actorness of the EU has been one of the declared objectives of the European Union. In particular, conflict management has become a growing priority. More emphasis is placed on preventing conflicts through political engagement and constructive dialogue. Military action is seen as a measure of last resort. In this perspective, the inclusion of the AFSJ and JHA issues among the variables that influence the structure of the political and security relationships of the Union with non-EU states is the key point for developing an approach based on the convergence of security and democracy and human rights promotion policies.

The Mediterranean area has been one of the EU's main external relations concerns since the establishment of the European Political Cooperation. From the EU domestic security perspective, the Mediterranean is perceived as a source of threat because it is the world's greatest producer and exporter of oil, terrorism, and migration. The main interests of the EU in the region are security interests: access to energy supplies, prevention of mass emigration from the region to the EU, and prevention of international terrorism and drug trafficking.

From the perspective of EU foreign policy, the Mediterranean is one of the hottest areas of global politics and one of the largest sources of conflict. Relations with the Mediterranean region are focused on the prevention of conflict by promoting not only economic development, but also democracy, good governance, judicial reform, and respect for human rights. As one of the main pillars of EU external relations with the Mediterranean, the AFSJ seeks to foster domestic security policy, manage cooperation in combating terrorism, organized crime, and illegal immigration, and play the role of promoter and supporter of respect for human rights, fundamental freedoms, and good governance worldwide, especially with its near neighbors.

In 1995, the EU established a "Mediterranean policy" with the Barcelona Process. It was initiated with the Barcelona Declaration of November 1995, proclaiming a three-pronged Euro-Mediterranean Partnership (EMP) based on (1) political and security partnership; (2) economic and financial partnership; and (3) partnership in social, cultural, and human affairs. The broad aim is to promote peace, stability, and prosperity in the Euro-Mediterranean region where political, economic, and social issues are perceived as common challenges. In 2003 the EU presented the European Neighborhood Policy (ENP), framing EU politics toward the Mediterranean as part of a larger foreign policy strategy to secure its neighboring areas.¹⁰ In both the "old" Mediterranean partnership and the "new" ENP, the issues dealt with by the AFSJ were and are both political and financial.

In the past, the Mediterranean policy was based on three instruments: a regional strategy paper, the Euro-Mediterranean Association Agreements, and the Mediterranean Agreements (MEDA). The first establishes a multilateral strategic framework for allocating resources in the Mediterranean region. The second are political agreements governing bilateral relations between the EU and each Mediterranean country involved in Mediterranean politics. The MEDA program is the financial instrument implementing the Euro-Mediterranean Association Agreements. MEDA has been replaced by the new European Neighborhood and Partnership Instrument (ENPI).

Since 2000 the Mediterranean documents (both regional strategy papers and bilateral Association Agreements and Action Plans) have emphasized issues related to the prevention of terrorism and the management of migration flows that deserve special funding in Justice and Home Affairs (JHA) policies. The September 11, 2001, terrorist attacks in the United States led to a rethinking of European strategy toward Mediterranean countries by switching from democratization to stabilization. As Pace, Seberg, and Cavatorta noted, "The combination of strong regimes in weak states and the reluctance of the EU to approach popular Islamist opposition groups in the MENA region creates a situation which—from an EU perspective—entails a very limited range of political options."¹¹ Since 2001 the Mediterranean policy focus has been on promoting and fostering stability in the region. From the first Euro-Mediterranean conference of the ministers for foreign affairs after the 9/11 terrorist attacks¹² to the regional strategy paper of 2002–06, the EU expressed its deep concern at the continually worsening situation that involved serious risks for regional stability and aimed at putting the security concerns at the top of the Euro-Mediterranean agenda.

The regional strategy paper of 2002–06 stated that a Justice and Home Affairs program, covering justice, the fight against drugs, organized crime, and terrorism, and cooperation on the social integration of migrants, migration, and movement of people, deserved special funding of 6 million euros.

The ENPI regional strategy paper for 2007–13 lists three priority objectives to be implemented at the regional level from 2006 to 2009. The first is the establishment of a common Euro-Mediterranean area of justice, security, and migration cooperation. The JHA program is financed with 15 million euros from 2007 to 2009. These issues were also at the center of the November 2005 Mediterranean summit. The summit marked the tenth anniversary of the Barcelona Declaration and agreed on a five-year work program to develop a partnership and a code of conduct to combat terrorism.

The strategy documents outline the EU's capability to use political and financial instruments to influence the environment of its Mediterranean partners. Nevertheless, all the scholars involved in the analysis of the Barcelona Process

agreed that the ENP has failed to promote democracy, good governance, and respect for human rights in the area. Some endogenous factors in Mediterranean politics are to blame, aside from the difficulties related to international politics.

The explosion of the so-called Arab Spring introduced a new paragraph in the book of Euro-Mediterranean relations. The Arab quest for democracy questioned the role of the EU and its relations with the Mediterranean countries in terms of promoting democracy and supporting countries in transition from authoritarian regimes to democracy. At the same time, two specific characteristics of the Arab movements challenged the will and the ability of the EU to play an active role in the southern part of the Mediterranean: the violence that characterized the revolutions in the Arab countries and the waves of refugees and immigrants crossing the central Mediterranean Sea and entering Europe. These two dynamics affected the security concerns of the EU and its member states.

The EU launched the Partnership for Democracy and Shared Prosperity initiative in March 2011 and the renewal European Neighborhood Policy in May 2011, which was presented as a “fundamental step change in the EU’s relationship with those partners that commit themselves to specific, measurable reforms.”¹³ The EU increased financial support for implementing the new approach of the neighborhood policy, “based on mutual accountability and a shared commitment to the universal values of human rights, democracy and the rule of law,” by 1.24 billion euros between 2011 and 2013, in addition to increased funding from the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD).¹⁴ In this context, the relevance of the AFSJ and JHA to Euro-Mediterranean relations increased. Both AFSJ and JHA were considered essential as a means to face the main challenges presented by the Arab revolutions: influx of migrants from Africa to Europe and terrorist attacks. The revised European Neighborhood Policy lists the rule of law administered by an independent judiciary and the right to a fair trial, the fight against corruption, and security and law enforcement sector reform (including the police) as fundamental pillars of the Euro-Mediterranean partnership.

A working paper published in May 2011 by the European Commission stressed the role of the EU in stepping up cooperation with its Mediterranean neighboring partners in a number of AFSJ and JHA policy-related EU conventions such as the Convention on Laundering, Search, Seizure, and Confiscation of the Proceeds from Crime and the Financing of Terrorism, the Convention on Cybercrime, the Convention on Action against Trafficking in Human Beings, and the Convention on the Prevention of Terrorism—all considered a crucial part of the Euro-Mediterranean policy.¹⁵ Moreover, the EU Commission suggested the preparation, negotiation, and implementation of mobility partnerships with selected southern Mediterranean countries (that is, Egypt, Morocco,

and Tunisia) in order to include specific initiatives in the Euromed Partnership such as visa and legal migration arrangements; capacity building on legal frameworks for economic migration; and support to manage remittances for improved development outcomes.

The EU's Mediterranean politics reflects a delicate balance between the EU's strategy to promote respect for human rights and fundamental freedoms and the will to promote cooperation on security issues—namely counterterrorism and migration. As Rosa Balfour has noted, to be credible, a human rights promoter should practice what it preaches.¹⁶ In that sense, the EU should offer reciprocity that requires it and its member states to address the issues that concern their Mediterranean partners. Respect for the rights of migrants in the EU, even in the counterterrorism policy and in the migration and asylum policy of the European states, is an example of the lack of EU coherence between practice and theory.

Even though Euro-Med relations are based on negative conditionality (punishment or sanctions when specified conditions are not met), the EU has been unable to translate its policies into action. The ENP introduced a new approach and some new arrangements that may reflect the EU's recognition of shortcomings in its former cooperation initiatives. The EU's weak record in promoting human rights in the Mediterranean could be considered a result of its choice to use conditionality coercively, through negative means. The new approach is based on a differentiation approach. It creates incentives for those Mediterranean partners that are most willing to demonstrate their respect for human rights, fundamental freedoms, and good governance.

Conclusion

While stating the importance of a standard and coherent approach, the European Commission recognizes that there are big differences in the regional commitment to economic cooperation, in countries' administrative and institutional capacities, and in the willingness of its neighbors to participate. The way to pursue the neighborhood policy is no longer through political conditionality, but rather with benchmarks: clear and public definitions of the actions that the EU expects its partners to implement. Both political and economic benchmarks may be used, depending on which targets and reforms are desired. In shaping this new Mediterranean policy, the European Commission has drawn on its experience with the political transitions in new member states and candidate countries. However, since the Mediterranean policy does not foresee the possibility of full EU membership, the differentiation approach should be enriched with incentives to help carry the process forward.

In this sense it would be useful to introduce positive conditionality in the framework of the differentiation approach. There should be incentives for trade cooperation and in some relevant sectoral policies, such as agriculture. As a powerful instrument, the EU should make the conclusion of Association Agreements dependent on progress in human rights. The EU should set clear benchmarks on the progress expected through the use of incentives, on the basis of commonly agreed objectives, and consider the activation of sanctions if those conditions are not met.

In conclusion, the AFSJ in the framework of Euro-Med relations is one of the main instruments for fostering the role of the EU as a democracy promoter and managing the EU's domestic security policy. Even if the AFSJ is part of the EU's Mediterranean policy, the ability of the Euro-Mediterranean Partnership to promote political change will be limited in the authoritarian regimes of the Mediterranean. Even if the Barcelona Process formally rewards progress on democracy and human rights, in practice the EU has never used the conditionality clause to apply sanctions against a country that violates human rights and democratic principles. A European Neighborhood Policy that balances incentives with sanctions could encourage states to further pursue a political reform agenda.

Notes

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*The European Union
and Its Neighbors*

PART
II

*European Neighborhood Policy:
Living up to Regional Ambitions?*

On the eve of eastern enlargement in 2004, the European Union was confronted with a double fear. On the one hand, enlargement brought a security challenge, with the EU closer to more unstable areas. On the other, the big enlargement created a major paradox. While it included ten former communist countries in the process of European integration, it risked creating new dividing lines by leaving others out. Enlargement would inevitably affect trade relations or human mobility between the new member states and their neighbors. The danger was that of creating a two-speed Europe, with a firmly integrated, stable, and affluent Europe in the West and a less stable, much poorer, and possibly less democratic Europe in the East. This possibility ran counter to the founding commitments of European integration.

Driven by concerns about a two-speed Europe and by fears of instability, several new policies toward the eastern neighbors were proposed.¹ In May 2002 the British foreign secretary, Jack Straw, sent a letter to the Spanish Presidency of the European Council, in which he proposed new policies toward Ukraine, Moldova, and Belarus that would offer them incentives to reform. Straw's rationale was: "We must not create a new dividing line of 'haves and have not's on the continent.'"² This gave rise to a debate on how a security vacuum and new dividing lines could be avoided by projecting stability and prosperity in the wider Europe.

The EU's new regional foreign policy was born when EU High Representative Javier Solana and European Commission member Chris Patten launched the "Wider Europe" initiative in August 2002. The initiative was developed into a full-fledged policy, first renamed the Neighborhood Policy, then the European Neighborhood Policy (ENP).³ The European Commission published its strategy paper on the topic in May 2004.⁴ While Straw's original concerns were about the countries of Eastern Europe, the policy was extended to the countries

of the Mediterranean. This was done mainly for internal political reasons, as the southern countries of the EU were afraid that too much attention would go to the East.

This chapter looks at the ENP as a specific form of regional foreign policy. The first part of the chapter describes the nature of the ENP. The analysis starts from the peculiar position of the EU in international relations as an actor with a strong unintended impact on its neighborhood *inter alia*, in terms of its economic power and the attraction it exerts. The ENP can therefore be regarded as a specific type of foreign policy that tries to manage this unintended impact. Against this background, the chapter looks at the core strategic objectives of the ENP: creating stability and avoiding new dividing lines. The ENP signifies a shift in the EU's strategy to create stability across its borders by extending the Union, to a strategy of actively exporting its rules and norms while excluding the option of membership.

The second part attempts to explain how the ENP functions and what determines success or failure in the transfer of the EU's rules, norms, and practices to the target countries. The chapter concludes that the ENP is fundamentally different from the enlargement process. Conditionality, or offering rewards to non-EU countries for meeting certain specified requirements, is not the key to understanding the variation in the adoption of EU rules. The EU's regional foreign policy needs to be understood as a complex social learning process, which is highly determined by interplay between the domestic agenda in the target country and the subjective perception of potential accession to the EU, even if this is formally excluded under the ENP.

The Nature of the European Neighborhood Policy: (Un)like Enlargement Policy

The ENP is essentially a regional foreign policy with the aim of developing "privileged relations" with the new neighbors of the enlarged EU, without giving them the prospect of accession. As defined in the European Commission's strategy paper of May 2004: "The objective of the ENP is to share the benefits of the EU's 2004 enlargement with neighboring countries in strengthening stability, security and well-being for all concerned. It is designed to prevent the emergence of new dividing lines between the enlarged EU and its neighbors and to offer them the chance to participate in various EU activities, through greater political, security, economic and cultural co-operation."⁵

The interpretation of "privileged relations" in initial statements was quite far-reaching. The Commission's president, Romano Prodi, said that the ENP

countries would share “everything but the institutions.”⁶ Early documents referred to participation in the four freedoms of movement: of goods, persons, services, and capital. Later, strong commitment was replaced by vague and conditional references.⁷ In practice, most of the benefits awarded so far consist of assistance and financial support (through ENPI, the European Neighborhood and Partnership Instrument), preferential trade measures, and participation in certain Community programs.

There are sixteen ENP target countries, which can be roughly divided into four geographic areas: the southern Mediterranean (Morocco, Algeria, Tunisia, Libya, Egypt), the eastern Mediterranean (Jordan, Israel, Lebanon, the Palestinian Territory, Syria), Eastern Europe (Moldova, Ukraine, and Belarus), and, since 2004, the southern Caucasus (Armenia, Georgia, Azerbaijan). In the case of Belarus, Libya and Syria, the ENP has not been activated for various reasons. The western Balkan states are not included because they have the prospect of EU membership.

Russia, although originally included in the blueprints, is not part of the ENP. Moscow has always been lukewarm to the initiative, which it considered to be too EU-centric. Outside the ENP framework the Russian Federation has been granted special status as a “key partner of the EU.”⁸ The strategy paper recognizes that “Russia and the enlarged European Union form part of each other’s neighborhood,” thus acknowledging the equivalence of both.⁹ Russia is thus recognized as a fully equal partner of the EU.¹⁰ It needs to be recognized that the relationship between the EU and Russia is of a fundamentally different nature. This is, among other things, the result of the size of the country, its ambitions to play a prominent international role, and the fact that its economy is not heavily dependent on the EU, unlike the economies of most ENP countries. Of the EU’s neighboring states, Russia is the only country with whom the EU has a trade deficit (72.5 billion euros in 2011).¹¹ At first glance, the ENP seems to be modeled on the enlargement policy of the EU. Both policies are based on agreements, negotiations, and monitoring. In both policies the EU stipulates conditions for the partner states and provides financial and other incentives. The first-generation ENP instruments (Country Reports, Action Plans, Progress Reports) have different names but look highly similar to those used in the accession process. Action Plans outline the reform priorities and serve as a point of reference for the next three to five years. Although in principle they are bilateral, they mainly reflect the strong asymmetry that characterizes relations between the EU and its neighbors. Action Plans were agreed in 2005 with Israel, Jordan, Moldova, Morocco, the Palestinian Authority, Tunisia, and Ukraine; in 2006 with Armenia, Azerbaijan, and Georgia; and in 2007 with Egypt and Lebanon. There is no Action Plan yet for Algeria. In the case of the Eastern Partnership

(see below), the Action Plan may be followed up by an Association Agenda for those countries that made substantial progress.

The neighborhood and enlargement policies also share a structural approach. In contrast to conventional foreign policy, the goal of “structural foreign policy” is to create a favorable or stable external environment by socializing third countries to one’s way of doing things.¹² In contrast to a conventional, possession- and goal-oriented foreign policy, the time frame is long term. The EU, in other words, shapes its immediate external environment in its own image. It is an explicit attempt to structure the immediate neighborhood along the dominant principles and norms of the EU.

Despite appearances, the ENP differs from the enlargement policy in a few fundamental ways. First and most obvious, it *excludes membership*. Unlike enlargement, the ENP does not envision a transition from EU external governance to full integration. Instead it aims at reshaping the neighboring countries in its own image without leaving the door open for membership. Second, the ENP is a *framework policy*. It is based on a number of common principles, but consists of differentiated policies toward the different target states. The “one size fits all” approach of the accession process has been replaced by a tailored approach for each country. Considering the diversity of the countries involved, this is not surprising. Third, the ENP is a *dynamic policy*. It provides a flexible framework for developing privileged relations with the new neighbors. Not only do the relations develop at different speeds, depending on the progress made, but the outcome of the process itself is undetermined. Finally, the ENP *functions in a fundamentally different way* from enlargement. The success or failure of rule transfer from the EU to the ENP countries cannot be explained in terms of conditionality.

Splitting Up and Revising the ENP

RECOGNIZING THE TWO REGIONAL DIMENSIONS. From the outset, the ENP sat uneasily in two chairs. It formed a far too broad framework for countries displaying a huge diversity. As much as living standards differed, the self-ascribed European identity of the ENP states and their aspirations for EU accession varied enormously. The decision to include all neighbors, east European and Mediterranean, in one and the same framework, was mainly the result of a political compromise, giving in to the fears of Southern European member states that the Union would focus too much on its eastern neighbors, at the expense of the southern ones. As a result the ENP has been schizophrenic from the beginning. In few areas was this more visible than in democracy promotion. While it featured prominently in the policy toward East European states, it was minimal, if not absent, toward Mediterranean states. It seemed as if the ENP was driven by

two different forces. Toward the former Soviet states, there was a genuine will to foster democracy and to harmonize rules, going hand in hand with concerns over stability. In the case of the Arab states in the MENA (Middle East and North Africa) region, the policy was driven more one-sidedly by security concerns:¹³ fear of instability, Islamist terrorism, and migration. Democracy clauses in ENP Action Plans were either absent or reduced to vague formulas. A lot of what the EU did in this region supported the authoritarian elites in power rather than empowering civil society.¹⁴

Facing the limited results the ENP had generated, this ambivalence was implicitly recognized and two dimensions were formally ‘added’ to the policy: a southern dimension in the form of the Union for the Mediterranean and an eastern dimension in the form of the Eastern Partnership (EaP). In practice this implied that the policy framework was maintained, as well as its budgetary instrument (the European Neighborhood and Partnership Instrument, ENPI), but that the ENP largely fell apart into two different policies. The Union for the Mediterranean was established in 2008 and built on the Barcelona Process and Euro-Mediterranean dialogue. Its membership was further extended to include not only the EU-27 and the Mediterranean ENP states, but also the Balkan coastal states, Mauritania, Syria and Monaco. Set up as a multilateral framework, the high-level activities of the Union remained largely limited to one prestigious conference held in Paris in 2008. One of the major obstacles for the Union is the Israeli-Palestinian conflict. The Arab Spring of 2011 and the regime changes following from it rendered the future of the Union for the Mediterranean uncertain. The new role the organization may play in a transformed MENA region was under discussion in Autumn 2011.

The Eastern Partnership, launched in Prague in 2009, was a silent recognition of the closer relations sought by the EU’s eastern neighbors. It seeks “to create the necessary conditions to accelerate political association and further economic integration between the European Union and interested partner countries.”¹⁵ It adds a multilateral framework to the existing forms of bilateral cooperation. Four platforms are at the center of the Eastern Partnership: democracy, good governance and stability; economic integration and convergence with EU policies; energy security; and contacts between people. Six “flagship initiatives” give further visibility to the partnership. They include strategic priorities of the EU, such as the diversification of energy supply and border management. As such they reflect a more explicit emphasis on EU interests. Of significant symbolic meaning is that Belarus was taken on board. The prudent engagement with the authoritarian regime of President Alexander Lukashenko, however, was troublesome. Tensions grew first over the representation of the country in the EU-Neighborhood East Parliamentary Assembly (EURO-NEST PA) and the

Eastern Partnership Civil Society Forum, and later over the presidential elections in December 2010 and the EU sanctions following those. They culminated in the decision of Belarus to leave its chair at the EaP summit in September 2011 empty because Lukashenko was not allowed to represent his country.

At the bilateral level cooperation under the EaP now envisages Association Agreements with partner countries fulfilling the necessary conditions.¹⁶ The new agreements provide for a Deep and Comprehensive Free Trade Area (DCFTA). The road maps to an Association Agreement are still largely based on the approximation of laws and standards to those of the EU. Ukraine was the first to negotiate with the EU on the basis of an Association Agenda. It finalized talks on an Association Agreement with the EU at the end of 2011, but the agreement was not initialed because of disagreement over the conviction of former Ukrainian Prime Minister Yulia Tymoshenko. Good progress was reported in the negotiations with Moldova, which—together with Georgia—started negotiations on a DCFTA in December 2011.¹⁷

REFORMING THE ENP: “DEEP DEMOCRACY” AND “MORE FOR MORE.” The results of the ENP are generally seen as disappointing. Some countries have very selectively adopted some EU rules in some sectors, but in general the approximation remained limited.¹⁸ In the field of democracy, the EU had no doubt a certain impact on some eastern neighbors, but nowhere did democracies move beyond half-heartedness. The case of Ukraine is particularly interesting in this respect. After the Orange Revolution of 2004, roughly coinciding with the first EU-Ukraine Action Plan, Kiev made a big step toward democratization. It was praised by organizations like the Council of Europe for organizing several consecutive elections that lived up to democratic standards. The high hopes for democracy, however, did not fully materialize, as the executive power got stuck in a paralyzing conflict between President and Prime Minister. The old Orange allies, Viktor Yushchenko and Yulia Tymoshenko, fell out and democratic reforms remained largely limited to the institutional façade. They hardly moved beyond formal procedural democracy and failed to create a substantive democracy, based on a democratic culture, ongoing societal control, participation and transparency.¹⁹ The same organization that praised Ukraine for democratizing its institutions and procedures blamed the country for lack of more substantive democracy. Nowhere is this more visible than in the case of corruption, which a study by the Razumkov Centre found to be “all-embracing, ‘total’: . . . the country has no ‘islets of honesty,’ both on the level of separate persons and structures or institutions.”²⁰ Under President Viktor Yanukovich a certain degree of political stability was regained, but the clock was set back drastically. The new regime returned to the 1996 constitution, restrained rights and liberties, and used selective and politicized justice to eliminate political opponents.

While in the East democracy remained ambiguous, it was—as noted above—rather marginal on the ENP agenda in the MENA region. When the revolt in Tunisia erupted and spilled over into the Arab Spring of 2011, the EU was taken by surprise. It had ignored the frustration of the citizens over poverty, corruption, and lack of freedom. It had failed to support grassroots civil society initiatives seriously in these countries, blinded by its concerns over stability and migration. When the EU undertook its revision of the ENP in 2011, the recent events in the Arab world weighed heavily on the reforms proposed. The concept of “deep democracy” came to complement that of “deep free trade.” In the document “deep democracy” is defined as “the kind that lasts because the right to vote is accompanied by rights to exercise free speech, form competing political parties, receive impartial justice from independent judges, security from accountable police and army forces, access to a competent and non-corrupt civil service.”²¹ This expresses, in other words, the intention to move beyond formal democracy and to create more substantive forms of democracy, but the initiatives proposed in the review remain void of concrete elements. Next to democracy building, economic development, and strengthening, the two regional dimensions were the two other main tracks for revising the ENP. More funds were made available and conditionality was strengthened under the slogan “more for more”: better rewards for those who do a better job of meeting the conditions. These good intentions could not prevent the EU from having difficulties overcoming the old woes, such as fear of migration. In general, the EU struggled to develop swift and common answers to the regime changes or play a leading role in its southern neighborhood. The military operation in Libya in 2011 happened under NATO command and French leadership. The EU did impose sanctions on the Assad regime in Syria, but was not successful in establishing a strong international consensus. In countries where the regimes had changed, Tunisia, Egypt, and Libya, it was not always a strongly visible actor.

Unexpectedly, the first real test of how serious the EU was about its new concept of “deep democracy” came from the East, rather than from the South. At the very time when optimism had grown that Ukraine’s advanced status in the ENP would be rewarded with an Association Agreement and that a first major achievement would follow from seven years of ENP, former Prime Minister Tymoshenko was sentenced to seven years in prison, in a trial that both Brussels and Moscow condemned as “politically motivated.” If the EU was serious about democracy, it could not close its eyes for such a blunt abuse of the judicial system to eliminate political opponents. Voices were raised to conclude the negotiations on the Association Agreement, but to make ratification dependent on further political conditions. The EU found itself in a delicate position. On one hand the EU had little choice but to exert pressure on Kiev for respecting

democracy and the rule of law. On the other, Brussels was reluctant to exert too much pressure, as this would risk jeopardizing relations with Ukraine and the first major achievement of the ENP/EaP. Blowing up all that had been achieved after years of negotiations would increase the risk that Ukraine would be more susceptible to Russia's invitation to join its Customs Union with Belarus and Kazakhstan, a choice that was mostly seen as incompatible with deep free trade between Brussels and Kiev.

Analytical Framework: The ENP as a Policy to Mitigate Unintended Side Effects

All players on the international scene have an impact on their environment. Each country affects other countries, first of course its immediate neighbors. It creates certain opportunities and certain constraints. Part of this impact is unintentional, the logical result of a country's geopolitical position, its domestic policies, its economic capabilities, its ideological attractiveness, and other factors. But there is also a deliberate, intentional impact. A country develops a proactive foreign policy through which it tries to achieve certain objectives.

Intended and unintended impacts are strongly related. A foreign policy will seek to structure the unintended impact in such a way as to be used to achieve certain objectives. Theoretically, this may take two forms. Either a foreign policy will try to reinforce and even exploit the existing impact or it will seek to reduce certain negative unintended effects.

What makes the EU a unique actor on the international scene is first the balance between its intended impact (or proactive foreign policy) and its unintended impact. As an economic giant, the EU has a considerable impact, not least on its direct neighbors. Many ENP countries export around 30 percent of their goods to the EU, with peaks over 70 percent, as in the case of Tunisia.²² They find themselves in a strong position of dependence, which leaves them little choice but to adapt to certain EU standards and practices. Moreover, the EU enjoys a high level of legitimacy in wider Europe and exerts a magnetic force or "gravitational pull" on its direct neighbors.²³ The intended, structured impact of the EU, however, is more limited than that of a classic state. The Common Foreign and Security Policy (CFSP) is relatively young and heavily constrained by institutional characteristics, not least its predominantly intergovernmental nature. Therefore one can state that the EU is characterized by a large gap between its relatively limited intended impact and its (regionally) considerable unintended impact.

A second contested issue is the nature of the relation between intended and unintended impact. Is the way in which EU foreign policy deals with the Union's own unintended impact fundamentally different from that of other actors, such

as states? In the simplest terms, the relation may take different forms: the foreign policy may try to reinforce the existing unintended impact, or conversely may try to mitigate the negative effects thereof.

It is in particular in this respect that the ENP forms an interesting case. As one of its central objectives is to prevent new dividing lines in Europe that could result from the 2004 and 2007 enlargements, the ENP has a founding commitment to mitigate the negative consequences of the enlarged EU. The question investigated below is whether the EU puts relatively more emphasis on mitigating its (negative) impact for the benefit of its neighbors than on reinforcing it.

Balancing Two Structural Objectives

In order to answer this question, we need to look at the two core strategic objectives of the ENP: creating regional stability and preventing new dividing lines.

Creating Stability

Romano Prodi, the former president of the European Commission, summarized the core objectives of the ENP as creating “a ring of friends” around the Union.²⁴ In the European security strategy “building security in our neighborhood” is declared to be a strategic priority.²⁵ The ENP would allow neighboring countries that had made specified progress to share the benefits of European integration without including them in the European Union. This is a fundamental shift in strategy. On one hand, the EU confirms its founding commitment to create stability and conditions for structural peace. On the other, it changes the method for reaching this objective. While in the enlargement process stability is created by extending the EU, the ENP seeks to create stability by exporting the rules, practices, and norms of the EU to its new neighbors. It attempts to project the EU’s model of stability and prosperity rather than open it to new members. The goal is to escape the problem that, confronted with “enlargement fatigue,” the EU would feel morally compelled to keep on enlarging in order to create stability.²⁶

The shift in the EU’s policy of stability creation from extending the organization to exporting its norms and practices is a fundamental one. Although the outcomes are far from certain, the strategic shift implies a fundamental change in both the political instrument of conditionality and the mechanisms of social learning.

Preventing New Dividing Lines

The second core objective of the ENP was to “prevent the emergence of new dividing lines between the enlarged EU and its neighbors.”²⁷ Enlargement would inevitably produce certain negative effects for the neighboring countries,

especially in the East. Accession, for example, implies that the EU's external tariffs apply to trade between the neighboring countries and the new member states. Moreover, as the new member states had to accept the Schengen *acquis*, border crossing became subject to often lengthy and expensive visa procedures, thus affecting people's mobility and cross-border trade.²⁸ President Leonid Kuchma of Ukraine warned that Schengen would replace the "old Iron Curtain with a different, more humane but no less dangerous Paper Curtain."²⁹ This reveals a crucial paradox of the enlargement process. While European integration makes borders increasingly irrelevant, enlargement creates new external borders, which are more strongly secured and more difficult to cross than before. Ruben Zaiotti has described this as the "gated community syndrome."³⁰

Rephrasing the quotes above, the ENP's goal was to prevent a new curtain from descending over Europe, this time along the borders of the European Union. It had to mitigate the negative, unintended impact of enlargement on the neighboring states. To what extent does the ENP agenda reflect this goal? Surprisingly little research has been done to answer this question. A study of different Action Plans³¹ and the Association Agenda with Ukraine indicates that they mainly reflect the EU agenda. Most of the objectives listed aim at approximating the legal and institutional framework of the ENP target countries to that of the European Union.

The demands put forward by the neighboring countries themselves play a secondary role, and the EU makes few concrete commitments. The concerns of the ENP target countries, mainly better access to the Single European Market and visa-free traveling, only made it to the agenda at the stage of negotiations on a new generation of Association Agreements. Often it is the member states that resist EU concessions in these areas, while the European Commission displays more willingness to mitigate the negative side effects of enlargement.

In sum, the ENP reflects the asymmetric relations between the EU and its partner states. Even if the process is formally bilateral, in terms of both agenda-setting and results achieved, the EU is the dominant power. This may seem logical, given the considerable dependence of most neighboring states on the EU. It does, however, risk contradicting one of the central objectives of the ENP, namely avoiding new dividing lines in Europe. The mobility of persons, access to the single market, and the solution of frozen conflicts in particular are EU neighborhood demands over which the EU is hesitant to make concessions.

Exporting Stability: What Determines Success and Failure?

Even if the achievements of the ENP are modest, there is a large degree of variation among them. Which, then, are the factors that account for the variation?

When is the EU successful in exporting its rules, norms, and practices to the target countries? Studies of enlargement have suggested that conditionality is important in triggering reforms in the candidate member states: that the reward of membership is a strong incentive for a country to implement reforms and to integrate the *acquis* into its national system. Does the same incentive also facilitate transfer of rules, norms, and practices to the ENP countries?

Explaining the ENP through Conditionality?

In their influential study of EU enlargement, Frank Schimmelfennig and Ulrich Sedelmeier present three models of external governance that explain the effectiveness of rule transfer from the EU to the candidate member states.³² They define rule transfer as “the adoption of EU rules in non-member states, i.e. their institutionalization at the domestic level.”³³ The authors conclude that the variation in the effectiveness of rule transfer in the accession process is best explained by the “external incentives model.” This is a rationalist bargaining model that starts from the assumption that the actors involved are rational utility-maximizers who will be led by cost-benefit calculations. EU conditionality, a strategy based on “reinforcement by reward,” affects the domestic equilibrium and may change the cost-benefit balance. In an enlargement context, the authors expect that a candidate member state “adopts EU rules if the benefits of EU rewards exceed the domestic adoption costs.” This cost-benefit calculation is determined by four factors: the determinacy of conditions, the size and speed of rewards, the credibility of threats and promises, and the size of adoption costs.³⁴

In the same study the authors present two alternative models of EU external governance. One is the “social learning model.” This is a constructivist approach, assuming that candidate member states adopt the EU rules if they consider them appropriate or legitimate. The other is the “lesson-drawing model,” in which “domestic dissatisfaction with the *status quo*” is the ground for approximating domestic legislation to the EU legislation. Candidate states adopt EU rules because they expect “these rules to solve domestic policy problems effectively.”³⁵

The conditionality of the ENP is outlined in the formulation of the Action Plans.³⁶ The EU-Morocco Action Plan, for example, states that “the rate of progress on this ambitious plan will depend on the efforts and concrete achievements in meeting jointly agreed priorities.”³⁷ Considering that, according to Schimmelfennig and Sedelmeier, the external incentives model has the highest explanatory value for rule transfer from the EU to the candidate member states, we could expect the model to have a high explanatory value for the ENP as well.

However, when we apply the external incentives model to the ENP, there are a number of striking differences. While enlargement was characterized by clear and explicit conditionality, this is less evident in the case of the ENP.

When looking at the conditions side, differences between enlargement policy and the ENP do not at first seem to be tremendous. The Action Plans and Association Agenda with Ukraine contain a long list of conditions that partner countries have to fulfill. What is lacking in the ENP, however, is the explicit broader framework in which macro-conditions were set for accession. Since the European Council in Copenhagen in 1993, a country that wants to qualify for membership needs to fulfill three sets of conditions, widely known as the “Copenhagen criteria.”

Some of the Copenhagen criteria are reflected to different degrees in the ENP. The Action Plans for Ukraine and Moldova refer to the strengthening of “the stability and effectiveness of institutions guaranteeing democracy and the rule of law.”³⁸ In the case of Morocco there is only a reference to “pursuing legislative reform and applying international human rights provisions.”³⁹ This omits the condition of democracy. In all Action Plans we find partial references to the second Copenhagen criterion and the establishment of a competitive market economy, mainly in terms of liberalization of the market and improving the investment climate. The third Copenhagen criterion, the obligations of membership, obviously does not feature as such in the ENP Action Plans. However, most of the technical conditions in the Action Plans are about the approximation of rules to those of the EU. They therefore reflect a selective adoption of the *acquis communautaire*.

On the rewards side, the difference is striking. First, the rewards promised by the ENP are vague. While in the case of enlargement membership was the big bonus, the rewards under the ENP are less clear. The phrase saying that the ENP would lead to “privileged relations” between the EU and its new neighbors is revealing. What exactly these privileged relations entail is not clear. The formulations in the Action Plans do little to clarify this. References are made to “the perspective of moving beyond cooperation to a significant degree of integration” and to “a stake in the EU’s Internal Market.”⁴⁰

Moreover, the rewards are uncertain. While the conditions imposed on the partner country tend to be specific and clear, the rewards are formulated in a very careful and open-ended way, for example a promise of “dialogue” on visa facilitation. As the ENP is a dynamic policy without agreement on its finality, the rewards are subject to case-by-case decisions by the member states.⁴¹

Finally, the link between conditions and rewards is very unclear. From the official documents, it is unclear which conditions need to be fulfilled in order to obtain a specific reward. Overall the Action Plans read like a wish list of the EU, with the EU amply stipulating detailed conditions with only a limited number of vague and uncertain rewards in return.

This casts doubt on the usefulness of the concept of conditionality to understand the ENP, even if it continues to exist at the technical micro-level of negotiations. The eastern enlargement of the EU was mainly a collective process in which all member states agreed on the rules of the game: the conditions, rewards, incentives, and process. Drawing on a comparison made by a Commission official, conditionality under enlargement involved one single exam for all, with identical criteria (the Copenhagen criteria) and the same bonus if successful (accession). The preparation for the exam (the accession process) was a collective process.⁴² The ENP does not apply one single exam, but different exams with different criteria and different rewards. As a result, it is a much more political process, driven less by collective considerations at the EU level than by the preferences of different member states.⁴³

Differentiation within the neighborhood policy may thus undermine conditionality, which can function well only if it is applied in a fairly consistent way: "If international organizations were perceived to subordinate conditionality to other political, strategic or economic considerations, the target state might either hope to receive the benefits without fulfilling the conditions or conclude that it will not receive the rewards in any case."⁴⁴

Understanding the ENP Differently

The absence of strict political macro-conditionality suggests that the external incentives model has limited explanatory value for the ENP: "The attempt to capture the effects of the ENP based on a model informed by positivist notions of causality is . . . inappropriate."⁴⁵ Rather, the domestic agenda in the target country is a key factor in the success or failure of rule transfer under the ENP. Of central importance is whether a country realizes the utility of reforms. The Action Plans or Association Agenda may then serve as an agenda for domestic reforms, or at least a menu for choice, as adoption of the EU rules is often selective. It should be noted that this does not necessarily mean that the ruling elite (which in many ENP countries has not been democratically elected) accepts the need for reforms. Public opinion or opposition may use the Action Plan as a platform to mobilize against domestic veto players, actors who are powerful enough to block certain reforms.⁴⁶ This suggests that the "alternative" models of Schimmelfennig and Sedelmeier have a higher explanatory value for the ENP: rule transfer appears to be highly determined by lesson-drawing and social learning.⁴⁷

Another important but neglected factor in understanding the variation in rule transfer from the EU to its partner countries is of a subjective nature. The perception in the neighboring state that it will accede to the EU over the

Table 6-1. *The Effects of Enlargement Policy and the European Neighborhood Policy on the Adoption of Changes in Non-EU Member States*

<i>Policy</i>	<i>Unintended impact</i>	<i>Intended impact</i>
Enlargement—a strategy to <i>extend</i> the model of democracy and stability	Strong “gravitational pull” because of the prospect of accession to the EU over the short term	Strong political conditionality (Copenhagen criteria)
European Neighborhood Policy (ENP)—a strategy to <i>export</i> democracy and stability	“Gravitational pull” dependent on the prospect of accession to the EU over the medium term	Weaker and more ambiguous conditionality: (1) little political macro-conditionality; (2) technical micro-conditionality

Source: Author's summary.

mid- or longer term will strongly determine its willingness to adopt the rules and norms of the latter. The EU political support for the pro-European choices of the new Ukrainian regime after the Orange Revolution,⁴⁸ for example, triggered hopes in Kiev that the ENP would be a first step in the direction of membership. Statements by politicians and policymakers at that time reinforced those hopes. External Relations Commissioner Benita Ferrero-Waldner appeared to leave the door ajar for membership in stating: “The question of Ukrainian entry into the EU is not on the agenda. But it is clear we are not closing any doors.”⁴⁹ This reinforced hopes that Kiev could move closer to the target of membership and increased the willingness to comply with the Action Plan. The next step in the process, the Association Agreement—the first of its kind—was seen as an important step in between. In this context Ukrainian diplomats insisted on a clause in the agreement that would explicitly mention Ukraine's membership perspective.

Thus the EU's gravitational pull is another example of “unintended impact.” Neighboring states are willing to adopt certain rules not simply as a function of “objective” factors, such as economic dependence, but also because of subjective factors, such as the perception of potential accession to the Union. As a result, political support, the domestic agenda, political preferences, and dependency determine the interaction between the EU (and its member states) and the ENP partner countries, rather than conditionality and cost-benefit calculations, which dominated the accession process. Table 6-1 compares enlargement and the ENP in terms of subjective attraction and conditionality.

The prospect of accession sets the Eastern European countries apart from the Mediterranean ENP countries, where membership is not an issue.⁵⁰ Although the ENP does not offer a formal prospect of EU membership, Eastern European

countries hope that a successful ENP process will eventually lead to an accession process. Several scholars share the expectation that successful reform under the ENP will increase pressure to open the door for accession of the Eastern European countries.⁵¹ How rule adoption and institutional change result from an active quest for legitimacy with the EU, as the dominant organization, has been insufficiently researched at this stage.⁵² Also, a better understanding of how the EU governs beyond its borders may be furthered by studying how perception in non-EU countries affects their quest for EU membership. Such studies may also prevent the analysis of successful rule transfer from being considered either rationalist and causal or constructivist and constitutive. Incentives may play an important role in rule transfer, but they are always perceived within a context that affects their interpretation and meaning.⁵³

Conclusion

The first part of this chapter analyzes the nature of the ENP as a policy offering privileged relations with the neighbors of the enlarged EU but without the prospect of membership. Through the ENP the EU intended to mitigate the negative side effects of its considerable unintended impact on its direct neighbors. In this policy the EU has to find an uneasy balance between the aim of creating a stable and secure environment and preventing new dividing lines in Europe by partially integrating its neighbors. By excluding membership, the EU has made a substantial strategic shift from creating stability through extending the Union to creating stability by exporting the EU model. As a result of the separation of stability and integration in the EU's new regional strategy, we can expect the ENP to continue to follow a different logic from enlargement. As tangible results remained limited in the first years of the ENP, the need was felt to formally recognize the two fundamentally different eastern and southern dimensions of the ENP in the form of the Eastern Partnership and the Union for the Mediterranean.

The second part highlights the absence of conditionality from the ENP at the political macro level. The external incentives model, according to which a third country adopts EU rules if the cost-benefit calculation (domestic adoption costs versus EU rewards) is positive, cannot explain success and failure of rule transfer under the ENP. It was suggested that the variation in successful rule transfer is rather the result of a complex social learning process, in which the domestic agenda, political support from individual member states, and the perceived prospect of accession in the longer term interact.

This approach opens perspectives for filling some of the gaps in current research. First, the focus has been too much on the EU. More efforts should be

undertaken to reverse the perspective and to investigate how the ENP is received in the target countries. Second, research should focus on how the EU's unintended impact on its neighborhood and its deliberate policy toward the same area interact. To what extent does the ENP reinforce or mitigate the effects of the EU's presence? Does economic dependence foster the acceptance of the ENP priorities? Finally, the subjective factor deserves more attention, in particular the role of perception in the target countries. Bringing these three lines together, one research track that needs to be further explored is how the subjective attraction of the EU leads certain ENP states to proactively seek legitimacy with the EU. Such approaches will allow research to move beyond a one-sided analysis of the ENP as a utilitarian reaction to the incentives provided by the EU.

Notes

1. Karen Smith, "The Outsiders: The European Neighborhood Policy," *International Affairs* 81, no. 4 (2005): 757–73; Geoffrey Edwards, "The Construction of Ambiguity and the Limits of Attraction: Europe and Its Neighborhood Policy," *Journal of European Integration* 30, no. 1 (2008): 45–62.

2. Jack Straw, "A New Mission for Europe," speech at the Auswärtiges Amt, Berlin, 2002.

3. Commission of the European Communities, COM (2003) 104 final, "Communication from the Commission to the Council and the European Parliament. Wider Europe—Neighborhood: A New Framework for Relations with Our Eastern and Southern Neighbors" (Brussels, March 11, 2003).

4. Commission of the European Communities, COM (2004) 373 final, "Communication from the Commission. European Neighborhood Policy. Strategy Paper" (Brussels, May 12, 2004).

5. *Ibid.*, p. 3.

6. Romano Prodi, "A Wider Europe—A Proximity Policy as the Key to Stability," speech at the Sixth ECSA-World Conference, December 5–6, 2002 (<http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/02/619&format=HTML&aged=1&language=EN&guiLanguage=en> [September 2006]).

7. On the toning down of conditionality, see Judith Kelley, "New Wine in Old Wine-skins: Promoting Political Reforms through the New European Neighborhood Policy," *Journal of Common Market Studies* 44, no. 1 (2006): 29–55. See also Gwendolyn Sasse, "The European Neighborhood Policy: Conditionality Revisited for the EU's Eastern Neighbors," *Europe-Asia Studies* 60, no. 2 (2008): 301.

8. Commission, COM (2004) 373 final, p. 4.

9. *Ibid.*, p. 6.

10. *Ibid.*, p. 4.

11. European Commission, Directorate General for Trade, "Bilateral Trade Relations—Russia" (<http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/countries/russia/> [November 2011]).

12. Stephan Keukeleire and Jennifer MacNaughtan, *The Foreign Policy of the European Union* (Basingstoke, UK: Palgrave Macmillan, 2008).

13. Francesco Cavatorta and others, "EU External Policy-Making and the Case of Morocco: 'Realistically' Dealing with Authoritarianism," *European Foreign Affairs Review* 13 (2008): 357–76.; Michelle Pace, "The European Union, Security and the Southern Dimension," *European Security* 19, no. 3 (2010): 431–44.

14. Vincent Durac and Francesco Cavatorta, "Strengthening Authoritarian Rule through Democracy Promotion? Examining the Paradox of the U.S. and EU Security Strategies: The Case of Bin Ali's Tunisia," *British Journal of Middle Eastern Studies* 36, no. 1 (2009): 3–19.

15. Council of the European Union, *Joint Declaration of the Eastern Partnership Summit. Prague, 7 May 2009*, 8435/09 (www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/er/107589.pdf [November 2011])

16. Association Agreements are cooperation agreements between the EU and non-members establishing a closer relationship. The Association Agreements to be concluded with the East European neighbors are a new type of enhanced agreement, including deep and comprehensive free trade, covering all trade-related areas and fostering regulatory approximation to tackle 'beyond the border' obstacles. They go substantially further than the existing Association Agreements with Mediterranean neighbors.

17. European Commission, "Press Release: EU Launches Trade Negotiations with Georgia and Moldova," Reference: IP/11/1504, December 12, 2011 (<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/1504&format=HTML&aged=0&language=EN&guiLanguage=en>).

18. Tom Casier, "To Adopt or Not to Adopt: Explaining Selective Rule Transfer under the European Neighbourhood Policy," *Journal of European Integration* 33, no. 1 (2011): 37–53.

19. Geoffrey Pridham, *The Dynamics of Democratization: A Comparative Approach* (London: Continuum, 2000).

20. Razumkov Centre, *Political Corruption in Ukraine: Actors, Manifestations, Problems of Countering*. Special Issue of *National Security and Defence* 7 (no. 111) (2009).

21. "A New Response to a Changing Neighbourhood. A Review of European Neighbourhood Policy," Joint Communication by the High Representative of the Union for Foreign and Security Policy and the European Commission. Brussels, May 25, 2011. COM(2011) 303 (http://ec.europa.eu/world/enp/pdf/com_11_303_en.pdf [November 2011]).

22. European Commission, DG Trade, "Bilateral Relations" (<http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/> [November 2011]).

23. Hanns Maull, "Europe and the New Balance of Global Order," *International Affairs* 81, no. 4 (2005): p. 782.

24. Prodi, "A Wider Europe."

25. European Council, "A Secure Europe in a Better World. European Security Strategy," p. 8. Approved by the European Council held in Brussels on December 12, 2003, and drafted under the responsibilities of EU High Representative Javier Solana (<http://ue.eu.int/uedocs/cmsUpload/78367.pdf> [February 2009]).

26. Smith, "The Outsiders," p. 758; Tom Casier, "The New Neighbors of the European Union: The Compelling Logic of Enlargement," in *The Boundaries of EU Enlargement. Finding a Place for Neighbors*, edited by Joan DeBardeleben (Basingstoke, UK: Palgrave Macmillan, 2008), pp. 19–20.

27. Commission, COM (2004) 373 final.

28. Judy Batt, "The EU's New Borderlands," Working Paper (London: Centre for European Reform, 2003), pp. 12 and 14–15.

29. Kuchma in 1999, quoted in Sandra Lavenex and Emek Uçarer, "The External Dimension of Europeanization: The Case of Immigration Policies," *Cooperation and Conflict* 39, no. 4 (2004): 433–34.

30. Ruben Zaiotti, "Of Friends and Fences: Europe's Neighborhood Policy and the 'Gated Community Syndrome,'" *Journal of European Integration* 29, no. 2 (2007): 144.

31. Casier, "To Adopt or Not to Adopt."

32. Frank Schimmelfennig and Ulrich Sedelmeier, "Governance by Conditionality: EU Rule Transfer to the Candidate Countries of Central and Eastern Europe," *Journal of European Public Policy* 11, no. 4 (2004): 661–79.

33. Ibid., p. 662.

34. Ibid., pp. 663, 664ff.

35. Ibid., p. 668.

36. See Edwards, "The Construction of Ambiguity," p. 48.

37. EU/Morocco Action Plan 2005, p. 1 (http://ec.europa.eu/world/enp/pdf/action_plans/morocco_enp_ap_final_en.pdf [January 2009]).

38. EU/Ukraine Action Plan 2005 (http://ec.europa.eu/world/enp/pdf/action_plans/ukraine_enp_ap_final_en.pdf [February 2009]) and an identical formulation in the EU/Moldova Action Plan 2005 (http://ec.europa.eu/world/enp/pdf/action_plans/moldova_enp_ap_final_en.pdf [February 2009]).

39. EU-Morocco Action Plan 2005.

40. Identical formulations appear in EU/Ukraine 2005 and EU/Moldova 2005 Action Plans.

41. Though one could argue that although the accession process is characterized by a considerable degree of uncertainty, most notably in the case of Turkey, there is at least agreement on the principles and the outcome it should lead to.

42. Author's interview with a Commission official from DG External Relations, June 2008.

43. It remains of course true that compliance with the Copenhagen criteria in the case of enlargement is subject to political interpretation. See, for example, Heather Grabbe, "How Does Europeanization Affect CEE Governance? Conditionality, Diffusion and Diversity," *Journal of European Public Policy* 8, no. 6 (2001): 1020.

44. Schimmelfennig and Sedelmeier, "Governance by Conditionality," p. 666.

45. Sasse, "The European Neighborhood Policy," p. 303.

46. Ibid.

47. Schimmelfennig and Sedelmeier, "Governance by Conditionality."

48. Paul Kubicek, "The European Union and Democratization in Ukraine," *Communist and Post-Communist Studies* 38 (2005): 274ff.

49. Benita Ferrero-Waldner, "Situation in Ukraine," speech at the Plenary Session of the European Parliament, December 1, 2004 (http://ec.europa.eu/comm/external_relations/news/ferrero/2004/speech04_506_en.htm [September 2006]).

50. According to the treaties, "any *European* country can apply for membership." Morocco saw its application for membership in 1987 turned down on the ground that it was not a European country.

51. See concepts such as "procedural entrapment" in Sasse, "The European Neighborhood Policy," p. 296; or "the compelling logic of enlargement" in Casier, "The New Neighbors of the European Union," p. 20.

52. Lien Verpoest uses the theory of institutional isomorphism by DiMaggio and Powell to explain variation in institutional change in Russia, Belarus and Ukraine. See Lien Verpoest, "State Isomorphism in the Slavic Core of the CIS: A Comparative Study of Post-Communist Geopolitical Pluralism in Russia, Ukraine and Belarus," Ph.D. dissertation, Katholieke Universiteit Leuven, 2008 (unpublished); Paul DiMaggio and Walter Powell, "The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields," *American Sociological Review* 48 (April 1983): 147–60.

53. One of the crucial factors in Schimmelfennig and Sedelmeier's external incentives model, for example, is "the credibility of the EU's threat to withhold rewards in case of non-compliance and, conversely, its promise to deliver the reward in case of rule adoption" (Schimmelfennig and Sedelmeier, "Governance by Conditionality," p. 665). However, credibility itself is not a purely rational factor, as the model suggests, but also a matter of perception.

The European Union and Russia: Engaged in Building a Strategic Partnership

“Geographically, Europe and Russia are overlapping entities. Half of Europe *is* Russia; half of Russia is *in* Europe. However, politics, in contrast to geography, does not necessarily take this as axiomatic—either in Europe or in Russia.”¹ The entire history of relations between Russia and Europe has been marked by attraction (sometimes emulation on the part of Moscow) and the need to cooperate, periodically replaced by competition and mistrust. Similar ups and downs have also characterized the institutional ties between the Russian Federation and the EU. Both the EU and Russia are now at important crossroads: the EU is maneuvering its way through the sovereign debt crisis while Russia is pursuing an ambitious program of modernization that could require further political reforms. Both are inclined to strengthen their cooperation and to build a partnership that goes beyond the official relationship between authorities. Despite the collaborative climate and pragmatism, some tensions persist in the “management” of the countries located in the common neighborhood.

Europe as Russia’s Developmental Vector

In previous centuries, Russia’s “authorities realized that diplomacy and mercantile relations with European powers were necessary accoutrements of great power status [and that Russia was still a] peripheral presence. Its resources were not plentiful enough to make it a presence on the continent. [Thus Peter the Great] undertook a self-conscious European socialization process.”² That process was twofold. On the one hand it was conceived as the adoption by Russia of the European civilizational and political model, and thus a confirmation of its European nature (rejecting any Asian roots), while on the other hand,

Note: This chapter went to press before Vladimir Putin was elected president of the Russian Federation in March 2012.

it initiated the first comprehensive Russian modernization process.³ Peter the Great concluded that the nation's primary concern was to have access to the sea, which would allow it to claim the status of a great power. Access to the Baltic Sea "opened a window in Europe for Russia" (in Russian, *prorubil okno v Evropu*): from that moment onward favorable conditions for economic trade and cultural relations with the most developed European countries were established. Thus Russia tried to emulate Western forms of political organization and economic structures. Nevertheless, Russia's self-perception as a great power, or a European power in the north, "was noted but not recognized. European powers sought out Russia as an ally but [mostly on the basis of] fear and hate [rather] than through feelings of friendship."⁴ Increasingly Europe started to play the role of a guiding factor and driving force in all of Russia's attempts to modernize (industrialize). And "it has been Europe that has set the terms with regard to Russia's legitimate place on the continent."⁵ As Lilia Shevtsova points out, Russia's history is also a history of the country's Europeanization.⁶

Since the cold war period, Europe's interaction with Russia has been mostly shaped by the EU, which can be considered a sort of political "manifestation/concretization" of the wide and blurred idea of Europe. This interaction was affected by Europe's division into two blocs and by the role the United States played in its western part through NATO.

With the advent of Mikhail Gorbachev's *perestroika*, Russia's external orientation began to be guided by the idea that Russia should join the European mainstream and integrate into Western institutions. The same idea was later shared by President Boris Yeltsin who, together with his minister of foreign affairs, Andrey Kozyrev, raised it to a foreign policy priority. By the end of his presidential term and especially during Vladimir Putin's presidencies (2000–2008), the modality of integration was revised: more bilateral convergence and less unilateral (meaning Russian) adjustment. At this writing in 2012, Moscow's leadership is promoting an equal and strategic relationship with Brussels (similar to the NATO–Russia Council) that excludes the long-term objective of full-fledged integration but allows Russia to claim its great-power status. However, for Putin, reintegration of the post-Soviet space is high on the political agenda (many scholars emphasize that Russia is emulating the EU integrationist model in the post-Soviet space), while interaction with the EU is instrumental to Russia's economic prosperity and growing international power and prestige. These priorities are reflected in the institutional bilateral framework that has been established with Brussels.

An Institutionalized Relationship Marred by Mistrust

In general terms, on both sides there is still a certain hesitation about pursuing a deeper engagement, despite the increasing institutionalization of relations after

the collapse of the Soviet system. In the aftermath of 1989, Europe, once the focus of U.S.-Soviet opposition, became a central arena for change. The end of the cold war not only triggered a painful period of complex transformations in Eastern Europe; it also challenged Western European institutions, causing them to rethink a system of governance for the entire European continent. In particular, the European Communities, which were set up under a bipolar system, had to face abruptly the question of their *finalité*, just a few years after the relaunch of the economic integration process. In this framework, the Maastricht Treaty was signed and, reinforcing the cohesiveness of the western part of the continent, it opened the way to unexpected perspectives for the eastern part. Between 2004 and 2007 three former Soviet republics and six former satellites entered the EU. The accession of these countries triggered a process of policy export that was unprecedented both for its breadth and for its formulation. The EU became a potent regulator (rule-maker) that was "Europeanizing" not only the countries that were or are to be fully included in its structures, but also a wide range of states well beyond the European continent, including Russia.

The first step in the "normalization" of relations between Brussels and Moscow, which encompassed also the approximation of legislation,⁷ was the signing in 1994 of the Partnership and Cooperation Agreement (PCA) that entered into force only in 1997 after the end of the Chechen War. The agreement was established for an initial period of ten years, with a clause stating that it is to be automatically extended on an annual basis unless either side withdraws from the agreement. The PCA could be classified as an entry-level agreement that does not envisage membership, but endorses the interest of both parties in developing further mutual cooperation. The PCAs are mixed agreements that go beyond the EU framework and have a clear cross-pillar dimension. Their institutional framework overlaps with the remaining EU pillars: the Common Foreign and Security Policy (CFSP) and Justice and Home Affairs (JHA).⁸

At the St. Petersburg Summit in May 2003, the EU and Russia agreed to reinforce their cooperation by creating in the long term and on the basis of common values and shared interests four "common spaces" in the framework of the PCA. These cover the following issues: the Common Economic Space (that is, economic issues and environment); the Common Space of Freedom, Security, and Justice; the Common Space of External Security, including crisis management and nonproliferation; the Common Space of Research and Education, including cultural aspects. The Moscow Summit in May 2005 developed the instruments to put these common spaces into effect by setting "road maps" with specific objectives and actions required.

At that time, Europeans tended to be divided in their dealings with Russia, diluting in this way their most powerful source of leverage: unity. Broadly

speaking, the EU was and still is split between two approaches: some of the EU member states consider Russia a potential partner that can be drawn into the EU's orbit through a process of Europeanization that might end in more integration. They favor involving Russia in as many institutions as possible and encouraging Russian investment in the EU's energy sector. Other members (whose perception is influenced by the burden of the common memories and experiences during the cold war) still see Russia as a threat because of its recently rising power, growing control over the post-Soviet space, and its "managed democracy," which is not aligned with Western values. These countries support a tougher EU approach to Russia based on respect for democracy, rule of law, and protection of human rights. They endorse NATO's further eastward expansion and promote a policy of progressive integration of the EU's eastern neighbors in the EU institutional setting.⁹

These divisions within the EU delayed the renegotiation of a new EU-Russia Agreement, which was launched in June 2008 at the Khanty-Mansyisk Summit after Poland and Lithuania withdrew their veto. The negotiations were then interrupted because of the Russian military intervention in Georgia. Thanks to the diplomatic ability of French President Nicolas Sarkozy, in charge of the EU Presidency at the time, Moscow and Tbilisi agreed to sign a cease-fire. The question of sanctions against Russia, raised by some eastern EU members, was thus avoided. The negotiations for the renovations of the PCA still suffer from some hindrances, such as the question of energy supplies, Russian reluctance to ratify the EU Energy Charter Treaty, and the European opposition to liberalization of the visa regime for Russians.¹⁰ The whole PCA process has been negatively affected by the ups and downs of relations between Russia and the West. Among the points of tension we recall Bush's proposal—blocked by France and Germany—to extend NATO Membership Action Plans to Georgia and Ukraine during the April 2008 NATO summit in Bucharest and the anti-missile defense shield program in Eastern Europe, later shelved and reconsidered by the Obama administration; the recognition of Kosovo's independence in 2008 by two-thirds of the EU members; the alleged Western support for the so-called color revolutions (Georgia 2003; Ukraine 2004; Kyrgyzstan 2005); and the EU engagement in the post-Soviet space through its 2004 European Neighborhood Policy (ENP) and the launch of the Eastern Partnership (EaP) in 2009.

All of these examples of frictions are related to Russia's particularly vigorous defense of its interests in the common neighborhood, which was a reaction to a concurrently displayed EU interest in the region. The firm support for the EU stance by some of its member states (like Poland, which was until April 2010 a staunch adversary of Russia) caused unprecedented irritation in the Kremlin. Despite reassurances by the European Commission that the EaP would be

developed in parallel with the strategic partnership with Moscow, the member states promoting the EaP (Poland and Sweden) and the timing (one year after the war in Georgia) have led Russia to suspect that it is a less-than-neutral stabilization policy. Although the EU neighborhood policies did not foresee a membership perspective, their economic, political, and social dimensions were perceived by Moscow as an attempt to carve a Western sphere of influence in its traditional backyard,¹¹ advancing an alternative to Russia and undermining the latter's regional power. Those policies were threatening to impair Russia's prestige and regional institutional design, which meanwhile was becoming weaker and inefficient. In Moscow's opinion the steadily growing EU presence in the area (in addition to that of the United States) provoked zero-sum game dynamics and reinforced the understanding that the regional countries' future was an object of Russo-Western political arrangements. So far, Moscow offers interest-driven and pragmatic integration to its neighbors (for example, lower gas prices in exchange for political elites' loyalty to the Kremlin) that offsets the EU values-based approach, which has not given Brussels real control over regional trends.¹² Another concern for Russia is that EU policies emphasize an EU-centric understanding of the European continent and stress the importance of shared European values as the basis for future relations with all neighboring states, Russia included. The rationale is to establish in Europe a form of EU governance by transferring and diffusing EU standards, values, and regulations. In this way the Union becomes a key actor in domestic, economic (modernization), and regional affairs. This EU character has often caused tensions between Brussels and Moscow.

However, the economic and euro crisis of the early twenty-first century has significantly weakened the EU's ability for political maneuvers and regional redesign, and Russia is aware of this EU fragmentation and critical period. Brussels may even find that promoting dialogue and synergies in the region, including Russia, is more effective than addressing regional problems on its own. This approach has eased tensions with Moscow to a great extent. Recently some Russian scholars and politicians have proposed the creation of an integrated pan-European space comprising the EU, Russia, and the states in the common neighborhood. Russia is exploiting the financial and economic crisis both of the EU and of its near abroad to reinforce dependency links with the countries of the post-Soviet space, relying on its energy power, while at the same time limiting the role of both the EU and the United States (which has diminished significantly since the Russo-U.S. "reset"; see below) in the region.¹³

Furthermore, Europe is no longer at the center of the international relations system because of the rapid shift of global influence toward other regions, such as the Asia-Pacific.¹⁴ Russia is reluctant to handle a hybrid entity whose

postmodern nature is not clearly understood in the Kremlin. Instead, Russia prefers dealing directly with the EU member states (bilaterally) or even with companies rather than negotiating over collective positions agreed on beforehand. The global financial crisis has discredited the Western model of capitalism, and the EU itself failed to become the most competitive and dynamic knowledge-based economy in the world by 2010, as foreseen in the Lisbon strategy.

Russia's desire to play a greater role in regional security induced President Medvedev to propose a new European security architecture "from Vancouver to Vladivostok" (Berlin, June 2008). Unlike Gorbachev's idea of a "Europe from the Atlantic to the Urals," entailing the survival of the Soviet Union, which would have simply cooperated with both the United States and the EU, Medvedev's proposal presents a post-bipolar view in which Russia is one of the key players and shapers of the system.

"Pressing the reset button" on the U.S.-Russian relationship in 2009 has further helped improve Brussels-Moscow relations.¹⁵ In particular, warmer relations with Washington have detoxified relations with Poland and the Baltics, and public criticism by the United States of human rights and democracy in Russia has largely stopped.¹⁶ The Russians know that they cannot have good relations with Europe if they have bad ones with the United States. The rapprochement between Russia and Poland following a tragic plane crash at Smolensk in April 2010 has eased the overall political climate. The plane was carrying the Polish president and ninety-six of the country's top political and military leaders to Katyn, the site of a Soviet massacre of Polish officers in World War II.

The Partnership for Modernization: A Wide Commitment to Cooperation

Stagnant Moscow-Brussels relations were revamped further by a shared commitment to modernization at the Rostov-on-Don Summit (May 31–June 1, 2010) when the EU and Russia launched the Partnership for Modernization (PfM). The PfM has been presented as a common modernization agenda to advance the EU and Russian economies and to bring their citizens closer, while contributing to global recovery and stronger international economic governance. The PfM is primarily a flexible framework for prompting reforms, enhancing growth, and raising competitiveness. It will build on results already achieved in the context of the four EU-Russia common spaces, and it will complement partnerships between the EU member states and Russia.

According to the summit statement, the priority areas of the PfM include: expanding opportunities for investment in key sectors driving growth and innovation, enhancing and deepening bilateral trade and economic relations,

and promoting small and medium-sized enterprises; promoting the alignment of technical regulations and standards, as well as a high level of enforcement of intellectual property rights; improving transport; promoting a sustainable low-carbon economy and energy efficiency, as well as international negotiations on fighting climate change; enhancing cooperation in innovation, research and development, and space; ensuring balanced development by addressing the regional and social consequences of economic restructuring; ensuring the effective functioning of the judiciary and strengthening the fight against corruption; promoting people-to-people contacts; and enhancing dialogue with civil society to foster the participation of individuals and business.¹⁷ This list of areas for cooperation is not exhaustive; others can be added as appropriate.

The EU and Russia will encourage the implementation of specific projects within the framework of the PfM that will be the subject of continuous monitoring and exchanges at all levels of the EU-Russia dialogue. The coordinators of the Partnership and the co-chairs of the EU-Russia sectoral dialogues will interact closely in implementing the partnership. The key implementation instrument for the PfM will be sectoral dialogues, as indicated in the Work Plan.¹⁸ Implementation will entail the involvement of institutional and private actors with both an economic-financial and a political mission (see table 7-1). In comparison with other programs of cooperation put forward by the EU, the PfM is more open to the involvement of informal actors and better suited to blurring the boundaries between the public and private spheres. Some of the projects have a regional vocation, following the idea that cooperation with the EU can be improved with the realization of geographically defined activities that include EU states, neighboring countries, and Russia. So, in principle, the PfM could have an effect on the whole region.¹⁹

Although the themes dealt with in the PfM are largely noncontroversial, in the long run attention to more highly politicized issues may take place. According to a neo-functional approach, cooperation might produce spillover effects within a single policy (deepening) or spread over other interrelated policies (widening), strengthening the partnership as a result. Furthermore, the need for a more political approach may arise within existing agreed activities, demanding the activation of political elites. There are several areas in which this dynamic could take hold. Consider energy policy, for example: in the PfM Work Plan the stress is on energy efficiency, conservation, and renewable energy sources, but there is no explicit mention of the controversial South Stream pipeline project²⁰ or the EU's third energy package—opposed by Russia because it implies restrictions on vertically integrated companies such as Gazprom owning and operating energy and transportation networks.²¹ Once cooperation on the neutral aspects of energy is advancing, trickier energy issues might also be tackled. The

Table 7-1. *Actors Involved in the Partnership for Modernization*

<i>State-level organizations</i>	<i>International organizations</i>	<i>Private and informal organizations</i>
Governments	EU	Enterprises
Other state institutions	Council of Europe	Associations (for example, EU-Russia Industrialists' Round Table—IRT) ^a
Agencies (for example, energy; Rospatent—to be replaced by the federal intellectual property service)	International financial institutions (for example, European Investment Bank)	Pan-European sectoral associations (for example, lawyers' associations)
	OECD	Banks (for example, Russia's Bank for Development and Foreign Economic Affairs—Vnesheconombank)
	WTO	SMEs
	International Atomic Energy Agency	Universities
		Research institutes
		Business and scientific circles
		Civil society (for example, EU-Russia civil society forum)
		People-to-people contacts

a. The EU-Russia Industrialists' Round Table (IRT) is a business-driven process, originally launched by the EU-Russia Summit in July 1997. Its main objective is to provide a permanent forum for businesspeople to present joint recommendations to the European Commission and the Russian government with regard to business and investment conditions, and promotion of industrial cooperation. The Round Table is the only business forum with Russia with permanent involvement by the European Commission and the Russian government. The IRT is managed by a council composed of prominent representatives of the EU and Russian business communities. Since 2006, the IRT Council has presented the recommendations directly to EU and Russian leaders on the eve of the autumn EU-Russia Summit. For further information see <http://ec.europa.eu/enterprise/policies/international/listening-stakeholders/round-tables/>.

dialogue on the information society and governance of the Internet might also affect freedom of information and democracy. Activities concerning the rule of law—strengthening the legal environment, fighting widespread corruption, improving the investment and social climate—are all related to improving the business climate and good governance, which are sensitive issues for Moscow.

Moreover, in general, more regular interaction (which the PfM is expected to intensify) stimulates the expansion of “policy transfer” across institutional contexts.²² Frequent interactions in a dense “organizational field” can set in motion processes of “institutional isomorphism,”²³ making organizations increasingly homogeneous and inclined to adopt similar regulatory practices.²⁴ This is to say that if the PfM works, there could be a progressive convergence and homogenization between the EU and Russia derived from the practice of cooperating and implementing common projects that surpasses the initial will of the

governments and of the European institutions. Convergence is also feasible because, at least in the case of Russia, “European values” have turned out to be flexible. The PfM does not explicitly mention the principle of conditionality²⁵ that has largely molded the process of the eastward enlargement and that still shapes the European Neighborhood Policy.²⁶

The PfM is based on an equal partnership, which Moscow has always pressed for (for instance, Russia previously refused to take part in the ENP). The current pact rests, on the one hand, on Russia’s desire for external investment and partnerships in order to accomplish its modernization agenda and, on the other hand, on the EU’s hope of improving economic relations and creating better opportunities for European companies and, as a “nondeliberate” outcome, of upgrading the quality of democracy in the country. The EU, like other prominent actors such as the United States, has found that lecturing Russia on the need to reform is not fruitful. It is therefore better to address Russia’s own interests by offering help with what has become its national priority.²⁷ The EU, however, has subordinated the progress of the PfM to Russia’s accession to the World Trade Organization (WTO)²⁸ that took place on December 16, 2011, and to the Organization for Economic Cooperation and Development (OECD). During his keynote speech at the World Economic Forum in Davos, Switzerland, in December 2011, President Medvedev listed admission to the WTO and the OECD, the establishment of a common economic area with the EU, and the customs union with Belarus and Kazakhstan among the ten opportunities for doing business in Russia.²⁹

The hypothetical limit to engagement on Russia’s part might be the fear of losing control over the country’s transformation. Global processes such as economic cooperation and integration to import modernization might end up affecting political stability. In his speech to the State Duma on April 20, 2011, Prime Minister Putin warned lawmakers against “liberal experiments” that could endanger Russia’s drive to become one of the top five economies in the world. As Russia’s modernization is being “externalized” widely, some EU policymakers have even conjectured that the so-called *siloviki* will be marginalized, reducing possible internal hostility to the plan.³⁰ It is plausible that refocusing EU-Russia relations on modernization will be led by more liberal Russian politicians who want to redesign power relations within the Kremlin.

It is not a coincidence that, in the wake of President Medvedev’s concept of a new European security, a few days after the launch of the PfM, Chancellor Angela Merkel and President Medvedev agreed on a memorandum on the establishment of an EU-Russia Political and Security Committee. The Russian-German memorandum proposes the creation of a new body, bringing together the high representative of the Union for Foreign Affairs and Security Policy and

the Russian foreign minister to exchange views on current issues in international politics and security. The committee would develop guidelines for joint civil/military operations and make recommendations for dealing with conflicts and crisis situations, the resolution of which Russia and the EU are contributing to within relevant international formats. The memorandum also refers to the frozen conflict in Transnistria (Moldova) and foresees joint activities between Russia and the EU that will ensure a seamless transition from the current situation to the final stage. Interestingly, Germany and Russia have not mentioned the Georgian breakaway territories of Abkhazia and South Ossetia.³¹

Despite the progress of the PfM, in 2011 Russia criticized the expansive manner in which some EU member states, notably France and Great Britain, have applied the UN resolution authorizing military action in Libya to protect civilians—on which Russia, along with China and Germany, abstained. According to the Kremlin, the action was used as a pretext for NATO to assist one side in an internal conflict. Finally Catherine Ashton, the high representative of the Union for Foreign Affairs and Security Policy and vice president of the European Commission, expressed concern about the detention of hundreds of protesters demonstrating after the State Duma's elections (December 4, 2011) and about reports of police violence against activists, journalists, and bystanders.³² Domestic turbulence in Russia could pose problems for the EU-Russia partnership and open a new period of tensions with the West. This would be a dangerous setback considering the progress the parties have made so far on economic interaction and trust.

Brussels-Moscow relations have indeed been positively affected by increasing economic interdependence. Bilateral trade and investments continue to increase rapidly, and the first nine months of 2011 showed sustained growth. Russia's total account surplus rose 47 percent from 2009 and reached \$79 billion in 2010. Russia is the EU's most important single supplier of energy products, accounting for over 25 percent of the EU consumption of oil and gas. In turn, Russia's economy remains highly dependent on the export of energy raw materials, with the EU as its most important destination. In 2010, 63 percent of Russia's exports consisted of crude oil, oil products, and natural gas. The EU accounts for 88 percent of Russia's total oil exports, 70 percent of its gas exports, and 50 percent of its coal exports.³³ There are significant differences among the EU members: Germany (with €25.2 billion, or 32 percent of EU exports) was by far the largest exporter to Russia in the first nine months of 2011, followed by Italy (€6.9 billion, 9 percent), France (€5.4 billion, 7 percent), and the Netherlands (€5.1 billion, 6 percent). Germany (with imports worth €26.9 billion, 18 percent of EU imports) was also the largest importer, followed by the Netherlands (€19.7 billion, 13 percent), Poland (€13.1 billion, 9 percent), Italy (€12.8 billion, 9 percent), and France (€10.1 billion, 7 percent).³⁴

A survey published by the EU-Russia Center at the beginning of 2010 found that Russian policymakers overwhelmingly believe that Russia needs outside help with modernization. The EU, as Russia's biggest trading partner, foreign investor, and source of capital and technology, is the logical partner for this. This insight seems to be accepted at the highest level.³⁵ Among Russian students, interest in management education is increasing, and most of them prefer to study for an MBA outside the country, especially in the United States and Europe.³⁶

According to an EU-funded survey of attitudes toward the EU, the majority of opinion leaders are very positive about Russian-EU relations, with 88 percent saying Russia has good or fairly good relations with the EU vs. 83 percent for the European Neighborhood and Partnership Instrument (ENPI) East.³⁷ Ninety-seven percent consider the EU an important partner (vs. 89 percent for ENPI East) and 91 percent say the EU is a good neighbor (vs. 87 percent for ENPI East). However, only 47 percent believe the EU's level of involvement in Russia is appropriate (vs. 57 percent for ENPI East), and only 60 percent say Russia has benefited from EU policies in the country (vs. 80 percent for ENPI East). This seems to suggest that the EU-Russia relationship has produced few concrete results or tangible benefits. Although relations are seen as good, Russians are far more skeptical about the EU's involvement in the country than elsewhere in the region: they do not really believe that the EU's activities in Russia can bring peace to the country or the region, and few opinion leaders think the EU helps to promote democracy. Indeed, most assume that through its cooperation with Russia the EU is merely looking after its own prosperity.³⁸

Conclusions

Despite a number of initiatives—the Partnership and Cooperation Agreement; the four common “spaces”; the Partnership for Modernization—that have formalized and crystallized EU-Russian relations, the EU has little leverage over Moscow and finds it difficult to deal with the Kremlin. Russia is reluctant to accept the imposition of rules such as EU conditionality, which was successful in the 2004–2007 “big bang” enlargement of the EU, because Moscow perceives itself as a great power, not as just another country. The EU foresees few rewards or incentives associated with changing the way the country is governed or undertaking a deep reform process, even more so during a time of crisis. Brussels is having difficulty drawing up a long-term strategy of engagement (the PfM is a short-term political approach exploiting the ameliorated conditions after the reset with the United States and resting largely on informal actors) and has not yet overcome divisions among its members regarding the most suitable approach toward Moscow.

The EU weakness gives Moscow more room for maneuver on contentious issues such as the common neighborhood (for example, to attract more neighbors to its regional economic and trade projects like the customs union before those same countries join a deep and comprehensive free trade area with the EU).³⁹ On the other hand, its reliance on EU (Western) technologies and its interdependence with the EU on economic and financial issues limit Moscow's politics significantly. It is crucial for Brussels to maintain the internal balance reached with the reset of Polish-Russian relations and thus its united position toward the Kremlin. In particular, the German-Polish engine could help align the other EU member states with the aim to engage more intensively with Russia.⁴⁰ The continuing rise of China or a bold shift in U.S. foreign policy might induce both the EU and Russia to be less rhetorical in their relations and to act more cooperatively than they have in the past. We conclude with the optimistic view of the president of the European Council, Herman Van Rompuy: "In many ways the EU and Russia are strongly interdependent and can only win by deepening their cooperation even further."⁴¹

Notes

1. V. Baranovski, "Russia: A Part of Europe or Apart from Europe?" *International Affairs* 76, no. 3 (2000): 443.

2. I. B. Neumann, "Russia's Standing as a Great Power, 1494–1815," in *Russia's European Choice*, edited by Ted Hopf (London: Palgrave, 2008), pp. 16–17.

3. Attempts to attract European specialists in order to overcome the country's backwardness had been made by Peter the Great's predecessors, but he was the first to view modernization not only in its economic aspects but also in its political ones—that is, as a means to include Russia in the community of civilized and modern Western nations. On the issue of Russia's modernization see T. Penkova, "Is There an Eastern Pathway in Russia's Modernization Agenda?" ISPI Working Paper, September 2011 (www.ispionline.it/it/documents/Pages%20from%20MAE_RUSSIA%20June%202011-%20Tomislava%20Penkova.pdf).

4. Neumann, "Russia's Standing as a Great Power," p. 30.

5. H. Haukkala, *A Norm-Maker or a Norm-Taker? in Russia's European Choice*, edited by Ted Hopf (London: Palgrave, 2008), p. 36.

6. L. Shevtsova, *Putin's Russia* (Washington: Carnegie Endowment for International Peace, 2005).

7. Article 55 of the PCA affirms that an important condition for strengthening economic links between the two partners is the approximation of legislation: the alignment of individual countries' laws, rules, and procedures with those of the European Union ([http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:21997A1128\(01\):EN:NOT](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:21997A1128(01):EN:NOT)).

8. See C. Hillion, "Institutional Aspects of the Partnership between the European Union and the Newly Independent States of the Former Soviet Union: Case Studies of Russia and Ukraine," 37 *CML Rev.* (2000): 1211–1235.

9. On the EU division over Russia see M. Leonard and N. Popescu, *A Power Audit of EU-Russia Relations* (London: ECFR, November 2007).

10. At the EU-Russia Summit in Brussels on December 15, 2011, the parties agreed on the implementation of common steps toward visa-free short-term travel for Russian and European citizens. The agreement consists of a list of actions for both the EU and Russia to implement in preparation for visa-free travel for short-term stays. These concern document security, for example, the introduction of biometric passports; combating illegal immigration and border management; public order; security; and judicial cooperation, including the fight against transnational organized crime, terrorism, and corruption.

11. The EU also has mediator status in talks over Transnistria, a breakaway territory located mostly between the Dniester River and the eastern Moldovan border with Ukraine. It has a border assistance mission in Ukraine and Moldova and a monitoring mission in Georgia.

12. On this issue see T. Penkova, "The European Union and Russia's Integrationist Policies in the Post-Soviet Space," PECOB Paper Series no. 9 (Faenza, Italy: Portal on Central Eastern and Balkan Europe, March 2011).

13. On this issue, see S. Giusti, "Russia in Crisis: Implications for Europe," in *Europe and the Financial Crisis*, edited by P. Della Posta and L. S. Talani (London: Palgrave, 2011), pp. 242–53.

14. The fact that the 2008 crisis affected the various world economic giants similarly, irrespective of their domestic regimes, proved that capitalism and democratic regimes are not faultless. The crisis equalized the winners and losers of the cold war, and this is still a very sensitive issue for the Russians.

15. The idea of pressing a reset button was initiated by Russian Foreign Minister Sergey Lavrov and U.S. Secretary of State Hillary Clinton in March 2009; it consists of a new approach to dealing with Russia (on top political issues like Iran, Afghanistan, international terrorism, energy, and nonproliferation) that compensates Russia for the previous U.S. neglect of its interests but does not offer a long-term strategy. On the Russo-U.S. reset, see T. Penkova, "Russia and the U.S. Reset after the New START," *ISPI Analysis* 7 (April 2010).

16. The question of human rights is discussed in special rounds of human rights consultations (there had been thirteen at this writing in early 2012). The first one after the launch of the Partnership for Modernization was held in Brussels on May 4, 2011. For more details, see [www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/ EN/ foraff/121874.pdf](http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/foraff/121874.pdf).

17. Council of the European Union, "Joint Statement on the Partnership for Modernisation," EU-Russia Summit (Rostov-on-Don, June 1, 2010, 10546/10) (www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/er/114747.pdf).

18. The list of activities inserted in the Work Plan is indicated in the Working Document of December 7, 2010, available at http://eeas.europa.eu/russia/docs/eu_russia_workplan_2010_en.pdf.

19. On this topic see S. Giusti, "Russia Modernizing Alliance with the EU," *ISPI Studies* (September 2011) (www.ispionline.it/it/documents/Pages%20from%20MAE_RUSSIA%20June%202011-%20Serena%20Giusti.pdf).

20. Inaugurated in 2007 as a 50–50 joint venture between Gazprom and ENI (later France's EDF participated with a 10 percent stake and Germany's Wintershall with a 15 percent stake; ENI now holds a 25 percent stake), the South Stream project aims to transport up to 63 billion cubic meters of natural gas per year from the eastern shore of the Black Sea to the consuming markets of Eastern, Central and Southern Europe. By referring to the chaos in Libya, Prime Minister Putin has portrayed Russia as a stable energy supplier to Europe and has propped up the North and South Stream systems. The South Stream project in particular would preempt the construction of the Nabucco pipeline, backed by some EU member states and the United States. However, full-scale construction seems unlikely in the absence of direct access to either Iranian gas (blocked by U.S. sanctions) or Turkmen gas (blocked by a Russian monopoly).

21. According to the EU third energy package, Gazprom could not be a gas supplier and gas transit operator at the same time. Premier Putin has stressed that the package not only contradicts Russia-EU agreements, but it also jeopardizes the position of Russian companies as suppliers of energy resources. Moreover, the package could increase energy prices and endanger the stability of supplies.

22. See D. P. Dolowitz and D. Marsch, "Learning from Abroad: The Role of Policy Transfer in Contemporary Policy-Making," *Governance* 13, no. 1: 5–24.

23. J. DiMaggio and W. Powell, "'The Iron Cage Revisited': Institutional Isomorphism and Collective Rationality in Organizational Fields," *American Sociological Review* 48 (1983): 147–60.

24. C. Radaelli, "Policy Transfer in the European Union: Institutional Isomorphism as a Source of Legitimacy," *Governance* 13, no. 1: 757–74.

25. EU conditionality—the establishment of conditions that the recipients have to meet in order to receive rewards—has shaped the Central and Eastern European countries, for instance. They were obliged to develop their administrative capacities in complete convergence with the *acquis communautaire* in order to join the Union. The ENP still relies conceptually on conditionality as the main tool to promote legislative approximation.

26. However, at the press conference following the EU-Russia Summit that took place in Nizhny Novgorod (June 9–10, 2011), president of the European Council Herman Van Rompuy confronted Russia on some delicate issues: human rights, the status of Transnistria, the full implementation of the six-point agreement with Georgia (August 12, 2008) and its implementing measures, the unresolved conflict in Nagorno-Karabakh, and the instability of the whole region. See H. Van Rompuy's remarks at the press conference following the EU-Russia Summit, Nizhny Novgorod, June 10, 2011, PCE 0146/11 (http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/122555.pdf).

27. The EU is expected to supply expertise and knowledge; see K. Barysch, "Can and Should the EU and Russia Reset Their Relationship?" *GMF Policy Brief* (May 7, 2010), p. 3.

28. Russia applied to join the WTO over fifteen years ago. In 2011, apart from Saudi Arabia it was the only G-20 country and the only one of the BRICs not in the WTO. The

reasons for the delay were manifold, but one principal problem has been disagreement in the Russian business community as to whether WTO accession would bring benefits to it or not. In 2010 Medvedev announced that Moscow would drop plans to join the WTO and concentrate on the customs union with Kazakhstan and Belarus. The decision was reversed a few weeks later. Until very recently the main obstacle to Russia's WTO membership was the uneasy relationship with Georgia, but at the beginning of November 2011 the Working Party on Russia's accession agreed on the terms of the country's membership by adopting the package containing reforms to Russia's trade regime and the commitments that Russia undertook to implement as part of its WTO accession.

29. For a complete transcript of Medvedev's remarks, see <http://www.forbes.com/sites/bruceupbin/2011/01/26/dmitri-medvedevs-davos-keynote-complete-transcript/2/>.

30. Under Vladimir Putin's administration there have been three main factions of power: technocrats, liberals, and *siloviki*. The term *siloviki* is taken from *silovye struktury*, "force structures" in English. These "force structures" were the intelligence agencies, the armed services, and the law enforcement agencies. The word came to be used to indicate a restricted circle of people having an influence on Putin's decisions. Generally, the *siloviki* support a highly centralized system of political and economic power. They want a stable state run on law and order and resting on security and defensive organizations.

31. Memorandum issued following the meeting of Chancellor Angela Merkel and President Dmitry Medvedev, Meseberg, June 4–5, 2010 (www.bundesregierung.de/nsc_true/Content/DE/_Anlagen/2010/2010-06-07-meseberg-memorandum-deutsch,property=publicationFile.pdf/2010-06-07-meseberg-memorandum-deutsch).

32. "Statement by the Spokesperson of EU High Representative Catherine Ashton on Detention of Protesters in Russia" (www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/foraff/126622.pdf).

33. Russia is the EU's third most important trading partner in goods (after the United States and China), with €87 billion in exports to Russia (6.4 percent of all EU exports, fourth place after United States, China, and Switzerland) and €155 billion in imports in 2010 (10.4 percent of all EU imports, third place after China and the United States, mostly natural resources). The EU is thus by far the largest market for Russian goods. In 2010, both imports and exports rose by approximately 32 percent from 2009, after having been hit by the global economic crisis. Russia enjoyed a trade surplus of €68 billion with the EU. See MEMO/11/389 on *EU-Russia Summit in Nizhny Novgorod* (June 9–10, 2011; June 8, 2011).

34. See Eurostat, *EU-Russia Summit* - 184/2011 (12 December 2011).

35. Quoted by K. Barysch, "Can and Should the EU and Russia Reset Their Relationship?" *GMF Policy Brief* (May 7, 2010).

36. According to the Graduate Management Admission Council, last year 2,019 Russian citizens took the GMAT, or Graduate Management Admission Test, an increase of 64 percent from 2006. But many of these would-be students sent their scores either to U.S. schools last year (53 percent) or to schools in the UK and France. Only 2.4 percent of Russian examinees sent their score reports to Russian programs in 2010. See S. Hoare, "Russia's Students Look to the West," *Financial Times*, June 6, 2011.

37. ENPI East countries in the survey: Armenia, Azerbaijan, Georgia, Moldova, Russia, Ukraine.

38. "Reliable and Hardworking, Like a Horse," Perceptions of the EU in Neighborhood Partner Countries ([www.enpi-info.eu/files/interview/a110070_ENPI_Russia\(EUprcptns\)EASTen.v.3.pdf](http://www.enpi-info.eu/files/interview/a110070_ENPI_Russia(EUprcptns)EASTen.v.3.pdf)).

39. The customs union between Belarus, Kazakhstan, and Russia entered into force on January 1, 2010. After the removal of all customs borders between them, the three states launched a single economic space in January 2012. Kyrgyzstan has announced its membership in the union, and Tajikistan might also join. Ukraine is negotiating an Association Agreement with the EU, and entering the customs union might seriously endanger the completion of that Agreement.

40. B. Judah, J. Kobzova, and N. Popescu, *Dealing with a Post-Bric Russia* (December 2011) (www.ecfr.eu/page/-/ECFR44_POST-BRIC_RUSSIA.pdf). In this report they indicate some concrete steps in that direction.

41. Remarks following the 28th EU-Russia Summit, Brussels, EUCO 162/11, December 15, 2011 (www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ec/126952.pdf).

8

*Ukraine and Belarus:
Floating between the
European Union and Russia*

Despite their common Soviet past, Ukraine and Belarus have taken different paths since the USSR's collapse. Ukraine's orientation has oscillated between the EU and Russia. After having adopted a westward-looking foreign policy in 2004, Ukraine has now chosen a multivector foreign orientation aimed at balancing its two big neighbors, the EU and Russia. Recent developments, however, reveal that this position reflects a failure to develop a clear-cut strategy for dealing with these neighbors. Belarus has remained the only truly communist country in Europe, keeping close links with Moscow and developing only a few areas of cooperation with the EU without undertaking any structural reform or democratization as requested by Brussels.

Although both countries are included in the European Neighborhood Policy (ENP) and, since May 2009 in the Eastern Partnership (EaP), the EU's leverage is very limited. This is so not only because the EU has excluded both countries from the prospect of membership for the moment, but also because EU member states maintain different perceptions and preferences for the ENP participants.¹ The EU rewards have been unattractive so far, and therefore Brussels has had only a minor influence on the politics of the two countries, especially since the 2008 financial crisis. In contrast, both countries' dependence on Russian oil and gas gives Moscow something close to blackmail power in its relations with them. A significant share of the gas exported from Russia to the EU (about 25 percent of the gas consumed in the EU) runs through Ukrainian and Belarusian territory, making them strategic to Moscow. Furthermore Russia has strengthened its soft power by promoting a gradual institutionalization of the post-Soviet space through the creation of different frameworks of cooperation (a customs union, the Eurasian Economic Community, the Shanghai Cooperation Organization, and the Collective Security Treaty Organization).

A range of factors contribute to the already muddled picture of the future of Belarus and Ukraine. They differ in terms of leverage, power resources, and

legitimacy, and none of those factors alone can be decisive. We argue here that the key actors in the area should cooperate in their pursuit of stabilization and modernization. In particular, Russia's presence cannot be ignored in the EU efforts to reshape the post-Soviet region. Moreover, whatever the EU plan for Belarus and Ukraine is, it should not overlook internal dynamics and a declining sense of European self-identity in local societies. The future of the post-Soviet space, to which Ukraine and Belarus belong, is currently more dependent on the actions of external actors than on the choices of the national political elite. Competing forces affect the domestic actors' political and economic decisions. As a result, the two countries often swing between the EU and Russia, depending on which makes a more attractive offer.

The chapter is divided in two parts. The first part examines Ukraine's unstable position between the EU and Russia; the second considers Belarus's cosmetic overtures to Brussels and the reinforcement of the partnership with Russia, despite some sporadic tensions, as a way for the regime to survive. The conclusion assesses the EU strategy toward both countries and makes some policy recommendations.

Ukraine: A Bridge between the EU and Russia or a Victim of Its Own Ambitions?

Since the 2004 Orange Revolution, Kiev's political elite has constantly exploited the country's geographic location and its historical origins in order to claim Ukraine's Europeanness and consequently to embark on a Euro-Atlantic integrationist course. However, a deep internal division strains Ukraine's advancement toward Western structures. The population in eastern and southern Ukraine aspires to integrate with Russia; the western population prefers to integrate with the EU and NATO. This division is also reflected in domestic politics and often transforms Ukraine into a battlefield for influence between the West and Russia.

Since 1991 the EU has mainly approached Ukraine through proposals for gradual economic integration. The founding pillar of EU-Ukraine relations is the 1998 Partnership and Cooperation Agreement (PCA), which expired in 2008. The PCA was the first normative framework for bilateral relations in a number of sectors, but it fell short of providing "a tool for modernization of Ukraine's economy (or facilitating its) democratic transformation. A membership perspective was excluded, while the major carrot, a free trade area, was foreseen only upon full implementation of the agreement."²

The ENP was inaugurated in 2004. In 2005 the Action Plan, a three-year working instrument on economic and political progress of the ENP, was adopted, and in 2008 its duration was extended until April 2009. For the first

time the ENP conceived Ukraine as an autonomous actor in the European geopolitical project, abandoning the previous approach of "Russia's interests first."³ The ENP responded to two purposes: to guide the transition process in Ukraine toward a Western-style democracy and market economy, and to expand the EU zone of stability beyond its borders, without incurring excessive costs and commitments.⁴ However, the implementation of the ENP was mainly characterized by economic incentives. A membership perspective was not foreseen since the ENP was viewed as an alternative to it. Nevertheless, at that time Ukraine was seeking to obtain EU membership and the Orange Revolution was also meant to prove the country's Europeanness. That mismatch caused some frustration among Ukrainians, who believed that Ukraine "belongs to Europe and not to its neighborhood (and therefore) the ENP was perceived as a fall-back option" to exclude its membership.⁵

Contrary to the EU Commission's holistic approach to the EU neighborhood, in 2009 Poland and Sweden inaugurated the EaP exclusively for the EU eastern neighbors: Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine. Like the ENP, the EaP does not incorporate a EU membership perspective. It also sets up an asymmetric bilateral relationship in which the EU unilaterally determines the normative agenda, which neighboring countries must comply with in order to join the Union. This bilateral track of engagement between the parties anticipates that political and economic integration tools (PCA and free trade area) will be replaced, once conditions have been met, with an Association Agreement, a Deep and Comprehensive Free Trade Area (DCFTA), visa liberalization, and people-to-people contacts. This track creates conditions for multi-speed integration in accordance with each country's progress. The more advanced EaP countries serve as models for those lagging behind. Unlike the bilateral track, the multilateral one aims to involve and empower nonstate actors in their relations with national governments with the purpose of making them equal partners with the EU at both the national and regional levels.

Despite these novelties, the lack of full EU integration as a reward for successful implementation of reforms reinforced Russia's regional leverage (in January 2010 Russia, together with Belarus and Kazakhstan, established a customs union and then constantly sought to attract Ukraine) and stirred up antagonism between Brussels and Moscow. The EaP itself has the implicit effect of balancing Russia's integration of the post-Soviet space and restoring its influence. It came at a very tense point in the relationship between Brussels and Moscow, and the Polish role as its initiator was not casual. Shaping the EU's eastern dimension has always been a Polish foreign policy priority. Even after the reset between Poland and Russia (following the 2010 airplane crash near Smolensk in which ninety-six Polish officials were killed) and between

the EU and Russia (with the Partnership for Modernization), Poland did not relinquish its leading position.

In May 2011, Catherine Ashton, the EU high representative for Foreign Affairs and Security Policy, and Štefan Füle, the EU commissioner for Enlargement and Neighborhood Policy, launched a new and ambitious ENP backed by more than €1.2 billion in new funding, bringing the total to almost €7 billion. The revitalized ENP strategy seeks to strengthen deep democracy, mutual accountability, conditionality, and differentiation through a *more funds for more reform* approach. That is, the EU will make funding available for its neighbors to match the speed of political and economic reform achieved by the individual countries. The benchmarks against which the EU assesses progress and adapts levels of support are: free and fair elections; freedom of association, expression, and assembly and a free press and media; the rule of law administered by an independent judiciary and right to a fair trial; action against corruption; security and law enforcement sector reform; and the establishment of democratic control over armed and security forces. Two new instruments will channel EU support to civil society: the Civil Society Facility and the European Endowment for Democracy.

Simultaneous with the new approach, the EU Commission disclosed the report covering progress made by Ukraine on the implementation of the ENP Action Plan (AP) between January 1 and December 31, 2010.⁶ The document welcomes President Viktor Yanukovich's declared commitment to build on steps taken under the ENP AP, which was replaced in 2009 by an Association Agenda, but finds that some fundamental freedoms (media and assembly) and democratic standards have deteriorated. The report stresses that the government should speed up reforms to its constitution, judiciary, electoral law, and public administration. However, it also lists a number of successful stories of sectoral cooperation in the transportation sector, energy,⁷ environment,⁸ education, health, and research. As for the financial part, the report outlines that in the period 2008–2010 Ukraine received €22 million from the Neighborhood Investment Facility devoted mainly to the energy sector, and partly benefited from some of the €42 million in regional projects. For the period 2011–2013 the new National Indicative Program, adopted in March 2010, grants to Ukraine a budget of €470.1 million (including €43.37 million earmarked for the Comprehensive Institution Building Program and €30.79 million for Eastern Partnership pilot regional development programs). The program is designed to support the achievement of key policy objectives as outlined in the EU–Ukraine Association Agenda and the pursuit of three priorities: good governance and rule of law; entry into force of the EU–Ukraine Association Agreement (including a Deep and Comprehensive Free Trade Area), and sustainable development.⁹ In addition, the EU–Ukraine Protocol, approved by the European Parliament as a way

to let Ukraine participate in EU programs, paves the way for closer EU–Ukraine cooperation under a number of specific EU policies and programs, including Customs 2013, the Competitiveness and Innovation Framework Program, the Single European Sky Air Traffic Management Research, and the Health Program. Further opportunities will also be offered in the areas of crime fighting and terrorism, civil protection, media, culture, and youth exchanges. Practical cooperation agreements are already in place with the European Food Safety Authority, European Monitoring Center on Drugs and Drug Addiction, and the EU’s border security agency, FRONTEX.

Other projects have been developed in various sectors. A €1 million twinning project will provide assistance to Ukraine’s State Statistics Service in implementing actions foreseen in the Association Agreement. Another €1.5 million project, called Further Development of the National Accreditation Agency of Ukraine according to European Practices, aims to enhance the ability of Ukrainian manufacturers and businesses to test, certify, and inspect their own goods and services for export to EU member states. The European Commission has adopted a €105 million financial package to support reform of Ukraine’s administrative legal framework, civil service and administrative justice, regional development, energy efficiency, and environment. The package consists of three components and is part of the Annual Action Program (AAP) for 2011. The European Investment Bank (EIB) is providing the largest loan to date in the eastern neighborhood: €450 million for the rehabilitation and quality improvement of roads in Ukraine (road corridors connecting Dresden-Katowice-Lviv-Kiev and Moscow-Kiev-Odessa as well as key national corridors in Ukraine). The project is being co-financed by the European Bank for Reconstruction and Development, also with a loan of €450 million. Apart from road infrastructure, EIB has financed projects in the energy sector, the upgrading of water infrastructure, and, through commercial banks, projects supporting small and medium-sized enterprises.

The importance of Ukraine for the EU eastern neighborhood was stressed by the first Polish EU Presidency (July–December 2011) during the first ever Eastern Partnership Summit at the end of September 2011. The two countries share a common history and in 2012 will co-host the European Football Championship—an event that many hope will help revive Ukraine’s economy.¹⁰ Ahead of the meeting Prime Minister Donald Tusk of Poland emphasized that “Ukraine plays a key role in this great European project” as it is the most advanced in terms of European integration.¹¹ However the meeting was overshadowed by former Prime Minister Yulia Tymoshenko’s trial.

Together with former President Viktor Yushchenko, the other leader of the Orange Revolution, Tymoshenko strongly advocated deep integration with the

EU (and NATO). But the lack of an EU membership perspective, the 2008 war in Georgia, a domestic legislative impasse, and the economic crisis led to the dissolution of the Orange Coalition in September 2008 and to the overall failure of its promises. It also weakened the whole process of “Westernization.” For the first time in post-Soviet Ukrainian history analysts spoke of the “end of Euro-romanticism.”¹² The social and political disenchantment contributed to the election as president in early 2010 of Viktor Yanukovich. He had been defeated in 2004 by the Orange Revolution, but in 2010 ironically trumped his rival and leader of the Orange Revolution, Yulia Tymoshenko. Yanukovich brought to an end the exclusively Western-oriented foreign policy promoted by his predecessor, Yushchenko. At that time many supposed that his overt anti-Yushchenko course would bring Ukraine back into Russia’s political orbit (he extended the stay of the Russian Black Sea Fleet in Crimea and ruled out Ukraine’s membership in NATO), but this assumption soon turned out to be ill-founded. Yanukovich is instead pursuing a more nuanced and complex foreign policy. He declared that Ukraine would be a “bridge” between the EU and Russia and would pursue economic and political integration with the EU (though not at any cost) while not ignoring Moscow’s courting.

This stance is in line with the country’s multivector foreign policy and it is the logical consequence of Yushchenko’s politics. It reflects Ukraine’s post-1991 continuous (cyclical) oscillation between the West and Russia in an attempt to build national identity, unity, strength, and political strategy. But while a bridge position recalls the image of conciliation, what we are witnessing is rather an *either-or* scenario meant to reinforce Ukraine’s leverage when dealing with Brussels or Moscow on problematic issues. Such an approach, however, reveals its deceitful content as generally Ukraine is an object of difficult bargaining between the EU and Russia. Furthermore, considering the EU’s weakness due to the euro crisis, Ukraine’s options are even more limited than a “bridge” role may imply.

A similar oscillation has appeared in domestic politics as well, guided by the economic interests of the political elite and oligarchs. Indeed domestic developments are shaped by the interplay of internal and external factors (thus internal issues acquire international significance). The case of Tymoshenko is a good example. The former prime minister was put on trial and in October 2011 was sentenced to seven years in prison for exceeding her powers in signing a gas agreement in 2009 with Russia; she was also banned from holding political office for three years. Despite the content of the verdict, her arrest should be seen in the context of the ruling elite’s preparation for parliamentary elections in October 2012. “The Tymoshenko trial is a domestic political issue for Yanukovich. He is personally interested in eliminating his former rival from the political scene, both as an act of revenge and due to his fear of a strong and

active political opposition. He does not want to appear weak to his political cronies, who could interpret his actions as giving in to Western pressure.”¹³ The fall 2012 parliamentary polls are crucial for Yanukovich’s reelection in 2015. By decapitating the main opposition party, the government aspires to compete successfully against communists and ultranationalists. However, “Western officials reportedly have been very direct in cautioning the Ukrainian president that democratic backsliding will have consequences for his foreign relations.”¹⁴ Indeed the EU openly sided with the jailed Tymoshenko, using her case to stress the problematic state of rule of law in Ukraine and to intervene in national political processes and stimulate greater democratic progress.¹⁵

The Tymoshenko issue divided the EU. Many have suggested that Brussels should penalize President Yanukovich for conducting the trial and refuse to sign the Association Agreement at the bilateral summit in December 2011. Some others have said the EU should turn a blind eye to Yanukovich’s anti-democracy backlash and continue to support the country, since doing otherwise could lead to a political crisis in Ukraine that would undermine the EaP. Tymoshenko’s arrest was directly linked by the EU to the signing of the Association Agreement. Thus the trial became an explosive issue both inside Ukraine and in EU–Ukraine and EU–Russia relations, and determined the outcome of the December 19, 2011, EU–Ukraine Summit.

Ahead of the summit Commissioner Füle noted that the EU was concerned about the lack of progress on a number of critical reforms in Ukraine. He singled out reforms in the constitutional and judicial spheres, adding that cases of “selective justice” in Ukraine, including those of former prime minister Tymoshenko and others, were of serious concern to the EU owing to their political motivation. Hence despite the fact that the long-standing negotiations over the Association Agreement were concluded and the text agreed, the parties failed to sign the document. Brussels made it clear that unless improvements were made to enhance the quality of democracy and rule of law in Ukraine and opposition representatives were freed and allowed to run in 2012 parliamentary elections, the document would not be initialed. This precondition relates to the approval by the Ukrainian Parliament in December 2011 of a new electoral law that reestablished a mixed electoral system with a representation threshold set at 5 percent of votes (the current threshold is 3 percent) and banned blocs of political parties from participating in elections—all amendments that limit the participation of political opposition. “The parliamentary elections will be a litmus test with the Union scrutinizing them to ensure a level playing field for all candidates and that they can exercise their rights.”¹⁶ Yet the joint statement of the summit “recognized that Ukraine as a European country with European identity shares a common history and common values with the countries of the

European Union.”¹⁷ Polish diplomats interpreted this statement as a geopolitical shift fixing Ukraine in the EU orbit and not in the Russian one. The outcome of the summit shows that Brussels is aware that it will gain nothing from disengaging with Kiev other than helping to contribute to an increasingly unpredictable and unstable Ukraine, which will only undermine the EU policy of integration and democracy promotion in the region.

The issue of the EU’s image and of emulation of success integration stories in the EaP area is an important component of the neighborhood policy, especially given the fact that the EU regional engagement has made insufficient progress in democratizing local regimes. Instead, Russia’s domestic political developments sometimes appear more attractive to regional governments. Some experts have even tried to find common features between Yanukovich’s domestic rule and Russia’s vertical power structure. This stance was reinforced by the reintroduction in Ukraine of the presidential republic (reversing a 2004 reform that had curbed presidential powers in favor of Parliament), the worsening situation of media freedom, alleged violations during the 2010 local elections in Ukraine, and the fact that Ukraine’s president can now determine the candidacy of the prime minister independently of Parliament, appoint and dismiss cabinet ministers, and dismiss the government without the Parliament’s consent. Similar decisions and tendencies can only further strain tensions with the EU.

There is an increasing EU fear of losing Ukraine to Russia. This concern was aggravated by the 2010 Kharkov Accord prolonging the Russian Black Sea Fleet’s stay in Ukraine and by the repeated calls in 2011 for Ukraine to join the Russia-led customs union. These Russian overtures to Ukraine are not new. Moscow has already tried to attract Ukraine into the Commonwealth of Independent States economic union, envisioning not just a free trade area but a deeper cooperation, but Kiev has preferred to retain the status of associate member. Aware of Ukraine’s most sensitive issue—gas pricing (also the main accusation in Tymoshenko’s trial)¹⁸—in 2011 Moscow offered discounted gas supplies if Kiev allowed it to acquire a controlling stake in the Ukrainian state energy company, Naftogaz, or if Ukraine joined the customs union. Although neither option was accepted by Yanukovich (his only response was to join the customs union under the formula of 3+1, namely Belarus, Kazakhstan, Russia, + Ukraine—so far rejected by Moscow), the latter offer should not be dismissed, especially in view of Russian Premier Putin’s idea for a broader Eurasian union spanning most of the post-Soviet countries, including Ukraine. Ukrainian Deputy Prime Minister Serhiy Tihipko was quoted in the *Financial Times* as saying that if the EU sends a clear signal of no integration, a reorientation toward a Russia-led customs union project is very likely. Moscow would undoubtedly use that situation to restore its ties with Ukraine’s economy. In other words, the old triangular

relationship logic, in which Ukraine tries to scare Russia or the EU with the prospect of its integration with the West or with Russia, respectively, but in the end finding itself a victim of this bargaining, seems to be still valid. In fact now Ukraine finds itself in a zero-sum game and will need to compromise no matter what decision it makes. In the absence of a long-term strategy, Kiev's plan to temporarily benefit from the deterioration of bilateral relations within that triangle appears a risky choice.

This is a telling example of how intertwined Russo-Ukrainian economic, energy, and foreign policy interests are. Oligarchs' interests (influencing to a great extent domestic politics), economic pragmatism displayed by both Moscow and Kiev, coupled with the burden of the common past (not only Soviet but also post-1991, when Ukraine has always refused to participate actively in regional integrationist schemes led by Moscow), are increasingly shaping their often contentious bilateral partnership. While Russia needs to build predictable bilateral relations with Ukraine, the latter is seeking to stabilize its internal power base. To some extent Russia's post-Soviet regional integration may threaten Yanukovich's and Ukrainian oligarchs' power because the latter will not be able to compete with or be equal to Russia's financial and economic power. These tensions will likely intensify with the launching of the single economic space between Belarus, Kazakhstan, and Russia in January 2012.

Belarus: Dependent on Moscow and Flirting with Brussels

Unlike Ukraine, Belarus has never declared a desire to join the EU or to move toward a Western path of modernization. On the contrary, Belarus is unwilling to change, and its president, Alexander Lukashenko, "Europe's last dictator," has shoved the country back into the worst of Soviet times. According to Freedom House, Belarus is a "consolidated autocracy," like Kazakhstan, Uzbekistan, and Turkmenistan.¹⁹ Consequently, the traditional EU instruments, which are based on the principle of conditionality and gradual rapprochement, have been largely ineffective with Minsk. The EU is unprepared to deal with a state that does not wish to join its club. In addition, Belarus is politically and economically still very intimate with Russia. Generous economic support and subsidies from Moscow are essential to President Lukashenko's political sustainability.

Following a referendum in 1996, Lukashenko replaced the first post-Soviet legislature with a National Assembly appointed by himself, and he has progressively created an authoritarian regime in which electoral competition is de facto eliminated by harassment, the banning of opposition parties and leaders, and pressure on the media and the judiciary, as well as heavy restrictions on outside observers. In a referendum in 2004 a constitutional amendment lifted the

restriction on the number of terms the president can serve, opening the way for Lukashenko to stay in power indefinitely.²⁰

Unfolding only five weeks after the Belarusian constitutional referendum, Ukraine's Orange Revolution raised the regime's concerns that a similar protest movement could occur in Minsk too. Lukashenko boosted the law enforcement agencies in 2005 and purged their ranks of potential dissenters. Amendments to the Law on the Interior Troops introduced in February 2005 allowed for the discretionary use of firearms against protesters on orders from the president. The March 19, 2006, presidential elections, in which Lukashenko won a third term, were neither free nor fair, and the Organization for Security and Cooperation in Europe (OSCE) declared that the voting did not meet democratic standards. The government took harsh repressive measures against the opposition, detaining and beating many campaign workers, including Alexander Kazulin, one of the opposition candidates.

According to the OSCE, despite some minor improvements (such as the slightly greater access of opposition representatives to election commissions and being allowed to conduct meetings in authorized locations without interference), the September 28, 2008, parliamentary elections also did not meet the requirements for democratic elections, and none of the seventy-eight opposition candidates won seats in the Parliament. Nevertheless, the election was freer than the previous one in 1994, when no opposition candidates were allowed to run. Finally, the 2010 presidential election was marred by widespread allegations of fraud, opposition protests, and a violent government crackdown. Lukashenko once again claimed a landslide victory (80 percent of the vote), but the OSCE stated that the country has a considerable way to go to meet OSCE requirements for democratic elections.²¹ On the first anniversary of that election and in consequence of the hardening of repression by the Belarusian government, EU High Representative Catherine Ashton and U.S. Secretary of State Hillary Clinton released a joint statement condemning the violations of basic freedoms in the country.²²

Despite mounting discontent among educated young citizens and city dwellers (among whom Lukashenko's popularity has fallen to an all-time low), he still enjoys large support, especially among state employees and pensioners who have benefited from his "sharing of the wealth" through gas subsidies and by raising salaries and pensions.²³ Since the country has never undertaken a process of transformation, citizens have not suffered the social costs experienced in other post-communist countries caused by the comprehensive changes needed to dismantle a centrally planned economy and a socialist social system. Until recently, unemployment was almost nonexistent, while health care and other basic social services remain available. Meanwhile, a divided and demoralized

opposition that mostly shares an anti-Lukashenko credo has not been able to present an alternative plan or to channel the popular criticism against the authoritarian populist regime into unified political action.

In Belarus, as in other Eastern European countries, the sense of “European-ness” is not as deep and rooted as it was in Central Europe. In recent years there has been a declining sense of European identity: attitudes toward the EU and the possibility of becoming a member are supportive, but a substantial proportion of people have no view or say they are poorly informed about European politics. Belarusians are mainly divided into two more-or-less-equal groups: around 41.5 percent support integration with Russia (which is a feasible project), while EU membership (not really an available option) is attractive to 42 percent.²⁴

The EU has traditionally reacted to the deterioration of democracy in Belarus by reverting to negative conditionality (punishments and sanctions) since Belarus does not aspire to EU membership. In September 1997, the EU suspended contacts and contractual agreements with Belarus and its assistance in support of civil society. Since 1997 EU policy sought to isolate the regime in Minsk and to induce positive changes through the prospect of renewed ties. The offer to engage much more strongly with the country was set out in the document “What the EU Could Bring to Belarus” (November 2006), which contained the perspective of the EU entering into a full partnership with Belarus, as part of the ENP.²⁵ The EU’s openness to engagement was demonstrated also by its inclusion of Belarus in the multilateral activities of the EaP.

In June 2007, however, the EU withdrew Belarus’s trade preferences under the Generalized System of Preferences (GSP), after the International Labor Organization voiced concern over the curtailing of the rights of trade unions in the country. Belarus also faces one of the most restrictive trade regimes with the EU in the textiles sector. The EU’s pressure has not had much effect on the course of the country’s domestic politics. Belarus’s strong economic dependence on Russia has seriously limited the effects of sanctions by Brussels or other restrictive measures. In fact, the way the West has exerted pressure on Lukashenko’s regime risks being counterproductive. Interference from abroad is usually depicted as a challenge to Belarusian sovereignty, and Lukashenko presents himself as the only bulwark against such threats, consolidating his internal support. Moreover, the more the West ostracizes Belarus, the more the latter seeks partners among “deviant” countries such as Venezuela or “rogue states” such as Iran and North Korea.²⁶

So far, Lukashenko’s positive overtures toward the West are mainly for appearances. Lukashenko has tried to rebrand his country and improve its image abroad. The president also signed a memorandum on March 27, 2008, to establish a permanent mission of the European Commission in Minsk. However, this

was not followed by any change in the established pattern of domestic political oppression. Nevertheless, in November 2009 the Council welcomed an increase in high-level EU–Belarus political dialogue, the establishment of an EU–Belarus Human Rights Dialogue, more intensive technical cooperation, and the active participation of Belarus in the EaP. Because of the lack of progress on issues of human rights and democratization, the Council was not able to lift the restrictive measures in place against certain officials of Belarus, which were extended until October 2010. However, in order to encourage progress in the areas identified by the EU, the Council at the same time decided to extend the suspension of the travel restrictions imposed on certain officials. The EU’s “punitive” policy addressed to the political elite has been progressively accompanied by openness and collaboration with civil society and the political opposition. The EU made clear that it would consider negotiating a visa facilitation agreement with Belarus, in parallel with negotiations on a readmission agreement. Finally, the Council invited the Commission to propose a joint interim plan to set priorities for reforms, inspired by the Action Plans developed in the framework of the ENP. More recent trends, including the alleged harassment of the Polish minority, have seriously concerned High Representative Ashton, who also urged the country to abolish the death penalty.

The situation has dramatically deteriorated with the strengthening of the use of repressive means following the protests against the reelection of Lukashenko in 2010. The EU Council decided in October 2011 to leave its restrictive measures in place until October 31, 2012, and to freeze the assets of and ban visas to 192 individuals responsible for the violations of international electoral standards in the presidential elections in 2006 and 2010 and for the crackdown on civil society and democratic opposition. In addition, the assets of three companies linked to the regime were frozen and exports to Belarus of arms and materials that might be used for internal repression were prohibited.²⁷

As we have seen, the EU policy of isolation and sanctions brought more negative than positive outcomes and perpetuated long-standing and chronic internal contradictions of the Belarusian society. Years of complete isolation with no official contacts between Minsk and Brussels, as well as limited contact with people and businesses outside Belarus, diminished the sense of European self-identity in Belarus and has further entrenched the Belarusian people’s distrust of Brussels. The EU has recently favored programs (targeting primarily Belarusian NGOs, independent media, and students who are subject to the regime’s repression) aimed at supporting Belarusian civil society and thus preventing its isolation.²⁸

But the real reason for the EU’s failure in Belarus is Russia’s deepening economic influence in its former republic, as demonstrated, since 2006, by a number of quickly reconciled gas and oil crises.²⁹ For those who favor a change in

Belarusian domestic politics, Russia's decision should be applauded for undermining the government's statist economic model, which had guaranteed the stability of Lukashenko's regime with huge profits ensured by oil and gas from Russia. The restructuring of the fuel sector could reduce the influence of the highly corrupt elite, who are a serious obstacle to the modernization of the country.

In Belarus, energy consumption is high because of the very low energy efficiency of buildings and in key sectors such as the metallurgical and chemical industries.³⁰ Minsk has in the past earned about \$6,500 million per year through cheap energy supplies and the re-export of oil products alone. The government has started shifting away from its statist and populist policies, acknowledging the need for more privatization in the major industries, reform of the country's collective farming system, and a reduction in subsidies to producers and consumers.³¹

It was hoped (in the West) that more economic freedom would bring more political freedom and gradually lead to a democratic regime. The hypothesis was that, unlike the process of democratization in Central Europe, the pattern in Belarus might be reversed with economic liberalization anticipating and boosting political reforms.

Russia, however, has widely exploited the global financial crisis to strengthen its influence and position in the country, curtailing Belarus's chances for an independent trajectory. Russia remains its most important trade partner, accounting for 35 percent of Belarus's export revenue and 52 percent of its imports. The 2010 gas crisis helped Russia persuade the country to ratify the customs union with Russia and Kazakhstan in a "soft" way. In June 2011 Belarus secured a \$3 billion loan from the Eurasian Economic Community, of which Russia is the dominant member. However, Russia has put tough conditions on the disbursement of the loan, including requiring that the Belarusian government privatize some of its important assets. In December 2011, Belarus received \$2.5 billion from Russian gas export monopoly Gazprom from the sale of the remaining 50 percent stake in the national gas pipeline operator Beltransgaz. Following the post-election violence against opposition demonstrators, Belarus has become more isolated, a situation that reinforces Moscow's leverage.

Before the economic crisis, Minsk–Moscow relations had been increasingly ambiguous despite the project of the Commonwealth of Russia and Belarus.³² Serious challenges to the power of President Lukashenko began to mount in 2007, when Russia significantly increased the previously highly subsidized energy prices that had underpinned President Lukashenko's political control. Lukashenko distanced himself from Moscow by not recognizing Abkhazia and South Ossetia, and Moscow boycotted Belarusian dairy products on the grounds that they had not been properly certified in Russia. In retaliation for

the boycott, President Lukashenko refused to participate in the special reaction forces of the Organization of Collective Security Treaty, a Russia-centered political-military bloc, which Belarus was expected to chair in 2009. President Lukashenko eventually signed a treaty reserving the right to personally commit his troops on a case-by-case basis to Moscow's causes. Russia also started a media campaign to discredit the Belarusian president. The main reason for this, as President Medvedev explained in his blog, was the anti-Russian rhetoric adopted by Belarus's leadership.³³

President Lukashenko reacted to the worsening relationship with Moscow by engaging in a dialogue with the EU. As part of a maneuver to ensure his political survival, he purged his inner circle of pro-Russian figures and brought a younger cohort of pragmatists into his entourage. The EU temporarily lifted visa sanctions after President Lukashenko refused to support the Kremlin in the August 2008 war between Russia and Georgia and also released a number of political prisoners. Moscow became frustrated with President Lukashenko's flirtations with the EU and stepped up efforts, in the second half of 2009, to bring Belarus firmly back into its sphere of influence. Moscow essentially forced Belarus to sign a controversial customs union treaty with Russia and Kazakhstan in November that gave Moscow control of the Belarusian transit infrastructure and denied Belarus a guarantee of duty-free oil.

Russia's political elite is not willing to divert the country's strategic resources to recreate the failed Soviet empire. This would imply paying to modernize the former republics and providing for the social welfare of their citizens. As a result, Russia has no objection to other Eurasian states developing political and economic ties with other states, as long as Russia's vital interests are not compromised. Russia's plan is rather to build up a Eurasian economic and political zone where Moscow sets the larger agenda. The 2011 proposal by Prime Minister Putin to develop a "Eurasian union" could offer a lifeline to the Belarusian president, in which some aspects of national independence are compromised in exchange for additional finance and external political support. Russia has indeed more ways and willingness to influence Belarus's future than the West in both the very near and the longer-term future.³⁴

Final Remarks

While the EU neighborhood policy has undergone some modifications, its leverage over Ukraine and Belarus has remained weak. This is particularly evident when the EU approach is compared to the pragmatic approach offered by Russia as in the case of the Moscow-led Customs Union. The latter includes Belarus but not Ukraine, although according to Russia, Kiev's presence would ensure

the completeness of the union. Ukraine's turbulent domestic political situation makes its foreign policy more complicated and unstable. Instead of balancing, Ukraine seems to be trapped in its own inability to deal with the EU and Russia or to advance a clear-cut regional strategy for development. An *either-or* integrationist scenario for Ukraine's future makes it a mere object of EU–Russia bargaining and its foreign policy even more vulnerable to external pressures. The most urgent task for Kiev is to resolve its internal problems, which will lead to a more consistent foreign policy orientation.

As for Belarus, which does not aspire to become an EU member, the only way for Brussels to make it an open market and a transitional democracy is to cooperate with Moscow. When dealing with Russia the EU is confronting two alternatives: to compete or to cooperate. The first option is very risky and unfit for a “civilian power.” In addition, the EU is largely dependent on Russia's energy supplies. The second option is more realistic and suitable for a number of reasons. Only Russia has the capacity to destabilize the centralized Belarusian economy and its political regime. The EU does not have the economic means to sustain Belarus's transition to a market economy considering, in particular, the high social costs this process implies in a still communist country. Moreover, Lukashenko's sporadic overtures to the West are not the outcome of a successful Western strategy but rather the consequence of the shifting dynamics of his relationship with Russia. The case of Belarus should not be tackled separately from other issues confronting Brussels and Moscow. In particular, it should be part of a broader package deal (for example, discussed in the negotiations for the renovation of the Partnership and Cooperation Agreement or as an issue in the progress of the newly established Partnership for Modernization).

The EU is still not perceived as an alternative to political stagnation or an incentive for change. The recent EU decision to split its policy toward the country (between political elites and citizens) is aimed at strengthening the role of civil society and ending a risky isolation. Over the long term this might contribute to the emergence of a groundbreaking political project to replace the undemocratic populist regime of Lukashenko. Any step toward democratization in the country needs however to be encouraged and supported by the European states.

The cases of Ukraine and Belarus cast doubts on the ENP's efficacy and on the whole Western strategy of democratizing contiguous areas when EU membership is not on the table. External actors seem too confident in the success of the usual paths of democratization and neglect countries' structural differences. A sense of *realpolitik* should be injected into the EU's *ostpolitik*. So far, too much institutionalism has restricted the EU's efficacy. The European diplomatic capacity to deal with Moscow should also be capitalized on for sorting

out all the critical situations in the area. Instead, the weak and unattractive ENP, as well as the EaP, have only created disenchantment among beneficiary countries and exacerbated Russia's aggressive tone. Brussels should try to create regional conditions for a win-win situation and avoid any initiative that ignores Moscow's sensibilities.

Notes

1. For example, there is a French plan for a Union for the Mediterranean and a Polish-Swedish proposal to strengthen the EU's ties with its eastern neighbors.

2. Olga Shumylo, "The Debate on the EU Membership Prospects of Ukraine," Polish Institute of Public Affairs Policy Brief, January 2007.

3. Vsevolod Samokhalov, "Relations in the Russia-Ukraine-EU Triangle: 'Zero-Sum Game' or Not?" ISS Occasional Paper 68, September 2007.

4. Kataryna Wolczuk, "Ukraine and Its Relations with the EU in the Context of the European Neighbourhood Policy," Chaillot Paper 108: Ukraine: Quo Vadis? (February 2008), pp. 99-100.

5. Rob Boudewijn, Evelyn Van Kampen, and Jan Rood, "Overview Paper of EU Policy Seminar: Exploring the Scope of the European Neighbourhood Policy: Towards New Forms of Partnership?" April 11, 2008, p. 7 (www.robboudewijn.eu/data/exploring_scope_after_Irish_no.pdf).

6. See ENP country report on Ukraine (http://eeas.europa.eu/delegations/ukraine/press_corner/all_news/news/2011/2011_05_26_01_en.htm).

7. For example, on February 1, 2011, Ukraine became a member of the Energy Community; the EU agreed to support a feasibility study and environmental and social impact study on the modernization of gas networks and underground gas storage; in March 2010 Ukraine adopted an energy efficiency program for the period 2010-2015; the EU-Ukraine-International Atomic Energy Agency evaluation of the safety of Ukraine's nuclear power plants concluded that they are fully compliant with most of the IAEA's standards.

8. In 2010 Ukraine adopted the national environment strategy up to 2020 and started to prepare a national environment action plan.

9. For more information see http://ec.europa.eu/world/enp/documents_en.htm and http://ec.europa.eu/external_relations/ukraine/index_en.htm.

10. Ukraine's economy was seriously hit by the 2008 economic and financial crisis. In July 2010 the International Monetary Fund (IMF) signed off on a new lending program worth \$15.2 billion and disbursed the first tranche at the end of 2010. In order to secure the second tranche, Kiev displayed expenditure restraint in its 2011 budget, but owing to uncertainty over the timing and scope of further gas price rises, in 2011 the IMF denied any further disbursement. Indeed the gas pricing remains problematic as Ukraine is focusing its attention not on increasing the gas tariffs but on renegotiating the 2009 gas agreement with Russia. Those efforts have so far proved inconclusive. The

IMF funding is vital not only financially but also as an indicator of Ukraine's image as a reliable partner for potential foreign investors.

11. "Tusk meets Yanukovych ahead of Eastern Partnership Summit," *Warsaw Business Journal*, September 29, 2011 (www.wbj.pl/article-56258-tusk-meets-yanukovych-ahead-of-eastern-partnership-summit.html).

12. See Volodymyr Kulyk, "The End of 'Euro-Romanticism' in Ukraine," *SWP Comments* 28, December 2009.

13. Susan Stewart, "Ukraine and the EU. Needed: Less Tymoshenko, More Values," *SWP Comments* 32, October 2011, p. 1.

14. Steven Pifer, "Can Ukraine Join Europe as Yanukovych Moves Away from EU Values?" Brookings Institution, July 28, 2011 (www.brookings.edu/opinions/2011/0728_ukraine_pifer.aspx).

15. European Parliament chief Jerzy Buzek defined the trial as a politically motivated process. Wilfried Martens, the chief of the European People's Party (EPP), the family of center-right political parties in the EU with which Tymoshenko's party is affiliated, called on Yanukovich to put an immediate end to that sham. A European Parliament resolution urged the Ukrainian authorities to let opposition representatives, including Tymoshenko, participate in Ukraine's political life. MEPs also called on the European Commission to consider the creation of a high-level EU advisory group to Ukraine to assist its efforts to conform to EU legislation, including those on the independence of the judiciary. The Swedish foreign minister, Carl Bildt, also reacted by saying that the trial is an embarrassing spectacle and does great damage to a great country. The French Foreign Ministry expressed its strong concern about Ukraine. The United States went further, urging the government to consider Tymoshenko's immediate release.

16. "EU-Ukraine Ties Stumble over Politically Motivated Justice," *EurActiv*, December 20, 2011.

17. See the text of the Ukraine-EU Summit joint statement (<http://europa.eu/rapid/pressReleasesAction.do?reference=PRES/11/513&format=HTML&aged=0&language=EN&guiLanguage=en>).

18. On the one hand Russia fears that the 2009 gas accord may be reviewed and even annulled, harming Gazprom's interests, while on the other hand it realizes that any slowdown in the advancement of EU-Ukraine relations will bring benefits to it.

19. Consolidated autocracies often are based on strong presidential systems or one-party systems, with the opposition political parties having only weak power. In these regimes economic power is also derived from political patronage. Usually the economic sphere is controlled by high-ranking officials (the president and his inner circle), leaving no space for a true opposition to develop.

20. The Belarusian constitution concentrates power in the hands of the president. As a result, Lukashenko has total control over the executive branch, local administrations, and the security apparatus.

21. According to the OSCE, there was a lack of independence and impartiality of the election administration, an uneven playing field, and a restrictive media environment, as well as a continuous lack of transparency at key stages of the electoral process; see

OSCE/ODIHR Election Observation Mission Final Report on Belarus Presidential Election of December 19, 2001, Warsaw, February 22 (www.osce.org/odihr/elections/75713).

22. Joint statement by EU High Representative Catherine Ashton and U.S. Secretary of State Hillary Rodham Clinton on concerns about human rights in Belarus on the anniversary of the December 19, 2010, crackdown, Brussels, December 18, 2011, A 520/11 (www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/127034.pdf).

23. In December 2010, on the eve of the presidential elections, public sector wages were unilaterally raised by 25 percent.

24. See Independent Institute of Socio-Economic and Political Studies (IISEPS), public opinion polls of September 2011 (www.iiseps.org/press15.html).

25. "What the European Union Could Bring to Belarus" (http://eeas.europa.eu/delegations/belarus/documents/eu_belarus/non_paper_1106.pdf).

26. Belarus supplies Venezuela with modern weapons, including medium-range air defense systems. In return, Venezuela provides Belarusian companies access to its oil. Belarus and Venezuela also signed an agreement on visa-free travel.

27. Council of the European Union, Luxembourg, October 10, 2011 (www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/foraff/126979.pdf).

28. In his speech to an international donors' conference on Belarus in Warsaw, Commissioner for Enlargement and European Neighbourhood Policy Štefan Füle affirmed that: "As a clear demonstration of our unequivocal support to civil society in these difficult times, we will increase our funding from the currently available €4 million to €15.6 million. With these measures, we are seeking to avoid isolating the Belarusian population. I believe we have an important responsibility in this regard." European Commissioner for Enlargement and Neighbourhood Policy, International Donors' Conference "Solidarity with Belarus," Warsaw, February 2, 2011 (<http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/11/63&format=HTML&aged=0&language=EN&guiLanguage=en>).

29. The 2007 gas crisis affected the West in particular, proving Russia's capacity to exert economic blackmail. On January 7, 2007, the Russian state-owned company Transneft stopped oil transport through the Druzhba (Friendship) pipeline, which carries Russian supplies via Belarus to Poland and then to Western Europe, on the grounds that Belarus had been illegally taking oil equal to the value of the transit duty that Minsk had imposed.

30. Per capita natural gas consumption in Ukraine and Belarus is among the highest in the world. See Grzegorz Gromadzki and Wojciech Konończuk, "Energy Game: Ukraine, Moldova, and Belarus between the EU and Russia" (Warsaw: Batory Foundation, August 2007).

31. For instance, the Turkish mobile telephone firm Turkcell announced in the summer of 2008 the acquisition of an 80 percent stake in the state-owned Belarusian Telecommunications Network (BeST). In October 2007 a controlling stake in the second-largest mobile operator, MDC, was sold to Telekom Austria for US\$1 billion. A stake in Belinvestbank was sold to Germany's Commerzbank in 2008.

32. On April 2, 1996, the Treaty Establishing the Commonwealth of Russia and Belarus was signed. Following that, the decision was made to institute a parliamentary

assembly—the representative organ of the Commonwealth—in which both Russia and Belarus would be equally represented. The commonwealth was a more consolidated interstate structure than the CIS, and it should have developed into a United States of Russia and Belarus. At the moment this union remains a political project that depends primarily on the personal relationship between the respective presidents.

33. Medvedev affirmed, “The inclination to create an image of an external enemy in the public consciousness has always distinguished the Belarusian leadership. In the past this role was assigned to the United States, Europe, and the West in general. Now Russia has been declared one of the main enemies” (<http://eng.kremlin.ru/news/1052>, October 3, 2010). Before the 2010 Belarusian presidential election, Russian state-controlled NTV television aired a four-part documentary, *Krestny Batka* [The Belarusian Godfather] that was damaging to Lukashenko’s reputation and internal image.

34. Sabine Fischer, “The EU and Belarus—Why Engage with a Troublemaker?” GME, June 18, 2010.

The European Union and the Western Balkans: Does the Lisbon Treaty Matter?

This chapter discusses the relations between the European Union and the Western Balkans, before and following the entry into force of the Treaty of Lisbon. In the first part I address the historical context of relations between the EU and the countries in the Western Balkans and present the current state of play. In the second part I summarize the bilateral issues that affect relations between the countries of the Western Balkans and the EU. In the third part I discuss the relevance of the Treaty of Lisbon for the present and future relationship between the EU and the Western Balkans and suggest that the newly introduced Office of the High Representative for External Policy and Foreign Affairs did not have a significant impact in the region. Finally, I argue that it is the Commission, the Council, and the member states, not the Office of the High Representative, that play the major role in EU policy implementation in the Western Balkans.

Historical Context

The concept of the “Western Balkans” is a political one. In the absence of clear geographic criteria delimiting the region, its territorial scope depends on a particular context. Historically, the word “Balkans” replaced the Turkish name for the region, “Rumelia,” and referred to Turkish sovereign possessions in Europe, stretching as far as Croatia and Hungary. In the context of EU external relations, the Western Balkans include the states of the former Socialist Federal Republic of Yugoslavia and Albania, minus Slovenia, as described by Carl Bildt.¹

The Politics of Conditionality and Its Progeny

The name “Western Balkans” is a regional label that was originally forged in 1996 by the European Commission, in the context of the Union’s conditionality policy toward the region.² On May 26, 1996, the Commission submitted a

proposal for the creation of a Stabilization and Association Process (hereinafter SAP) for the countries of Southeastern Europe.³ Subsequently, on April 29, 1997, the General Affairs Council adopted a comprehensive policy for the region.⁴ Over the years SAP developed into the general framework of cooperation between the EU and the states of the Western Balkans. Its main normative anchors are the criteria for EU membership as defined by the Copenhagen European Council of 1993 (the so-called Copenhagen criteria)⁵ and the conditionality principles as defined by the Council conclusions of April 29, 1997,⁶ June 21 and 22, 1999,⁷ the final declaration of the Zagreb Summit of November 24, 2000,⁸ and the Thessaloniki Agenda of 2003.⁹

Conditionality became part of the broader Stabilization and Association Process, which included not just the contractual relationships between the EU and countries in the region, but also a plethora of political commitments supplementing them. More precisely, SAP comprised autonomous trade measures and other economic and trade relations, economic and financial assistance, assistance for democratization and civil society, humanitarian aid for refugees, returnees, and other persons of concern, cooperation in justice and home affairs, and the development of political dialogue.¹⁰

Both the conditionality policy and SAP started from the so-called Copenhagen criteria¹¹ as supplemented by the Madrid Council and developed them a step further.¹² They are based on compliance with democratic principles, human rights and the rule of law, respect for and protection of minorities, market economy reforms, regional cooperation, and compliance with obligations under international peace agreements. Their territorial scope extends to Albania, Bosnia and Herzegovina, Croatia, FYR Macedonia, Kosovo, Montenegro, and Serbia.¹³ In the words of the Commission, the creation of the SAP was a “historic turning point in the relations between the Western Balkan countries and the EU,” offering these countries “for the first time a prospect of EU integration.”¹⁴

The SAP also resulted in the gradual conclusion of Stabilization and Association Agreements (hereinafter: SAAs) that the European Community and its member states entered into with countries in the region (see table 9-1).¹⁵

A strong impetus to SAP was given by the Thessaloniki Agenda, which was adopted on June 16, 2003, just before the Council meeting of June 21–22, 2003.¹⁶ The Thessaloniki Council used the backdrop of signing the accession treaties with ten candidate countries to express support for the countries of the Western Balkans and to state that their future is in the European Union.¹⁷ One achievement of the agenda was a new possibility for the Western Balkan states to “align themselves with EU demarches, declarations and common positions on CFSP issues.”¹⁸ This, however, did not include the participation of the Western Balkan states in the adoption of these issues.

Table 9-1. *The State of Play, as of December 19, 2011*

<i>Country</i>	<i>Status</i>	<i>State of play</i>
Albania	Potential candidate country	Stabilization and Association Agreement signed on June 12, 2006. Entered into force on April 1, 2009 (OJ L 107, 28/04/2009).
Bosnia and Herzegovina	Potential candidate country	Stabilization and Association Agreement signed on June 16, 2008. Ratification process in progress.
Croatia	Accession state	Accession Treaty signed on December 9, 2011. Accession expected on July 1, 2013 (OJ L 26, 28/01/2005).
FYR Macedonia	Candidate country	Stabilization and Association Agreement signed on April 9, 2001. Entered into force on April 1, 2004 (OJ L 84, 20/03/2004).
Kosovo	Not applicable	On November 6, 2002, the European Commission commenced the Stabilization and Association Process Tracking Mechanism.
Montenegro	Candidate country	Stabilization and Association Agreement signed on October 15, 2007 (OJ L 108, 29/04/2010). Entered into force on May 1, 2010.
Serbia	Candidate country	Stabilization and Association Agreement signed on April 29, 2008. Candidate country since March 2, 2012.

Nevertheless, because of SAP, joining the EU became phased and more cumbersome than for the states of the “Big Bang” enlargement of 2004–07.¹⁹ Country-specific conditions were devised within the framework of the newly established European partnerships, based on Regulation 533/2004.²⁰ The regulation on the one hand provided for a European perspective and, on the other hand, integrated the conditionality policy. Again, compliance with conditionality benchmarks was made a requirement for progressing from one stage to another.

While Regulation 533/2004 provided for qualified majority voting in determining “principles, priorities and conditions” for individual country-specific partnerships,²¹ compliance was to be monitored and reported by the Commission in periodic progress reports that must be approved unanimously by the Council.²² In addition, according to a country-specific negotiating framework, each of the negotiating chapters must be opened by unanimous decision of all member states acting in the Council and, subsequently, provisionally closed,

again by unanimous decision. While the number of chapters can vary from one candidate country to another, the negotiating framework for Croatia envisaged thirty-five chapters.²³

The State of Play

Fifteen years after the adoption of the conditionality policy, the state of play is as follows: Kosovo, Montenegro, and Serbia are independent states. Following a referendum held on May 21, 2006, Montenegro declared independence from Serbia on May 31, 2006. Kosovo declared independence from Serbia on February 17, 2008.²⁴ Stabilization and Association Agreements were signed with all the states in the region except Kosovo.²⁵ However, so far only the SAAs concluded with Albania, Croatia, FYR Macedonia, and Montenegro have entered into force (see table 9-1). Only Croatia opened and successfully closed the EU membership negotiations, while other states in the region still await a decision on the opening of negotiations. Accordingly, the expected date for accession of Croatia is July 1, 2013, while other countries in the region yet have to pass the initial hurdle.

Bilateral Issues

The SAP, which paves the way to EU membership, was piloted by the European Commission and by the Council. Along the way, a number of bilateral issues had to be solved. Such bilateral issues can be categorized as vertical, involving controversies between a candidate country and an EU member state, or horizontal, involving issues among candidate countries themselves.

In vertical situations member states may act on their own behalf (on bilateral issues), or on behalf of the European Union (on EU-wide issues). The former situation is exemplified by the Slovenian veto in the Council, which blocked the opening and closing of Croatia's negotiating chapters. The lifting of the veto was conditioned on the settlement of a border dispute in the northern Adriatic. Another example was the Greek veto related to the name of the FYR Macedonia. Greece blocked Macedonia from opening EU membership negotiations and from becoming a member of NATO. In the case of EU-wide issues, one or more EU member states act either on behalf of the EU or on their own behalf to enforce one or more benchmarks defined by the EU conditionality policy, such as cooperation with the ICTY.²⁶

The settlement of vertical issues takes place within the process of negotiations, while horizontal issues can be subject to regional cooperation conditionality. In either case, since the progress of candidate countries in meeting benchmarks has to be ascertained by unanimity in the Council, any member state can block a candidate country on its progress toward membership. This can

take place in the pre-negotiations phase—for example, upon acceptance of the Commission's progress reports—or later on, during membership negotiations in which each negotiating chapter has to be opened and provisionally closed by unanimous decision.

Membership negotiations concern primarily a vertical relationship between individual member states and a candidate country, the Commission acting only as mediator. During the process each member state can act as a proxy for EU interests and unilaterally enforce conditionality criteria during the process of ratification. For example, ratification of Croatia's SAA took almost three years, with Austria ratifying the treaty first, on March 15, 2002, and the United Kingdom last, on September 3, 2004. Ratification was made conditional on full cooperation with the ICTY.

Horizontal issues can be settled outside or within the EU context. For example, genocide claims, submitted to the International Court of Justice by Croatia and Serbia against each other,²⁷ are not the EU's concern. Likewise, the refusal of Serbia to extend recognition to Kosovo remains a horizontal issue.²⁸

However, regional cooperation and good neighborly relations are part of the SAAs and are of concern for the SAP.²⁹ Regional cooperation is defined as one objective of the SAAs and as a part of political dialogue with the countries of the Western Balkans. It is also made part of the consultation mechanism according to which a potential candidate country has to consult with the "Community and its member states" whenever it seeks to reinforce regional cooperation.³⁰ Even though there is no judicial enforcement of regional cooperation, progress toward membership in the EU is possible only subject to a positive report of the Commission on that count.

Since most of the horizontal relationships are also reflected at the EU level it is difficult to draw a line between horizontal issues that are outside the scope of EU action and those that remain within it. In order to convert a horizontal issue into a vertical one, an EU interest must be involved; that will, typically, be when a horizontal issue has to do with the fulfillment of conditionality benchmarks. In such a case member states act as proxies for the EU interest.

For example, a horizontal issue between Serbia and Kosovo resulted in German opposition to setting a date for the commencement of membership negotiations with Serbia³¹ and delaying approval of its status as a candidate country. On the EU level this was mirrored by the European Commission's recommendation that the Council grant Serbia the status of a candidate country, subject to its re-engagement "in the dialogue with Kosovo."³² The European Council eventually decided to extend candidacy to Serbia at the summit held on March 1–2, 2012, in Brussels.³³ In other words, horizontal issues involving conditionality benchmarks have a tendency to collapse into vertical (EU-wide) issues,³⁴ while

Table 9-2. *EU-Related Issues between States*

	<i>Vertical</i>	<i>Horizontal</i>
Bilateral	Border dispute between Slovenia and Croatia; Name issue FYRM-Greece	Border dispute between Croatia and Bosnia and Herzegovina; ICJ genocide charges Croatia-Serbia
EU-wide	Cooperation with ICTY; Dialogue Serbia-Kosovo	Recognition of Kosovo

those of a general nature, especially those that are entrusted to resolution by mechanisms envisaged by international law, remain horizontal (see table 9-2).

Vertical Issues

In December 2008, Slovenia blocked Croatia from either opening or closing eleven negotiating chapters over a border issue: it wanted to secure direct contact of its territorial waters with international waters in the northern Adriatic. This would be possible only if Croatia renounced the twelve-mile rule under international law and practically ceded its territorial waters to Slovenia or relinquished them to international waters. By vetoing progress in the accession negotiations Slovenia used its position as an EU member state to exercise its power under the treaties. According to the *EU Observer*, Prime Minister Borut Pahor of Slovenia said: “Whenever a country would have a feeling that its sovereign rights or—let’s say so—national interests could be jeopardized, I think it has a right to say to other Member States that it is facing a problem . . . This is a very pragmatic approach.”³⁵

Although the Slovenian position found little support among other member states and EU institutions, there was no way to bypass the Slovenian veto in the Council. During its meeting in Brussels on December 10–12, 2008, the European Council discussed Slovenia’s veto of Croatian accession; it also extended guarantees to Ireland that would trigger the second referendum on ratification of the Treaty of Lisbon. Although it is not explicitly mentioned in the Presidency Conclusions, Mr. Sarkozy proposed a plan according to which Irish guarantees “are to be written into a protocol together with Croatia’s accession treaty to the EU in 2010 or 2011.”³⁶

The plan would apparently preempt the Slovenian referendum on Croatia’s membership, which was expected to follow any unsatisfactory outcome of the border settlement. The issue was eventually resolved by signing an arbitration agreement, which postponed the settlement of the dispute until Croatia’s membership, thus avoiding a Slovenian veto. On June 6, 2010, a referendum was held in Slovenia on whether to ratify the arbitration agreement itself. Its outcome

was favorable, with a very narrow plurality of 51.5 percent and a 42 percent turnout.³⁷ Slovenia currently appears not to have an intention to organize an additional referendum on the ratification of Croatia's accession treaty.³⁸

A separate bilateral issue concerns the refusal of Greece to recognize the Macedonian state under its constitutional name, insisting on a temporary one—the Former Yugoslav Republic of Macedonia. Greece also blocked the Macedonian attempt to join NATO in April 2008 and to launch membership negotiations with the EU. This horizontal bilateral issue clearly has vertical effects on the relationship of the FYR Macedonia with the EU.³⁹ The issue has not yet been resolved, and Macedonia's membership talks are on hold despite its status as a candidate country. Again, because of its status as an EU member state, Greece was able to present a bilateral issue as a vertical one.

Horizontal Issues

Horizontal issues concern relationships among non-EU countries. What is specific to the states of the Western Balkans lies in the fact that all the countries concerned have entered into some kind of dialogue and commitment with the EU (see table 9-1). The form and intensity of the dialogue, however, depends on the status of each country concerned. In the Commission Progress Report on Serbia the Commission summarized the main channels of cooperation in the period preceding candidacy.⁴⁰ Those are monitored by the Interim Committee and its structure of subcommittees and, since September 2003, by the Enhanced Permanent Dialogue (EPD).⁴¹ For countries with SAAs in force, dialogue takes place within Stabilization and Association Councils⁴² and joint parliamentary committees.⁴³ Finally, following the opening of membership negotiations, cooperation intensifies within working groups established for relevant negotiating chapters.

Another special feature is the central place that Serbia has in its relationship with the neighbors from the region, notably Bosnia and Herzegovina, Croatia, Kosovo, and indirectly, the FYR Macedonia and Montenegro. Certainly, bilateral issues between Serbia and other countries in the region, especially those that involve ethnic descriptors, have the potential for horizontal spillover. In March 2011, Serbia adopted a "Strategy for Diaspora and the Serbs in the Region" containing several controversial references concerning the "constituent status" of Serbs in Montenegro and Croatia.⁴⁴ The expression "constituent status" reflects the constitutional structure of Bosnia and Herzegovina, where the Serbian ethnic group enjoys co-equal status with Bosnians and Croats. Serbian politician Vuk Drašković attacked the Strategy as being an extension of Milošević-style policy for undermining the constitutional order of states by introducing the concept of ethnic citizenship.⁴⁵ Following an unfavorable reaction by the government

of Montenegro the wording of the Strategy was amended.⁴⁶ Another example is the situation on Kosovo, which is of direct consequence for the stability of FYR Macedonia and Bosnia and Herzegovina, which is explained below.

I will attempt to explain why some horizontal issues have an EU dimension and some do not. As noted, the Croatia–Serbia genocide charges before the ICJ, and the Croatia–Bosnia and Herzegovina border disputes are examples of bilateral horizontal issues that, in principle, do not trigger EU attention. The unresolved relationship of Serbia and Kosovo is slightly different, however. Serbia refused to extend diplomatic recognition to Kosovo following the latter's declaration of independence in 2008.⁴⁷ The main stability issue in the country is the tension between the Albanian majority (92 percent of the population)⁴⁸ and the Serbian minority ethnic population, which, according to Serbian sources, amounts to 60,000 people (out of 1,825,632 inhabitants of Kosovo).⁴⁹ The diplomatic recognition of Kosovo is not a requirement for acquiring candidacy status for EU membership or for determining the date for opening accession negotiations.⁵⁰ However, the establishment of good neighborly relations is. Serbia is required to establish meaningful regional cooperation,⁵¹ to dismantle parallel institutions in the north of Kosovo where the Serbian ethnic population is concentrated, and not to obstruct the integration of the north into the legal and political system of Kosovo. This condition is vigilantly policed by Germany,⁵² which has also committed significant troops to the European Union Rule of Law Mission in Kosovo (EULEX).⁵³ In that context Catherine Ashton, on the occasion of her visit to Bosnia and Herzegovina, Serbia, and Kosovo on February 17–19, 2010, reiterated that the EU understands “that Kosovo remains an important issue for Serbia. However, different views on the status of Kosovo should not prevent us from moving forward in solving practical issues. In particular, regional cooperation must move forward. Kosovo must be enabled in a pragmatic way to participate in regional cooperation initiatives.”⁵⁴

Several unofficial plans on how to defuse the problem of Kosovo have emerged over time. In 2008 Croatian political scientist Dejan Jović suggested the division of Kosovo between Serbia and Albania along ethnic lines, subject to an agreement recognizing the actual line of separation between ethnic Serbs and ethnic Albanians on the ground.⁵⁵ The idea of dividing Kosovo was introduced by Serbian Deputy Prime Minister Ivica Dačić in May 2011.⁵⁶ The solution proposed by Jović, which entails redrawing internationally recognized borders along ethnic lines, would, however, create expectations for the ethnic Albanian population in Macedonia and the ethnic Serbian population in Bosnia. It would also possibly create renewed hostilities in the region. The most recent idea came from Serbia's president, Boris Tadić, who suggested a solution resembling the “dual sovereignty model” of Northern Ireland.⁵⁷

Coming back to the question of why certain horizontal issues are of concern for the EU and some are not, one needs to recognize that the Common Foreign and Security Policy (CFSP) of the EU exists only where there is unanimity among member states. Conditionality toward the Western Balkans states should be seen in that light. Since there is general agreement on regional cooperation as a condition for progress toward accession, issues concerning regional cooperation can be understood as EU-wide and compliance with them can be used as a benchmark. On the other hand, in the absence of consensus, such as the question of the recognition of Kosovo, where five member states did not recognize its independence, common policy does not exist, and cannot be used as a benchmark.

In addition to the vertical and horizontal issues described above, there is a third type of situation. It emerges when a member state of the EU blocks the progress of a third country toward candidacy or membership in order to safeguard its own national interest, not from the candidate country but from other member states in the EU arena. The most recent example is the attempt of Romania to block Serbia from acquiring candidacy in order to facilitate its own accelerated accession to the Schengen regime, which is subject to a unanimous decision under the so-called cooperation and verification mechanism.⁵⁸

The Treaty of Lisbon and the High Representative

The EU policy toward the Western Balkans is a composite of CFSP and enlargement policy. Consequently, it is shaped and implemented by multiple actors, including the commissioner for Enlargement and Neighborhood Policy and the Office of the High Representative of the Union for Foreign Affairs and Security Policy (hereinafter HR), a new office established by the Treaty of Lisbon.

In its resolution on the Commission's 2008 Annual Report on the CFSP, the European Parliament (EP) expressed high hopes about the role of the new Office of the HR. The HR was also to assume the position of the vice president of the Commission and head the European External Action Service (hereinafter EEAS).⁵⁹ According to the report, the HR and the EEAS "could be a decisive factor in the coherence, consistency and effectiveness of the Union's external action and could significantly enhance its shaping power in the international arena."⁶⁰

The TFEU defined the role of the HR in Article 18(2): He "shall conduct the Union's common foreign and security policy. He shall contribute by his proposals to the development of that policy, which he shall carry out as mandated by the Council. The same shall apply to the common security and defense policy."

This provision defines in essence the role of the HR in the CFSP as policy-making and policy implementation under the mandate of the Council. Whether

or not the Lisbon Treaty satisfied the hopes of the European Parliament, the limitations of the HR in the Western Balkans are clear. The dense regulatory framework, which the EU developed for the region in 1996, leaves little space for policymaking, and policy implementation also depends on the preexisting instruments. It is, therefore, not surprising that the relative abundance of communication and decisionmaking channels developed within the SAP is mirrored by a relative paucity of CFSP actions. It is also natural that in more advanced stages of Europeanization and transition from potential candidacy to candidacy, third states become part of the enlargement policy, and not of the CFSP policy.

The engagement of the HR in the region appears to be marginal. As one can see from the CFSP resolution of the European Parliament for 2008, the role of the HR is omitted in references to the Western Balkans, though it is mentioned for other regions, such as the Eastern Partnership, Black Sea cooperation, the Middle East, and the South Caucasus. In the Western Balkans, the main actor referred to in the report is the Council (with respect to Bosnia and Herzegovina) and the EULEX mission with respect to Kosovo.⁶¹ In the CFSP resolution of the EP on the Commission's CFSP report for 2009, the European Parliament explicitly refers to the HR in the context of dialogue with political leaders in Bosnia and Herzegovina (pt. 44) and in the context of Albania (pt. 44).⁶²

Acts adopted by the Council within the framework of the CFSP include thirteen Council decisions for Serbia, though only four were adopted after the entry into force of the Treaty of Lisbon.⁶³ Croatia counts for eleven CFSP decisions, none of them after December 2009. Understandably, with respect to Croatia the role of the HR is limited and appears only in the context of third states, such as Kosovo or Somalia. On the other hand, there are forty-five CFSP acts involving Kosovo, ten of them under the Treaty of Lisbon. All ten acts involve some role for the HR, or were adopted on her initiative.⁶⁴ The role of the HR is constrained to recommending to the Council the early removal of the special representative, the coordination of press and information activities,⁶⁵ or ensuring "consistency and coherence of EU action towards the public."⁶⁶ The most important role of the HR appears to be exercise of "political control and strategic direction," including exercise of "overall authority over the EULEX mission."⁶⁷ By far the highest number of CFSP acts (100 in total) was adopted with respect to Bosnia and Herzegovina. The HR is mentioned in forty-six of them, in a similar role to the one in the case of Kosovo.⁶⁸ This leads to the conclusion that the role of the HR becomes less significant the more a concerned state progresses toward EU membership.

Concluding Remarks

Institutional changes following the entry into force of the Treaty of Lisbon did not affect the situation in the Western Balkans significantly. The introduction

of the office of the HR and subsequent appointment of Catherine Ashton to the office was barely noticeable in the region. As far as Croatia is concerned, the main channel of communication with the Commission was through Štefan Füle,⁶⁹ the EU commissioner for Enlargement and Neighborhood Policy. In the case of Bosnia and Herzegovina, the main role of the HR is reflected in her communication about a Special Representative.

Generally speaking, the closer a country gets to EU membership, the smaller the role of the HR. This is witnessed in the Croatian experience, where the intensity of the membership negotiations differentiated Croatia's position from that of other countries in the region.

Surprisingly or not, the role of the HR in the Western Balkans is limited. This is evidenced by a modest incidence of actions toward the region and by the office's marginal role in such actions, which consist primarily of communication with the special representative and overseeing the information strategy and relations with civil society. The position of the European Parliament is also not assertive. While in its 2008 CFSP resolution the EP ignored the role of the HR in the Western Balkans, the 2009 CFSP Resolution refers to the HR, albeit in a limited way.

Who are, then, the main European actors in the Western Balkans? Clearly, the European Commission, the Council, and the member states. Their strength, however, differs from one situation to another. As described above, the Commission and the Council are almost powerless on bilateral vertical issues—that is, issues between one member state and a (potential) candidate country. In such situations the real masters of the process are the member states, which can act and did act either on their own behalf or as proxies for the EU interest. In either case, on vertical issues it is the member states (acting in the Council) who have the upper hand in relations with third states.

On horizontal issues between the countries of the Western Balkans, both the EU and the member states are powerful actors. The main channel of influence on the side of the EU is regional and human rights conditionality policy, which has been built into all political and legal instruments applicable to the region since 1996. By monitoring regional cooperation and neighborly relations the Commission is in a position to control the pace of progress. No less important, member states are in a position to bring horizontal issues to the attention of the Council and to put the process of integration on hold. However, not every horizontal issue will be of EU concern. EU actions and consequently the authority of the HR are hindered in situations where there is no common position among the member states, such as the (non)recognition of Kosovo.

Moreover, the engagement of member states in the region is not evenly distributed; some play a more active role than others. Sometimes member state action may call into question the functionality of the CFSP and the role of the

HR. This was recognized by the Polish foreign minister, Radek Sikorski, who, speaking for the EU Presidency in another context, recognized that the foreign ministers of the EU “have agreed to withhold our national positions to help Cathy Ashton reach a consensus. There is a need for the EU to speak on this with one voice.”⁷⁰

While it is realistic to expect the member states to be more active in areas where there is no common position on a certain issue, such as Kosovo, one may conclude that the role of the HR depends on the existence of the CFSP and is, therefore, subsidiary to the role of the member states. Also, there may be extra-institutional agreements between the member states that fly below the radar and can be detected only indirectly.⁷¹

Success of conditionality policy also depends on the balance of political forces in each of the Western Balkan states. In the absence of a wide political consensus the European commitment to conditionality may remain elusive. Successful Slovenian and Croatian progress toward EU membership was based on a broad political consensus. Such consensus is clearly missing in Bosnia and Herzegovina where ethnic communities still entertain different visions of their national future and in Serbia, where the issue of Kosovo has created a policy rift and obscured the European perspective.⁷²

What are the prospects for the future of the Western Balkans? As repeatedly confirmed by the institutions of the Union, the region has a clear European perspective. That perspective, however, has a temporal dimension. Slovenia has been a member state since 2004, and Croatia is expected to join on July 1, 2013. FYR Macedonia, Montenegro, and Serbia expect to receive dates for the commencement of negotiation talks. Bosnia and Kosovo are lagging behind. Taking into account the frequency of earlier accessions, it is not impossible that it will be another ten years before the next Western Balkan state joins the EU. Their *rapprochement* will be encumbered by both horizontal and vertical issues. Nevertheless, there is a growing understanding, at least in Croatia, that bilateral horizontal issues must not stand in the way of enlargement. Less than two months before the general elections and the signing of the Treaty of Accession, the Croatian Parliament adopted a declaration expressing Croatia’s support for further enlargement. The declaration was a gesture aimed at easing the fears that horizontal problems with countries in the region would obstruct further enlargement in the “Slovenian style.”⁷³

The Stabilization and Association Process and its conditionality policy can be effective only if they promote EU-wide and not individual member states’ interests. If bilateral issues continue to mar the region, enthusiasm for further enlargement is likely to decline. Also, taking into account the low intensity of membership negotiations with Turkey, if the new cycle of membership

negotiations with countries of the Western Balkans is not opened soon, the institutional memory of negotiating structures in the EU is bound to wane, making it increasingly difficult to put the negotiating mechanisms on track again. Delaying the decision to open a new cycle of membership negotiations risks derailing the SAP altogether.

Notes

1. In the late 1990s, Carl Bildt was the high representative responsible for coordinating the civilian aspects of the peace agreement for the former Yugoslavia.

2. Report from the Commission to the Council and the European Parliament, *Common Principles for Future Contractual Relations with Certain Countries in South-Eastern Europe*, COM (1996) 476 final, October 2, 1996 (<http://aei.pitt.edu/3946/1/3946.pdf>); see also “EU Stabilisation and Association Process for Countries of South-Eastern Europe, SEC (2000) 168 (<http://aei.pitt.edu/3946/1/3946.pdf>). For more about conditionality, see Siniša Rodin, “Croatia,” in *The European Union and Its Neighbours: A Legal Appraisal of the EU’s Policies of Stabilisation, Partnership and Integration*, edited by Steven Blockmans and Adam Lazowski (The Hague: Asser, 2006), pp. 357–89; Christian Pippin, “The Rocky Road to Europe: The EU’s Stabilisation and Association Process for the Western Balkans and the Principle of Conditionality,” *European Foreign Affairs Review* 9 (2004): 221.

3. Press release IP/99/350 (<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/99/350&format=HTML&aged=0&language=EN&guiLanguage=en>). See also Communication from the Commission to the Council and the European Parliament on the Stabilisation and Association Process for Countries of South-Eastern Europe (1999) 235 of May 26, 1999 (<http://aei.pitt.edu/3571/1/3571.pdf>); Report from the Commission to the Council and the European Parliament, *Common Principles for Future Contractual Relations with Certain Countries in South-Eastern Europe*, COM (96) 476 final, October 2, 1996 (<http://aei.pitt.edu/3946/1/3946.pdf>); and Bulletin EU 10-1996, point 1.4.65.

4. *Conclusions of the General Affairs Council*, April 29, 1997 (www.consilium.europa.eu/ueDocs/cms_Data/docs/pressdata/en/gena/028a0057.htm).

5. *Conclusions of the Presidency of European Council*, Copenhagen, June 21–22, 1993 (http://ec.europa.eu/bulgaria/documents/abc/72921_en.pdf).

6. *Conclusions of the General Affairs Council*, Luxembourg, April 29, 1997 (www.consilium.europa.eu/ueDocs/cms_Data/docs/pressdata/en/gena/028a0057.htm).

7. *Conclusions of the General Affairs Council*, Luxembourg, June 21–22, 1999 (<http://europa.eu/rapid/pressReleasesAction.do?reference=PRES/99/198&format=HTML&aged=0&lg=ro&guiLanguage=en>).

8. *Final Declaration of the Zagreb Summit*, November 24, 2000 (http://ec.europa.eu/enlargement/enlargement_process/accession_process/how_does_a_country_join_the_eu/sap/zagreb_summit_en.htm).

9. *Thessaloniki Council Presidency Conclusions*, June 19–20, 2003 (http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/76279.pdf); Bulletin EU 6-2003, point I.17.40: “The European Council, recalling its conclusions in Copenhagen

(December 2002) and Brussels (March 2003), reiterates its determination to fully and effectively support the European perspective of the Western Balkan countries, which will become an integral part of the EU, once they meet the established criteria.”

10. *Conclusions of the General Affairs Council*, Luxembourg, June 21–22, 1999. Concerning financial assistance to the Region, see Pippan, “The Rocky Road to Europe,” p. 223.

11. Bulletin EU 6-1993, point 13.

12. As decided by the Madrid European Council in December 1995, “the candidate country must have created the conditions for its integration through the adjustment of its administrative structures.” See *Presidency Conclusions of the Madrid European Council*, December 15 and 16, 1995, pt. III (http://www.europarl.europa.eu/summits/mad1_en.htm).

13. At the time Serbia, Kosovo, and Montenegro were one state.

14. Key Documents of the European Commission, DG Enlargement, Press Corner (http://ec.europa.eu/enlargement/press_corner/key-documents/sap_en.htm).

15. For an early study of the Stabilization and Association Agreement with Croatia and its history, see Siniša Rodin, “Croatia.”

16. General Affairs and External Relations Council (GAERC), *The Thessaloniki Agenda for the Western Balkans: Western Balkans—Council Conclusions, Annex A*, June 16, 2003 (http://ec.europa.eu/enlargement/enlargement_process/accesion_process/how_does_a_country_join_the_eu/sap/thessaloniki_agenda_en.htm).

17. *Thessaloniki, 10229/03 (Presse 163)*, June 21, 2003 (www.cespi.it/STOCCHIERO/dossierBalcani/dich-Salonicco.PDF).

18. *Council Conclusions on the Western Balkans, Annex: ‘The Thessaloniki Agenda for the Western Balkans: Moving towards European Integration’*, June 16, 2003.

19. The negotiating chapters for all of the countries that were part of the so-called Big Bang enlargement were all opened at the same time, and each had to meet the same benchmarks in order to close those chapters. Croatia was the first country that had to meet benchmarks in order to open the negotiation chapters too.

20. The legal basis for European partnerships with countries of the Western Balkans was the Council Regulation (EC) No 533/2004 of March 22, 2004, on the establishment of European partnerships in the framework of the stabilisation and association process (O.J. L 86/1 of March 24, 2004).

21. *Idem*, supra note 22, Article 2.

22. For periodic conditionality reports and Council conclusions, see http://ec.europa.eu/enlargement/press_corner/key-documents/sap_en.htm.

23. *Conclusions of the General Affairs and External Relations Council, 2649th Council Meeting*, Brussels, March 16, 2005 (<http://europa.eu/rapid/pressReleasesAction.do?reference=PRES/05/44&format=HTML&aged=0&lg=en&guiLanguage=en>).

24. The declaration of independence was judged to be in accordance with international law by the International Court of Justice, with ten votes for and four against. See *Advisory Opinion of the ICJ* of July 22, 2010. See also Florian Bieber, “The Western Balkans after the ICJ Opinion,” *The Western Balkans and the EU: ‘The Hour of Europe,’* Chaillot Papers, June 2011, pp. 135–44.

25. However, Kosovo is part of the Stabilization and Association Process. On November 6, 2002, the European Commission commenced the Stabilisation and Association Process Tracking Mechanism, a process parallel to the regular SAP. It implies regular meetings held to assess Kosovo's progress in realizing European partnership recommendations (see http://ec.europa.eu/enlargement/potential-candidates/kosovo/key-documents/index_en.htm).

26. See Johannes-Mikael Mäki, "EU Enlargement Politics: Explaining the Development of Political Conditionality of 'Full Cooperation with the ICTY' towards Western Balkans," *Politička misao* 45, no. 5 (2008): 47–80.

27. The Republic of Croatia filed an Application of the Convention on the Prevention and Punishment of the Crime of Genocide against the (then) Federal Republic of Yugoslavia on July 2, 1999, on the grounds that it had breached the Convention on the Prevention and Punishment of the Crime of Genocide (International Court of Justice, *Application of the Convention on the Prevention and Punishment of the Crime of Genocide (Croatia v. Serbia)*, available at www.icj-cij.org/docket/index.php?p1=3&p2=3&code=cry&case=118&k=73). The Republic of Serbia filled a countersuit against the Republic of Croatia on January 4, 2010.

28. This is due to lack of unanimity among the member states on whether to recognize Kosovo and the lack of EU competence to do so. On July 8, 2010, the European Parliament put forward a resolution calling for the European integration process of Kosovo (www.europarl.europa.eu/sides/getDoc.do?type=TA&reference=P7-TA-2010-0281&language=EN&ring=B7-2010-0409). However, five member states have not yet recognized the independence of Kosovo: Spain (European Parliament resolution of July 8, 2010, on the European integration process of Kosovo); Romania (Romanian Ministry of Foreign Affairs, *ICJ Advisory Opinion on Kosovo*, available at www.mae.ro/en/node/2853); Slovakia (Ministry of Foreign Affairs of the Slovak Republic, *Statement of MFA SR about advisory opinion on Kosovo independence*, available at www.mzv.sk/servlet/content?MT=/App/WCM/main.nsf/vw_ByID/ministry&NCH=Y&OpenDocument=Y&LANG=EN&TG=BlankMaster&URL=/App/WCM/Aktualit.nsf/%28vw_ByID%29ID_1E553CB710511E72C125776900283CF8); Cyprus (Ministry of Foreign Affairs of the Republic of Cyprus, *Participation of the Minister of Foreign Affairs in the EU Foreign Affairs Council*, December 2, 2011, available at www.mfa.gov.cy/mfa/mfa2006.nsf/0/307FF7C8A36C360BC225795A002C311D?OpenDocument) and Greece (Greek Ministry of Foreign Affairs, *Briefing of Diplomatic Correspondents by Foreign Ministry Spokesman Mr. G. Koumoutsakos*, available at www2.mfa.gr/www.mfa.gr/Articles/en-US/290808_alp_1636.htm).

29. See, for example, Preamble and Article 3 of the SAA Croatia (OJ L 26, 28/01/2005), as well as Preamble and Article 3 of the SAA FYR Macedonia (OJ L 84, 20/03/2004), Preamble and Articles 1 and 5 of the SAA Montenegro (OJ L 108, 29/04/2010), Preamble and Articles 1 and 3 of the SAA Albania (OJ L 107, 28.4.2009).

30. SAA Croatia Article 11 (OJ L 26, 28/01/2005), as well as Article 11 of the SAA FYR Macedonia (OJ L 84, 20/03/2004), Article 14 of the SAA Montenegro (OJ L 108, 29/04/2010), Article 12 of the SAA Albania (OJ L 107, 28.4.2009).

31. See Toby Vogel, "Serbia Made to Wait for EU Candidate Status," *European Voice*, December 6, 2011 (www.europeandvoice.com/article/2011/december/serbia-made-to-

wait-for-eu-candidate-status/72851.aspx). According to French Foreign Minister Alain Juppé, speaking ahead of the December EU Summit, “France is in favour of recognising Serbia’s candidate status, but it has to resume dialogue with Kosovo. At the moment, there is no unanimity among the 27 member states.” See Valentina Pop, “Serbia Unlikely to Win EU Candidate Status This Year,” *EU Observer*, November 15, 2011 (<http://euobserver.com/15/114283>). On December 2, 2011, German Chancellor Angela Merkel reiterated in a press release issued before the summit, “At the moment Serbia does not meet the conditions of the EU accession process.” See “Serbia Doesn’t Meet EU Requirements,” B92, December 2, 2011 (www.b92.net/eng/news/politics-article.php?yyyy=2011&mm=12&dd=02&nav_id=77598).

32. Communication from the Commission to the European Parliament and the Council, *Commission Opinion on Serbia’s Application for Membership of the European Union*, Brussels, October 12, 2011 COM(2011) 668 final, at p. 12.

33. See “EU Leaders Grant Serbia Candidate Status” (www.bbc.co.uk/news/world-europe-17225415).

34. The statement of Peter Beyer, head of the German delegation visiting Belgrade in June 2011, according to which “good relations between neighbors in the region are crucial,” is an example of transformation of a horizontal issue into a vertical one. See “German MPs: Serbia Must Recognize Kosovo,” UPI, June 22, 2011 (www.upi.com/Top_News/World-News/2011/06/22/German-MPs-Serbia-must-recognize-Kosovo/UPI-27131308765597/#ixzz1hAAQSGl3). The sentiment was reiterated by Chancellor Merkel speaking ahead of the December EU Summit: “Good neighborly relations and regional cooperation are a part of the European Union enlargement policy according to the Copenhagen criteria.”

35. Elitsa Vucheva, “EU Mediation Needed in Border Dispute, Slovenia Says,” *EU Observer*, February 16, 2009 (<http://euobserver.com/15/27610>).

36. See Elitsa Vucheva, “Second Irish Referendum Linked to Croatian EU Accession,” *EU Observer*, December 12, 2008 (<http://euobserver.com/15/27295>). Sarkozy is reported to have said, “To give a legal value to the engagements made to Ireland by the 26 other Member States we have committed that at the time of the next EU enlargement—whether that will be in 2010 or in 2011, when probably Croatia will join us . . . we will use that to add a protocol on Ireland to Croatia’s accession treaty.” See Jamie Smyth, “Open Europe,” *Irish Times*, April 2, 2009 (www.openeurope.org.uk/media-centre/article.aspx?newsid=2396).

37. “Slovenian Referendum Result on Arbitration over Border Dispute a Boost for Enlargement,” *Alde*, June 7, 2010 (www.alde.eu/videos/single-news/article/slovenian-referendum-result-on-arbitration-over-border-dispute-a-boost-for-enlargement-33761/). See also the press release of the Republic of Slovenia, Ministry of Foreign Affairs, “MFA Welcomes Ratification of the Arbitration Agreement,” June 7, 2010 (www.mzz.gov.si/nc/en/newsroom/news/article/3247/27058/).

38. However, according to Slovenian law, referendums can be easily initiated by only 2,500 signatures, subject to subsequent endorsement by 40,000 voters. See “Referendum and People’s Initiative Act,” *Official Gazette RS*, No. 26/07—official consolidated text.

39. Elitsa Vucheva, "Greece Flexes Muscles in Macedonia Name Spat," *EU Observer*, June 20, 2008 (<http://euobserver.com/15/26367>).

40. Commission Staff Working Document, *Serbia 2010 Progress Report*, accompanying the Communication from the Commission to the European Parliament and the Council, *Enlargement Strategy and Main Challenges 2010–2011*, Brussels, 9 November 2010 SEC (2010) 1330 (http://ec.europa.eu/enlargement/pdf/key_documents/2010/package/sr_rapport_2010_en.pdf).

41. The EPD is a form of political dialogue between the EU, Bosnia and Herzegovina, and Serbia and Montenegro. It was established in 2003 by a Joint Declaration on Political Dialogue between the EU and Bosnia and Herzegovina and a Joint Declaration on Political Dialogue between the EU and Serbia and Montenegro. See 2526th Council meeting, General Affairs, Brussels, September 29, 2003, pp. II and IV (<http://europa.eu/rapid/pressReleasesAction.do?reference=PRES/03/251&format=HTML&aged=0&lg=sv&guiLanguage=en>).

42. See Art. 114 SAA (Croatia), Art. 115 (SAA Bosnia and Herzegovina), Art. 108 (SAA FRY Macedonia), Art. 116 (SAA Albania), Art. 119 (SAA Montenegro). The first session of the Stabilization and Association Council EU–Croatia was held on April 26 in Luxembourg. See "EU–Croatia Stabilization and Association Council," Joint press release, Luxembourg, April 26, 2005, 8441/05 (Presse 101) (http://ec.europa.eu/enlargement/pdf/Press%20Statement_en.pdf).

43. See Art. 116 SAA (Croatia), Art. 125 (Montenegro), Art. 110 (SAA FRY Republic of Macedonia), Art. 120 (SAA Albania). However, even before the entry into force of an SAA, potential candidate countries have an opportunity to engage in structured parliamentary dialogue within the framework of inter-parliamentary meetings. See "Address to the 5th EU–Serbia inter-parliamentary meeting by EU Commissioner Füle" (www.europa-eu-un.org/articles/fr/article_10963_fr.htm).

44. *Strategy for Diaspora and Serbs in the Region* [СТРАТЕГИЈА ОЧУВАЊА И ЈАЧАЊА ОДНОСА МАТИЧНЕ ДРЖАВЕ И ДИЈАСПОРЕ И МАТИЧНЕ ДРЖАВЕ И СРБА У РЕГИОНУ]; see www.gs.gov.rs/strategije-vs.html. The strategy is based on Law on Diaspora and Serbs in the Region, Official Gazette [Службени Гласник РС], No 88/0.

45. Drašković said: "It is not clear to me how Serbs can possibly insist on being a constituent people in Montenegro, since the Constitution of Montenegro defines the country as a state of her citizens" (translated by the author; see www.vijesti.me/vijesti/draskovic-strategija-srbije-srpskoj-dijaspori-tragu-politike-milosevica-clanak-10271).

46. See reactions to Serbia's Strategy towards Serbs in the Region at www.setimes.com/cocoon/setimes/xhtml/en_GB/newsbriefs/setimes/newsbriefs/2011/03/13/nb-08. See also CITSEE blog entry, *New Diaspora Politics in Serbia and Croatia* (www.citsee.eu/blog/new-diaspora-politics-serbia-and-croatia).

47. See note 26 above.

48. *CIA Factbook* (www.cia.gov/library/publications/the-world-factbook/geos/kv.html).

49. Jelena Kostadinović, "Popis: Srbi na Kosovu 'nevidljivi' za državu?!" *Smedia* (www.smedia.rs/m/spress/vest/919/Popis-Stanovnistvo-Kosovo-Popis-Srbi-na-Kosovu-nevidljivi-za-drzavu.html). See also *CIA Factbook*.

50. Valentina Pop, "Serbia Unlikely to Win EU Candidate Status This Year," *EU Observer*, November 15, 2011 (<http://euobserver.com/15/114283>).

51. "EU Welcomes Dismantling of North Kosovo Barricades," *EU Business*, December 6, 2011 (www.eubusiness.com/news-eu/serbia-kosovo.dw4).

52. Gerard M. Gallucci, "Kosovo–Serbia, the EU and Germany," *Transconflict*, December 20, 2011 (www.transconflict.com/2011/12/kosovo-serbia-the-eu-and-germany-212/).

53. "Germany to Assist EULEX Mission in Kosovo," *Die Bundesregierung* (www.bundesregierung.de/nn_919412/Content/EN/Archiv16/Artikel/2008/03/2008-03.05-eulex-polizei-im-kosovo__en.html).

54. "Catherine Ashton to Visit the Western Balkans," European Union press release, Brussels, February 16, 2010 A 20/10; see also Catherine Ashton, "The EU and the Western Balkans in a Changing World," SPEECH/10/32 (<http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/10/32>).

55. Dejan Jović, "Rješenje za Kosovo," *B92 Blog*, February 24, 2008 (<http://blog.b92.net/text/2364/Rješenje%20za%20Kosovo/>). Jović recognizes that this could happen only subject to a comprehensive agreement.

56. "Serbian Deputy PM Proposes Division of Kosovo," *EU Business*, May 18, 2011 (www.eubusiness.com/news-eu/serbia-kosovo.a1b/).

57. "Serbia Looks to Irish 'Dual' Model for Kosovo," *EurActiv*, December 21, 2011 (www.euractiv.com/enlargement/serbia-looks-irish-dual-model-kosovo-news-509877).

58. "Romania had earlier said Serbia should be held back because it is mistreating its so-called 'Vlach' Romanian minority group. But diplomats from other member states saw it as a gambit to get the Netherlands—an important architect of Western Balkan integration—to drop its veto on letting Romania join the EU's passport-free Schengen zone" (<http://euobserver.com/15/115466>). However, Romania did not get its way. For earlier developments see www.euractiv.com/euro-finance/eu-summit-avoid-contentious-issues-news-511211.

59. European Parliament resolution of 10 March 2010 on the annual report from the Council to the European Parliament on the main aspects and basic choices of the Common Foreign and Security Policy (CFSP) in 2008, presented to the European Parliament in application of Part II, Section G, paragraph 43, of the Inter-institutional Agreement of May 17, 2006 (2009/2057(INI)) O.J. C349E/51 of 22. 12. 2010.

60. *Ibid.*, pt. C.

61. For the Western Balkans see pts. 44–46 of the resolution.

62. Report on plenary sitting on the annual report from the Council to the European Parliament on the main aspects and basic choices of the Common Foreign and Security Policy (CFSP) in 2009, presented to the European Parliament in application of Part II, Section G, paragraph 43, of the Inter-institutional Agreement of 17 May 2006 (2010/2124(INI)) A7-0168/2011 of April 19, 2011 (www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+REPORT+A7-2011-0168+0+DOC+PDF+V0//EN).

63. The number is arrived at by searching the EUR-Lex database and by combining search terms "Serbia and CFSP." The search combination "Western Balkans and CFSP" also produced one result. Results may vary, depending on search terms and their combination.

64. Council Decision 2011/691/CFSP of October 17, 2011, O.J. L 271/48 extending the mandate of the European Union Special Representative in Kosovo.

65. Council Decision 2010/118/CFSP of February 25, 2010, extending the mandate of the European Union Special Representative in Kosovo, O.J. L 49/22.

66. Council Joint Action 2009/137/CFSP of February 16, 2009, O.J. L 46/69 extending the mandate of the European Union Special Representative in Kosovo.

67. Council Decision 2010/322/CFSP of June 8, 2010, amending and extending Joint Action 2008/124/CFSP on the European Union Rule of Law Mission in Kosovo EULEX KOSOVO.

68. One of the tasks of the HR is to maintain close contact and consultations with the Special Representative. See Council Decision 2011/426/CFSP of July 18, 2011, O.J. L 188/30 appointing the European Union Special Representative in Bosnia and Herzegovina.

69. See, e.g., Joint Statement by Catherine Ashton, the High Representative of the Union for Foreign Affairs and Security Policy and Vice-President of the Commission and Stefan Füle, EU Commissioner for Enlargement on Serbia, Brussels, December 12, 2011 A 508/11 (www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/126776.pdf).

70. Andrew Rettman, "Polish Minister Pledges Loyalty to EU's Ashton," *EU Observer*, July 2, 2011 (<http://euobserver.com/895/32580>).

71. Andrew Rettman, writing for *EU Observer*, commented, "Under the Lisbon Treaty, Ashton became the official figurehead for EU foreign policy. But she has found it hard to assert her role as big EU countries take the lead on major developments such as Libya and amid grumbling that she is not cut out for the job." *Ibid.*).

72. In 2008 in Serbia, Prime Minister Vojislav Koštunica resigned over the issue of Kosovo. In his words, "The government of Serbia has no united policy any more on an important issue related to the future of the country—Kosovo as a part of Serbia" (www.dw-world.de/dw/article/0,3179629,00.html). According to the *Deutsche Welle*, "Kostunica's nationalist Democratic Party of Serbia (DSS) has split with its coalition partner, the Democratic Party (DS) of the pro-Western President Boris Tadić, over EU rapprochement after Kosovo declared independence on February 17." More recently, the Serbian deputy minister for European integration resigned on December 9, 2011, following the postponement of the Council's decision to set a date for the commencement of membership negotiations. See "Serbian Minister Resigns after EU Delays Candidacy Bid," *EU Business*, December 9, 2011 (www.eubusiness.com/news-eu/summit-enlarge.e1t). Finally, the European Council granted Serbia status of a candidate country at the EU Summit held in Brussels on March 1–2, 2012. See "Serbia, Once Outcast, Is Candidate to Join E.U." (www.nytimes.com/2012/03/02/world/europe/serbia-is-candidate-for-european-union.html [March 2, 2012]).

73. *Declaration on European Values in Southeast Europe* of October 28, 2011. See *Deklaracija o promicanju europskih vrijednosti u jugoistočnoj Europi*, *Narodne novine* (Official Gazette) No. 121/2011 of October 28, 2011. This declaration, adopted by the center-right parliamentary majority, refutes Jović's fears that Croatian public opinion will turn against further enlargement once Croatia becomes a member state. See Dejan Jović, "Turning Nationalists into EU Supporters: The Case of Croatia," *The Western Balkans and the EU: "The Hour of Europe,"* Chaillot Papers, June 2011, pp. 33–47.

*EU Enlargement:
The Challenge and Promise of Turkey*

The geographic expansion of the European Union, known as “widening,” brings challenges and opportunities to the EU, its member states, and the candidate countries. It also affects the “deepening” of the Union and its efforts for institutional reform. This is a challenging task, as shown by the failure of the Constitutional Treaty and the difficulties the Lisbon Treaty faced. At this writing, in early 2012, there were five candidate countries: Croatia had completed the accession negotiations and was expected to join the EU in 2013; Turkey started accession negotiations in 2005, and they were still going on; the former Yugoslav Republic of Macedonia (FYROM) and Montenegro had not yet started accession negotiations; Iceland started accession negotiations in 2010, and they were under way. There were also four potential candidate countries: Albania, Bosnia-Herzegovina, Serbia, and Kosovo, under UN Security Council Resolution 1244. These countries have been promised the prospect of EU membership as they are ready.

Of the above countries, Turkey is the most interesting case. It signed an Association Agreement in 1963 and applied for full membership in 1987. This chapter explores EU–Turkish relations and provides an overview of the challenges and opportunities that Turkey presents to the EU, and vice versa. The chapter addresses issues and aspects of EU–Turkish relations in the past, Turkey’s present and future Western orientation, and the EU’s future expansion in southeastern Europe.

The history of contemporary Turkey is characterized by change. The main causes have been external stimuli and incentives, particularly the drive for transformation from an oriental Islamic empire to a secular national state. This transformation, known as Westernization, has been slow and occasionally painful. It has been aptly called “the Turkish revolution,” and, as Bernard Lewis pointed out, it could be defined not only “in terms of economy or society or

government, but of civilization.”¹ It gained momentum with the establishment of the Turkish Republic in 1923 and the ascent of Kemalism, when “everything had to be rebuilt, above all a new identity.”² Its main goal was to transform Turkey from a medieval Islamic theocracy to a modern capitalist Western democracy. At the center of the Kemalist ideology and its state- and nation-building efforts was the consolidation of the Turkish Republic. It was based on a political system whose core principles were “heavily tainted by a historically developed authoritarian understanding of the unitary state and its functioning as well as an organic and homogenous understanding of the nation.”³

The scope of Westernization was eventually broadened to include economic, social, and cultural changes. In the wake of the dismantling of the Ottoman Empire and in the process of reformation and sociopolitical reorientation, “the replacement of old, Islamic conceptions of identity, authority, and loyalty by new conceptions of European origin was of fundamental importance. In the theocratically conceived polity of Islam, God was to be twice replaced: as the source of sovereignty, by the people; as the object of worship, by the nation.”⁴ As a result of these changes, which have taken decades to consolidate, Turkey has become a secular democracy, although the politicization of Islam and the political role of the military are still striking features of the Turkish political landscape.

The success or failure of these protracted reforms has been the topic of an ongoing debate. Turks are “still struggling to digest the heavy burden of Atatürk’s legacy” while the prospect of accession to the EU is posing new challenges.⁵ In 2005, French president Jacques Chirac commented on Turkey’s European aspirations, suggesting that it will have to undergo a “major cultural revolution” to realize its dream of joining the EU.⁶ It can be argued, however, that over the past few decades Turkey’s changes and achievements have been remarkable and irreversible in many areas of public life.

Today the challenge of Westernization is taking the form of Europeanization, a reform of domestic structures, institutions, and policies to meet the requirements of the systemic logic, political dynamics, and administrative mechanisms of European integration. The role of Turkey in this process can be catalytic, as it will become the EU’s first Islamic member state. Indeed, the challenge and promise for both Islamic Turkey and Christian Europe is about seizing the moment and moving beyond the clash of civilizations as the *modus operandi* of history and the *modus vivendi* of governments and peoples.

A Long Road of Ups and Downs

Following a protracted period of ups and downs in EU–Turkish relations, accession negotiations started in October 2005. The decision to begin accession

negotiations was made by the Brussels European Council in December 2004 “on the basis of a report and recommendation from the Commission, that Turkey fulfills the Copenhagen political criteria.”⁷

Although accession negotiations and preparations will last for many years and accession is unlikely to take place within a decade or so, in political terms Turkey is at the threshold of the EU.⁸ Pessimists note that although the objective of the negotiations is accession, there can be no automatic guarantee that they will be successfully completed. However, on both sides there is supposedly a positive predisposition and political will for a successful conclusion of the negotiations and full membership for Turkey.

The commencement of the accession negotiations was the culmination of a long relationship that goes back to the EU’s early years. Turkey expressed an interest in institutionalizing its relations and becoming an associate member of the European Community in the late 1950s. In 1959 it applied for associate membership, and in 1963 it signed an Association Agreement that was intended to pave the way for full membership. The Association Agreement, known as the Ankara agreement, went into effect in 1964 and provided that when the relations of Turkey with the EC have “advanced far enough to justify envisaging full acceptance by Turkey of the obligations of the [EC] Treaty, [the EC] shall examine the possibility of the accession of Turkey to the European Community.”⁹

In 1971 an additional protocol was signed between Turkey and the EC aimed at further strengthening and broadening their economic and political relations. The Association Agreement did not achieve its objective and failed to prepare Turkey for membership. It has been argued that the EU looked at it as a “framework for its containment policy rather than a pre-accession strategy, because it had serious reservations about Turkey’s prospects for EU membership on political and economic grounds.”¹⁰ Despite its failure, however, the Association Agreement provided a useful link with the European integration process and bolstered Turkey’s Westernization policy.

Following the two Mediterranean enlargements of the EU in the 1980s, Turkey applied for full membership in April 1987. The response of the EU was not positive and cited various reasons why “it would be inappropriate for the Community . . . to become involved in new accession negotiations [and] it would not be useful to open accession negotiations with Turkey.”¹¹ After the collapse of the Soviet Union and the end of the cold war, the deepening and widening accelerated. In 1997 the European Council in Luxemburg decided to commence accession negotiations with six countries (the Czech Republic, Cyprus, Estonia, Hungary, Poland, and Slovenia), while excluding Turkey on economic and political grounds. A turning point came two years later at the Helsinki European Council, where it was decided that “Turkey is a candidate

State destined to join the Union on the basis of the same criteria as applied to the other candidate states.”¹² At Helsinki, a decision was also made to establish an accession partnership with Turkey that would serve as a road map to accession. The accession partnership was adopted in 2001 and defined the principles, priorities, conditions, and short- and medium-term objectives for Turkey’s integration with the EU.

Another milestone in Turkey’s European course was the publication in October 2004 of the positive “Recommendation of the European Commission on Turkey’s Progress towards Accession.” The recommendation concluded “that Turkey sufficiently fulfills the political criteria and recommends that accession negotiations be opened.”¹³ This was the first time an EU institution firmly and clearly recommended the opening of accession negotiations. The *Washington Post* said that “Turkey seemed to shift geographically westward.”¹⁴ The Commission, however, pointed out that accession negotiations would be an open-ended process, with no automatic final accession. It also warned that the negotiations could be suspended if Turkey violated the principles of democracy, human rights, and the rule of law.

Two months later, in December 2004, the Brussels European Council adopted the recommendation of the Commission and decided to open accession negotiations on October 3, 2005. The message from Brussels was clear: “Turkey has taken its European destiny in its own hands.”¹⁵ The decision came at a time when the majority of the European public did not favor Turkey’s accession to the EU.¹⁶ The president of the European Commission noted that the challenge for Turkey was “to win the hearts and minds of those European citizens who are open to, but not convinced of, Turkey’s European destiny.”¹⁷

At this writing, six years after the launching of accession negotiations, not much has been achieved. Only one chapter (Chapter 25, Science and Research) has been opened for negotiations, and it was provisionally closed in June 2006. Following a recommendation by the Commission and a decision by the Council of Ministers in December 2006, which was endorsed by the European Council in December 2006, no other chapter will be provisionally closed (although several chapters have opened) “until the Commission verifies that Turkey has fulfilled its commitments related to the Additional Protocol.”¹⁸ The Council of Ministers also decided that eight chapters “covering policy areas relevant to Turkey’s restrictions as regards the Republic of Cyprus” will not open.¹⁹ Fulfillment of commitments under the additional protocol has become a benchmark for opening negotiations on eight chapters. More chapters have been blocked or frozen for other reasons. Thirteen chapters are currently open. Commenting on the decision to partially suspend negotiations on several chapters of the *acquis communautaire* (the total body of EU law), the president of the European

Commission stressed that “a breach of legal obligations cannot be accepted. At the same time, continuing this negotiation process clearly lies in our own strategic interest. We need both sides to play by the rules. It is now up to the Turkish side to show its willingness to fulfill its obligations.”²⁰

Efforts have been made in Brussels, however, to sustain the momentum and political will for Turkey’s European course, with the opening of new chapters for accession. As the European commissioner for enlargement put it, “Despite the stalemate on issues related to Cyprus, there has been no train crash. The journey continues steadily, even if at a somewhat slower speed.”²¹

The Negotiating Framework and the Principles Governing the Accession Negotiations

Accession negotiations opened because Turkey had met the Copenhagen political criteria.²² With full regard for all the Copenhagen criteria, including the absorption capacity of the Union, if Turkey is not in a position to assume in full all the obligations of membership, then it must be assured that it is fully anchored in the European structures through the strongest possible bond.²³

Turkey is expected to sustain the process of reform and to work toward further improvements with regard to the principles of liberty, democracy, the rule of law, and respect for human rights and fundamental freedoms, including relevant European case law; to consolidate and broaden legislation and implementation measures specifically in relation to the zero-tolerance policy in the fight against torture and ill treatment and the implementation of provisions relating to freedom of expression, freedom of religion, women’s rights, ILO standards including trade union rights, and minority rights.

In the case of a serious and persistent breach in Turkey of the principles of liberty, democracy, respect for human rights, and fundamental freedoms and the rule of law on which the Union is founded, the European Commission will, on its own initiative or at the request of one-third of the member states, recommend the suspension of negotiations and propose the conditions for eventual resumption. The Council of Ministers would decide by qualified majority on such a recommendation, after having heard from Turkey, whether to suspend the negotiations and on the conditions for their resumption.

The advancement of the negotiations is guided by Turkey’s progress in preparing for accession within an economic and social framework. This progress is measured in particular against four sets of requirements. The first set is the Copenhagen criteria. The second is Turkey’s unequivocal commitment to good neighborly relations and efforts to resolve any border disputes in conformity with the principles of the United Nations Charter, including, if necessary, the

jurisdiction of the International Court of Justice. The third is Turkey's continued support for efforts to achieve a comprehensive settlement of the Cyprus problem within the UN framework of and in line with EU principles, and progress in the normalization of bilateral relations between Turkey and all the EU member states, including the Republic of Cyprus. The fourth is the fulfillment of Turkey's obligations under the Association Agreement and its additional protocol pertaining to the EU–Turkey customs union and the implementation of the accession partnership, as regularly revised.

Parallel to the accession negotiations, the European Union is engaged with Turkey in an intensive dialogue on political and civil issues. The aim of this dialogue is to enhance mutual understanding in order to ensure the support of European citizens for the accession process.

Accession implies the acceptance of the rights and obligations derived from the *acquis communautaire*, such as (a) the content, principles, and political objectives of the treaties on which the Union is founded; (b) legislation and decisions adopted pursuant to the treaties, and the case law of the Court of Justice; (c) other acts, legally binding or not, adopted within the Union framework, such as interinstitutional agreements, resolutions, statements, recommendations, and guidelines; (d) joint actions, common positions, declarations, conclusions, and other acts within the framework of the Common Foreign and Security Policy; (e) joint actions, joint positions, conventions signed, resolutions, statements, and other acts agreed within the framework of Justice and Home Affairs; (f) international agreements concluded by the European Community, the Community jointly with the member states, the Union, and those concluded by the member states among themselves with regard to Union activities.

Turkey's acceptance of the rights and obligations arising from the *acquis* may necessitate specific adaptations to the *acquis* and may, exceptionally, give rise to transitional measures that must be defined during the accession negotiations.

The financial aspects of Turkey's accession must be set in the applicable financial framework. Since Turkey's accession could have substantial financial consequences, the negotiations can be concluded only after the establishment of a long-term financial framework together with possible consequential financial reforms.

In all areas of the *acquis*, Turkey must bring its institutions, management capacity, and administrative and judicial systems up to EU standards, at both the national and the regional level. This is needed in order to implement the *acquis* effectively or, as the case may be, to implement it effectively in good time before accession. At the general level, this requires a well-functioning and stable public administration built on an efficient and impartial civil service and an independent and efficient judicial system.

The EU will lay down benchmarks for the provisional closure and, where appropriate, for the opening of each chapter.²⁴ Turkey will be requested to indicate its position on the *acquis* and to report on its progress in meeting the benchmarks. Turkey's correct transposition and implementation of the *acquis*, including effective and efficient application through appropriate administrative and judicial structures, will determine the pace of negotiations.

Issues, Prospects, and Challenges

The accession negotiations and the eventual Turkish accession present challenges to both Turkey and the EU. It is widely accepted that "Turkey's accession would be different from previous enlargements because of the combined impact of Turkey's population, size, geographical location, economic, security and military potential."²⁵ The negotiations are taking place in the framework of an intergovernmental conference, and decisions must be reached with the unanimous agreement of all member states. Keeping in mind that by the time of Turkish accession the EU will include at least twenty-seven members, the issue of unanimity becomes a critical and complicated one. The case of Turkey will be different and more challenging from previous accessions for a number of reasons, some of which are presented below.²⁶

Turkey is a country with a large population and geographic area. With a population of 74 million today, it is projected that it could be the largest member state at the time of accession. To compare, the 2004 EU enlargement included ten countries with a total population of 75 million, while the 2007 enlargement included two countries (Bulgaria and Romania) with a total population of 30 million.

As a secular Muslim country, Turkey will also add a new demographic and religious dimension to the EU. The presence of a large number of Turkish immigrants in European countries raises the issue of possible additional migration. A natural consequence of accession, it may affect the labor market and demography of small member states. The social repercussions of such a development raise sensitivities and pose challenges with political ramifications.

In an effort to address cultural and religious differences at the grass-roots level, the EU is promoting political and cultural dialogue between the people of Turkey and the EU member states. This dialogue addresses concerns and perceptions on issues such as "difference of cultures, religion, issues relating to migration," and "concerns on minority rights and terrorism."²⁷ The view from Brussels is that although "the negotiation process will be essential in guiding further reforms in Turkey . . . the civil society should play the most important role in this dialogue."²⁸ This is an interesting and innovative strategy designed to

upgrade the role of civil society. Strengthening civil society in Turkey is a major objective of the EU pre-accession strategy.

The Kurdish question is a multifaceted challenge that is becoming more and more an accepted reality and an item on the agenda of EU–Turkish relations. As a “major fault line within Turkish democracy” and a problem without “a solution on the horizon,” it is a source of concern at home and in the EU.²⁹ The EU assessment is that “progress has been slow and uneven. In some cases, it has even deteriorated.”³⁰ The position of the EU is that “a comprehensive strategy should be pursued, to achieve the socio-economic development of the region [the eastern and southeastern part of Turkey] and the establishment of conditions for the Kurdish population to enjoy full rights and freedoms.”³¹ The Kurdish issue also has ramifications in some EU member states where Kurdish immigrants live and have established active political and cultural organizations. Another transnational aspect of the Kurdish issue is the fact that developments in the neighboring countries of Iraq, Iran, and Syria can easily have an impact on Turkey. As Andrew Mango put it, “Kurdish nationalism is a many-headed hydra, and it will survive somewhere, if not everywhere.”³²

The strategic location of Turkey presents a unique challenge to the EU’s external role and policies as “it lies at the epicenter of a series of conflicts, real and potential” in the region.³³ Turkish accession will bring closer to the EU the instability and tensions of a strategically vital region with strong conflicting energy-related interests. As a major power in the region, “Turkey could be drawn into conflicts that work against European, Central Asian, and Middle Eastern integration and peace.”³⁴ In conjunction with this point, the addition of new long external borders will present a major challenge to the EU because it will involve critical policies and issues such as migration, asylum, and drug smuggling.

Turkey’s participation in the European Common Foreign and Security Policy could also be controversial. Its role in NATO is a central one, and so far it “has not witnessed a strong ‘Europeanization’ of its foreign policy.”³⁵ Its large military force will make it a major military power in the EU with the largest number of military personnel. Turkey, like other member states, has already shown that on issues of vital national interest it is not willing to compromise and align its foreign and security policy with the positions of other states. The willingness and ability of Turkey to meet European expectations on issues of security and defense are also largely determined by domestic factors such as civil-military relations and secular-religious dichotomies.

The discussion over external policy and orientation points to the fact that “modern Turkey has functioned as part of several systems—European, Middle Eastern, Eurasian—while remaining on the cultural and political periphery of each.”³⁶ It cannot go unnoticed that Turkey has uneasy bilateral relations with

some of its neighbors and has been characterized as a “reluctant neighbor.”³⁷ For example, relations with Syria have been bad in recent decades for various reasons, including water resources and Kurdish connections. Iran’s Islamic political orientation and nuclear ambitions are sources of concern for Turkey. Turkey’s policy of expanding its influence in the Turkic states of the Caucasus and Central Asia has alarmed Russia, while Armenia has no diplomatic relations with Turkey and the border between the two countries has been closed (an accord for the establishment of diplomatic relations was signed in October 2009).

Turkey has unresolved issues and unstable relations or no relations at all with some EU member states. Greece and Cyprus are cases in point. In recent years, Greek–Turkish relations have improved considerably, and Greece favors Turkish accession, but the political barometer is not steady. The fact that Turkey does not recognize the Republic of Cyprus, a full member of the EU since May 2004, has been a source of legal controversies and political complications. In that regard, there is still an open question: how can a candidate country conduct accession negotiations and sign an international treaty (such as the accession treaty) with a country it does not recognize? The dispute over the implementation of the additional protocol and the European Council’s suspension of negotiations on eight chapters in December 2006 as well as the decision not to provisionally close any additional chapter are indicative of the serious problems that can arise.

Turkey has a level of economic development well below the EU average, and its accession will have a considerable budgetary impact on the EU. Among the economic consequences Turkish accession will have for the EU is the creation of a regional economic disparity and financial burden for other member states. According to current regulations and practices, Turkey would receive considerable support from the cohesion and structural funds at the expense of other member states that may no longer be eligible for these funds. The prospect of such a development presents another challenge with political and economic ramifications. Along these lines, Turkey’s huge agricultural sector also receives special attention.

The participation of Turkey in the EU institutions will dramatically affect the allocation of power and influence on decisionmaking, policy formulation, and the dynamics of the broader European political arena. As a large member state, Turkey will have a powerful voice in the European Parliament and the Council of Ministers, where most decisions must be approved by a qualified majority. This shift of power from the Western Christian capitals to the Eastern Islamic frontier is already causing skepticism and reactions in some countries.

There are also issues and aspects inherent in the EU itself and its ability to absorb a new member state like Turkey. Already in 1993, the Copenhagen

European Council, besides defining the political and economic criteria, raised the issue of the EU's capacity to grow without undermining the integration process. As stated by the heads of state and government, "the Union's capacity to absorb new members, while maintaining the momentum of European integration, is also an important consideration in the general interest of both the Union and the candidate countries."³⁸ Structural, political, and economic developments in the EU over the next decade may affect the deepening and widening of the EU in a way that can have an effect on further enlargement, including the accession of Turkey. As it was reconfirmed by the European Council in December 2006, to "sustain the integration capacity of the EU the acceding countries must be ready and able to fully assume the obligations of the Union membership and the Union must be able to function effectively and to develop."³⁹

Conclusion: Oriental Past versus Western Future

While accession talks and preparations are under way, the debate over Turkey's European prospects is heating up and a variety of perspectives, positions, opinions, and arguments are being put forward. A former president of the European Commission, Romano Prodi, while arguing for the commencement of accession negotiations, asked Turkey to show "determination in pursuing further reforms and wisely conducting an accession process which, like all the others, will display both periods of progress and moments of tension and unavoidable difficulties." He also appealed to the member states and the European public to demonstrate equal perseverance, as "Europe has nothing to fear from Turkey's accession."⁴⁰

Europe's confusion and ambivalence about Turkey is not a new phenomenon, although it has become more visible. For example, in March 2007, Turkey's government was not invited to the Berlin Summit, which marked the fiftieth anniversary of the Treaties of Rome, causing disappointment in Ankara. A few years earlier, the fears of many Europeans about Turkish accession were expressed and stirred up by the former French president and head of the European constitutional convention, Valéry Giscard d'Estaing. In a blunt and provocative manner he declared that Turkey was "not a European country" and that its inclusion in the EU "would be the end of Europe."⁴¹ In a similar vein echoing Turco-skepticism, a European commissioner brought back memories of the Ottoman siege of Vienna by stating that "the liberation of 1683 would have been in vain" if Turkey were to join the EU.

On the other hand, there are strong voices arguing that Turkey can play the role of "a cultural and physical bridge between the East and West . . . [and] become one of Europe's most prized additions."⁴² Across the Atlantic, the United States has a clear pro-Turkish position that cannot be ignored. In June

2004, during the NATO summit in Istanbul, the American president George W. Bush underlined that position and called on Europe to prove that it “is not the exclusive club of a single religion” and that “as a European power, Turkey belongs in the EU.”⁴³

The polarized discussion over Turkey’s position and role in Europe will continue for years to come at various levels. The debate may even outlast the protracted period of accession negotiations during which not only negotiations on the *acquis* chapters will be conducted, but also a lot of diplomatic maneuvering and political twisting will take place. Throughout this period, the Christian and Islamic worlds will have to show that they can accommodate each other and prove false Samuel Huntington’s argument that “the clash of civilizations” will lead to the reconfiguration of the political world “along cultural lines.”⁴⁴ Both Europe and Turkey will find out what they expect from each other and whether they can share a common future that will reconcile their different pasts. The real question will be whether the internal sociopolitical dynamics and external orientations of Turkey can be compatible with the changing dynamics of the European integration, which aims at deepening the solidarity among peoples “while respecting their history, their culture and their traditions,” and creating “firm bases for the construction of the future Europe.”⁴⁵

In the long run and in a broader sense, the challenge for the EU will be to develop a forward-looking worldview based on a multicultural civilization that has ample room for different religions, including Islam. In a shrinking world of increasing interdependence this may no longer be a political option but an urgent imperative for European integration, which is a process of building unity through diversity.

Notes

1. Bernard Lewis, *The Emergence of Modern Turkey*, 2nd ed. (Oxford University Press, 1968), p. 486.

2. N. Pope and H. Pope, *Turkey Unveiled: A History of Modern Turkey*, 2nd ed. (Woodstock: N.Y.: Overlook Press, 2000), p. 59.

3. H. Kramer, *A Changing Turkey: The Challenge to Europe and the United States* (Brookings, 2000), p. 9.

4. Lewis, *The Emergence of Modern Turkey*, p. 486.

5. Pope and Pope, *Turkey Unveiled*, p. 67.

6. Jacques Chirac talking at a press conference on October 4 (the day after accession talks with the EU were launched); see *Guardian Unlimited*, October 5, 2005.

7. Brussels European Council, December 16–17, 2004, “Presidency Conclusions,” para. 17 (http://ec.europa.eu/enlargement/pdf/turkey/presidency_conclusions16_17_12_04_en.pdf [February 2009]).

8. The European Commission recommended that “the EU will need to define its financial perspectives for the period from 2014 before negotiations [with Turkey] can be concluded.” See European Commission, Communication from the Commission to the Council and the Parliament, “Recommendation of the European Commission on Turkey’s Progress towards Accession,” October 6, 2004, p. 5. The recommendation was issued together with the 2004 “Regular Report on Turkey’s Progress towards Accession.”

9. Agreement Establishing an Association Agreement between the European Economic Community and Turkey, art. 28. The Association Agreement (known as the Ankara agreement) was signed on September 12, 1963, and went into effect on December 1, 1964.

10. H. Arikan, *Turkey and the EU: An Awkward Candidate for EU Membership?* (Burlington, Vt.: Ashgate, 2003), p. 74.

11. Commission of the European Communities, “Commission Opinion on Turkey’s Request for Accession to the Community,” December 18, 1989, paras. 10 and 11.

12. Helsinki European Council, December 10–11, 1999, “Presidency Conclusions,” para. 12 (www.europarl.europa.eu/summits/hel1_en.htm [February 2009]).

13. European Commission, Communication from the Commission to the Council and the Parliament, “Recommendation of the European Commission on Turkey’s Progress towards Accession,” October 6, 2004, p. 8.

14. *Washington Post*, “Turkey’s Continental Drift,” October 10, 2004.

15. José Manuel Barroso, president of the European Commission, statement at a press conference, December 17, 2004.

16. The results of a poll carried out in October–November 2005 showed that 55 percent of the Europeans were against Turkish accession, 31 percent in favor, and 14 percent undecided. Standard Eurobarometer 64, published by the European Commission in December 2005. These results are consistent with similar findings of polls carried out before and after 2005.

17. Barroso, press conference, December 16, 2004.

18. Council Conclusions, 2,770th Council Meeting, December 11, 2006.

19. The eight chapters are: 1. Free movement of goods; 3. Right of establishment and freedom to provide services; 9. Financial services; 11. Agriculture and rural development; 13. Fisheries; 14. Transport policy; 29. Customs union; 30. External relations.

20. José Manuel Barroso, president of the European Commission, speech before the European Parliament, December 23, 2006.

21. Olli Rehn, commissioner for enlargement, “Enlargement: The EU Keeps Its Doors Open for South Eastern Europe,” speech before the European Economic and Social Committee, January 17, 2007.

22. The “Copenhagen criteria” were decided by the Copenhagen European Council, June 21–22, 1993, and spelled out in the “Presidency Conclusions” as follows: “Membership requires that the candidate country has achieved stability of institutions guaranteeing democracy, the rule of law, human rights and respect for the protection of minorities, the existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union. Membership presupposes the

candidate's ability to take on the obligations of membership including adherence to the aims of the political, economic and monetary union."

23. This section of the chapter is a compilation of the main points in the 2005 EU paper "Negotiating Framework for Turkey: Principles Governing the Negotiations" (www.euh.gov.hu/negotiating_framework_turkey.pdf [September 2009]). It also draws on the 2005 "EU Opening Statement for the Accession Conference with Turkey" (www.consilium.europa.eu/uedocs/cmsUpload/Opening_statement_Turkey.pdf [September 2009]).

24. For the purposes of the accession negotiations, the *acquis* has been divided into the following chapters: 1. Free movement of goods; 2. Freedom of movement for workers; 3. Right of establishment and freedom to provide services; 4. Free movement of capital; 5. Public procurement; 6. Company law; 7. Intellectual property law; 8. Competition policy; 9. Financial services; 10. Information society and media; 11. Agriculture and rural development; 12. Food safety, veterinary and phytosanitary policy; 13. Fisheries; 14. Transport policy; 15. Energy; 16. Taxation; 17. Economic and monetary policy; 18. Statistics; 19. Social policy and employment (including antidiscrimination and equal opportunities for women and men); 20. Enterprise and industrial policy; 21. Trans-European networks; 22. Regional policy and coordination of structural instruments; 23. Judiciary and fundamental rights; 24. Justice, freedom, and security; 25. Science and research; 26. Education and culture; 27. Environment; 28. Consumer and health protection; 29. Customs union; 30. External relations; 31. Foreign, security, and defense policy; 32. Financial control; 33. Financial and budgetary provisions; 34. Institutions; 35. Other issues.

25. European Commission, "Recommendation of the European Commission on Turkey's Progress towards Accession," October 6, 2004, p. 3 (www.ena.lu/recommendation_commission_turkeys_progress_accession_october_2004-020005677.html [September 2009]).

26. An elaborate presentation of the issues and challenges arising from the prospect of Turkish accession is included in the European Commission's staff working document "Issues Arising from Turkey's Membership Perspective," SEC (2004) 1202 (http://ec.europa.eu/enlargement/archives/pdf/key_documents/2004/issues_paper_en.pdf [September 2009]).

27. European Commission, "Recommendation," p. 7.

28. *Ibid.*, p. 9.

29. Kramer, *A Changing Turkey*, p. 52.

30. European Commission, "Turkey: 2005 Progress Report," November 9, 2005, p. 38 (www.unhcr.org/refworld/publisher/EUCOMMISSION,TUR,43956b6d4,0.html [September 2009]).

31. *Ibid.*, p. 22.

32. A. Mango, *The Turks Today* (London: Murray, 2004), p. 211.

33. J. W. Mountcastle, "Foreword," in *Turkey's Strategic Position at the Crossroads of World Affairs*, edited by S. Blank, S. Pelletiere, and W. Johnsen (Honolulu: University Press of the Pacific, 2002 [reprinted from the 1993 edition]), p. 5.

34. Blank, Pelletiere, and Johnsen, *Turkey's Strategic Position*, p. 2.
35. F. S. Larrabee and I. O. Lesser, *Turkish Foreign Policy in an Age of Uncertainty* (Santa Monica, Calif.: RAND, 2003), p. 65.
36. Larrabee and Lesser, *Turkish Foreign Policy*, p. 189.
37. H. J. Barkey, ed., *Reluctant Neighbor: Turkey's Role in the Middle East* (Washington: U.S. Institute of Peace, 1997).
38. Copenhagen European Council, "Presidency Conclusions," June 21–22, 1993, para. 7 (A) iii (www.europarl.europa.eu/enlargement_new/europeanCouncil/pdf/cop_en.pdf [September 2009]).
39. Brussels European Council, "Presidency Conclusions," December 14–15, 2006, para. 6 (www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/92202.pdf [September 2009]).
40. Romano Prodi, "The Commission's Report and Recommendation on Turkey's Application," presentation to the European Parliament, October 6, 2004.
41. Valéry Giscard d'Estaing, "Pour ou contre l'adhésion de la Turquie à l'Union Européenne," interview with *Le Monde*, November 9, 2002.
42. Frits Bolkestein, European commissioner for internal market and services, speech at the University of Leiden, September 6, 2004. In his speech, Bolkestein cited the eminent historian and Islamic expert Bernard Lewis.
43. Remarks at Galatasaray University in Istanbul by President George W. Bush, June 29, 2004 (www.gpo.gov/fdsys/pkg/WCPD-2004-07-05/pdf/WCPD-2004-07-05-Pg1177.pdf).
44. Samuel Huntington, *The Clash of Civilizations and the Remaking of World Order* (New York: Simon and Schuster, 1996), p. 20.
45. Treaty on the European Union (consolidated version), Preamble.

The European Union and the Mediterranean Nonmember States

The European Neighborhood Policy (ENP), established in 2004, has been dealing with trade, aid, and migration flows between a European Union of twenty-seven member states and a series of countries on its immediate external periphery. Not all of them are new neighboring countries of the EU-27, nor are all of the new or old neighbors dealt with by the new policy.

It is interesting to note that the enlarged EU found it useful to combine several external economic policy instruments to deal specifically with developing countries on its periphery to reach certain policy objectives. This chapter focuses on a subset of countries in the EU's neighborhood, namely the nine partner countries currently treated under the framework of the so-called Euro-Mediterranean Partnership. Apart from Israel, they are all middle-income Arab countries in North Africa and the Near East and part of the MENA (Middle East and North Africa) group: three Maghreb countries (Morocco, Algeria, and Tunisia) and five Mashreq countries (Egypt, Jordan, the Palestinian Authority, Lebanon, and Syria). How coherent has the ENP directed to these eight countries been? How well have the different components been combined? Was the ENP well-conceived at all? This chapter offers preliminary answers to these questions, particularly in light of recent events in the Arab world (the so-called Arab Spring).

The chapter first deals with the rationale given for the ENP. It then deals with substantive issues: what the EU is offering to or asking from its neighbors in terms of trade (new preferential market access for goods and services), aid (grants and loans), and migration (visa requirements, readmission arrangements, and temporary migration). Next it presents the EU methods and instruments for achieving the declared goals, as well as the institutional, legal, and financial arrangements. The chapter ends with a critical assessment of the internal coherence of the EU's ENP, particularly in view of recent experience.

The Rationale for the ENP

The international environment had changed enormously by early 2004. The ENP was conceived barely eight years after the adoption of the Euro-Mediterranean Partnership and the so-called Barcelona Process in November 1995. At the time of the ENP elaboration, certain considerations had to be kept in mind. The EU was going to grow from fifteen to twenty member states, increasing the Union's territory by 23 percent, its population by 19 percent, and its GDP by 5 percent; two candidate countries were going to leave their Mediterranean status in the Euro-Mediterranean Partnership (EMP) and become full member states (Malta and Cyprus); Turkey had already been declared a candidate state in 1999, and two more countries, Romania and Bulgaria, were negotiating accession to become members no later than 2008; the Oslo Process had failed; the role of the United States in the eastern Mediterranean and the Middle East had grown enormously; the Multi-Fiber Arrangement (MFA) was to be phased out, eroding completely the value of the preferences given on textile products to Mediterranean neighbors in the mid-1970s; uncontrolled migration originating in the southern and eastern neighborhoods of the EU had increased by leaps and bounds; and the weight of Asia in world economic affairs was skyrocketing, leading to enormous pressure on oil and gas prices.

Regarding the last parametric change, there is an important implication: the EU's energy dependence on its neighbors is set to grow substantially in the coming years. Europe's dependence on oil imports should grow from 53 percent in 2006 to 85 percent in 2030, on gas imports from 3 percent in 2006 to 63 percent in 2030. About 40 percent of its oil is currently imported from the Persian Gulf; 4 percent comes from Russia and North Africa; 96 percent of natural gas comes from one source, Russia. With the rise of China and India, Europe will be more dependent on the immediate neighborhood for energy supplies in coming decades.

Regarding uncontrolled migration, already before the ENP was adopted the Seville European Council of 2002 declared that any future EU-signed Association Agreement should include a clause on joint management of migration flows and on compulsory readmission of illegal residents to their country of origin in the event of irregular immigration.¹ The European Commission was explicitly authorized to negotiate readmission agreements with Tunisia and Morocco.² It was decided then, well before the adoption of the ENP, to give incentives to neighbors that cooperate in readmission. These incentives were in the form of assistance in implementation, greater market access, and a larger number of temporary migrants admitted to the EU. The EU was even prepared to give assistance to those neighbors wishing to negotiate a readmission agreement with a third country.³

Since the conclusion of the Amsterdam Treaty in 1997, the EU member states have moved toward adopting a common migration policy. Thirty-nine measures were agreed on in the five-year period between 1999 and 2004. They dealt mainly with coercive aspects of migration policy: irregular migration, trafficking, smuggling, and border controls. A special EU budget of €250 million, called AENEAS, was devoted to helping countries negotiate readmission agreements with the EU during the period 2004–08.

It is in this context that the idea of launching a new neighborhood policy toward the EU's Mediterranean partner countries crystallized in 2003. On the one hand, the success of enlargement seemed undeniable. On the other hand, it was thought then that with the future accession of Cyprus, Malta, and Turkey to the EU, the number of Mediterranean partners in the EMP would diminish from twelve to nine, of which eight were middle-income Arab economies. Moreover, the optimism prevailing in EU circles regarding the conflict in the Middle East in the mid-1990s had been replaced by profound pessimism and fear that the Euro-Mediterranean Partnership would stagnate. Furthermore, after September 11, 2001, personal security and the fight against terrorism rose on the ladder of EU priorities and were conflated with migration and asylum issues.

A possible EU answer to all this could have been to erect a fence around the enlarged Union (raising the old specter of "Fortress Europe"). Apart from the fact that there is a clear distaste for such a solution in the EU, such an exclusion strategy was clearly infeasible, given the member states' limited military, technological, administrative, legal, and security assets. The only alternative was engagement: trying to integrate economically those less-volatile neighbors, which would then function as a buffer between the EU and failed states to its south and east. In other words, as in the time of Charlemagne in the ninth century, when Catalonia functioned as the "Marca Hispanica," now some Arab Mediterranean countries were envisioned as a "Marca Europea."

The ENP also reflected the EU's unofficial conviction that any EU enlargement tends to have destabilizing consequences for excluded countries by diverting trade, investment, and aid away from them.⁴ Countries particularly concerned were those whose export patterns to the EU overlap with those of the new members. Most of the concerned countries were in the (new) neighborhood. Therefore the ENP can also be taken as reflecting the intention of the EU to reverse these unwanted effects of the 2004 and 2007 enlargements. We saw much of the same in previous EU enlargements.⁵

Of course, at the official level the justification was to share the benefits of the EU's 2004 enlargement with neighboring countries and to establish around the

EU a ring of well-governed countries sharing EU values. In ENP jargon, this is “a ring of friends.”

The method used to obtain these goals was to be “deep integration.” To move those neighbors from shallow to deep economic and regulatory integration, the European Commission suggested offering them benefits “previously associated only with membership.” Among the cited benefits, the following ones deserve particular attention: “a stake in the internal market” (see below); progressive and/or partial integration (at least as observers) into certain EU policies, programs, agencies, and networks that promote cultural, transport, educational, environmental, technical, and scientific links (the European Environmental Agency or standardization bodies such as the European Committee of Standardization [CEN] or the European Committee for Electro-technical Standardization [CENELEC]); and new forms of assistance to help partners meet EU norms and standards: technical support to revamp the regulatory framework and institution building and sharing best practices made available as part of the TAIEX (Technical Assistance and Information Exchange) mechanism, which had been very successful in the context of the EU accession process. EU and member states’ civil servants would be made available to give seminars on implementation of the *acquis* and approximation of laws; “cross-border cooperation,” a new form of cooperation with neighbors, would take place in clearly defined subregional regions located along the EU borders that include regions along land borders and on sea crossings of significant importance or around common sea basins (so-called cross-border cooperation). The program would normally be managed by a region in a member state; the Commission monitors the implementation of the program in all aspects.

All of this was to be built on the existing Association Agreement (AA) signed in the context of the Euro-Mediterranean Partnership. A regular review process already provided for in the AA would monitor implementation of the Action Plans, distinguishing between short-term and medium-term priorities. The EU Commission stated that after three to five years the possibility of drawing a new contractual link between the neighbor and the EU would be studied (in the form of so-called Neighborhood Agreements).

In the years since the adoption of the ENP, the European Commission has insisted that it is its primary foreign policy tool and that it is nowadays the main external relations priority of the EU, with economic reform in its neighborhood at the center. At the same time, in the case of Mediterranean neighbors, the ENP was and is still to be considered a supplement to the EMP (which has not disappeared in spite of the creation of the UfM; see later discussion), not a substitute, because it simply adds incentives framed in a context of positive conditionality and reflects a more active engagement of the EU.

"A Stake in the Internal Market"

The EU Commission uses the slogan "a stake in the internal market" ad nauseam in all relevant documents of the ENP, though curiously, the term "stake" has not been clearly defined in any official text. It is apparently understood as a substantial reduction of barriers by partners to trade agreements, a progressive but selective integration into aspects of the internal market (IM). In the eyes of the Commission, acceding to the internal market is a step-by-step approach.

This approach has been somewhat marginalized in the ENP package since 2003 when it was popularized by the president of the Commission at the time, Romano Prodi, in favor of other items, such as people-to-people contacts. One reason for this was, according to an EU Commission official, the difficulty in persuading the relevant commissioners and directorates (besides those dealing with external relations) that opening the IM to the Mediterranean partners is desirable for the EU. Another official said in an unofficial interview that "a stake in the internal market" is a long-term objective that begs the question of how long the long term is. The Commission has been saying that most actions were to be expected in the domain of goods, fewer in services and freedom of establishment. Labor movements have been practically left out from the beginning.

The EU says that it wants to negotiate trade liberalization in services bilaterally with the Mediterranean neighbors. However, it mentions almost exclusively financial services, in which Mediterranean countries do not seem to have much comparative advantage. In terms of the General Agreement on Trade and Services (GATS) supply modes, the Mediterranean partners seem to have a comparative advantage in Mode 2 (consumption abroad) and Mode 4 (movement of natural persons), a feature typical of middle-income developing countries. Trade in services is mostly operated using modes 1 and 3; at the other extreme, very few transactions take place under supply mode 4. Shares of the different supply modes in world trade in services are as follows: Mode 1, 25 percent; Mode 2, 15 percent; Mode 3, 60 percent; Mode 4, 2 percent.

The EU Commission's narrative (as stated on the ENP website) has been that integration in the internal market would have to take into account the capacity and interests of both sides. It has time and again been stated explicitly that the "free movement of persons is not in the agenda for the foreseeable future."⁶ However, this does not explicitly exclude the "temporary movement of people" within Mode 4 of GATS. If the EU offer at the Doha Round of trade talks serves as an indication, Mediterranean neighbors should be optimistic that Mode 2-related concessions will be obtained from the EU. They should be less optimistic regarding Mode 4, but the Mediterranean countries will have more opportunities if they negotiate with individual member states.

What is important for the Mediterranean partners and the EU member states alike is to realize that the advantage of eliminating non-trade barriers (NTBs) on a preferential basis rather than tariffs in mutual trade is that trade diversion away from third countries is not welfare-reducing and that NTBs are not revenue-raising but cost-increasing.⁷ Therefore, the offer of the EU can only be welfare-enhancing for both partners, if we discount the short-term costs of adjustment. To take care of the short-term costs of adjustment, Mediterranean partners could ask the EU to reduce NTBs on their exports to the EU and apply strict reciprocity only in the medium and long run.

Agricultural Trade Liberalization

As is well known, the EMP agreements signed in the second half of the 1990s and postulating the creation of free-trade areas between the EU and Mediterranean countries exclude all agriculture from the free-trade rule. This was so at a time when (a) most of these countries had and still have a significant revealed comparative advantage in fruits, vegetables, and other typical Mediterranean products; (b) the average EU agricultural tariff is still 30 percent; and (c) tariff quotas still dominate in trade relations between the two partners.

The EU has been declaring since 1995 that it would shortly engage in discussions toward trade liberalization in agricultural products. Unfortunately this intention did not materialize until very recently, indicating clear pressures to procrastinate by certain member states (see later discussion). At the ENP's inception the Commission simply proposed the alignment of the Mediterranean neighbors with the EU sanitary and phytosanitary standards. In the Action Plan for Morocco, agriculture was mentioned only as part of environmental policy. In the Action Plan for Tunisia, agriculture was totally excluded. Only the Action Plans for Jordan and the Palestinian Authority mention agriculture explicitly. It seems therefore that the more importance ENP documents give to agriculture, the less the partner concerned has a comparative advantage in it. Finally, one Commission official stated that the EU is likely to ask for protection of geographic indications and for meeting specific standards of quality.

There have been some reasons for optimism since 2007. Why? The so-called Fischler reforms of 2003 of the Common Agricultural Policy (CAP), based on decoupling, were not applied to horticultural products, slowing even more the control of surplus production of these products by Southern European member states of the Mediterranean. The reform was only extended to these products four years later, in 2007, with extreme resistance by Spain and France among other member states.

Some elaboration is needed here. Since 1996 producer organizations have been the preferred means of channeling support to fruit and vegetable producers

in the EU. They are seen by EU authorities as the “proper tool for grouping supply.” Aid supported producer organizations carrying out operational programs, which were financed on a parity basis by the producer organizations and by the EU. Until the 2007 reform the operational programs coexisted with market-intervention schemes, including processing assistance to tomato farmers, processing assistance to citrus producers (for example, assistance per volume of fresh oranges processed into orange juice), subsidies to dried grape and fig producers, processing assistance to apple, pear, and prune producers, direct payments to nut growers, market withdrawals, and export subsidies.

As happened for other agricultural sectors with the Fischler CAP reform of 2003, the 2007 reform decoupled the aid for processing fruit and vegetables and was focused instead on supporting small farmers’ incomes. In other words the new reform hit large fruit and vegetable producers of Valencia and Almeria, who are no longer able to swamp EU and non-EU markets alike with cheap products.

This development has opened the door to the EU starting to contemplate external trade liberalization in horticultural products, in the context of both the Doha Round and the Association Agreements with Mediterranean countries.

By way of example, in November 2009 a very important agreement was reached between the EU and Israel, which ultimately should lead to free trade in agricultural products. No transition periods were provided for, and the concessions contemplated entered into force on January 1, 2010, after ratification of the agreement by the two parties. It covers 95 percent of food trade between the two countries, which is very significant for Israel as the EU-27 represented in 2008 a market for more than 44 percent of total Israeli food exports. Remaining variable levies and import quotas were to be phased out. In fact agricultural products are now incorporated under the normal free trade regime that has applied to industrial products since 1989, but for specific lists appearing in several protocols, excluding a series of goods from the free trade regime (thus proceeding with a negative list of exceptions to the rule rather than a positive list of goods benefiting from free trade as before). Goods listed in the protocols are considered to be still sensitive, and therefore tariff reductions or elimination are confined to a quota, as in the past, reflecting “traditional trade flows.” This is mainly the case for Israeli exports to the EU. In the reverse direction, from the EU to Israel, only tariffs are maintained in most cases, but those can be very large. For instance, Israel can apply *ad valorem* tariff rates on EU-originating imports of eggs (110 to 150 percent), chicken (50 to 110 percent), tomatoes (75 percent) and onions (75 percent); the same goes for many fruits (for example, grapes: 150 percent). The agreement is to be reviewed on November 4, 2012.

In fact we should not forget that the Mediterranean countries themselves can be highly protectionist, particularly of agricultural products for which they do

not have a comparative advantage. The extensive rain-fed agricultural system in many regions does not allow the MENA countries to compete with the imports of continental products from the more industrially oriented EU. In addition, the fear of commercial openness in these countries is increased by direct subsidies granted under the CAP to European farmers, which encourages exports of cereals from the EU to the MENA countries.

The trump card used by those in the EU reluctant to proceed with free trade in agricultural products, contrary to what the Commission has been willing to do with Israel, is precisely the fact that an FTA is based on reciprocity and many Arab countries have difficulty contemplating the opening of their continental rain-fed product markets.

Methodology

The ENP methodology and terminology are inspired by the accession process applied in the 2004 and 2007 EU enlargements: Action Plans, monitoring, country reports, “promise of upgrading,” benchmarks, positive conditionality, TAIEX, twinning.⁸ The list of chapters in the Action Plans is similar to that used in any accession process.⁹ There is no visible inspiration drawn from the European Economic Agreement (EEA) negotiations in the Action Plans submitted over the years. This is not surprising. Many of the Commission officials who had worked in the Directorate General (DG) for Enlargement were transferred between 2002 and 2004 to the DGs dealing with the then-new ENP. But since the original “Wider Europe” communication, the language of conditionality and benchmarks has been toned down, probably because the staff from the DG for External Relations (RELEX) took over.¹⁰ Since then more use has been made of the word “incentive.” This is a pity because the EU Commission has proven to be very effective in the follow-up and implementation by future member countries of economic and administrative reforms. The problem is that in the specific case of the ENP there cannot be a mechanical link between EU commitments and the neighbors’ commitments.

Conditionality has had a central role in the ENP, but the one built in is of a very specific type. The EU traditionally refrains from imposing economic and political sanctions (that is, negative conditionality), because they require unanimity in the Council of Ministers. Here the commercial and strategic interests of some member states prevail. This is why even in the case of EU enlargement it was decided early on to prefer positive conditionality. The latter relies on the willingness of the partner to implement reforms successfully. It does not require any effort per se from the member states themselves. For the EU, positive conditionality would seem to be less expensive than negative conditionality. Although

the EU must provide some incentive, it need not be in the form of aid. If it takes the form of trade liberalization it will also be good for the EU. And even if the incentive is in the form of aid, the amount devoted to it might be less than the corresponding losses if sanctions were imposed (and let us note here that the EU has a surplus in its trade balance with its Mediterranean neighbors).

In the case of the last enlargements, conditionality was geared to economic development and capacity building and not to political objectives such as democratization. There is a consensus among experts that the Central and Eastern European countries (CEECs) took care of political development and transition on their own, without much EU intervention. This situation bears many similarities to what the EU aimed to do in the context of the original ENP.¹¹ The ENP approach adopted in 2003–04 was inspired by the usual enlargement approach—that is, a chapter-by-chapter microeconomic and administrative approach, with not much intervention by the relevant legislatures (from the European Parliament or the local parliament of the target country). It is, however, important to note that conditionality was a way of reassuring member states that the new members would not become a burden after accession. But neighbors are not candidates for accession. Therefore, in some sense, there is no need to reassure and less need to justify conditionality. What is needed is reciprocity.

Institutional Provisions and Financial Arrangements

The ENP does not provide for the establishment of new institutions to monitor the ENP and the new neighborhood agreements. There is no apparent intention to strengthen dispute settlement mechanisms. Even minor institutional developments such as those found in the context of the EEA or the creation of an ENP Secretariat are not contemplated. Furthermore, new neighborhood agreements will continue to be intergovernmental with no supra-national dimension.

EEA-type participation of the Mediterranean neighbors in decision-shaping, let alone decisionmaking, is excluded. However, the obligation to disseminate information by the EU Commission on future directives related to the internal market would become part of new Neighborhood Agreements with its Mediterranean neighbors.

The central piece of the financial arrangements is the so-called European Neighborhood and Partnership Instrument (ENPI), based on an EU regulation that has replaced a series of previous instruments, such as MEDA (to assist Mediterranean countries) and TACIS (to assist the Commonwealth of Independent States, CIS). The EU aid policy has been streamlined for the 2007–13 period. Only six aid instruments survived, three general and three functional. The first three are: pre-accession assistance (for example, in the case of Turkey); the ENPI

(covering all the ENP countries, including the three Southern Caucasus countries, but also Russia); and development cooperation. The second three are: a stability instrument (for emergency cases); a macro-financial assistance instrument; and an instrument for humanitarian aid. According to the regulation, a set amount of aid will go to each Mediterranean neighbor based on objective criteria. A pool of funds is allocated to countries that are performing well. The ENPI uses a structural funds approach based on multi-year programming, partnership, and co-financing. The cross-border cooperation component of the ENPI is co-financed by the European Regional and Development Fund (ERDF).

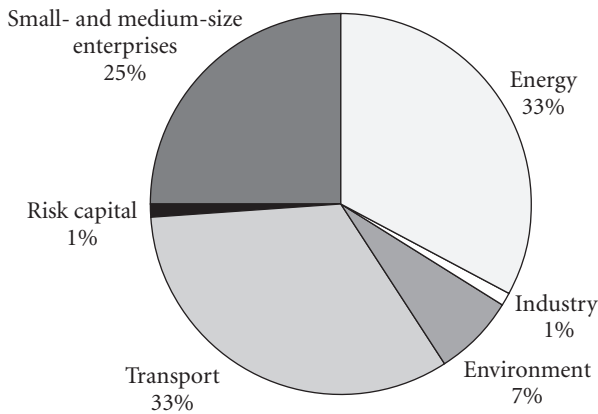
The Commission, which had allocated €8.5 billion in aid to TACIS and MEDA for the period 2000–06, proposed an amount of €14.9 billion in the new financial perspectives for 2007–13, an increase of 60 percent. It is worth noting that the ENP covers more countries than MEDA and TACIS. The annual allocation was to increase progressively, doubling between 2006 and 2013. The ENPI represents in fact 15 to 17 percent of EU spending on external action (while 49 percent goes to development policy), which in itself accounts for 10 percent of the EU's total spending.

Another financial component of the ENP was to be the loans granted by the European Investment Bank (EIB), which is now a more important factor than the World Bank in supporting Mediterranean countries' reforms. The EIB established the Facility for Euro-Mediterranean Investment and Partnership (FEMIP) in October 2002, before the endorsement of the ENP by the EU. It was created to help the countries of the region meet the challenges of economic and social modernization, similar to the way the European Bank for Reconstruction and Development (EBRD) helped Eastern Europe.¹² FEMIP's main activities include supporting infrastructure projects and creating an appropriate environment for the development of private enterprise. The partnership finances private sector ventures, whether local initiatives or foreign direct investment, through loans, investment capital, and grants.

For several years FEMIP has helped finance important infrastructure projects to improve transport in Egypt and Tunisia and power generation and gas transmission in Jordan, Morocco, and Syria (see figure 11-1). FEMIP has been lending at a rate of over €2 billion per year.

The trend toward increased financing of private sector operations continued when 30 percent of the funds went to support foreign direct investment (FDI) initiatives. Since the ENP was adopted, FEMIP also strengthened its local presence in some countries, opening offices in Tunisia, Egypt, and Morocco. Learning from the Eastern European experience, local offices of FEMIP play an important role in the eyes of foreign investors, giving them a greater sense of security and an address to turn to in certain cases.

Figure 11-1. *Facility for Euro-Mediterranean Investment and Partnership (FEMIP) Lending by Sector, 2004*



Source: European Investment Bank, 2005.

Is Approximation of Laws and Economic Reform What Arab Mediterranean Countries Need? A Critical Assessment

With successive EU enlargements, the EU's presence in the economic life of non-member Mediterranean countries has become overwhelming. Fewer and fewer options are open to them: trade, aid, market, migration, technology, monetary, and service (tourism) dependence are increasing. Establishing better economic relations with the EU's economic bloc is a must. Of course, oil producers (such as Algeria, Egypt, and Syria) can escape this predicament for longer than others (such as Morocco, Tunisia, Jordan, the Palestinian Authority).

An element common to all of the North African countries analyzed is that most of their own neighboring countries to the south are largely arid, loosely populated, and extremely poor. Beyond the Sahara Desert there are more neighbors with small markets and few resources. Not surprisingly, Morocco has repeatedly stated that it wants "more than association, less than membership" with the EU. Together with Jordan and Tunisia, Morocco has demonstrated on more than one occasion that it has no patience with the stagnant simple free trade area relations imposed by the EMP in 1995. Nor does Morocco want to wait until other laggard Arab countries start implementing their FTA Association Agreement or, if they have started to implement them, to wait until the agreements are in a more advanced state of implementation. Jordan is pressing

for the application of pan-European accumulation and/or Qualified Industrial Zone (QIZ)-type agreements allowing for goods produced by joint ventures with Israel's manufacturers to enter the EU-27 duty-free. The United States agreed to similar treatment of these two partners (and also to joint ventures between Egypt and Israel, which are now unfortunately being questioned by the new authorities in Egypt).

Mediterranean nonmember countries have been asking since the ENP's creation a series of questions about the adequacy and design of the ENP as it applies to their specific cases. Several years into the ENP, many have started wondering whether the requirement for "approximation of laws" and "adoption of the *acquis*" was legal colonialism. Adopting the EU legal norms sometimes means adjusting to a different legal culture, which seems particularly unreasonable when future EU membership is not in the cards. Adoption of some EU laws but not others can lead to legal incoherence between systems. In addition, the institutional costs associated with the approximation of laws could be substantial for the Mediterranean countries, since their domestic authorities would have to be as effective as the EU authorities of control.

More generally, the approximation of laws may or may not be suitable, depending on whether the law to be adapted corresponds to the objective needs of the Mediterranean neighbor in terms of size of market, standard of living, environmental and labor standards, and development level. The ENP might require too much from Arab middle-income developing countries, according to analysts in the development community. Dani Rodrik has claimed that the extended Washington Consensus, which includes institutional reform, is too ambitious to be accomplished by many developing countries even in the medium term, and that it did not set clear priorities.¹³

An important issue specifically affecting some eastern Mediterranean countries, such as Jordan, Egypt, and Israel, but that could also affect Morocco and Tunisia in the future, is the large share of manufactured exports that goes to the United States, whose standards differ from those of the EU. Wide differences exist in the markets for goods and services, on which Mediterranean neighbors are highly trade-dependent. A good example is the hotly debated case of genetically modified organisms (GMOs). Although the Arab countries under focus (except Jordan) are much more trade-dependent on the EU than on the United States, this could change after the progressive implementation of the FTA agreements between the United States and several Arab countries (such as Morocco and Tunisia), which also cover agricultural and food products.

Experts at the World Bank and other international economic institutions also have stated that the focus on the need for economic reform in the Mediterranean neighbors is not always justified. It seems that in the EU the assumption

is that foreign direct investment (FDI) will flow into the EU's southern neighbors the moment that they deal with their red tape. But the difficulty that most southern Mediterranean countries have in attracting FDI does not come from administrative inefficiencies, but from the lack of human capital and know-how.

This becomes obvious by making a comparison with India, for example. Why does India attract FDI in high-tech industry and services while MENA countries have not done so? After all, FDI flows to MENA when OECD countries need something from them (crude oil or gas), and nobody seems to be bothered by red tape. And why did it take so long for Turkey to attract FDI after all the reforms (including the elimination of administrative hassles) it had undertaken over the years? Scholars should look thoroughly into the correlation between implemented reforms and subsequent FDI flows in different countries and sectors. The empirical link may be much more tenuous than what is usually assumed, and the problem may be more a lack of professional competence and know-how than red tape.

This chapter argues that the ENP suffers from asymmetries because it does not contemplate setting up an Action Plan for the EU. The ENP assumes that only the neighbors should undertake economic reforms to benefit from the extension of the internal market. The EU's only role is to offer incentives and monitor the implementation of the Action Plans—that is, the economic reforms of the neighbors. This is a totally different approach from that of the EEA, which requires everyone to adjust equally. It is also different from the OECD system of peer review, in which every member can apply peer pressure. There is also a moral dimension to the ENP, something so important to many Europeans nowadays. Anchoring economic reform in neighboring countries is an activity that consists in demonstrating and not in preaching. The EU should set an example not by telling Mediterranean neighbors what to do, but by adjusting. This could be called the “we-are-in-the-same-boat” approach, reflecting that the EU and its Mediterranean neighbors are indeed involved in a real partnership, something that has been frequently questioned by Arab countries, particularly after 9/11.

Two New Distractions: The UfM and the Arab Spring

This chapter focuses on the institutional relations that the EU has been setting up with its Mediterranean neighbors since the last two EU enlargements to the east (2004 and 2007), as a result of which twelve new member states joined the original fifteen member states. But some mention should be made here of two unexpected political developments since the time the original ENP was adopted.

The first was the unexpected initiative in 2007 by the then newly elected president of France, Nicolas Sarkozy, and his advisers to create a new

intergovernmental institutional structure of forty-three countries, regrouping EU member states and all non-Mediterranean member states (except Libya) as the Union for the Mediterranean (UfM). Created with much hope and fanfare, it was supposed to take care of the criticism made of the ENP, whereby the latter did not provide a sense of ownership to the Mediterranean ENP's targeted countries. The UfM had to deal with functional large-scale projects monitored by a secretariat based in Barcelona, Spain, mostly of a technical nature and of general interest to all the UfM member states. For many the UfM was a step back in that it would try to change the economic and political governance of the southern Mediterranean countries. It was, in contrast to the ENP, much more focused on economic reform in the South, and on the EMP, working to involve civil societies in partnership programs that in time would subvert the established authoritarian order. Four years later, the results achieved by the UfM are meager, if not nil, because of a series of problems that are not relevant, properly speaking, to EU bilateral relations with Mediterranean countries. In fact very soon, by 2009, it appeared to individual Mediterranean countries, such as Morocco, Israel, and Tunisia, that the "only game in town" was still the existing ENP with all of the inconvenience and birth defects mentioned above. At least it is monitored by the European Commission and endowed with substantial funds, and it addresses the very concrete problems encountered in the economic, if not in the political, realm between the EU and its neighbors.

A second much more disturbing and disruptive event for ongoing relations between the EU and Mediterranean Arab countries has been the eruption of civil society revolts, sometimes reaching the level of revolution against authoritarian leaders in some of the MENA countries, which began in early 2011 in Tunisia. Almost by contagion, other countries under focus here, such as Egypt, Morocco, and Syria, were highly affected. In many respects Jordan, Algeria, and the Palestinian Authority have been sidelined by revolutionary movements. One implication for the EU is that it has had to quickly revise its own policies regarding MENA countries and particularly the ENP itself. Luckily, these events took place at a time when the EU was already discussing the so-called Multiannual Financial Framework (MFF) 2014–20—in other words, the next EU budget perspective, once the current program ends at the end of 2013.

As part of its new external policy, the EU is replacing the ENPI with the newly named European Neighborhood Instrument (ENI). In the context of the renewed approach to the ENP outlined in the Joint Communication of May 25, 2011, the new ENI will provide increased support to sixteen partner countries to the east and south of the EU's borders and will contribute to strengthening bilateral relations with partner countries in areas such as democracy and human rights, the rule of law, good governance, and sustainable development.

But it will continue to provide the bulk of funding to the European Neighborhood countries, essentially through bilateral, regional, and cross-border cooperation programs. The Commission is proposing an envelope of €18.182 billion, part of a huge external action budget of more than €96 billion. This represents a significant increase from the budget of the previous ENPI instrument. It reflects the increased priority of the ENP in the overall foreign policy of the EU.

The MFF regulations package will be transmitted to the European Parliament and the Council of the European Union (EU member states) for further discussion and adoption. The new MFF budget and the new regulations will enter into force on January 1, 2014.¹⁴

A key feature of the renewed ENP is the so-called rule of “more for more,” according to which incentives would increase even more than in the old ENP for neighbors that make more effort and greater progress, not only on economic reforms but also toward democratization (which was not included in the original ENP).

Conclusion: An Impression of Déjà Vu

In a way, insisting on the need for economic reforms by its Mediterranean neighbors is a way for the EU to shift the spotlight from the EU’s failure to offer them preferential market access concessions since the mid-1970s. The failure to offer market concessions is awkward, because over time the relative positioning of Mediterranean countries in the hierarchy of EU preferences has eroded. The liberalization of most-favored-nation (MFN) trade (Tokyo Round, Uruguay Round) must be factored in as well. To illustrate, consider that the Action Plan for Tunisia did not contain any significant item addressing agriculture and labor movements. Instead it has dealt with tariff legislation, labeling, veterinary and phytosanitary rules, state aid, and competition policy and government procurement.

The specific incentives offered to most Mediterranean countries in the context of the ENP have not been sufficiently appealing for them to accept Europeanization. It is clear that the Action Plans already in place have fallen short of expectations in most Mediterranean countries. They initially thought they would be admitted to all EU programs and that the four freedoms (freedom of movement of goods, capital, services, and persons) would soon be extended to them. Now it appears that, contrary to what former Commission president Romano Prodi said at the time, they would not have “everything but the institutions,” but rather “something, but not the institutions.” Official EU documents have been speaking more and more of “a measure of economic integration” rather than “a stake in the internal market.” According to Schumacher and Del

Sarto, given the reluctance of Southern European EU member states to speak about the four freedoms, the Commission had to withdraw references to them from speeches early on.¹⁵ In fact, there are no direct references to the four freedoms in the 2004 EU Strategy Paper or in subsequent documents, though they were still mentioned in the 2003 “Wider Europe” Communication from the European Commission.¹⁶

With respect to services, the EU would like to start with financial services, information technology, transport, and energy. Probably with the exception of energy, these are sectors in which the Mediterranean neighbors do not have a comparative advantage. In financial services, the EU has rejected the possibility of conferring an ENP passport for financial services providers in the Euro-Med area since it would imply accepting the principle of mutual recognition. With regard to temporary migration, the jury is still out under Mode 4.

In the meantime, trade liberalization in agricultural products has once again been left behind until very recently, when Israel became a test case for the new direction that the EU hopes to take in the future regarding other Mediterranean non-member countries. This procrastination persisted throughout the first decade of this century at a time when agricultural lobbies in Southern Europe became much weaker than they were even ten or twenty years ago, when Spain and Portugal entered the EU, and even weaker than when the EMP was adopted. If *délocalisation* has long been accepted for textiles, why not accept it also for flowers, fruits, and vegetables? Is it also not easier to convince European governments that it is better to “delocalize” to the neighborhood than to China? There are also profound political economy reasons to strengthen agriculture in the Arab world.

For most of the past decade, the Commission has stressed that negotiations with the MENA countries on further agricultural trade liberalization were dependent on progress in negotiations at the multilateral level in the Doha Round of trade talks. But these negotiations are practically off and the EU has had no excuse for more delays for quite a while. An important point here must be made about the internal market in agricultural products: for the relocation of Mediterranean agriculture to North Africa to succeed, Arab countries must eliminate restrictions on buying land there. This restriction now already applies to new member states, to the dismay of some political parties in Poland.

Finally with the new revolutionary winds sweeping the Arab world, the EU will again be able to shift attention from its fundamental unwillingness to integrate its southern neighbors in the EU economically (contrary to its treatment of Norway and Switzerland) by insisting now on the need for political as well as economic reforms by its Mediterranean neighbors.

Notes

1. A. Geddes, "Europe's Border Relationships and International Migration Relations," *Journal of Common Market Studies* 43, no. 4 (2005): 787–806.

2. L. Hugelin, "L'incidence d'une nouvelle politique communautaire de l'immigration sur le partenariat euro-méditerranéen," in *Euro-Med Integration and the "Ring of Friends,"* edited by P. Xuereb (Malta: European Documentation and Research Centre, 2003), pp. 201–32.

3. *Ibid.*, p. 219.

4. A. Toviás, "Normative and Economic Implications for Mediterranean Countries of the 2004 European Union Enlargement," *Journal of World Trade* 39, no. 6 (2005): 1135–59.

5. A. Toviás, *Foreign Economic Relations of the European Community: The Impact of Spain and Portugal* (Boulder, Colo.: Lynne Rienner, 1990).

6. See, for example, European Commission, European Neighbourhood Policy website (http://ec.europa.eu/world/enp/index_en.htm [October 2008]).

7. An exception to this rule is contingent protection. In this respect it must be recalled that the EU has frequently applied anti-dumping duties on imports originating in Egypt.

8. TAIEX is legal advice and technical assistance offered by experts from EU member states to help public authorities in the target countries. Twinning is similar to TAIEX, but the advice is given by officials of the member states' civil service, who are dispatched to the target country for a given period.

9. M. Leigh, "The EU's Neighbourhood Policy," in *The Strategic Implications of European Union Enlargement*, edited by E. Brimmer and S. Frohlich (Washington: Center for Transatlantic Relations, Johns Hopkins University, 2005), pp. 101–27.

10. See Commission of the European Communities, "Communication from the Commission to the Council and the European Parliament," March 3, 2003 (http://ec.europa.eu/world/enp/pdf/com03_104_en.pdf [October 2008]).

11. There have been changes on precisely this point since the advent of the Arab Spring; see comments later in this chapter.

12. Note that the EBRD itself has decided to open lending operations to Mediterranean Arab countries as a result of the Arab Spring.

13. D. Rodrik, "What Do We Learn from Country Narratives?" in *In Search of Prosperity: Analytic Narratives on Economic Growth*, edited by D. Rodrik (Princeton University Press, 2003).

14. See CEPS, *European Neighbourhood Watch*, no.77 (December 2011).

15. R. Del Sarto and T. Schumacher, "From EMP to ENP: What's at Stake with the European Neighbourhood Policy towards the Southern Mediterranean?" *European Foreign Affairs Review* 10 (2005): 17–38.

16. See Commission of the European Communities, "Communication from the Commission to the Council and the European Parliament," March 3, 2003 (http://ec.europa.eu/world/enp/pdf/com03_104_en.pdf [October 2009]).

The European Union and the Middle East

The issue of the European Union's relations with the Middle East could hardly be more pressing, given the extraordinary events of 2011. First came the Arab Spring, the movement that began in Tunisia and then spread quickly to Egypt, Libya, Syria, and (partially) the Gulf states. Next came the war in Libya itself, in which NATO countries—led by Britain, France, Italy, and others—staged a decisive aerial intervention to help rebels based in Benghazi to depose the regime of Colonel Muammar Qaddafi. Other critical events in 2011 include the Turkish general election in June, which returned the government led by Recep Tayyip Erdogan to power, and the Palestinian bid for statehood at the United Nations General Assembly in September.

The overall impact of all these developments has been to make the Middle East much more central to the foreign policy agenda that the European Union and its member countries are seeking to pursue. This marks a significant change from previous years and indeed decades, when the countries of the European Union were largely able to ignore the region to their east and south, with perhaps the exception of some concern over their energy supplies. Moreover, the growing importance of the Middle East has helped to lay bare many of Europe's inherent foreign policy weaknesses, including a regrettable tendency to disunity at crucial moments and over critical issues.

A Poor Record

In practice, the record of the European Union's policy toward the Middle East, which has most recently taken the shape of its wider European neighborhood policy, has been pretty lamentable. For the countries of Central and Eastern Europe, for Turkey, and albeit to a lesser extent, for such other European neighbors as Moldova, Ukraine, and Belarus, the European Union has always been

able to wield the ultimate weapon, one that acts as both a lure and a lever: the possibility of membership in its club.

This particular lure has never been available to the countries of North Africa and the Middle East. Morocco once applied for membership only to be told, firmly, that it was not eligible. The effect of excluding the countries in this region from even a faint possibility of EU membership has been to reduce hugely the EU's influence and leverage there. There is an analogy here with the United States and the countries to its south: because it cannot offer any of them political integration, its influence and leverage have always been somewhat limited.

Most EU countries tend to look at the Middle East through three essentially negative prisms. First is the simple desire for stability, however illiberal, undesirable, or undemocratic the regimes that claim to have created that stability might turn out to be. Second is a pressing desire for help from Middle Eastern governments in limiting legal and especially illegal immigration. And third is a generalized, and somewhat inchoate, worry about the rise of Islamic fundamentalism and the perception that, with it, comes a heightened risk of terrorist acts on European soil.

All three of these concerns are entirely understandable in terms of domestic European politics and public opinion. But one common consequence of seeing the region largely through these three prisms is, inevitably, that many countries in Europe tend to look more favorably than might be expected on essentially autocratic regimes. And as fears of militant Islam have grown over recent years, this tendency has only been reinforced.

The worst example of this is Algeria in 1991–92, when—in large part at the instigation of France, the former colonial power—the EU quietly supported the army in its decision of January 1992 to cancel a democratic election and then stage a coup against the Islamist FIS party, which appeared to be the most likely winner. As a direct result of the coup and the civil war that followed, between 150,000 and 200,000 Algerians lost their lives.

But there have also been plenty of recent instances when the EU or its member governments have quietly backed authoritarian and often corrupt regimes, right up to the Arab Spring. Tunisia, where the Arab Spring began, itself offers an example. The French foreign minister, Michèle Alliot-Marie, was embarrassingly forced to step down after the exposure of her close links to the family of President Zine al-Abidine Ben Ali, which apparently even included the offer of help in suppressing street protests.

The clear conclusion from these cases is that the European powers have all too often indulged autocratic regimes despite their repeated violations of human rights. They have resisted any talk from the European Commission or the European Parliament of making aid conditional on proper democratic behavior. And they have done all this almost entirely because the regimes they have helped to

sustain in power have in return delivered acceptable policies in terms of stability, control of illegal immigration, and suppression of fanatical Islamists.

A further problem for the EU in the Middle East is that the European neighborhood policy tends, as even the European Commission admits, to focus far more on the economic relationship—especially trade, aid, and regulatory approximation—than on questions of democratic governance or human rights. Over the years much has been done to move toward a free-trade area in the Mediterranean, for example. Much has also been done to help the countries in the Middle East through direct financial assistance. But a great deal less has been done to promote human rights, democracy, and political reform.

Money is clearly one issue here. The EU has set aside substantial sums for its southern neighborhood policy in its various financial frameworks: some €3.0 billion in the budget period 1993–99, rising to €4.5 billion in 2000–06 and to €5.6 billion in 2007–13. The European Commission has proposed raising this to €7.5 billion in the next financial framework in 2014–20, although in the light of the Arab Spring and its devastating effect on economic growth and especially on revenues from tourism, this seems unlikely to be anywhere near enough. Calls for a new Marshall Plan for the region are not being heeded, in part because of budget austerity all across Europe.

Yet when it comes to relations with the Middle East, it is not just a matter of the amount of cash that is available to spend as financial aid. All too often the EU's money is spent badly. For example, over a third of the total in past years has gone directly to governments for “budget support,” regardless of their democratic or human rights failings. Conditionality on aid either has not worked or has been set aside by a desire to support secular regimes or to secure lucrative contracts. It is especially hard to enforce negative conditionality—withdrawing help or money in cases of egregiously bad behavior. But even positive conditionality—offering more to reward good behavior—has been rare.

Proposals by Germany and other countries to scrap country quotas for assistance and to set aside as much as half of all aid to be paid only to governments that comply with democratic or human rights norms have not come to much. A detailed study by the British-based think tank Open Europe finds that it has usually seemed advisable to EU member governments and to Brussels to give financial assistance to Middle Eastern countries without questioning their democratic credentials.¹

The Palestinian Problem

Another problem that clouds many EU objectives in the Middle East is its very limited influence on the Arab-Israeli conflict. There are three reasons for this. The first is that Israel looks much more to the United States than to the EU as

its main ally and financial supporter. Indeed, Israel actively mistrusts many EU countries. A second and related issue is that Palestine, although it sees Europe as sympathetic to its cause and also as a vital source of finance, also sees Europe as unable to exert anything like enough pressure on Israel. The third reason is that EU countries tend to be divided on the issue of the Middle East. Germany and the Netherlands are in general pro-Israel, while France and Britain are more sympathetic to Palestine. Such divisions have made it harder for the EU than for the United States, say, to play much of a role in the conflict.

The problem of divisions and splits within Europe has become a wearisomely familiar one in many areas of foreign policy. This is one of the biggest reasons that efforts to forge a common foreign policy, under the leadership of Representative Catherine Ashton, have produced so little by way of results. The EU by its nature operates by consensus, especially in the area of foreign policy, where national governments have been anxious to preserve their rights of veto. One inevitable consequence is that it is slow to react and often timid, pursuing what amounts to a lowest-common-denominator approach to foreign policy.

This became apparent once again in the Libya conflict. Britain and France spearheaded efforts to secure a UN Security Council resolution to authorize military intervention. But Germany, which was at the time a temporary UNSC member, worked hard to prevent this, eventually deciding to join Russia and China in abstaining. In the subsequent war, the Germans did their utmost to avoid any engagement or deployment of German assets. In this sense, the Middle East has come to pose just one more challenge to the very notion of a common foreign and security policy for Europe.

The EU's difficult relationship with Turkey also often overshadows any chance it might have of taking on a positive or influential role in the Middle East. Ever since the Arab Spring began, and even before, Turkey has played an increasingly important part as a political role model, an important regional power, and (in recent years) a highly successful economy. Yet the EU membership talks with Turkey, which were opened in October 2005, have all but stopped. All but eighteen of the thirty-five chapters in the enlargement negotiations are currently blocked. No new chapter has been opened for almost two years. There have been almost no signs of progress toward solving the vexing Cyprus problem, which is making relations with Turkey especially fraught, given the Cypriot presidency of the EU in the second half of 2012.

The impasse in the enlargement negotiations with Turkey has also made it much harder for the EU to benefit from Turkey's increasing weight in the Middle East. This has both an economic dimension and a political dimension. Many Arab countries have begun to look to Turkey, which has devoted a lot more energy in recent years to improving relations with its former possessions in the Ottoman

Empire, as an example of a modern, dynamic, mainly Muslim country with a pluralist, democratic system and a booming economy. This suggests strongly that, if the EU wants to exert more influence across the Middle East, it will have to find some way of repairing its currently tattered relationship with Turkey.

Mediterranean Dreamers

A final problem for the EU in the Middle East is the familiar one of institutional battles, turf wars, and the effect these have on policy differences between its member countries. For a time the relationship with the Middle East was dealt with through the so-called Barcelona Process, which brought together countries from both the south and the north Mediterranean. But in 2008–09 this was deemed insufficient and in need of a revamp by the newish French president, Nicolas Sarkozy. He instead spent much time and political capital in promoting a wholly new concept: the Union for the Mediterranean.

Like so many grandiose, French-inspired projects, the Union for the Mediterranean upset several other European countries, most notably Germany, which feared that the creation of a new body based only on countries with a Mediterranean coastline would ultimately cut Germany out altogether (with the added suspicion that, as so often, the Germans would still be called on to pay most of the bills). Eventually, thanks in large part to such objections, all twenty-seven EU countries joined the Union for the Mediterranean, though it was notable from the beginning that few people could explain precisely how the new body related to the Barcelona Process or the European neighborhood policy.

The Union for the Mediterranean has proved, entirely predictably, to be a big disappointment. It has managed to hold just a single summit so far. Its first secretary general quit early on and was only quite recently replaced. Its original joint presidency of Sarkozy, as president of France, and Hosni Mubarak, then president of Egypt, proved to be something of an embarrassment when Mubarak was unceremoniously deposed during the Arab Spring. In formal terms, the organization limps on, if only because the Europeans are hopelessly bad at scrapping any international bodies that outlive their usefulness. But insiders in Brussels now see the Union for the Mediterranean as, at best, an embarrassing distraction.

Meanwhile, the European External Action Service and the bigger role in the EU that is supposedly to be played by a new foreign and security policy high representative, in the person of Catherine Ashton, has done too little to help streamline the EU's foreign policy, including in the Middle East. Ashton has been surprisingly and in a mostly unpublicized way quite effective at negotiating with the Palestinians, far more so than is Tony Blair, who is the official

representative of the Mideast quartet (the United States, Russia, the UN, and the EU). She has been rather less good at dealing with the Israelis, who tend to be suspicious of Europeans in the best of times. And in practice she has, in the Middle East as elsewhere, all too often been seen simply to be adding one more to the European team of twenty-seven foreign ministries.

The Arab Surprise

The events of the Arab Spring clearly came as an almost total surprise to France, Britain, and the European authorities in Brussels. Tunisia was a shock that even the French, the former colonial power that had cultivated close relations with the Ben Ali regime, never expected. Similarly, Egypt flummoxed its biggest backer, America, as well as the European Union, when unrest first broke out in Tahrir Square in Cairo. Despite strong links to both the American and Israeli armies, the military command in Egypt seems to have shocked its allies when it decided to push for the ouster of President Mubarak and for a more democratic constitution.

In rather the same way, Italy, the old colonial power in Libya, does not seem to have expected the uprising—which began in the eastern city of Benghazi—against Muammar Qaddafi. Although the Italians were quick to detect the shift that followed this uprising, they continued to be embarrassingly identified with the former regime. France and Britain for a time had a similar problem.

The subsequent unrest across the Arab world took in Bahrain and, even more surprisingly, Syria. This appeared to come as a shock not just to Saudi Arabia, which later sent in troops to protect the Bahraini regime, but also to other powers in the region, including Turkey, Syria's nearest neighbor, which had spent some years building economic ties with Syria. As this experience confirms, it can be hard to recover from the shock or threats to a government that can lead to regime change—and also hard to discard close allies in the face of democratic protests.

Lisbon, but Not to the Rescue

What should the European Union and its member countries now do, both about the region and about their relations with it in the light of the Arab Spring? How might the Lisbon treaty, with its provisions for a common EU foreign and security policy, eventually help? And how should the EU's budget be better directed at securing peace and prosperity along its southern rim?

A starting point in trying to answer these questions is to accept that it remains wholly unrealistic to talk in terms of EU membership for any of the countries of North Africa and the Middle East. This is not only for the reasons of geography and culture that led to the rejection of Morocco's application in 1987. It is also because, although expansion of the club may well continue in future years in

the western Balkans, talks with Turkey over membership have become largely bogged down. There seems now to be little appetite for extending EU membership to Ukraine or the Caucasus countries, for example.

In the absence of any possible membership for countries of the Middle East, the EU will be forced to look for other instruments to influence and to stabilize this very important region. In the current shorthand favored in Brussels, the most promising of these instruments go under the catchphrase, the three Ms: money, markets, and mobility (or more precisely, migration).

Money is clearly tricky at a time of budget austerity in Europe and all over the world. The call by the then Italian foreign minister, Franco Frattini, and others for a new Marshall Plan for the Middle East is wholly admirable and praiseworthy. But in the current climate it is surely also unrealistic. Yet even with this reservation, the European Commission's proposal for aid to North Africa in the next financial perspective is feeble. By making minimal savings in farm subsidies under the common agricultural policy, for instance, it would be possible to release a great deal more to help the countries involved in the Arab Spring.

Can it really be wise for Europe and its citizens to devote twenty times as much money for direct income support to relatively well-off farmers inside the EU as for aid to impoverished (and potentially troublesome) North Africans? And is it always going to be sensible to concentrate such huge resources on FRONTEX, the EU's border patrol agency, when a little more money spent around the region could help to deter would-be illegal immigrants at the source?

Further, the money that is available in Brussels could surely be better spent. A good deal more should go to nongovernmental organizations rather than to corrupt and often autocratic governments. There should also be much stricter conditionality in terms of political reform and economic and social liberalization. It would be desirable to start switching some of Europe's aid money away from unreformed autocracies to the newer and more exciting democratic regimes in the Middle East.

The European Investment Bank and the European Bank for Reconstruction and Development, both of which have over the years done a vitally important job in helping to revive the economies of Central and Eastern Europe, could also be invited to do more in the Middle East and North Africa. North African countries like Egypt, Libya, and Tunisia will need a great deal of help to rebuild economies hit by the economic fallout from both the Arab Spring and the associated collapse of tourism. Europe must find a way to deliver that help.

The Market Remedy

Markets have always been central to the European Union, as to its predecessor organizations, the European Coal and Steel Community and the European

Economic Community. And there has over the years been good progress toward free trade, although even more might be needed to create “deep and comprehensive free trade agreements” with countries in the Middle East. Yet there are always exceptions, especially in fruit, vegetables, olive oil, and wine, products in which many southern Mediterranean countries could be highly competitive.

It is precisely such products, however, that face the biggest import barriers, barriers designed to protect EU farmers. As a Moroccan minister once memorably put it, “You either take our oranges or you take our people: it is your choice.” For most people, the right choice ought to be obvious: it is surely far better to take the oranges. Perhaps nowhere else is the EU’s ruinous and protectionist common agricultural policy more damaging to the long-term interests of the vast majority of Europeans than in the tariffs and other barriers that it imposes on North African products.

All of which brings the discussion to mobility, the third of the Ms. Migration is naturally a central concern of all EU countries in relation to North Africa and the Middle East. Indeed, the main concern of many EU countries in relation to this region has always been to limit both legal and illegal migration. Qaddafi in particular became adept at exploiting this with the Italian government, turning migration flows to Lampedusa, the Italian island closest to the North African mainland, on and off, as it suited his other purposes.

The tendency of too many European governments has been to reward autocrats who stop illegal migration, which has had especially pernicious results. Yet Europe, a continent in which most countries face aging and declining populations, should in principle be open to legal migration. There is plenty of evidence that western European economies benefited from increased legal migration from the countries of Central and Eastern Europe after they joined the EU in 2004, however unpopular this may have been politically.

Indeed, EU countries might consider making it easier and cheaper to get visas or allowing some countries visa-free access, a tactic that has served Turkey well. If people can come and go freely, they are more likely to come for short periods of work and then go home. In this sense, ever-stricter controls can end up encouraging more, not less, illegal migration and discouraging the more economically useful practice of circular migration.

Is Europe the Answer?

A collective EU approach to these matters has generally been conspicuous by its absence. Germany’s abstention on the Libya resolution at the UN was shocking, even disgraceful. As discussed earlier in this chapter, France was embarrassingly close to the Ben Ali regime in Tunisia. Italy has, frankly, flip-flopped on Libya,

at some points being close to Qaddafi but at others supporting the coalition. Britain has been in trouble over arms sales to the Saudis and to Bahrain. And the Brussels establishment of Catherine Ashton and the European External Action Service has been slow to react to events—and not much good at diplomacy, either. Almost nobody has put any emphasis on the need for unity.

There ought to be some way to improve this situation. Beyond the three Ms of money, markets, and migration there is a need for more coherence across Europe over the Middle East. As Charles Grant of the London-based Centre for European Reform argues, it might help as a starting point if the Europeans were able to muster the political will to scrap the Union for the Mediterranean.² If the union is retained, it might be better to identify it with Brussels than with either Paris or Barcelona and to make either Catherine Ashton or the European Commission's president, José Manuel Barroso, its permanent president.

There needs to be far greater effort in Paris, Berlin, Rome, and London to coordinate their Middle East approaches and policies. London and Paris are working well on defense but not so well on other aspects, such as market openness. Berlin is always worried about money, while Rome frets about immigration. Within Brussels, too, the various actors need to work better together. At times during the Libyan crisis, Barroso, Ashton, and the European Council president, Herman Van Rompuy, issued separate and sometimes clashing statements.³ In addition there is open disagreement about Turkey, whose entry into the EU is supported by the British and Italians but not by the French and Germans.

Meanwhile, the entire EU is distracted by the continuing euro crisis, which poses existential challenges to the project. The crisis has diverted EU leaders' attention away from all other issues, including enlargement and foreign policy. Even the excitement of the Arab Spring and Libya has caught the headlines only intermittently—and much less than the events of 1989–90 in Central and Eastern Europe. Yet the Arab awakening could in some ways be likened to that revolutionary period in Eastern Europe. Then the West in general, and Europeans in particular, made clear that they stood ready to offer financial help and broad inducements to pull the region toward democracy, free markets, and the rule of law.

It is much harder to replicate this for the Arab world, because membership in the EU cannot realistically be on offer. Voters in the EU also have atavistic cultural fears about Islam as well as entirely understandable worries about Islamist terrorism. Moreover, concerns about both illegal and legal migration have become much bigger issues than they were two decades ago. And thanks to stuttering economies and the euro crisis, there is now much less money around.

Yet historically the Mediterranean was always at the heart of European civilization. It acted as the breadbasket of the Roman Empire. Egypt, Palestine, and

many other countries in the region were economically and socially far ahead of such places as Britain, France, and Germany even up to the late Middle Ages. It is time for the Europeans to do more to put the Mediterranean back in its rightful place.⁴

Notes

1. "The EU and the Mediterranean: Good Neighbors" (London: Open Europe, 2011).
2. Charles Grant, "A New Neighborhood Policy for the EU" (London: Centre for European Reform, 2011).
3. Rosa Balfour, "The Arab Spring, the Changing Mediterranean, and the EU" (Brussels: European Policy Centre, 2011).
4. Several papers on the European response to the Arab Spring, published by the European Council on Foreign Relations, have informed this chapter, especially "Egypt's Hybrid Revolution: A Bolder EU Approach," May 2011; "A Chance to Reform: How the EU Can Support Evolution in Morocco," May 2011; and "Europe and the Arab Revolutions: A New Vision for Democracy and Human Rights," November 2011.

*The European Union
and Other Countries*

PART
III

The Lisbon Treaty and Relations between the European Union and the United States

The Treaty of Lisbon, ratified and implemented in 2009, has rewritten the European Union's basic rules, first enshrined in the 1957 Treaty of Rome. The treaty introduces a considerable number of innovations that are relevant to the United States and likely to affect U.S. citizens and U.S. interests.¹

The Lisbon Treaty enhances the European Union's (the Union's) profile and powers in the foreign policy field; in the areas of justice, freedom, and homeland security; defense, diplomacy and development; and in trade and regulatory matters. New provisions boost the Union's purview on civil protection, humanitarian aid, and public health. For the first time, the Union has the task of ensuring the proper functioning of its energy market, in particular energy supply; the promotion of energy efficiency and energy saving; and the development of new and renewable forms of energy. The treaty makes combating climate change on an international level a specific objective of EU environmental policy.

The Council of the European Union, which represents the EU's member governments, continues to share lawmaking and budget power with the European Parliament and maintains its central role in common security and defense policy and coordinating economic policies. But the treaty introduced some notable changes. First, it created the position of President of the European Council (the Council) who now chairs EU summit meetings and coordinates EU policymaking among the member states for a term of two-and-a-half years. The president cannot hold simultaneously any elected national position or office. EU heads of state and government chose Belgian prime minister Herman Van Rompuy as President of the Council.

The treaty also extended qualified majority voting to forty policy areas, especially those relating to asylum, immigration, and police and judicial cooperation in criminal matters. The extension of qualified majority voting to areas previously requiring unanimity in the Council was intended to make decisionmaking

faster and more efficient. As of 2014, “qualified majority” will be based on a “double majority” principle—the majority of states and the majority of citizens. Decisions will need to have support of 55 percent of the member states and 65 percent of the EU’s population. Unanimity has been retained in some key areas, however, including taxation, foreign policy, defense, and social security.

The treaty also created the post of EU high representative for Foreign Affairs and Security Policy, who wears additional hats as Vice President of the European Commission (the Commission) and head of the EU’s new diplomatic corps, the European External Action Service (EEAS). This post replaced the earlier positions of EU high representative for Foreign Affairs and the commissioner for External Relations. It now chairs the EU Council of Foreign Ministers, which had been chaired by a rotating minister from a member state.

The treaty also changed the role of the so-called presidency of the European Union, which rotates every six months among member states. The rotating presidency continues but is primarily geared to inner-EU issues. In terms of EU relations with non-EU states, the president of the European Council and the high representative now represent the Union, rather than the rotating presidency.

The Treaty of Lisbon sets out common principles and objectives for the Union’s external action: democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, and the principles of equality and solidarity. The treaty also introduces a single legal personality for the Union that enables the EU to conclude international agreements and join international organizations.

The European External Action Service draws together officials from the Council, the Commission and the diplomatic services of the member states. The current high representative, Catherine Ashton, has been as preoccupied with setting up the EEAS, and making it work, as she has been with trying to resolve major crises. Over time, this arrangement could increase the impact, the coherence, and the visibility of the EU’s external action. But until now, process has largely overwhelmed purpose. Moreover, this mechanism is unlikely to be felt quickly in Washington, where EU member states jostle to preserve and enhance their own bilateral relationships with the United States. U.S. officials are more likely to notice the impact of EEAS in third-country capitals such as Kiev or Cairo, where the EU ambassador could have ten times the resources of the British or French ambassadors and thus could become a much more important partner when addressing joint challenges.

The treaty introduced additional changes of relevance to the United States. What had traditionally been called the European Security and Defense Policy (ESDP) was relabeled as Common Security and Defense Policy (CSDP). The European Defense Agency, created in 2004, has now been included in the legal

framework of the CSDP. The high representative does not have full authority over CSDP, as some special decisionmaking arrangements have been retained by member states. The treaty did extend the scope of the EU's so-called Petersberg tasks, which had been limited primarily to crisis management, to "joint disarmament operations; military advice and assistance tasks, peace-making and post-conflict stabilization; conflict prevention and post-conflict stabilization missions." The treaty also stresses the contribution that these missions and operations could make "in the fight against terrorism, including by sponsoring third countries in combating terrorism in their territories."²

The treaty does not create a European army; military capabilities remain in national hands. It does foresee that member states can make civilian and military resources available to the Union for CSDP operations. However, each member state has the right to oppose such operations, and contributions to them are voluntary.

Provision is made, however, for a subset of willing and able member states to deepen their collaboration by what is called "permanent structured cooperation."³ This is an innovation, as previous treaties had blocked any such cooperation that had military or defense implications. The scope of such cooperation is limited to the development of military capabilities and means of action for CSDP. It does not apply to the implementation of missions and operations proper. Related provisions are ambiguous, allowing for flexible interpretation and a *sui generis* form of cooperation that permits some member states to deepen their collaboration without necessarily excluding others.

The treaty contains a mutual defense clause that binds all member states to provide aid and assistance "by all means in their power" in the event of another member state becoming a victim of armed aggression, in accordance with Article 51 of the UN Charter, and without prejudicing some member states' neutrality to or membership in NATO.⁴ It stresses that the CSDP-related provisions "shall respect the obligations of certain Member-States, which see their common defence realised in NATO" and that commitments and cooperation under CSDP "shall be consistent with the commitments under NATO which, for those States that are members of it, remains the foundation of their collective defence and the forum for its implementation."⁵ Thus NATO's role as the cornerstone of Europe's collective defense is not questioned. In fact, for the first time NATO's role in European security is mentioned explicitly in this EU treaty.

Most commentary has focused on the positions of the president of the European Council and the high representative. But the more immediate impact of the Lisbon Treaty for the United States has been in the area of justice and home affairs. The Treaty of Lisbon puts freedom, justice, and security at the center of EU priorities. Under the treaty the EU should be more effective in tackling

human trafficking, fighting crime, building “resilience,” and combating terrorism and to be a more effective partner with the United States in these areas. Before Lisbon, important matters in this field required decision by unanimity in the Council with only a limited role given to the European Parliament and the European Court of Justice. The treaty assigns a stronger role to the European Parliament as co-legislator (termed the “co-decision” procedure) and by the extension of the qualified majority principle in the Council. The treaty also broadens the scope of the European Court of Justice, especially concerning police and judicial cooperation in criminal matters, and changes some of its procedures.

In this regard, the U.S. government got a quick taste of what Lisbon might mean in February 2010, just after the Lisbon Treaty went into effect, when the European Parliament rejected a deal previously made by the European Council to allow the virtually unmonitored transfer to U.S. authorities for antiterrorism purposes of personal financial data transiting through the SWIFT system (based in Belgium). The Parliament’s rejection generated considerable EU-U.S. tension, embarrassed the EU officials who had approved the arrangement, and stopped the flow of data for six months. A second deal was negotiated by July 2010, which EU officials argued better protected the privacy and right of redress of Europeans. The new arrangement finally passed muster, but debate continues about the right balance between security concerns and privacy rights.

Nevertheless, U.S.-EU cooperation on antiterrorism and resilience issues has proceeded apace. The so-called Stockholm Program for freedom, security, and justice in the EU, which is not part of the treaty but was adopted at about the same time, has committed EU member states to work more closely on prevention, by opening doors for transatlantic cooperation on upstream security issues related to risk analysis, research, threat assessments, and disaster mitigation.

An important innovation in this area is the Lisbon Treaty’s “solidarity clause,” which pledges the Union and its member states to act jointly in a spirit of solidarity if a member state is the target of a terrorist attack or the victim of a natural or man-made disaster.

The treaty also introduced a specific legal base for humanitarian aid and emphasizes the application of principles of international law and the core humanitarian principles of impartiality, neutrality, and nondiscrimination. It also envisages the creation of a European Voluntary Humanitarian Aid Corps. The treaty also states that the reduction and eradication of poverty is the primary goal of the Union’s development cooperation policy. This goal must be respected when the Union implements policies likely to affect developing countries. This implies that development policy is a policy in its own right, and not an accessory of common foreign and security policy. The Treaty of

Lisbon classifies development cooperation and humanitarian aid as “shared parallel competences,” which means that the Union conducts an autonomous policy that neither prevents member states from exercising their competencies nor makes the Union’s policy merely “complementary” to those of the member states. In the case of urgent financial aid, the Council can now act by qualified majority upon a proposal from the Commission. This should result in quicker financial aid in future crises.

The treaty gives the directly elected European Parliament considerable new authority over EU legislation, the EU budget, and international agreements. The European Parliament will now have the same degree of lawmaking power as the European Council in areas in which it used to be merely consulted or was not involved. The most significant changes have occurred in areas where the European Parliament exercises co-decision, such as justice and home affairs, trade, budget, agriculture, and transport. The European Parliament’s assent is now required for all international agreements in fields where it has co-decision. One particular problem looms: the European Parliament has received greater power to regulate but has not received commensurate power to impose related taxes. This could lead to the problem of “unfunded mandates,” which are quite familiar to Americans.

A precursor to the Treaty of Lisbon, entitled the EU Constitutional Treaty, failed to gain approval and never took effect. The Treaty of Lisbon adopts many provisions from that earlier effort, but the “constitution” label was discarded. It is important to note, however, that the full text of the Charter of Fundamental Rights was replaced in the Treaty of Lisbon by a short cross-reference to the charter, but which has legally binding value. This means that the charter has become a core element of the EU’s legal architecture, except in the Czech Republic, Poland, and the United Kingdom, which have submitted protocols limiting the justiciability of the charter in certain areas.

The charter contains most of the rights set forth in the U.S. Constitution.⁶ It does not contain certain U.S. constitutional criminal defense rights, reflecting different criminal trial traditions. (It does not contain, for example, rights to a grand jury indictment, jury trial, compulsory process to obtain witnesses, confrontation of witnesses, no excessive bail, no self-incrimination, and a trial in the place where the crime was committed). The charter includes several individual rights to which the U.S. Constitution does not explicitly refer. It contains certain positive social rights, such as the right to education, the protection of health, protection of the environment, social assistance, and employment, including protection against “unjustified dismissal.”⁷ It proclaims additional rights not contained in the European Human Rights Convention, such as data protection, bioethics, and the right to good public administration. It reaffirms important

steps to outlaw discrimination on the grounds of gender, race, and color. It also mentions social rights applied within companies, for example, workers' rights to be informed, to negotiate, and to take collective action—in other words, the right to strike.

The treaty also includes a right to petition: a petition with at least one million signatures obtained from a number of member states can be sent to the Commission inviting it to consider a legislative initiative.

Previously, the charter was a list of unenforceable principles. But the Lisbon Treaty makes the charter a legally enforceable document. The charter's catalog of civil, political, economic, and social rights will be legally binding not only on the Union and its institutions, but also on the member states as regards the implementation of Union law. At the same time, the charter limits the scope of legal enforcement, for it says that its provisions concern only the "institutions, organs, and agencies of the Union" along with the member states when they "put" EU law "into effect" and that the provisions can be invoked in a court only in respect to interpreting or determining the legal validity of "executive and legislative acts" of the EU, or member state acts putting those EU acts "into effect."⁸ This language severely limits the legal enforceability of some of the charter's guarantees (for example, the criminal trial provisions). The charter will likely apply when the EU exercises its powers to harmonize many member state laws (for example, laws related to trade, business, the environment, safety, and so on). A member state law "putting" an EU harmonization effort "into effect" would seem likely to be subject to the charter's constitutional constraints. The charter's protection of workers against unjustified dismissal and its grant of various economic and social rights mean that the European Court of Justice will now interpret and enforce many of the charter's social and employment rights.

It is perhaps also useful to note areas in which the Lisbon Treaty is unlikely to have much impact. Financial services is one such area. The EU's competencies in this field are well-established, and it is making good use of these. Changes to the regulatory landscape under way in the wake of the financial crisis have not been due to the Lisbon Treaty. There are no changes to taxation. Other policy areas that were already dealt with under co-decision before the Lisbon Treaty's entry into force—such as internal market measures and health and safety laws—will remain as they were. No significant changes have been made to the role or powers of the European Court of Auditors, the European Central Bank, or the status of the eurozone. Current efforts by eurozone members to establish a fiscal pact, if successful, will commit them to further common efforts and strictures over and above those set forth in the Lisbon Treaty.

In short, the Treaty of Lisbon offers a number of significant changes, many with legally binding character and with direct relevance to the United States.

While some elements immediately went into effect, others will be implemented over a longer period. Some observers had hoped that with the treaty's passage, the European Union might turn from its inward preoccupations during the last decade and to a daunting range of challenges in wider Europe and beyond. Yet EU member states and EU institutions are likely to be preoccupied for some time with implementation of the treaty's provisions. These changes could see greater convergence of policies, especially in relation to climate change and energy, perhaps leading over time to a more coherent voice for the EU. But that evolution is not guaranteed. Moreover, many of the new tools remain on paper. Mechanisms or procedures for the Citizens Initiative and the European Voluntary Humanitarian Aid Corps, for instance, are in their infancy. The new European External Action Service is developing slowly. And in the end the treaty is vague when it comes to delineating the competencies of the president of the Council and the high representative with regard to representing the European Union abroad and elaborating the Common Security and Defense Policy. Much energy is being devoted to the search for internal compromise on these issues, at the expense of strategic thinking and outward-looking action.

Implications for Relations between the European Union and the United States

In terms of values and interests, economic interactions and human bonds, the European Union and the United States are closer to one another than either is to any other major international actor. The U.S.-EU relationship is among the most complex and multilayered relationship (economic, diplomatic, societal, and security) that either partner has, especially if it is seen to encompass the relationships that the U.S. maintains individually with the EU's twenty-seven member states as well as its Brussels-based institutions. The networks of interdependence across the Atlantic have become so dense, in fact, that they transcend "foreign" relations and reach deeply into our respective societies. The \$5 trillion transatlantic economy, for instance, employs up to 15 million people on both sides of the Atlantic.

For all of these reasons, the Lisbon Treaty is of direct interest to the United States. But it has not made life easier for U.S. officials working with the EU. The Obama administration, like previous administrations before it, has been frustrated by the complexity of European institutions and the opaque and drawn-out nature of EU processes—just as Europeans are often frustrated by the intricacies and intrigues of the U.S. interagency process and the division of authority between the executive branch and Congress on a wide range of issues impinging on European interests.

When it comes to working with the European Union, however, U.S. experience has been that the Treaty of Lisbon did little to reduce the EU's institutional complexity. The treaty did not suddenly make the EU a united or coherent actor in or beyond Europe. And U.S. officials are acutely aware that despite the institutional rejiggering in Brussels, at the end of the day all policymaking in the EU still depends on the consent of member states, which remain sovereign, and that the United States continues to need strong bilateral relationships with individual EU member states. Yet the treaty did usher in some key changes that offer both opportunity and necessity for the administration and Congress to adjust their relationships with the EU.

Those looking for global celebrities to lead the EU were disappointed by the initial appointments of Van Rompuy and Ashton. But EU coherence depends less on new structures in Brussels than new attitudes in national capitals. The key is less whether the European Commission and Council can act in coordinated fashion and more whether national capitals and Brussels can work in a more effective way. A stronger and more unified EU role on the world stage depends less on the ability of a single high representative than on the willingness of twenty-seven different governments to achieve greater consensus on approaching Russia, dealing with developments in the Arab world, and addressing regional conflicts and other issues.

From its perspective, the United States is assessing the Lisbon Treaty on whether the EU can achieve greater unity of effect, rather than unity of structure. EU influence will depend on its capacity to be a "unitary actor plus"—not only forging consensus among member states but also capitalizing on the "variable geometry" available to it in its countries and the many different institutions and tools it has created.⁹ It does this now in the economic and financial sphere by harnessing the aggregate influence of the European Commission, the European Central Bank, and the member states. It does not yet do this in the foreign policy sphere.

In this regard, the EU will only establish its strategic credibility with U.S. counterparts when it can demonstrate that it can effectively and consistently harness and deploy the combined potential of its members to address concrete challenges and advance common goals. In short, to be better at the U.S.-EU relationship, the EU has to be better at the relationship with itself.¹⁰

How the European Union structures itself is of course a matter primarily for Europeans. Yet the United States has a vested interest in the nature of European integration and has always been an actor in the building of Europe. To the extent that U.S. officials have conveyed a single coherent message on U.S. attitudes about European construction, it is that however EU members organize themselves, the United States supports an open, democratic, Atlanticist,

outward-looking EU that is capable of acting shoulder to shoulder as the United States' counterpart, not counterweight.

No U.S.-EU institutional mechanisms are included in the Lisbon Treaty. Formally, the current framework for U.S.-EU relations was established by the 1995 New Transatlantic Agenda (NTA), which sought to move U.S.-EU relations from consultation to cooperation in four broad areas: promoting peace and stability and democracy and development, responding to global challenges, expanding world trade and promoting closer economic relations, and building people-to-people bridges across the Atlantic. The NTA established a dense procedural process for U.S.-EU interaction and a variety of dialogue structures. At the time, the NTA framework went considerably beyond other frameworks for bilateral cooperation—in terms of ambition, formality, and institutional procedures—than either partner had with other parties. But there has been no effort to update or upgrade this framework in seventeen years—despite major changes in the nature of the EU itself, the deepening of ties between European and U.S. economies and societies, as well as broader international developments. In addition, over time NTA arrangements began to suffer from lack of political commitment, low public profile, overabundance of process, issue overload, failure to prioritize, lack of transparency, and failure to involve legislators. Officials who were focused on achieving results tended to avoid the hierarchical NTA structures and set up more operational—and effective—mechanisms, such as the High-Level Political Dialogue on Border and Transportation Security and the Financial Markets Regulatory Dialogue. Moreover, the relationship has evolved in so many areas that the NTA now serves more as a point of historical orientation rather than as an operationally relevant structure.

There has been some discussion of converting the NTA into a more formal treaty. There is little political support for this idea, however, and it is difficult to identify where a formal treaty would add value over more practical cooperative arrangements. Moreover, formal treaties should be what one has with countries to which symbolism is important and with whom the relationship is so thin that a natural, flexible, interest-driven relationship built on networked interactions is not taking place. The United States has robust and wide-ranging relationships with close allies and EU member states such as France or Britain; neither side feels compelled to enshrine or encapsulate their deep and wide-ranging relationship in a single treaty or process. Second, the notion of a treaty reflects an underlying premise that the European Union is a country like any other. Yet perhaps that is part of the problem. While the key challenges to a more strategic U.S.-EU partnership are substantive, a point to which I turn shortly, the two sides have also failed to make their partnership more effective in part because their support of procedural mechanisms for consultation and coordination

treat the EU as if it were just another country, rather than the complex and evolving amalgam that it is. This tendency is pushed by the EU itself because of its need for validation and legitimacy as an actor. Yet that approach has short-changed both sides when it comes to accomplishing strategic goals.

Rather than trying to fit the U.S.-EU relationship into the traditional box of bilateral relations, both partners would do well to focus more clearly on how to make the densely networked nature of their relationship more effective. The proliferation of informal and personal relationships between policymakers creates the ground for the emergence of more flexible and imaginative “soft” policy instruments, something that is difficult to agree upon within pure hierarchies. The most successful groups have mobilized specific coalitions when they have combined interest, resources, and expertise to address specific issues, imminent problems, and immediate crises. In other words, function needs to drive form, not the other way around. Successful groupings also must have access—and be seen to have access—to senior political leadership.¹¹

Given that the EU is a work-in-progress, U.S.-EU mechanisms need to evolve as the EU itself evolves. The United States and EU do in fact continue to adapt their intergovernmental mechanisms for consultation and coordination. The Transatlantic Economic Council (TEC), for instance, which was established because of an EU-German initiative with the Bush administration, continues to focus on early coordination to avoid future barriers to trade and to cooperate on regulation and innovation. In November 2011 a high-level working group was initiated by the U.S.-EU summit to consider the full range of economic initiatives that could be taken to open transatlantic markets; create jobs and stimulate growth; and create a new transatlantic partnership that might complement the transpacific partnership launched by the Obama administration.

The U.S.-EU Energy Council, established at the initiative of the Obama administration and led by Secretary of State Clinton and Secretary of Energy Chu with EU Commissioner for Energy Oettinger and High Representative Ashton, seeks to improve energy security and advance cooperation on energy policies, including research collaboration on sustainable and clean energy technologies.

In a range of areas the United States and EU seek to coordinate their efforts as they deem possible or desirable. The United States and the EU together account for 80 percent of official development assistance (ODA), for instance, and have revived a development dialogue, which had languished during the Bush administration, to inform and, when appropriate, align their efforts. In the Middle East and North Africa, the United States and the EU have increased cooperation on coordinated messaging to governments on the need for an inclusive transition process, including social and economic reforms, the value of civil society engagement, and the importance of government-led donor coordination.

Concerning the issue of Iran and nuclear arms, the United States and EU have aligned their dual-track approach of pressure and engagement in response to the regime's continued noncompliance with its international nuclear obligations and other destabilizing activities. They have drawn on UN Security Council resolutions to impose increasingly tough sanctions on the regime and have imposed measures against regime elements responsible for serious human rights abuses. With regard to Syria, the United States, the European Union, and other like-minded nations have implemented strong sanctions to increase pressure on the Assad regime and target it for its grave human rights abuses. These sanctions include a ban on the import and sale of oil from Syria. U.S.-EU consultations are intense and mostly aligned—although as of this writing the effectiveness of such mutual effort has been questionable, as the International Atomic Energy Agency (IAEA) has confirmed the military nature of Iran's nuclear program and its enrichment activities continue to this end and the regime of Bashar Assad continues to kill and imprison its domestic critics with impunity.

The United States and the EU consult regularly on other regional concerns. In Afghanistan, the United States, the EU, and other European donors provide the majority of funding for the stabilization of the country, the promotion of democratic governance, and the transition to a sustainable economy. The United States and the EU continue to coordinate efforts to help the Balkans integrate into the Euro-Atlantic community; create space in Belarus for the free expression of political views, human rights, civil society development, and media freedom; and encourage Ukraine's transformation into a free market and democratic society.

U.S.-EU cooperation on issues of antiterrorism and resilience also continues. A U.S.-EU Working Group on Cybersecurity and Cybercrime facilitates coordination regarding incident management; public-private partnerships; public awareness campaigns; and cybercrime. The two partners held a joint "Cyber Atlantic" cyber incident management exercise and a joint capabilities workshop in 2011, which was designed to facilitate synchronized, coordinated responses to cyber incidents of mutual concern. A full joint U.S.-EU cyber exercise involving the private sector is scheduled for 2013. Sharing passenger name record (PNR) data has been contentious. In November 2011 the United States and the EU initialed an agreement on the transfer and future sharing of PNR data. The deal was approved by the full European Commission, but as of this writing, it still needs to be ratified by the Council and Parliament of the European Union.

With regard to U.S.-EU crisis management, in May 2011 both sides signed a framework agreement that provides a legal basis for U.S. civilian participation in EU crisis management missions and strengthens on-the-ground coordination in crisis situations. The agreement built on existing U.S. participation, on which the

United States and the EU had separately negotiated and agreed, in the EU Rule of Law Mission in Kosovo (EULEX Kosovo) and in the EU Security Sector Reform Mission in the Democratic Republic of the Congo (EUSEC RD Congo).

Harnessing Process to Purpose

These workaday examples of continued close U.S.-EU cooperation, while significant, have been largely overshadowed by unease among many Europeans that their interests are often ignored and their contributions undervalued in Washington and by frustration among U.S. officials and legislators, following the end of the Balkan wars and the cold war, that while Europe is no longer a “problem,” the EU *qua* EU has yet to demonstrate that it can be an effective part of the solution to a range of regional and global challenges. U.S. concerns have been heightened by the eurozone crisis and—except for Germany and some northern European countries—stagnating European economies.

The Arab Awakening underscored Europe’s role as a partner for the United States, particularly regarding the NATO intervention in Libya. But while the Europeans—particularly the French and the British—took the lead, convincing an initially reluctant President Obama to engage, the operation demonstrated continued European dependence on U.S. capabilities and unique assets. The Europeans provided the greatest share of military operations, but the United States provided critical resources that only it could provide, such as jamming, intelligence, lift and refueling, targeting, and particular cruise missile capabilities. The operation revealed serious shortcomings in European military capabilities and raised questions about Europe’s ability to protect its own interests. Libya did, however, raise the possibility that Europeans could lead broader Western efforts, with the United States engaged but not necessarily always in command.

Such efforts, however, are still more likely to be carried out through NATO than through U.S.-EU security cooperation. The development of more effective security cooperation between the United States and the European Union has been hampered by many factors, ranging from the very specific and technical to issues of grand politics and institutional rivalry. At the highest level, there has been insufficient political will and commitment to this effort. On the U.S. side, this caution has been reinforced by reluctance to cooperate in direct military-to-military relations with the EU, fearing damage to NATO. While the Obama administration had indicated it is less troubled by such theoretical competition, such a stance does not always translate into daily operational conduct. U.S. officials are simply accustomed to turning to NATO whenever the question of cooperating with Europe on security issues arises. This tendency has been reinforced by the unproductive institutional rivalry that is all too often apparent between

NATO and the EU. The complexity of the European Union also encourages U.S. decisionmakers to avoid dealing with a range of EU institutions and actors—particularly since the United States is not a member—and instead to look to coalitions of national governments. On the European side, many EU governments prefer to maintain a tight national grip on policy or use the EU only when convenient. This is especially true in any policy area involving the United States, as EU capitals all work to preserve their bilateral relationships with Washington.

The Lisbon Treaty has not made U.S. security cooperation with the European Union any easier. The institutional complexity remains, with the major elements of CSDP—including the military staff, the Policy Planning and Evaluation Unit, the Situation Center, and the civilian headquarters—remaining a preserve of the European Council. This only contributes to U.S. perceptions that the EU is simply too complex and wrapped up in internal procedural battles to be a strategic partner. If provisions of “permanent structured cooperation” take hold, smaller subsets of member states that are “willing and able” could conduct conflict prevention and stabilization operations, or even military activities, in this context, then additional collaboration between the United States and member states is conceivable. But for the United States it will continue to mean dealing sometimes with the EU as a whole, and at other times dealing with coalitions of differing EU members. Under permanent structured cooperation, the EU may become more willing, but it will also be even more complex.

Continued U.S. scepticism can only be overcome by improving EU capacity and effectiveness. Unless the EU can offer support in the areas that the United States cares about or can spend money for and send experts in greater numbers to the world’s hotspots, working with the European Union is unlikely to be a priority for the United States in its own right.¹² Washington actors will continue to assess CSDP’s value and seriousness on the basis of the missions and capabilities that EU member governments actually realize. In the end, U.S. leaders will look to progress in Europe’s efforts to enhance its capabilities as the most visible measure of its commitment to a fuller partnership in maintaining transatlantic and global security. The EU must gain the political cohesion and the military capabilities needed to play a role commensurate with its interests and responsibilities.

In the current economic climate, however, it is unrealistic to believe that EU member states will increase their defense spending in any appreciable way. Rather than measure European “seriousness” in terms of incremental defense spending to build the same old things that the industrial base cranks out just so that Europe can say it is doing more, both the United States and the EU need to redesign their approaches so that they are based on assets and funds each have today to deliver the effects they need to address current and future challenges.

Neither the United States nor Europe is well served by the current situation. Unless there is improvement in the transatlantic strategic dialogue, of which US-EU security activities are part, political barriers blocking NATO-EU cooperation are likely to remain. Disputes among Turkey, Cyprus, and Greece, for instance, have long blocked progress in NATO-EU cooperation. Even if the Turkey-Cyprus dispute is settled (a big if), problems remain between Turkey and Greece. In addition, a small (but committed) group of holdouts in both NATO and EU bureaucracies still sees any form of inter-institutional collaboration as undermining the security aspirations of either NATO or the EU, and these groups will resist any moves toward cooperation. This not only hampers cooperation in the field, but it has broader implications. It is hard to see how the democratic West will maintain its role in the world when its two premier security organizations cannot collaborate. Neither organization can become an end unto itself—they are both means to an end, and that is the ability of the transatlantic community of nations to deal successfully with the challenges of the twenty-first century.

In short, the key issues facing the United States and Europe are those of capacity and will rather than process or changing institutional arrangements. Moreover, beyond the issues of the day, the United States and the EU will be challenged to harness their partnership to address a number of deep structural changes under way in the world.¹³

One of the most obvious underlying factors is whether Americans and Europeans are able to get control of their fiscal imbalances while the rest of the world moves ahead. While each side of the Atlantic faces its own particular set of economic challenges, at their core both crises are essentially political. Each side of the Atlantic is paying a high economic price for evading hard political choices. In this regard, the twin crises of deficits and debt could be a watershed moment: either they are the political spur to develop more competitive economies in the United States and Europe, or this is the time when each begins to lose out to more vigorous powers.

Intimately tied to the question of fiscal management is the question of demographic change. While the situation on each continent is considerably different, both continents face the challenge of aging populations. With low birth rates, low immigration, and longer average life spans, the population pyramid could flatten out or even reverse, with a smaller young population supporting a larger retired population. To the extent that the demographic challenge is mitigated by larger immigration or higher birth rates, the challenges become more manageable. Yet such immigration and changes in birth rates would have significant social consequences—and more significant consequences in Europe than in the United States.

Another major trend is that of international migration, which is larger and more diverse than at any time in history and touches upon highly sensitive questions of economic prosperity, national identity, social cohesion, and in some cases, national security. Although the global economic crisis has cast uncertainty over migration projections, such factors as economic growth, talent and geographical mismatches, persistently below-replacement fertility, and the rising cost of labor will continue to drive flows of people to traditional immigrant destinations, but also, increasingly, to emerging economies. At the same time, the notion of “mobility” will increasingly compete with “migration” as the core concept around which human movements are understood and examined, challenging countries to incorporate greater flexibility into their immigration systems and complicating issues of immigrant integration.¹⁴

In addition, a host of rising powers clearly are seeking influence commensurate with their growing presence in their respective regions as well as on the global stage. Will these powers challenge the prevailing order or accommodate themselves within it? Much will depend on actions taken by the United States and Europe. Many of the rising powers pursue illiberal economic and political policies and are ready to assert their growing power in the face of an uncertain and divided West. In the 1990s there was a sense of global convergence around such Western norms as rule-based institutions of collaboration, open nondiscriminatory trading rules, “democratic peace,” and the “Washington consensus” on development. This has given way to a broader and more complex global competition of ideas over such issues as multilateralism, the use of force, the rights and responsibilities of state sovereignty, international justice, and alternative models for domestic governance, particularly the relationship between state and market.¹⁵ The effect of state-driven economics within developing countries could prove to be significant; whether such models prove sustainable in the medium and long term will have a substantial effect on the nature of the global market.

Within the overall question of the rise of state-driven economies, energy continues to stand out as perhaps the most important challenge for developing and developed countries alike. Global energy and climate trends are unsustainable. On the one hand, a resource-scarce environment can favor state-driven economies that have the ability to produce and consume on a massive scale and to negotiate long-term, privileged contracts to ensure a reliable energy supply at the lowest cost possible. The imposition of costs tied to emissions reductions in developed economies can further add to the relative advantage rapidly developing countries enjoy in the energy sphere. On the other hand, a growing energy supply that outpaces growing global demand—for example, through new oil discoveries, Arctic exploitation, development of shale gas, and falling costs of

renewables—could diminish the short-term advantages of state-led economies and even redistribute global market power away from the handful of major oil-producing nations, although in some cases at significant environmental cost. How the energy sector develops—and is managed within developed countries—will be one of the most important factors in determining the contours of the world we will face in 2020. If the world truly is to break the link between the production of wealth and the consumption of resources, and thus move to a new model of economic development, the developed countries must chart a path forward.

Security challenges are unlikely to disappear over the coming decade and arguably could become worse. But the fashionable notion of the rise of a multipolar, zero-sum world deserves to be questioned. Deepening interdependence has entered the strategic calculus of all major powers, increasing their stakes in the stability of an open international system and tilting the balance away from confrontation. Terrorism and extremism, regional security competition, fragile states, and a proliferation of agents of mass destruction are likely to continue and indeed require active policy responses. But other economic and structural forces outlined briefly here are likely to be more significant in determining the shape of the world we will inhabit in 2020 and in fact are generating other security challenges. For instance, growing interdependence among the critical—and vulnerable—transboundary arteries carrying energy, people, money, data, and goods and services upon which our societies rely is making “societal resilience” a key aspect of security in a rapidly connecting world.

The question of how best to address these underlying forces helps to establish an agenda for policymaking in the United States and Europe today. While trends outside the control of any government may do the most to determine how the real world evolves by 2020, government policy can still be mindful of, and in some cases even shape, these trends. Key areas of attention should include the following issues.

Sound Fiscal Management and Higher Productivity amidst a Changing Demographic Pyramid

Clearly—and no surprise to anyone following the daily news cycle—gaining a handle on the structural deficit and debt problems besetting Europe and the United States will be essential if governments are to have the means to influence other long-term economic trends. Without fiscal solvency, economic growth, and job creation, sustained transatlantic leadership is implausible, for the normative appeal and continued relevance of the U.S. and European models for others depends heavily on how well they work for their own people. This is a challenge based not merely on fixing this year’s or next year’s balance sheets,

but on boosting innovation and productivity while redesigning the structures of government expense and income, given long-term changes in the shape of our respective demographics—fewer young people and workers and an older population living longer. Either the work force is increased through higher birth rates and immigration, and also made more productive through innovation, or expenses need to be reduced. Europe in particular must make a virtue out of necessity. Since European societies are aging ahead of others, Europeans can—and must—pioneer new lifestyle models for shrinking and aging societies ahead of the other continents that sooner or later will all join Europe. This requires a fresh burst of social innovation. Yet while a few individual European countries have tackled these changes successfully for now, overall there is no Europe-wide, nor U.S., solution in sight; overall the challenges loom larger for Europe.

*Active Defense of—and Adherence to—
the Liberal International Economic Order*

If the short-term success of state-led economic development and managed trade relationships continues, it could increasingly disadvantage Europe and the United States. An urgent priority for the transatlantic partners, therefore, is to reinforce the international liberal economic order. In the short term, this may mean more economic conflict, rather than less. There may need to be greater push-back on rapidly developing economies through established trade and regulatory mechanisms so as to increase the incentives for these countries to become true “responsible stakeholders” in the global economic system. But the goal of any push-back clearly must be to strengthen the global system itself and not to engage in cheap protectionism for short-term political expediency. It should be possible to develop a transatlantic dialogue about how to avoid destructive competition for emerging markets while enhancing our collective leverage for liberal principles. As Giovanni Grevi and Richard Youngs point out, in a world of relative power, the normative posture of the EU and the United States constitutes a comparative advantage at a time when the normative identity of many of their partners is in flux.¹⁶ Yet if the United States and the European Union want others to join and support the liberal order, they must be more consistent in supporting it themselves.

Leadership in Global Energy Transformation

As energy will continue to play a dominant role in shaping the global future, Europe and the United States have a keen interest in helping ensure that energy markets provide an abundant, affordable, and diversified supply. The transatlantic community should provide global leadership in all areas: supporting transparent and nondiscriminatory energy market rules; developing new

sources of traditional fuels; bringing nontraditional fuels (such as shale gas) into the mainstream while accounting for potential environmental concerns; overcoming distribution and refining bottlenecks to create more flexible markets; investing in technologies to make renewable fuels more cost effective; and investing in cost-effective technologies aimed at reducing energy consumption, and thereby keeping energy prices down and reducing overall costs of energy consumption within the economy.

Security Management

There is a paradoxical lesson on security. While investment in national and global security clearly remains essential, such investment needs to be kept in proportion with the importance of security issues within this overall global economic environment. Operations such as those in Afghanistan, while vital to combating terrorism and preventing greater regional instability, have also been extremely costly. In the context of meeting the challenges of massive global economic change, investment in such security operations, and in homeland security measures in our own countries, also needs to be as efficient and cost-effective as possible. Even so, James Dobbins underscores an important reality: as the world's predominant power for another generation at least, the United States will continue to assume leadership responsibilities for protecting the global commons, including freedom of the seas, space, and cyberspace, even as it seeks to share that responsibility more broadly.¹⁷ Security for the global commons also means ensuring the resilience of transboundary arteries that carry energy, people, money, data, and goods and services, a task which is also essential to Europe's future.

It is also important to keep in mind that the trends discussed above are likely to affect the United States and the European Union in different ways, highlighting the asymmetrical nature of the transatlantic relationship.

Although the United States is apt to be less dominant than it has been over past decades, it is likely to remain the world's principal power for another generation, whereas Europe appears to be waning faster as others rise. The United States may no longer be enjoying the "unilateral moment," but it remains a pivotal power, able to tap different dimensions of power and influence, from occasional bargains and coalition-building to balance of power and coercion, whereas the EU is unequipped institutionally and politically to do so.

Differences in relative power, in turn, can account for differences in the application of principles. For the superpower United States, multilateral engagement remains a choice. As a result the United States has been and continues to be simultaneously a guardian of international norms, a norm entrepreneur

challenging prevailing norms as insufficient, a norm externalizer when it tries to advance norms for others that it is reluctant to apply to itself, and a norm blocker when it comes to issues that may threaten its position or that exacerbate divisions among conflicting currents of U.S. politics. On balance (and despite exceptions), the United States has sought to manage this normative-hegemonic interplay by accepting some limits on its power in exchange for greater legitimacy and acceptance of its leadership by others. The unresolved question today is whether the United States and other key players are prepared to stick with this bargain.¹⁸ For the European Union, in contrast, multilateralism is not a matter of convenience but one of essence, as it goes to the heart of the European project. The growing normative assertiveness of rising powers will arguably test the EU's role as a leading normative entrepreneur more than that of the United States.

The EU and the United States face similar migration pressures, ranging from citizens' skepticism about migration's benefits, strong underlying pressures for migration from neighboring developing countries, the need to manage porous borders effectively, and concerns about immigrant integration. Here again, however, asymmetries emerge, in part due to different social models and the degree to which demographics will drive immigration policies. The most worrisome trend for Europe, however, is that the EU has become a magnet for the unskilled and that it lacks pan-European strategies to attract and integrate the highly skilled, whereas the United States continues to attract highly skilled migrants, even while struggling to take full advantage of its migrant population as a generator of growth.

Moreover, whereas both sides of the Atlantic face the prospect of aging societies, Europe is arriving there first. The United States' demographic situation is different, characterized by a relatively robust population growth rate and a youthful population by European standards. It will also have to deal with the aging issue, yet the experience is likely to be less severe. The United States will need to face the fact that European allies confronting aging and shrinking populations may be less able to support their militaries or provide foreign aid, thereby perhaps contributing to extra stress on U.S. resources.

Even though U.S. power has declined relative to other rising powers, the United States military remains highly capable, whereas Europe's military capabilities continue to decline. And despite consistent and highly public U.S. admonishment, there seems to be little prospect that European governments will halt the decline in their military capabilities or narrow their differences over the use of armed force as an instrument of policy. National decisionmaking is likely to remain decisive, with EU military expeditions limited to the least demanding of cases.

Taken together, these trends suggest a transatlantic relationship that, while still important, is no longer sufficient to tackle the most critical challenges facing each partner or the world—a relationship that remains important for both sides, but one that requires tending and that cannot be taken for granted. As Bruce Jentleson suggests, the relationship “needs to be valued for what it can, and needs to, be in the 21st century: the partnership of the world’s most stable democracies who have established a security community among themselves and who seek not just to advance their own interests but to promote broad international cooperation and foster a greater sense of global community.”¹⁹ Europe and the United States may no longer represent “*the*” Free World, but at their best they can still be an anchor in a far freer and more fluid world. Their influence is likely to rest on their socioeconomic performance at home, their normative consistency at home and abroad, and their ability to work together to engage others in support of the liberal order.

A strategic partnership between the United States and the European Union is urgent. Yet despite the impressive density of consultative and collaborative mechanisms and procedures, and despite a number of successes, overall such a partnership does not exist today. The relationship remains burdened by a low political profile, the uneven nature of the European Union as an actor, the complex nature of institutions on both sides of the Atlantic, and the pull of other pressing domestic and geopolitical priorities and challenges.

The first and most important step toward a more effective partnership is to rebuild a sense of common cause—to reconcile a new stage of European integration, symbolized by the Treaty of Lisbon, with a transformed transatlantic relationship that can promote the security, prosperity, and freedom of Americans and Europeans in the new world rising. The United States and the European Union cannot afford to react together to challenges on an ad hoc and intermittent basis. Instead, to be effective, this partnership must be geared to identify and assess similar strategic challenges and to advance concrete priority areas for action. These priority initiatives should drive institutions and process, rather than the other way around. New organizational charts are no substitute for political commitment. The U.S.-EU challenge is less about building the right structures and more about creating the right operational culture for sustained cooperation. That new culture requires the relationship to have a higher political profile and to be supported by more agile operational networks that cut across interagency stovepipes and include key stakeholders.

Process, in other words, must be harnessed to purpose. Unfortunately, the reverse has tended to be a dominant characteristic of the ever-evolving U.S.-EU relationship.

Notes

1. This article draws on Daniel S. Hamilton, "The Lisbon Treaty: Implications for Future Relations between the United States and the European Union," testimony to the House Committee on Foreign Affairs, Subcommittee on Europe and Emerging Threats, 111 Cong. 1 sess., December 15, 2009 (http://transatlantic.sais-jhu.edu/sebin/q/z/dh_Lisbon_Treaty_testimony_dec_15_2009.pdf).

2. Treaty of Lisbon, Article 28B, Paragraph 1.

3. Specifically, "permanent structured cooperation" is intended to allow those member states "whose military capabilities fulfill higher criteria and which have made more binding commitments to one another in this area with a view to the most demanding missions shall establish permanent structured cooperation within the Union framework" (Treaty of Lisbon, Article 28E, and the Protocol on Permanent Structured Cooperation). These higher criteria are not defined.

4. Treaty of Lisbon, Article 28, A7.

5. Treaty of Lisbon, Article 42.

6. This summary draws in part from an analysis made by U.S. Supreme Court Justice Stephen Breyer in *The European Union Constitutional Treaty: A Guide for Americans*, edited by Esther Brimmer (Washington: Center for Transatlantic Relations, 2004), pp. 20–35.

7. The Charter of Fundamental Rights: the right to education (II-14), the protection of health (II-35), the environment (II-37), social assistance (II-34), and employment, including protection against "unjustified dismissal" (II-30).

8. The Charter of Fundamental Rights: "institutions, organs, and agencies of the Union" along with the member states when they "put" EU law "into effect" (II-51); "executive and legislative acts" of the EU, or member state acts putting those EU acts "into effect" (II-52).

9. See Anne-Marie Slaughter, *A New World Order* (Princeton University Press, 2004).

10. See Daniel S. Hamilton, ed., *Shoulder to Shoulder: Forging a Strategic U.S.-EU Partnership* (Washington: Center for Transatlantic Relations, 2010).

11. I do not recommend creating a new NTA but rather cannibalizing the current framework, taking the parts that work and leaving the rest. See my recommendations, together with those of Francis Burwell, in "Forging a Strategic U.S.-EU Partnership: An Agenda for Action," pp. 3–98, as well as the chapter by Charles Ries, "Is it Time to (Re) Consider a TAFTA?" in Hamilton, ed., *Shoulder to Shoulder*, pp. 175–178. Some of this review and individual suggestions are related to those made in John Peterson and others, *Framework for Relations between the European Union and the United States* (Brussels: European Commission, 2005). For a variety of suggestions for a new "architecture," see, for instance, Jolyon Howorth, "A New Institutional Architecture for the Transatlantic Relationship?" (Paris: Institut français des relations internationales, June 2009); Daniel Korski and others, *Rewiring the US-EU Relationship* (London: European Council on Foreign Relations, 2008).

12. For reviews of European capacity, see Daniel Korski and Richard Gowan, “Can the EU Rebuild Failing States? A Review of Europe’s Civilian Capacities” (London: ECFR, 2009); Giovanni Grevi, Damien Helly, and Daniel Keohane, eds, *European Security and Defence Policy: The First Ten Years (1999–2009)* (Paris: European Union Institute for Security Studies, 2009).

13. This section draws on Daniel Hamilton and Kurt Volker, eds., *Transatlantic 2020: A Tale of Four Futures* (Washington: Center for Transatlantic Relations, 2010)

14. See the chapter by Demetrios G. Papademetriou and Madeleine Sumption, “Human Mobility in the United States and Europe to 2020,” in Hamilton and Volker, eds., *Transatlantic 2020*, pp. 165–182.

15. See the chapters by Bruce Jentleson, “Normative Future: A U.S. Perspective,” pp. 103–118, and Giovanni Grevi and Richard Youngs, “What Norms for a New-Order Transatlantic Relationship? European Perspectives,” pp. 119–136, in Hamilton and Volker, eds., *Transatlantic 2020*.

16. Grevi and Youngs, in Hamilton and Volker, eds., *Transatlantic 2020*.

17. See the chapter by James Dobbins, “International Security in 2020,” in Hamilton and Volker, eds., *Transatlantic 2020*, pp. 329–340.

18. See Daniel S. Hamilton, “The United States: A Normative Power?” in *Who is a Normative Foreign Policy Actor? The European Union and Global Partners*, edited by Nathalie Tocci (Brussels: Center for European Policy Studies, 2008), pp. 76–155.

19. Jentleson in Hamilton and Volker, eds., *Transatlantic 2020*.

*Relations between the EU and Latin America
and the Caribbean: Competition
or Cooperation with the United States?*

Modern Latin America and the Caribbean trace their roots, history, political culture, languages, and predominant religion to the “Old Continent.” Consequently, there should not be a more fertile spot for the installation of the model of regional integration developed by the European Union during the past half a century.¹ Latin America and the Caribbean would be ideal candidates to receive the greatest attention from Europe and its institutions, resulting in solid integration systems mirroring the European Union.² However, the reality is that this would be an uneven political marriage. Their commercial exchanges are comparatively limited, while regional integration in Latin America and the Caribbean seems to be lagging in commitment and results.³

The collective profile is impressive. The combined bloc composed of the European member states and the Latin American and Caribbean countries includes sixty sovereign states with a population of over 1 billion people that create over a quarter of the world’s GDP. For the most part the dominance of the EU bloc is overwhelming, although for positive reasons. Europe is the leading donor in the Latin American region. It has become the biggest foreign investor, and it is the second most important trade partner.⁴ This unequal relationship is shaped through a plan known as the Strategic Partnership. The EU’s aim in its policies toward the region is to strengthen the political dialogue to better address new global challenges.⁵ The EU’s relations with Latin American countries have developed through a number of specialized “dialogues” with specific subregions and two individual countries (Mexico and Chile).

This relationship is based on three pillars: economic cooperation, institutionalized political dialogue, and trade relations. The aim of the EU is to support regional integration, to increase the competitiveness of Latin American enterprises in international markets, and to facilitate the transfer of European know-how.

The recognition of Latin America and the Caribbean in the institutional framework of the European Union is a late phenomenon. This peculiarity is in part explained by some complementary dimensions. First, the original membership and aims of the European Community in the 1950s must be taken into account. In its early years, the EC concentrated its efforts on developing its common commercial policy. The European Political Cooperation (EPC), the predecessor of the EU's Common Foreign and Security Policy (CFSP), was very modest in its reach.

Second, Latin America was not even mentioned in the Schuman Declaration, which propelled the formation of the original European Coal and Steel Community (ECSC). Only Africa was named as an additional beneficiary of the aims and purposes of European integration. This apparent discrimination was due to the large role played by France, the only European Community state power that at the time had colonies, with the exception of Belgium's colonial control over Congo. The Caribbean was not seriously considered by the EU until the accession of the United Kingdom to the European Community.

Because of the French and German interests, European institutions began to pay attention to this region. Latin America at last received the favors of Brussels when Portugal and especially Spain became members in 1986. The rest of the 1980s and the decade of the 1990s were the golden era of EU–Latin American/Caribbean relations, in part because of the European interest in contributing to the pacification of conflict zones, such as Central America. The impetus given to the exportation of the European model of integration was the other decisive factor for EU involvement in the region.

Institutional Framework and Subregions

The structure of EU–Latin American relations is based on periodic summits at the highest level of government on both continents. Every two years, the heads of state and government of the European Union, Latin America, and the Caribbean meet, alternating between Europe and Latin America.⁶ Successive meetings were held in Rio de Janeiro (1999), Madrid (2002),⁷ Guadalajara (2004),⁸ Vienna (2006),⁹ Lima (2008),¹⁰ and Madrid (2010). The next will take place in Santiago de Chile in 2012. This bilateral relationship has been reinforced by the Rio Group, a forum created by Latin America and the Caribbean, designed more for political consultation.¹¹ At the level of ministers of foreign affairs, the officers of the EU and the Latin American/Caribbean region discuss overall political matters.

Respectful of the Latin American/Caribbean subregions, the EU has organized its framework of activities with individual trading blocs and subregional

integration schemes, including the Andean Community, Mercosur, Central America, and the Caribbean. The fact that Mexico and Chile do not belong to any of these subregional Latin American schemes has led the EU to make individual agreements with those countries. In fact, those agreements have so far produced the closest economic relations. The Dominican Republic and Haiti have been added to the Africa, Caribbean, Pacific (ACP) grouping, qualifying them to receive EU aid. Cuba became a member, pending its application for the Cotonou (successor of the Lomé Convention) Agreement.

In addition to the subregional programs (as described below), the EU offers a series of horizontal programs: AL-INVEST (to help small and medium-size companies), ALFA (to promote cooperation in higher education), URB-AL (to foster links between European and Latin American cities), ALBAN (to reinforce cooperation in higher education), @LIS (to support information technologies), and EUSOCIAL (to promote social policies, health, education, the administration of justice, employment, and taxation policies).

The Andean Community

The Andean Community was founded in 1969, with the Andean Pact.¹² Theoretically, its institutional framework mirrors the model of the EU. Today it comprises only four countries of the Andean region (Bolivia, Colombia, Ecuador, and Peru). Chile left early. Original member Venezuela changed affiliations in 2005, becoming a member of Mercosur (although this is still subject to confirmation by each of the members). The EU political dialogue with the Andean Community began in 1996 with the drafting of the Declaration of Rome (1996). Still pending ratification, the Political Dialogue and Cooperation Agreement of 2003 will rule European-Andean relations. The EU's actions follow the guidelines outlined in the regional strategy paper for 2007–13. Among other things, this document stipulates that the EU is the leading donor of official development aid to the region. Although progress has been slow, in June 2007 negotiations began on a new association agreement with the aim of reinforcing links and facilitating biregional trade and investment. The first two rounds of negotiations were held in Bogota and Brussels in September and December 2007, and the third took place in Quito in April 2008.¹³ Then the EU began multiparty trade negotiations with as many Andean Community countries as were willing to embark on ambitious and comprehensive trade negotiations compatible with the World Trade Organization. Three members of the Andean Community (Peru, Colombia, and Ecuador) began the process in 2009. The negotiations ended successfully in March 2010 with Peru and Colombia. Ecuador suspended its participation in July 2009.

Central America

The small region composed of the Central American countries (structured as the Central American Integration System, successor to the Central American Common Market) has enjoyed special attention from the EU over the past two decades.¹⁴ Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama have received a notable level of development aid and political support from Brussels. This fruitful relationship was originally founded in the San José Dialogue, inaugurated in 1984. Its initial goals were primarily political—to contribute to finding practical solutions for armed conflicts and to facilitate a framework of negotiations. Toward this end, the EU has offered visible contributions to peace, the democratization process, and the socioeconomic development of the region. Data show that the EU is the leading donor of official development aid to Central America and its countries.¹⁵ A draft agreement of cooperation was signed in 2003 and in 2007. Elaborate negotiations began on an Association Agreement, covering a wide number of issues, including trade and investments. The agreement was concluded in the EU-LAC held in Madrid in 2010.¹⁶

Mercosur

The Common Market of the South (Mercosur) has received the most attention from the EU in recent decades since its conception in the late 1980s and its founding in 1991 by the Treaty of Asunción.¹⁷ Since then, the EU has expressed its hopes for institutional development with the aim of supporting a workable customs union. This subregional bloc comprises four original countries (Argentina, Brazil, Paraguay, and Uruguay). Venezuela has also applied for membership. The European Union has favored the strengthening of Mercosur and has endorsed its initiatives, notably through an interinstitutional agreement to provide technical and institutional support for its newly created structures. In 1995 the EU and Mercosur signed an Interregional Framework Cooperation Agreement, which entered into force in 1999. A joint declaration annexed to the agreement provides the basis for political dialogue between the parties, which takes place regularly with meetings of senior officials from the two regions. The latest political dialogue was held in Buenos Aires on April 25, 2008.

In 2000, both parties opened negotiations for the signing of an Association Agreement based on three pillars: political dialogue, cooperation aid, and a free trade area. While negotiations on the political and cooperation chapters have been virtually concluded, the trade chapter remains unfinished at this writing, owing to obstacles presented mostly by the agricultural products that the Mercosur countries would like to place in Europe. The slow implementation of integration stages in the subregion has presented an additional problem. On December 17, 2007, the European Commission and Mercosur issued a joint

communiqué confirming the political will to relaunch and then conclude the pending Association Agreement. This intention was confirmed by the leaders of the two regions, meeting in Lima in May 2008 as part of the EU–Latin America summit. At the same meeting it was decided to explore opportunities to launch joint projects in the areas of renewable energy, infrastructure, and science and technology. The EU provides assistance to Mercosur through a regional program scheduled for 2007–13 that was adopted in August 2007 in the framework of the regional strategy for Mercosur. This program provides support for projects in three priority areas: institutional strengthening, preparing for the implementation of the Association Agreement, and the participation of civil society in the integration process. The EU is by far the largest supplier of development assistance to the region.¹⁸

The Caribbean

The relations of the EU with the Caribbean Community (CARICOM) are managed by a 2007 strategy communication dealing with political, economic, and developmental issues, geared to the subregional implementation of the ACP-wide Lomé/Cotonou Agreements.¹⁹ Institutional support has been a priority, encouraging the establishment of entities following the EU model. Brussels is aware that the challenges facing the subregion can be transformed into opportunities. The EU has based its strategy on the existence of shared values and helping the Caribbean countries to attain sustainable development. This should be administered with a sense of mutual responsibility in the form of an enriched EU–Caribbean partnership, which is quite a challenge in comparison with the former unconditional aid concept. The new approach is couched in the need for effective governance and for consolidation of democracy, and attention to the urgent political issues of the region, in addition to the constant EU preference for effective regional integration. In the economic field, the EU will support integration efforts to increase competitiveness, diversify exports, and establish regional markets. The EU also pays close attention to trade-related assistance, the support of small and medium-size enterprises, poverty reduction, and health.²⁰

Comparative Analysis

The EU has experienced great economic difficulties and political defeats in the course of its deepening (constitutional experiments) and widening (enlargement) processes. European integration still faces further challenges regarding Turkey, the Balkans, and the eventual expansion toward the borders of Russia. However, the EU is still the most successful and ambitious accomplishment of voluntary integration and cooperation among sovereign states. In addition to

its imprint in Latin America, the EU as a point of reference is felt in the Mediterranean, Africa, and Asia.²¹

One reason for this success is that Europe enjoys comparatively dense cultural, historical, and social cohesion that coexists with the diverse profile of its nations. Although this specific European identity may have been accomplished by eliminating peoples of other origins, the fact is that there is something unique that makes citizens feel European. In addition, the progress that led to the formation of the EU has been dominated by a pragmatic political consensus. The EU leadership detected early the benefits of integration, especially the completion of the stages of deepening that imply the sharing of sovereignty in important sectors.

Chances are that in the long run the current obstacles that affect the EU will be overcome, as has happened in previous chapters of the EU experiment. However, the truth is that the indecision produced by the failure to get a constitution approved has been interpreted as the tip of the iceberg of the imperfections of the system and of its innate peculiarity. This "collateral damage" has already had a negative impact on the integration processes of the rest of the world, especially in Latin America.

Latin American sectors that are skeptical about the deepening schemes for economic cooperation feel strengthened by what they perceive as a mixed European example and express some distaste for what is erroneously interpreted as "loss of sovereignty" or "cession of national prerogatives." "Pooling" is an alien expression in Latin America. This view claims that the European citizens are uneasy about too much integration beyond economic issues, and that they do not understand the centrality concepts such as supranationality and shared sovereignty. The European model, in essence, fails in its effective projection all over the Americas.

As a consequence, the Western hemisphere experiments have been modest until now, limited primarily to free trade. One obstacle is the taboo represented by national sovereignty that does take into account the political complications of a leadership in transition. The other is the economic and cultural gap between different subregions, especially between the United States and the rest of the continent. Observers wonder if there is a basis for dividing the hemisphere into two versions of a Free Trade Area of the Americas (FTAA).²² One would be northern, linked to Washington. The other would be a numerically reinforced Mercosur, but weaker in practical terms.

Nonetheless, on a comparative basis, it would appear that in recent years the process of Latin American integration has been proceeding at a faster pace than the European one, which stalled after the leap taken by the enlargement and the crashing of the constitutional project. Optimism was the order of the day in Mercosur after its own peculiar and shocking enlargement with the membership of Venezuela. A resurrected Andean Community was dressed up after the

reincorporation of Chile as an associate, to make up for the Venezuelan desertion. Moreover, the plans of both schemes to be conflated in a more ample one, as envisioned by a South American Union (UNASUR), inspired high hopes.²³ For its part, the EU has pressured the Central American Integration System to implement a solid customs framework. This will lead the region to receive the benefits of free trade, coming out of a weak position to take a leadership role. As a whole, this panorama would integrate the Latin American nations quite quickly. Given the apparent inertia of the European process, an era of greater Latin American advancement seems likely.

Appearances, however, may lead to wrong conclusions. Although the European process has been slow, it may in the long run outpace Latin America, whose path has been contradictory and frustrating. The EU pattern of behavior shows a legacy of prudence and steady movement, in the tradition of functionalism and spillover effects. Only when circumstances dictate otherwise have bold decisions (usually taken by elites) been executed, but always after considerable homework. In retrospect, the disaster encountered with the constitutional project and its sequel, the Treaty of Lisbon, can be explained by a relative lack of preparation of public opinion, which has taken center stage when leadership goes into hiding. But the EU record also shows that it usually learns from its mistakes. "Utopian" in its true sense can be applied to the European balance sheet in the fifty years since the founding of the European Economic Community, which was meant to remedy the failure of the European Defense Community and the apparently limited mandate of the Schuman Declaration of May 9, 1950.

In contrast, the Latin American process of integration has been characterized more by spectacular announcements about the founding of new entities. In addition to UNASUR, the latest addition is the Bolivarian Alternative of the Americas (ALBA), founded by Venezuela to compete with the U.S.-dominated FTAA-ALCA, and the still vaguely defined Community of Latin American and Caribbean States (CELAC). At the same time, there is formidable resistance to the consolidation of independent institutions. Claiming that previous entities lacked budgets and authority and were the victims of past failures, Latin American leaders have been consumed by a fever for summitry. The result has frequently been a string of media declarations that grab headlines and leave no time between one announcement and the next.

Balance

The results of recent Western hemisphere elections have left observers with a mixed view of the prospects for regional integration. The electoral balance in Mexico, the United States, and Canada only pointed to a moderate

strengthening of the basic tenets of NAFTA.²⁴ In addition, the contradictory declarations of U.S. presidential candidates in the primary process of 2008, questioning the validity of NAFTA, left more confusion in the air. The victory of the reformed Sandinista party in Nicaragua added a counterweight to the internal debate between the deepening of the feeble integration scheme and the option presented by the free trade pacts with the United States through the Central American Free Trade Agreement (CAFTA). Where the tenuous group will go all depends on the political will of the diverse leadership of the Andean countries. Some countries seem to be more inclined to opt for a free trade pact with Washington, questioning the validity of deepening indigenous blocs. Threats that Bolivia might follow the path of Venezuela are alarming. The radicalization and nationalization process exercised by Venezuela's Hugo Chávez adds more questions than answers for the reinvigoration of Mercosur. Facing the disintegration of the Andean Community and the instability of Mercosur, Brussels seems to have exhausted its energies for pushing veritable integration. It is not surprising then that the EU has crafted a strategic partnership with Brazil and has agreed to individual pacts with Colombia and Peru.

Other obstacles make the EU–Latin America front difficult. On the one hand, the EU resists reforming the Common Agricultural Policy (CAP) that would open up the market to Latin American products, still subject to quotas and quality limitations. Europe has now irritated Latin American governments and societies by restricting immigration. On the other hand, most Latin American countries refuse to liberalize their economies and have not met the request of the EU to form effective customs unions. However, the most daunting obstacles for progress and regional integration are poverty and inequality, the worst in the world. Social exclusion and discrimination fuel criminality in all sectors of the societies, which in turn leads to the establishment of authoritarian regimes. The alternative is the rise of populist regimes, usually not inclined toward market-oriented regional integration experiments. This situation determined the appearance of the ALBA.

In sum, the European Union faces its own challenges and will be forced to choose between two alternatives. One is the complete abandonment of the ambitious process as envisioned in the constitutional experiments. That will ultimately lead to a freezing of the entity, an incomplete common market, with only half of its members adopting the common currency and no joint foreign policy. This would in turn send the wrong message around the world, especially to Latin America. How then could Brussels deepen the different stages of regional integration with a model that apparently has exhausted its capacity and has lost the support of the Europeans? The second alternative is the pursuit of a solution acceptable to the most important leaders of the EU to enable them to sell it to electorates. The EU must confront the difficulties presented by the Lisbon Treaty

in order to send the message worldwide that the EU is not renouncing its principles, that it is flexible, and that again it has learned from its mistakes and will ultimately prevail. Only time will be able to issue the final verdict.

Notes

1. This chapter relies heavily on two kinds of references. One is the official description and assessment given by the European Commission documents (europa.eu [October 2008]). The second reflects a series of research publications produced by the European Union Center/Jean Monnet Chair of the University of Miami. See Joaquín Roy and Roberto Domínguez, eds., *The European Union and Regional Integration: A Comparative Perspective and Lessons for the Americas* (Miami: European Union Center/Jean Monnet Chair, 2005) (www6.miami.edu/eucenter/books/The%20EU-Regional-text+cover-final.pdf [October 2008]); Joaquín Roy and Roberto Domínguez, eds., *After Vienna: Dimensions of the Relationship between the European Union and the Latin American-Caribbean Region* (Miami: European Union Center/Jean Monnet Chair, 2007) (www6.miami.edu/eucenter/books/After%20Vienna-text+cover.pdf [October 2008]); Joaquín Roy and Roberto Domínguez, eds., *Regional Integration Fifty Years after the Treaty of Rome (March 25, 1957): The EU Model in the Americas, Asia and Africa* (Miami: European Union Center/Jean Monnet Chair, 2008) (www6.miami.edu/eucenter/books/Fifty%20years-text+cover.pdf [October 2008], and *España, la Unión Europea y la integración latinoamericana*. Joaquín Roy y Roberto Domínguez (comp.) Coral Gables, Fla.: University of Miami European Union Center/ Jean Monnet Chair, 2010).

2. For a general consideration of the prospects and limitations of regional integration, see Gaspare M. Genna, "Power Preponderance, Institutional Homogeneity, and the Likelihood of Regional Integration," in *Regional Integration*, edited by Roy and Domínguez, pp. 19–34.

3. On the relationship between the European Union and Latin America and for a comparative analysis of the corresponding regional integration networks, see Eric Tremolada Alvarez, ed., *Crisis y perspectiva comparada de los procesos de integración* (Universidad del Externado de Colombia, 2008).

4. For a general description and figures, see data provided by the European Commission (http://ec.europa.eu/trade/issues/bilateral/regions/lac/index_en.htm [October 2008]).

5. European Commission, Regional Programming Paper (http://ec.europa.eu/external_relations/la/rsp/07_13_en.pdf [October 2008]); European Commission, Latin America (http://ec.europa.eu/external_relations/la/index_en.htm [October 2008]).

6. For analytical essays on the summits, see Alejandro Chanona, "An Assessment of the Summits," in *After Vienna*, edited by Roy and Domínguez, pp. 35–49; Thomas Cieslik, "The Future of the Strategic Association," in *After Vienna*, edited by Roy and Domínguez, pp. 51–62.

7. European Commission, EU-LAC Summit, Madrid 2002 (http://ec.europa.eu/external_relations/lac/madrid/dec_02_en.pdf [October 2008]).

8. European Commission, EU-LAC Summit, Guadalajara 2004 (http://ec.europa.eu/external_relations/lac/guadalajara/decl_polit_final_en.pdf [October 2008]).

9. European Commission, EU-LAC Summit, Vienna 2006 (ec.europa.eu/external_relations/lac/vienna/index_en.htm [October 2008]); for an evaluation, see Roberto Domínguez, "Between Vienna and Lima," in *After Vienna*, edited by Roy and Domínguez, pp. 23–32.

10. European Commission, EU-LAC Summit, Lima 2008 (http://ec.europa.eu/external_relations/lac/index_en.htm [October 2008]).

11. European Commission, "The EU and the Rio Group" (http://ec.europa.eu/external_relations/la/riogroup_en.htm [October 2008]).

12. European Commission, Relations with the Andean Community (http://ec.europa.eu/external_relations/andean/index_en.htm [October 2008]).

13. For evaluations of the EU-Andean relationship, see Angel Casas-Gragea, "Lessons from the Andean Community," in *After Vienna*, edited by Roy and Domínguez, pp. 131–45; Erneko Adiwasio, Philippe de Lombaerde, and Ramón Torrent, eds., *The Future of Andean Integration and the Relations with the EU* (Brussels: Studia Diplomatica, 2006).

14. European Commission, Relations with Central America (http://ec.europa.eu/external_relations/ca/index_en.htm [October 2008]).

15. Fernando Rueda-Junquera, "Perspectives of Central American Integration," in *After Vienna*, edited by Roy and Domínguez, pp. 95–116.

16. See Council of the European Union, EU-Central American Joint Communiqué, Madrid, May 19, 2010 (www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/er/114558.pdf).

17. European Commission, Relations with Mercosur (http://ec.europa.eu/external_relations/mercosur/index_en.htm [October 2008]).

18. Aimee Kanner, "Prospects for New Governance in South America: Insights from Europe," in *The European Union*, edited by Roy and Domínguez, pp. 165–76.

19. European Commission, Relations with the Caribbean (http://ec.europa.eu/development/geographical/regionscountries/eucaribbean_en.cfm?CFID=1306536&CF_TOKEN=53102587&jsessionid=2430648ae4ad105f444d [October 2008]).

20. Wendy Grenade, "CARICOM: Coming of Age?" in *Regional Integration*, edited by Roy and Domínguez, pp. 145–64.

21. Olufemi Babarinde, "The African Union: Finally in the Path of the EU?" in *Regional Integration*, edited by Roy and Domínguez, pp. 53–72; Katja Weber, "European Security Integration: Lessons for East Asia?" in *Regional Integration*, edited by Roy and Domínguez, pp. 73–100; Astrid Boening, "The Euro-Med Partnership and Regional Integration," in *Regional Integration*, edited by Roy and Domínguez, pp. 101–09.

22. Ambler H. Moss, "Reflections on the Development and Prospects of the FTAA: Does It Relate to the European Experience?" in *The European Union*, edited by Roy and Domínguez, pp. 271–80.

23. See UNASUR (www.uniondenacionessuramericanas.com).

24. Roberto Domínguez, "North America after NAFTA," in *Regional Integration*, edited by Roy and Domínguez, pp. 133–44.

EU-Canada Relations: Toward a Comprehensive Economic and Trade Agreement?

This chapter deals with the relationship between the European Union and Canada, both bilaterally and in a wider context, providing a brief historical overview of the development of the relationship and a discussion of various tensions, or “irritants,” as they are called.¹ Based on trade shares, the relationship is asymmetrical, with Canada having a relatively greater interest in developing freer trade and more cooperation than the EU. The United States is the most significant third party affecting the relationship because of its importance for both Canada and the EU.²

The Context of EU-Canada Relations

The EU-Canadian relationship is a bilateral one that is also embedded in wider international regimes. If one focuses on the economic relationship, in particular trade, then the international regime is the General Agreement on Tariffs and Trade (GATT)/World Trade Organization (WTO). Trade relations between the EU and Canada are based on the GATT rules, including most-favored-nation (MFN) treatment. This puts Canada at the bottom of the so-called trade hierarchy that the EU has built up. In this respect Canada is part of the group of industrialized countries, together with the United States, Australia, Japan, and a few other countries, to whom no preferential treatment is offered. Free trade has been on the agenda continuously, especially on the Canadian side. The EU side has not been so interested in a free trade agreement (FTA), mostly because it would raise the question of what to do with the United States.

If we look at the security part of the relationship, the international regime, apart from the United Nations (UN), we have the North Atlantic Treaty Organization (NATO) and to a lesser degree the Organization for Security and Cooperation in Europe (OSCE), which Canada is also party to. The EU’s

Common Foreign and Security Policy (CFSP) remains intergovernmental in nature, and it is only since 1999 that the EU has become more serious about developing a European Security and Defense Policy (ESDP). There is a political dialogue on these matters with Canada going back to the 1980s.³ It is probably fair to say that these relations are less important than the economic relations, even if the two sides share many political values and attitudes, including support for multilateralism.

The next thing that should be emphasized about the bilateral relationship is that there is an important third party involved, the United States. One cannot study EU-Canada relations without considering the importance of the United States, both for Canada and for the EU. Canadian trade and EU trade relations with the United States are much more important than trade between the EU and Canada.

Trade and Investments

Today, Canada is the EU's eleventh-largest trading partner; 1.6 percent of total EU trade is with Canada, compared to 14.4 percent with the United States. Seen from Brussels, the United States is much more important than Canada. But seen from Ottawa, the EU is Canada's second-largest trading partner. In 2010 the EU accounted for 10.5 percent of total Canadian trade, and the United States for 62.4 percent.⁴ These figures have changed over time. There has been a relative decline of Canadian trade with the EU and an increase in trade with the United States.

If one looks at the composition of trade, machinery is at the top of both imports to and exports from the EU, and raw materials is second on the list. In these major categories of trade it is notable that in many areas trade is reciprocal. This is typical for trade relations between industrialized countries. The main exception is in nonagricultural raw materials, where the EU imports a lot from Canada, but does not export much. Canada is rich in resources, including oil and minerals.⁵

It should also be mentioned that foreign direct investment (FDI) between Canada and the EU has become important since the 1980s. Roughly one quarter of FDI in Canada comes from the EU, approximately €157.5 billion in 2009; roughly a quarter of Canadian FDI abroad has gone to the EU, approximately €19.5 billion in the same year.⁶

The size of the two markets varies greatly. Canada has about 33 million inhabitants, the EU-27 close to 500 million. These figures mean that economic relations between the EU and Canada are asymmetrical, giving Canada a greater interest in their development than the EU.

Historical Overview

The early period of European-Canadian relations, at the start of the European integration process, is sometimes called the period of indifference. European integration in the 1950s created some unease in Canada due to the Canadian preference for North Atlantic free trade.⁷ Article 2 of the North Atlantic Treaty deals with economic cooperation, but it has never been implemented. Canada played an important role in getting it into the treaty.⁸ The fact that Canada's most important trading partner in Europe, the United Kingdom, did not take part in the European Community at the beginning eased the Canadian situation. Although the United Kingdom first applied for membership in the European Economic Community (EEC) in 1961, the bid for membership was vetoed by General de Gaulle in 1963 and 1967. UK negotiations had the Canadian government of Prime Minister John Diefenbaker very worried. What would happen to the commonwealth's preferences?

The United Kingdom finally joined in 1973. Before then another event was to influence Canadian thinking, the so-called Nixon shocks in 1971, when the U.S. government put a 10 percent surcharge on imports and made no exemption for Canada. Canadian politicians began considering how to diversify trade in order to become less dependent on the United States. Three options were discussed in 1972.⁹ The first option was to do nothing and resign to "continentalism," the term used for developing relations first of all with the United States. The second option considered was to embrace continentalism and seek more integration with the United States. The third option was to diversify trade using the EC as counterweight and was supported by the government of Pierre Trudeau during the 1970s.

By 1973, after the British accession, the EC's trade policy was taking shape. The customs union was in place, as well as the Common Agricultural Policy (CAP). There were negotiations for compensatory measures under GATT article XXIV, and an agreement was reached in 1975.¹⁰ Those that lose because of trade diversion in connection with the creation of a customs union can ask for compensation. The Kennedy Round of GATT trade talks led to a further lowering of industrial tariffs.

Since 1972, when the EC enlargement was confirmed, there have been high-level bilateral consultations between the EC and Canada. Since 1973 Canada has had an ambassador to the EC, and since 1974 parliamentarians have met regularly. Since 1976, Canada has had a Framework Agreement for Commercial and Economic Cooperation with the EC.¹¹ It created what was called a contractual link. It confirmed the MFN treatment and spoke in general terms about commercial and economic cooperation. Institutionally it created a joint cooperation committee (JCC) to "promote and keep under review the various commercial

and economic co-operation activities envisaged.” The JCC would normally meet at least once a year. (Interestingly, the United States did not have a similar contractual link with the EC at the time.) But the outcome was modest.¹² According to Andrew F. Cooper, “Instead of being readily and rapidly translated into a wide number of specific programs of co-operation, the contractual link withered away through mutual neglect.”¹³

Given the meager results of the third option, the second option, continentalism, increased in importance. In the 1980s the government of Brian Mulroney promoted the Canada–U.S. Free Trade Agreement (1988), and then, in 1993, it also included Mexico in the North American Free Trade Agreement (NAFTA). These developments, of course, further increased Canada’s trade dependence on its southern neighbors.

In the late 1980s and the 1990s, the internal market plan in Europe affected EU-Canada relations as the creation of the customs union had done at the beginning. But it actually affected FDI flows more than trade. A number of Canadian companies, especially the bigger ones, invested quite a bit in Europe at this point. The same thing happened with American and Japanese companies, because of the fear of a “Fortress Europe.”

At the end of the cold war, the idea of free trade was again being promoted by some Canadian politicians, and the Americans also became interested in developing relations with the EC. In both cases the new interest led to the Declaration on Transatlantic Relations (or Transatlantic Declaration, TAD), which introduced increased policy consultation and coordination and further developed the institutional framework. It began by adding summit meetings between the prime minister of Canada on one side and the president of the European Council and the president of the European Commission on the other. However, the TAD was vague on specifics.

Later in 1996 a joint political declaration and an Action Plan were adopted. The objective was to strengthen bilateral relations and to enhance economic and security cooperation. Although the Action Plan dealt with a number of issues, including new trade policy issues, such as the environment, investment, competition, labor standards, and intellectual property rights, commitments were not very specific.

More recent developments include an EU-Canada partnership agenda in 2004, agreed at the summit that year in Ottawa. The economic section mentions the negotiation of a trade and investment enhancement agreement and the development of a voluntary framework for regulatory cooperation.

In June 2007 an EU-Canada summit in Berlin brought the leaders together face-to-face for the first time since 2005. Specific priorities for enhanced cooperation were put together, one of them being to increase the involvement of civil society in transatlantic policy discussions.

Tensions and Irritants

Tensions have varied over time. The CAP has been a constant problem. Of course, other countries have the same problem with the CAP because it leads to the dumping of surplus products on the world market and makes access to the EU market more difficult. And certainly Canadian wheat exports to Europe have been affected by the CAP. The reforms forced on the EU in connection with the Uruguay Round of trade talks should gradually reduce the external impact of the CAP, but the CAP is still an issue in international trade diplomacy.

Hormone-treated beef has created tensions because of the EU ban on imports going back to the 1980s. Here Canada has the same problem as the United States.¹⁴ Seal hunting has also been an issue. Some environmentalists, including the International Fund for Animal Welfare, claim that slaughter methods are inhumane. The import of fur products made from the pelts of seal pups has been banned by the EU for more than twenty years, and the import of other seal products has been banned by some EU countries. Canada banned harvesting of harp seal pups in 1987. There is probably some poaching going on.¹⁵

Furs, other than those made from seals, have been an issue because of the way the animals traditionally have been trapped with the leg-hold traps. Objections by environmental groups in Europe to these killing and trapping methods have led to bans on the import of furs from Canada. The EU has worked to phase out leg-hold traps and signed an agreement with Canada in December 1997 to do so.¹⁶

Fisheries have also been a source of tension. Canada has a wide continental shelf in the Atlantic, which means that it goes farther out than the 200-mile exclusive economic zone. There are stocks of fish that straddle the border of the economic zone. In the economic zone, it is clear that Canada has a sovereign right to set quotas and reserve these stocks for Canadian fishermen. The rules are less clear outside the 200-mile zone. The Northwest Atlantic Fisheries Organization (NAFO) sets quotas for the stocks that straddle the border. Despite NAFO's efforts, stocks of halibut, capelin, redfish, and cod have declined severely in recent years.¹⁷ Canada has accused some European fishermen, especially those from Spain and Portugal, of not respecting these quotas and not using legal fishing gear, so there have been a number of incidents. In 1995 the Spanish fishing vessel *Estai* was boarded by the Canadians outside the 200-mile economic zone. In May 2004 there were similar incidents with Portuguese vessels. The 1995 conflict, known in Canada as the turbot war, seriously affected EU-Canadian relations for several months.¹⁸

Phytosanitary standards for forestry products have also caused problems. The pinewood nematode (PWN) is a worm transmitted from one tree to another by a beetle. It is quite common in North American forests, but does little damage

because it needs temperatures of –20 degrees Celsius to develop. When Canada exports untreated, so-called “green” lumber, there is the risk of exporting PWNs to Europe. When PWNs were found in shipments in Europe in the 1980s some European countries started requiring the lumber to be treated to kill the PWNs. This led to a significant decline in Canadian lumber exports to Europe.¹⁹

There is also a series of current irritants.²⁰ In 2006 Canada introduced wine and beer excise duty exemptions for certain domestic producers, which resulted in differential treatment of domestic and foreign products. According to the European Commission, this is a WTO violation and a question of substantial economic interest for the EU. At stake is the GATT principle of “national treatment.” About 50 percent of Canadian wine imports originate from the EU. An earlier conflict in the wine area had been the names of wines and spirits. In 2003 an agreement was reached according to which names like Champagne, Chianti, and Bordeaux, associated with specific wine-producing regions in Europe, will have to be phased out within a decade.²¹

Another irritant is a compositional standard for cheese, which imposes a *de facto* domestic content requirement. It was introduced in December 2007. When fully implemented, the regulation will effectively reduce imports to Canada of both cheese and related products, according to the Commission. This would also break WTO rules that prohibit countries from creating unnecessary obstacles to trade. Thirty-nine percent of all dairy products entering Canada come from the EU.²²

Also an irritant is the question of how quickly Canada abolishes visa requirements for the new member states after the enlargements in 2004 and 2007.

Global challenges, including climate change, are on the bilateral agenda too. For many years, Canada remained one of the EU’s closest partners and allies in addressing global environmental challenges. However, since February 2006, when Stephen Harper became prime minister of Canada, there have been concerns about the direction of climate change policy in Canada.²³ The EU continues to encourage Canada to participate actively in the international climate arena. Canada is seen as an important ally in establishing the successor to the Kyoto Protocol on the environment. A high-level dialogue on the environment is taking place where the issues of climate change, emission trading, Arctic environment, and other issues of common interest are being discussed.

The Comprehensive Economic and Trade Agreement (CETA)

The various proposals for a Canada-EU FTA over the years did not produce results. Canada used to be more interested than the EU. However, things have changed recently, partly as a result of the difficulties of reaching a new WTO

agreement. In January 2007 Premier Jean Charest of Quebec spoke out in favor of an FTA with the EU. At the time the EU member states were divided. But a joint study by the European Commission and the government of Canada, which was published before the EU-Canada summit in Quebec City in October 2008, suggested important gains for both sides by addressing tariff barriers and non-tariff barriers, including discriminatory regulation and standards, as well as liberalizing trade in services.²⁴ The summit meeting, therefore, agreed to explore the idea of a “stronger, ambitious and balanced economic partnership.”²⁵

The following EU-Canada summit in Prague, on May 6, 2009, then decided to launch negotiations toward a “comprehensive economic partnership agreement.”²⁶ Talks began in Ottawa in October 2009. The ninth round of negotiations took place in Ottawa in October 2011. Although both sides have expressed some optimism there is still no agreement.²⁷ At the last meeting the two sides exchanged offers on services and investment.²⁸ According to press reports, the remaining difficult issues include the Canadian supply-management system, which protects dairy and poultry producers from foreign competition, government procurement, protection of intellectual property, and oil from tar sands, which the European Commission sees as almost a quarter more polluting than oil produced traditionally through drilling.²⁹

Concluding Remarks

This chapter has outlined a number of trade irritants and conflicts between Canada and the EU over the years: the CAP; various nontariff barriers (NTBs) to trade, including phytosanitary standards; and fisheries. Owing to the reduction of tariffs through successive GATT deals, tariffs are, with a few exceptions, no longer important. Apart from fisheries, a typical zero-sum resource conflict, most disputes are inside-the-border conflicts because of national regulations and standards. This makes regulatory cooperation important.

Canada, as a member of NATO and a participant in foreign policy dialogues, is also engaged with the EU on matters of wider global interest. Afghanistan is considered especially important, since Canadian soldiers have been involved in one of the more dangerous regions there. Canada's request for more European and NATO troop participation has produced tensions as well.

If the ongoing CETA negotiations should fail, not only is there the danger that Canada will become more and more dependent on trade within NAFTA, but it will also increasingly turn its attention to East Asia and other emerging economies. As a former Canadian ambassador to the Netherlands and Germany wrote in 2006: “Canada's old obsession with the United States and new obsession with emerging markets leave little room for Europe.”³⁰

Immigrants from non-European parts of the world make Canada an increasingly multicultural society. It would require a lot of political attention on both sides of the Atlantic to move toward freer trade across the Atlantic. In the end it is a question of political will and leadership. Economists say that free trade would have economic advantages for both sides. Why it has not been implemented between the EU and Canada is one of those puzzles of political economy. What is economically rational does not always happen because of vested interests and entrenched practices.

Notes

1. For a more detailed overview, see Evan Potter, *Trans-Atlantic Partners: Canadian Approaches to the European Union* (McGill–Queen’s University Press, 1999).

2. EU–Canada relations have not received much attention from academics. The best and most recent book-size treatment is Potter’s *Trans-Atlantic Partners*. A useful article is Osvaldo Croci and Livianna Tossutti, “That Elusive Object of Desire: Canadian Perceptions of the European Union,” *European Foreign Affairs Review* 12, no. 3 (2007): 287–310.

3. Charles Pentland, “Canada and Britain in Europe,” in Centre for Foreign Policy Studies, *Canada and the United Kingdom: The Dalhousie Colloquium* (Dalhousie University, 1984), p. 36.

4. According to the Directorate-General for Trade of the European Commission (http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113363.pdf [December 2011]).

5. Some trade statistics are available on the website of the European Commission: see *ibid.*

6. Eric Hayes, “The EU and Canada: Partners That Matter,” speech at a joint meeting of the Empire Club and the European Chamber of Trade and Commerce, Toronto, April 10, 2003.

7. For details on the Canadian reaction to the formation of the EEC, see B. W. Muirhead, *The Development of Postwar Canadian Trade Policy: The Failure of the Anglo–European Option* (McGill–Queen’s University Press, 1992), chap. 6.

8. Robert Bothwell, “‘The Canadian Connection’: Canada and Europe,” in *Foremost Nation: Canadian Foreign Policy in a Changing World*, edited by Norman Hillmer and Garth Stevenson (Toronto: McClelland and Stewart, 1977), pp. 24–36.

9. See Potter, *Trans-Atlantic Partners*, pp. 35–36.

10. Peter C. Dobell, *Canada in World Affairs*, vol. 17 (Oxford University Press, 1971–73), p. 138.

11. The text, and other official documents, can be located on the website of the EU Commission Delegation in Ottawa (www.delcan.ec.europa.eu/en/ [October 2008]).

12. On this, see also Roy Rempel, *Counterweights: The Failure of Canada’s German and European Policy 1955–1995* (McGill–Queen’s University Press, 1996), chap. 5.

13. Andrew F. Cooper, *Canadian Foreign Policy: Old Habits and New Directions* (Scarborough, Ontario: Prentice-Hall Allyn and Bacon Canada, 1997), p. 253.

14. See, for instance, Nicholas V. Gianaris, *The North American Free Trade Agreement and the European Union* (Westport, Conn.: Praeger, 1998), pp. 139–40.
15. *Agence Europe*, various issues, incl. March 3, 2006, and April 27, 2006.
16. *Ibid.*, December 16, 1997.
17. John C. Crosbie, “Bleak, but There Is Still Hope for the Cod,” *European Voice*, September 20, 2007.
18. David Long, “Canada-EU Relations in the 1990s,” in *Canada among Nations 1998: Leadership and Dialogue*, edited by Fen Osler Hampson and Maureen Appel Molot (Oxford University Press, 1998), pp. 193–210.
19. The story is told in Potter, *Trans-Atlantic Partners*, pp. 151–55.
20. Yasmina Sioud, lecture at Dalhousie University, Halifax, N.S., Canada, February 20, 2008.
21. “‘Cheers!’ at EU Wine Deal,” *European Voice*, September 18, 2003.
22. Neil Merrett, “EU Exporters Face Canadian Cheese Change” (www.dairyreporter.com/Safety-Hygiene/EU-exporters-face-Canadian-cheese-change [October 2008]).
23. Sioud, lecture at Dalhousie University.
24. Canada and European Union, *Assessing the Costs and Benefits of a Closer EU-Canada Economic Partnership. A Joint Study by the European Commission and the Government of Canada* (www.international.gc.ca/trade-agreements-accords-commerciaux/assets/pdfs/EU-Canada_Joint_Study-Introduction_Executive_Summary.pdf [September 2009]).
25. Council of the European Union, EU-Canada Summit, Quebec, October 17, 2008 (www.consilium.europa.eu/uedocs/cms_Data/docs/pressData/en/er/103466.pdf [September 2009]).
26. Council of the European Union, EU-Canada Summit Declaration, Prague, May 6, 2009 (www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/er/107542.pdf [September 2009]).
27. For a brief account, see <http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/countries/canada/> (December 2011).
28. “Progress Reported on EU-Canada FTA,” *Europolitics*, October 24, 2012.
29. Bernard Simon, “Canada under Pressure to Dismantle Food Quotas,” *Financial Times*, November 14, 2011; Joshua Chaffin, “EU Oil Sands Ruling Taints Canadian Ties,” *Financial Times*, October 5, 2011.
30. Marie Bernard-Meunier, “Did You Say Europe? How Canada Ignores Europe and Why That Is Wrong,” in *Canada among Nations 2006: Minorities and Priorities*, edited by Andrew F. Cooper and Dana Rowlands (McGill-Queen’s University Press, 2006), p. 109.

*The European Union in Africa:
In Search of a Strategy*

The relationship between the European Union and Africa has undergone major changes since the beginning of the twenty-first century. First, the Cotonou Agreement, adopted in June 2000, brought transformations to the long-standing relationship between the EU and the African, Caribbean, and Pacific (ACP) group of countries, particularly in the areas of foreign aid, trade, and political affairs. These transformations put a further strain on the partnership that had characterized the Lomé Convention, at least in its initial period. Unsurprisingly, by the end of the 2010s not only was the significance of the EU-ACP development framework questioned, but the relevance of the ACP group itself was challenged by various parties in Europe and Africa. Second, the first EU-Africa Summit held in Cairo in April 2000 marked the EU's intention to pursue a continentwide approach. The 2005 EU Africa strategy and the 2007 joint Africa-EU strategy (JAES) aimed to integrate trade, foreign aid, and political affairs in order to create a more coherent EU foreign policy. In reality, the second EU-Africa Summit held in Lisbon in December 2007 showed that the two parties had different agendas. The emergence of new powers, particularly China, accompanied by poor implementation of the JAES, seemed to suggest that Europe was gradually losing ground in many African countries, which had new partnership alternatives.

Against this background, this chapter is divided into two broad sections. The first section looks at EU-Africa relations in the context of the Cotonou Agreement, focusing on the introduction and implementation of multiyear programming for aid disbursements, the involvement of nonstate actors in the development process, the new emphasis given to political issues, the negotiation of new economic partnership agreements (EPAs). The second section looks at the EU's attempt to promote a common approach to Africa since the Cairo Summit, with particular emphasis given to the JAES.

EU-ACP Relations after Lomé

The EU's policy toward Africa has its origin in the Treaty of Rome and has evolved through a number of agreements. Initially influenced by France, it was limited to francophone Africa and then, following the first EU enlargement in the early 1970s, was extended to cover the African members of the British Commonwealth as well as other former colonies in the Caribbean and the Pacific. The ensuing Lomé Convention (1975–2000), negotiated at five-year intervals (Lomé II in 1980, Lomé III in 1985, Lomé IV in 1990, and Lomé IV-bis in 1995), was initially considered the most comprehensive, innovative, and ambitious agreement for North-South cooperation. First, it was conceived as a partnership: decisions were not imposed by the EU but discussed and agreed upon with the ACP governments. Second, it was based on a contractual right to aid: resources were committed to the ACP countries for five-year periods through the European Development Fund (EDF), irrespective of performance. Third, it reversed the previous trade regime to allow nonreciprocal preferences: almost all ACP goods could enter the EU free of tariff or quota restrictions.¹

Nevertheless, the development record of the Lomé Convention was disappointing. Although a small number of ACP countries managed to improve their level of development, the conditions of the majority worsened. The progressive inclusion of economic and political conditionalities meant that, according to Gordon Crawford, by the mid-1990s the Lomé Convention was “no longer the model of development co-operation to which other agreements could aspire” and that “the unique features of the Convention have been so diluted and undermined as to become almost indistinguishable from other development aid programs.”² Similarly, Karin Arts and Anne Dickson argue that EU development policy followed global trends (in particular the Washington consensus), and they rather pessimistically conclude that EU development policy became “a symbolic gesture . . . primarily useful to demonstrate its breadth of commitment to, and relationship with the South.”³

Following a long period of consultation and negotiations, a new partnership agreement was signed in Cotonou in June 2000. The Cotonou Agreement generated a lively debate in the literature. A number of scholars talk of an asymmetrical negotiation process, which resulted in a policy outcome that mainly reflected the interests of the EU. In particular, Geneva Forwood argues that the EU's margin to maneuver was restricted by its negotiating mandate, which was the result of a difficult compromise among member states that could not easily be changed.⁴ The ACP group often reacted against the EU mandate, and this weakness can be explained by the lack of a coherent and firm position, which followed the rule “the more, the better.” For this, Mary Farrell claims that

Cotonou represents “a triumph of realism over idealism,” with the EU simply interested in imposing its material interests on weakened partners.⁵ Stephen Hurt saw in it a reflection of the hegemonic dominance of neoliberalism, which ultimately meant that the nature of the EU-ACP relationship shifted from cooperation to coercion, with the EU even using the more normative aspects (democracy and human rights promotion, enhanced political dialogue, participatory approaches) to its own advantage.⁶ At the same time, other scholars point out that promotion of security and trade liberalization coexisted with a renewed emphasis on development: not only was poverty made the primary objective of the new agreement, but aid was not diminished.⁷

Less than two years after it had come into force (because of the protracted process of ratification), the Cotonou Agreement was revised in February 2005. The overall structure was not altered, but the few changes largely reflected the EU’s priorities. Security became a new important concern, and the new provisions in this area—such as combating terrorism, countering the proliferation of weapons of mass destruction, preventing mercenary activities, and committing to the International Criminal Court—were strongly criticized by African countries.⁸ The second revision, concluded in March 2010, introduced only some minor changes. These were meant to strengthen the importance of regional integration, particularly in the areas of peace and security. They were also meant to manage transnational development challenges and to allow ACP national parliaments, as actors of cooperation, to be involved in the development process and in political dialogue.

Foreign Aid

One of the most important components of the Cotonou Agreement is reform of aid management. Resources are disbursed using a three-step process. First, a draft country strategy paper (CSP) and an accompanying national indicative program (NIP) are prepared by the EU delegation in collaboration with local governments, nonstate actors, EU member states, and other international donors. The CSP offers an analysis of a country’s situation and outlines the development strategy based on the EU’s comparative advantage, while the NIP provides a detailed account of how resources must be spent. Second, the draft documents are scrutinized by an interservice quality support group and then by the EU member states on the EDF committee. Third, the CSP and NIP are adopted by the College of Commissioners. The CSP and the NIP can be adjusted in the course of the midterm review, which is meant to assess how recipients performed in the implementation of the development strategy.

The assessment of the first-generation CSPs for the ninth EDF (2002–07) produced mixed results. A report published by the European Commission in

November 2002 emphasized the successful efforts to ensure coordination and complementarity between the EU and member states and to involve nonstate actors in the programming process. Little analysis was devoted to how the money was used or how EU aid contributed to poverty eradication.⁹ A less optimistic view came from a number of assessments supported by European nonstate actors. It emerged that, despite the fact that sub-Saharan Africa was the region furthest from achieving the millennium development goals (MDGs), only a very small number of CSPs identified education and health as focal sectors—though it should be noted that budget support, which prioritizes human development, had indeed increased. Moreover, the failure to mainstream gender-related programs implied that the EU's contribution to the fight against HIV/AIDS and child mortality was not optimal. Support to the transport sector, by contrast, appeared in a larger number of CSPs. While the European Commission often emphasizes that transport helps to eradicate poverty, in a large number of cases the EU supported the building of international roads, which, unlike rural roads, are usually not driven by the poor or by anybody promoting their welfare.¹⁰

The preparation of the second-generation CSPs for the tenth EDF (2008–13) started in early 2006. Although the revised Cotonou Agreement included the achievement of the MDGs as the key objective of the EU's development policy for Africa, initial evidence seemed to show that there was “a very distinct deprioritization of the MDGs” and that the priorities set by the EU still dominated the various strategies. Moreover, the CSPs were drafted worldwide at the same time and did not respect the economic and business cycles of the country in question. EU delegations often imposed their priorities; in some instances ACP officials even saw the programming process as a challenge to their sovereignty. The involvement of partner governments was in most cases limited to the trade and transport ministries, whereas the social ministries were rarely consulted.¹¹ An important component was the governance incentive tranche, which was meant to promote an incentive-based approach to democratic governance by rewarding recipient countries for their governance commitments. However, the results were disappointing. The EU assumed that all countries would engage in reforms in order to get the tranche, but most African countries perceived it as simply making funds conditional on good governance. The actual disbursement of the tranches shows that the large majority of countries (around 70 percent) received an equal amount of incentives. The logic of compromise among member states, to “protect” their close partners in Africa, is the explanation for this outcome.¹²

Participation of Nonstate Actors

The new provisions on the participation of nonstate actors (for example, civil society, social groups, and business associations) in the development process are

another major innovation of the Cotonou Agreement. Nonstate actors must be involved in all phases of the programming process, including the elaboration of the CSPs and the NIPs, the midterm reviews, and the final evaluation. They must also be provided with financial resources, to be agreed on during the programming process; up to a maximum of 15 percent of the initial NIP allocation could be directly assigned to nonstate actors.

These provisions, according to Jean Bossuyt, were important because they were meant to strengthen the role of nonstate actors in countries where a participatory culture was largely absent and to enhance the visibility and the credibility of civil society in relation to governments.¹³ By contrast, Stephen Hurt argues that the EU's new emphasis on civil society should be understood as part of the neoliberal nature of its relations with developing countries, which supports the retrenchment of the state, the promotion of the private sector, and the greater integration of developing countries into the global economy.¹⁴ Claims to partnership and participation were thus designed to give legitimacy to the Western model of democracy and to create conditions conducive to the operation of a liberal market democracy.

The first opportunity to assess participation was in the context of the ninth EDF programming process. According to the European Commission, in almost all countries some form of consultation took place. In half of the cases, the draft CSP was changed, though nothing is said about whether the changes were due to the involvement of nonstate actors. In the remaining cases, no changes were introduced because of a coincidence of intents between these actors and recipient governments, a lack of capacity by the nonstate actors to participate in the programming process, and significant delays in the consultation process. Reports funded by European NGOs offer a more critical view and show several limitations in participation: a too-short period set aside for consultation and invitations on short notice; ad hoc instead of institutionalized dialogue; a limited range of nonstate actors involved, with urban NGOs and private sector groups privileged; and limited information provided before the meeting and insufficient reporting back to the nonstate actors on the results of the consultations.¹⁵

This situation did not change significantly in the context of the tenth EDF programming exercise. Again, the European Commission claimed that "effective consultation" occurred in about half of the countries, whereas in the remaining cases dialogue was ad hoc and consultation took the form of information sessions at a late stage in the process.¹⁶ Some case studies written by African NGOs maintained that the programming exercise failed to adequately involve nonstate actors. While some forms of consultation occurred, the exercise was neither inclusive nor comprehensive. In most instances, there was a lack of

transparency in the selection of participants, inadequate provision of preparatory documents, and little feedback on the results.¹⁷

Political Issues

With the Cotonou Agreement, the EU-ACP relationship became more politicized. This does not only imply that issues such as democracy, good governance, illegal migration, and corruption became subjects of political dialogue among government partners.¹⁸ It also means that the Cotonou Agreement paved the way for funding conflict prevention and resolution activities. In this sense, the creation of the African Peace Facility in April 2004 has proved important. This new instrument aimed at supporting peacekeeping operations in Africa carried out by the African Union (AU). The initial funding commitment, €250 million, was criticized because money came from the ninth EDF: the risk was a securitization of development policy, with new emphasis placed on promotion of global security to the detriment of poverty eradication programs. With the 2007 joint Africa-EU strategy, it was decided to integrate it into the Africa-EU Partnership on Peace and Security, and €300 million was allocated to it from the tenth EDF. It is characteristic of the African Peace Facility to support missions carried out by the AU—in particular in Sudan, the Comoros, Somalia, and the Central African Republic—and also to support capacity-building programs to increase the efficiency and effectiveness of the AU Commission and other sub-regional organizations.¹⁹

Trade

The most controversial change in the Cotonou Agreement is in the area of trade. The European Commission argued that the existing preferential regime had to be replaced by regional free-trade agreements, compatible with World Trade Organization rules. The aim of these new trade arrangements was to accelerate the integration of ACP countries into the global economy by enhancing production and the capacity to attract investment, while taking into account differing development levels. During the negotiations in the Council of Ministers, various options were on the table, but in the end the European Commission presented the establishment of regional EPAs as the most feasible option.²⁰ The final compromise softened the initial proposal by granting an extended interim period before the EPAs entered into force, in January 2008, and by maintaining trade privileges for “essentially all products” coming from the least-developed countries.

The EU’s mandate and subsequent negotiation strategy with the ACP regions, therefore, were heavily influenced by the achieved compromise. The European Commission, with the Directorate-General for Trade in the lead, drafted a “vague” negotiation mandate that left little room for changes during

council discussions. Some member states (Denmark, Sweden, the United Kingdom) were still critical of the mandate and expressed their doubts in the official minutes of the meeting, a highly unusual practice in EU trade politics. The negotiation mandate was agreed to unanimously in June 2002, because all the member states wanted to present a united front to the outside world. Negotiations with six regional groups—four for Africa, one for the Caribbean, and one for the Pacific—started in September 2002, but for a few years there was little publicity and only marginal involvement by member states.

The negotiations conducted by the Directorate-General for Trade emphasized the trade aspect of the EPAs to the detriment of the development side. The majority of African countries acted passively, since they perceived the European Commission to be ignoring the concerns of the developing world. As time passed and the ACP countries and NGOs became more dissatisfied, some member states publicly criticized the commission's approach. In March 2005 the United Kingdom issued a very critical statement, which was immediately censured by the European Commission. This statement was not coordinated with the "friends of EPAs," a group that included Denmark, the Netherlands, Sweden, and sometimes Ireland, Belgium, and France. They became more vocal in the council group that monitored EPA negotiations, emphasizing the development and social dimensions of EPAs. This behavior started to have its effects, and the European Commission was forced to take into account these heterodox views.²¹ Some alternatives to EPAs were proposed, such as the extension of the previous preferential regime through the prolongation of the WTO waiver and the granting of GSP+ (duty-free access to European goods in addition to the preferences extended by the standard GSP) to all ACP countries.²² The European Commission, however, stated that there were no alternatives to EPAs.

The negotiations continued after the December 2007 deadline, as no full EPA had been signed with any African region. Many African countries denounced the pressure exercised by the European Commission, which was contrary to the partnership principle. The only regional EPA concluded was with the Caribbean region, while in Africa progress stalled. Several countries initialed (that is, committed to sign) an interim EPA: in West Africa, Ivory Coast, and Ghana at the end of 2007; in Central Africa and Cameroon in January 2009; in Eastern and Southern Africa, Mauritius, Seychelles, Zimbabwe, and Madagascar in 2009; in the Eastern African Community, Burundi, Rwanda, Tanzania, Kenya, and Uganda in November 2007; in the South African Development Community, Botswana, Lesotho, Swaziland, and Mozambique in June 2009. But since only Madagascar and Mauritius seemed ready to ratify the interim EPA, the European Commission decided to take a tougher stance and on September 30, 2011, announced that countries that had concluded an EPA but had not taken

the necessary steps to ratify it would no longer benefit from EPA market access to the EU from January 1, 2014. This ultimately meant that countries would have to sign an EPA, fall under one of the new GSP schemes, or have no preferences at all, which would be very detrimental for their economies.

EU-Africa Relations between Cairo and Lisbon

With the adoption of the Treaty of Maastricht and the institutionalization of the Common Foreign and Security Policy (CFSP), it became clear that the European Union wanted to play a significant role in international politics. The Treaty of Maastricht also introduced the principle of coherence (or better, consistency), which refers to the fact that all EU external policies must work in synergy. Africa became the natural place to exercise these ambitions. The evolution of EU-Africa relations was also strongly influenced by events in Africa. The adoption of the New Partnership for Africa's Development and the setting up of the African Union reassured the international community that African leaders wanted to take ownership in their future.²³

This context contributes to understanding why, since the beginning of the 2000s, the European Union has attempted to pursue a unitary policy toward the entire African continent. This was not an easy task. In addition to relations with the members of the ACP group, the EU had developed formal relationships with North African countries through the Euro-Mediterranean Partnership and European Neighborhood Policy, and with South Africa through the Trade and Development Cooperation Agreement. Moreover, EU member states had different development priorities, which were not easy to reconcile.

The first EU-Africa Summit in 2000 was the initial attempt to address these issues. European representatives placed more emphasis on political issues, notably democracy and peace and security, while African representatives concentrated on economic aspects, notably trade and aid.²⁴ One of the unofficial messages of the summit, therefore, was that Europe cared about Africa—but not enough to commit new resources.²⁵ The ensuing Cairo plan of action laid out the main aims of the new Africa-EU dialogue: to strengthen political, economic, and sociocultural relations between the EU and Africa; to eradicate poverty and attain the MDGs; and to promote human rights, democracy, and the rule of law.²⁶

New plans were made for a second meeting in Lisbon in April 2003, but the summit was postponed owing to lack of agreement over the presence of Robert Mugabe and other Zimbabwean leaders. The EU member states did not want to allow Mugabe to enter the EU arena and urged African leaders to take a stronger stance against his poor record on human rights and democratic practices. African leaders, however, argued that it was not possible to hold a meeting without

representation from all the African states.²⁷ In the absence of a more formalized dialogue at the highest political level, the European Commission tried to pursue an alternative strategy, such as holding regular meetings between senior officials.

Meanwhile, Africa had taken a central place on global and European agendas, as confirmed by a number of important initiatives. Following the report of the Commission for Africa, the United Kingdom was instrumental in the adoption of the Gleneagles commitments on foreign aid and debt relief. At the European level, under the leadership of the European Commission, in April 2005 the EU decided to boost its volume of aid, including doubling development assistance to Africa by 2010. In the same context, a new ambitious agenda was agreed to on policy coherence for development. Finally, the adoption of the European Consensus on Development in December 2005 committed member states and the European Community to a common view on the promotion of international development. The Africa strategy became the first opportunity to operationalize the European Consensus on Development.²⁸

Joint Africa-EU Strategy

Following up on the April 2005 initiatives and a specific request of the June 2005 European Council, the European Commission published a communication in which the central concern was the achievement of the MDGs. Peace, security, and good governance were also seen as preconditions to development. These views were emphasized even more in a paper written by the high representative for the CFSP, Javier Solana, in which he argued that peace and security were central not only to the new EU strategy for Africa but also to the CFSP.²⁹

In December 2005 the European Council adopted a rather short document titled, "The EU and Africa: Towards a Strategic Partnership." This new EU-Africa strategy, which set up a single framework for all EU players (that is, the European Commission, its member states, and nonstate actors), rested on the following: peace, security, and good governance as preconditions to development; a central role for regional integration and trade in fostering economic growth; and the need for better access to social services (such as health and education) and environmental sustainability in order to achieve the MDGs by 2015.³⁰

The EU-Africa strategy did not, however, result in any new commitment by Europe to support Africa's efforts to develop. For instance, it was decided that the strategy would be implemented with existing financial resources, while major emphasis was placed on the promotion of policy coherence for development. Integration into the world trading system would be ensured through the new EPAs. But the strategy was criticized not only for its lack of ambition but also because it was agreed on without adequate consultation of all stakeholders. On the European side, the drafting process was led by the European

Commission and the British presidency, with the remaining member states and nonstate actors playing a marginal role, if any. On the African side, there was limited consultation outside the African Union Commission.³¹ In light of this criticism, at the EU-Africa ministerial meeting in Bamako in December 2005 it was agreed to develop a new joint EU-Africa strategy: “A partnership *with* Africa, rather than a strategy *for* Africa.”³²

This time, the drafting process was more participatory, though the EU’s motivations and views were still dominant. The starting point was the idea of a “new strategic partnership” based on a “Euro-African consensus on values, common interests and common strategic objectives.” Four main objectives were included in the final document:

—To address issues of common concern, in particular peace and security, migration and development, and a clean environment.

—To strengthen and promote peace and security, democratic governance and human rights, and sustainable development and to ensure that all African countries meet the MDGs by 2015.

—To jointly promote and sustain a system of effective multilateralism, making sure that the system of global governance is more representative, and to tackle global challenges together.

—To promote people-centered development, including a better involvement of nonstate actors.

The joint Africa-EU strategy, a much longer and comprehensive document than its predecessor, was presented at the second EU-Africa Summit in December 2007. To meet these objectives, a very detailed action plan for the 2008–10 period was adopted, including eight EU-Africa partnerships: peace and security; democratic governance and human rights; trade and regional integration (including the implementation of the EU-Africa Partnership for Infrastructure, launched in 2006); millennium development goals; energy; climate change; migration, mobility, and employment; and science, information society, and space. But the Lisbon Summit was overshadowed once again by the debate over the presence of Mugabe, which several EU member states opposed. Although the British prime minister did not attend the summit, the African leaders did not publicly condemn Mugabe’s behavior. But the differences ran deeper, and it seemed clear that leaders on the two continents still had different agendas: for the EU, the priorities were security and migration; for Africa, they were more and better aid and improved trade deals.³³

The initial implementation of the first JAES plan of action has produced only cumbersome institutional frameworks to consolidate dialogue between the two parties, with a large number of meetings and technical activities, often seen as the only indication of success. The issue of peace and security has been singled

out as one of the areas in which there has been concrete progress. The EU has been one of the major supporters of Africa-led peacekeeping and has provided mechanisms to support the African Union's role as a mediator in political and security crises in Africa. Interestingly, a number of observers point to the fact that the EU had already lost important grounds vis-à-vis other important players, most notably China but also India, Brazil, and Russia. The emergence of these new actors, however, did not seem to affect the EU's overall strategy toward the African continent. For instance, the EU did not make new commitments in foreign aid. Moreover, the voices of African leaders that trade barriers and agriculture subsidies "shamefully" protected European markets from African products, hindering their ability to trade as equals, remained unheeded.³⁴ The third Africa-EU Summit, held in Tripoli in November 2010, did not do more than register this meager scenario.

Conclusion

The post-Lomé debate and the adoption of the Cotonou Agreement with the ACP group sent a clear signal: by introducing a number of radical changes in the areas of foreign aid, trade, and political affairs, the preferential treatment the EU had given to postcolonial Africa had come to an end. This process of normalization was furthered by the attempt to create a comprehensive strategy for Africa, beyond the division of northern and sub-Saharan Africa, which started in Cairo in April 2000 and culminated in the joint Africa-EU strategy adopted in Lisbon in December 2007.

More generally, both processes were underpinned by the intention the EU had to play a leading role in the international arena. Africa therefore became central not only to the EU's development policy but also to all of its external relations. Another element that has characterized the EU's approach to Africa is the attempt to pursue a coherent external policy. To some, however, this attempt purposely conceals the real concerns of the EU: security and migration. This may or may not be true, but the search for coherence has once again bypassed the traditional partnership that typified the EU's approach when the Lomé Convention was signed in the 1970s. The cases of trade and aid clearly show that the rhetoric of partnership does not match the reality. On the one hand, the EU has looked preoccupied with improving its development record and image; on the other hand, it has failed to take into account the voice of the developing countries. The 2007 joint Africa-EU strategy seemed to go in the right direction, but its poor implementation, despite the competition from new powers interested in Africa, suggests that a new chapter in the EU's external relations has not yet begun.

Notes

1. For an analysis of the evolution of EU development policy and EU-Africa relations, see Enzo Grilli, *The European Community and the Developing Countries* (Cambridge University Press, 1993); Marjorie Lister, *The European Union and the South: Relations with Developing Countries* (London: Routledge, 1997); William Brown, *The European Union and Africa: The Restructuring of North-South Relations* (London: IB Taurus, 2002); Martin Holland, *The European Union and the Third World* (New York: Palgrave, 2002).

2. Gordon Crawford, "Whither Lomé? The Mid-Term Review and the Decline of Partnership," *Journal of Modern African Studies* 34, no. 3 (1996): 516.

3. Karin Arts and Anne K Dickson, eds., *EU Development Cooperation: From Model to Symbol* (Manchester University Press, 2004), p. 3.

4. It should be added, however, that the ACP group is a more informal entity than the EU. It also lacks a strong supranational institution: the ACP Secretariat had no formal role in the negotiations, whereas the European Commission played a key role. Genevra Forwood, "The Road to Cotonou: Negotiating a Successor to Lomé," *Journal of Common Market Studies* 39, no. 3 (2001): 423–42.

5. Mary Farrell, "A Triumph of Realism over Idealism? Cooperation between the European Union and Africa," *Journal of European Integration* 27, no. 3 (2005): 263–83.

6. Stephen Hurt, "Co-operation and Coercion? The Cotonou Agreement between the European Union and ACP States and the End of the Lomé Convention," *Third World Quarterly* 24, no. 1 (2006): 161–76.

7. M. Carbone, "The EU and the Developing World: Partnership, Poverty, Politicization," in *International Relations and the European Union*, 2nd ed., edited by Christopher Hill and Michael Smith (Oxford University Press, 2011), pp. 324–48; Gorm Rye Olsen, "The Post September 11 Global Security Agenda: A Comparative Analysis of United States and European Union Policies towards Africa," *International Politics* 45, no. 4 (2008): 457–74.

8. Charlotte Bretherton and John Vogler, *The European Union as a Global Actor*, 2nd ed. (London: Routledge, 2006); Amelia Hadfield, "Janus Advances? An Analysis of the EC Development Policy and the 2005 Amended Cotonou Partnership Agreement," *European Foreign Affairs Review* 12, no. 1 (2007): 39–66.

9. Maurizio Carbone, "Better Aid, Less Ownership: Multi-Annual Programming and the EU's Development Strategies in Africa," *Journal of International Development* 20, no. 2 (2008): 118–229.

10. Mirjam Van Reisen, *2015-Watch: The EU's Contribution to the Millennium Development Goals. Halfway to 2015: Mid-Term Review* (Copenhagen: Alliance2015, 2007); Walter Eberlei and Denise Auclair, *The EU's Footprint in the South: Does European Community Development Cooperation Make a Difference for the Poor?* (Brussels: CIDSE, 2007); Carbone, "Better Aid, Less Ownership."

11. Florent Sebban, *We Decide, You "Own"! An Assessment of the Programming of European Community Aid to the ACP Countries under the 10th European Development Fund* (Brussels: Eurostep, 2006); Carbone, "Better Aid, Less Ownership"; Reisen, *2015-Watch*.

12. Nadia Molenaers and Leen Nijs, "From the Theory of Aid Effectiveness to the Practice: The European Commission's Governance Incentive Tranche," *Development Policy Review* 27, no. 5 (2009): 561–80; Maurizio Carbone, "The European Union, Good Governance, and Aid Co-ordination," *Third World Quarterly* 31, no. 1 (2010): 13–29.

13. Jean Bossuyt, "Mainstreaming Civil Society in ACP-EU Development Cooperation," in *New Pathways in International Development: Gender and Civil Society in EU Policy*, edited by Marjorie Lister and Maurizio Carbone (Aldershot, UK: Ashgate, 2006), pp. 123–38.

14. Stephen Hurt, "Civil Society and European Union Development Policy," in *New Pathways in International Development*, edited by Lister and Carbone, pp. 109–22.

15. Maurizio Carbone, "Theory and Practice of Participation: Civil Society and EU Development Policy," *Perspectives on European Politics and Society* 9, no. 2 (2008): 241–55.

16. Ibid.

17. Sebban. *We Decide, You "Own"!*

18. Two issues were discussed at length: good governance and migration. The EU wanted good governance to be included as an "essential element" of the partnership, whose violation could lead to suspension of aid, but after extensive discussions it was included only as a "fundamental element": only serious cases of corruption constitute grounds for suspension of aid. As for the migration issue, while the right to fair treatment of ACP workers in the European Union was reaffirmed (through legal migration), the issue of illegal migration was very controversial: the ACP group agreed to accept the readmission of people illegally present on the territory of an EU member state at that member state's request and without any further formalities.

19. Gorm Rye Olsen, "Coherence, Consistency and Political Will in Foreign Policy: The European Union's Policy towards Africa," *Perspectives on European Politics and Society* 9, no. 2 (2008): 157–71; Daniela Sicurelli, *The European Union's Africa Policies: Norms, interests and impact* (Farnham, UK: Ashgate, 2010).

20. The preferences of the EU member states broadly reflected their approach and traditions in international development. On one side, France wanted to preserve the integrity of the ACP group and the existing trade regime; it also wanted to avoid trade liberalization as a way to protect its agricultural sector. On the opposite side, Germany wanted to "normalize" relations between the EU and the developing world and therefore suggested regrouping the ACP states into three regions. Trade liberalization and regional integration would complement this project. In the middle, the United Kingdom and the Nordic states shared concerns about the potential marginalization of the least-developed countries caused by the proposed free trade agreements. Forwood, "The Road to Cotonou"; Olufemi Babarinde and Gerrit Faber, eds., *The European Union and Developing Countries: The Cotonou Agreement* (Leiden: Brill, 2005).

21. Ole Elgström and Jes Pilegaard, "Imposed Coherence: Negotiating Economic Partnership," *Journal of European Integration* 30, no. 3 (2008): 363–80.

22. The GSP gives tariff preferences to developing countries, with the aim of providing an incentive to traders to import products from developing countries. The EBA

regulation gives the fifty poorest countries in the world (least-developed countries) duty-free access to the EU for all products except arms and ammunition, including rice and sugar, for which duty-free quotas were established until full liberalization was achieved in September 2009 (for rice) and October 2009 (for sugar).

23. House of Lords, *The EU and Africa: Towards a Strategic Partnership* (London, 2006).

24. European Centre for Development Policy Management, *The EU and Africa: Towards a Strategic Partnership* (Maastricht, 2006).

25. Gorm Rye Olsen, "Challenges to Traditional Policy Options, Opportunities for New Choices: The Africa Policy of the EU," *Round Table* 93, no. 375 (2004): 425–36.

26. House of Lords, *The EU and Africa*.

27. Ibid.

28. Maurizio Carbone, *The European Union and International Development: The Politics of Foreign Aid* (London: Routledge, 2007).

29. Carbone, "Better Aid, Less Ownership."

30. Ibid.

31. European Centre for Development Policy Management, *The EU and Africa*.

32. House of Lords, *The EU and Africa*.

33. Siegmur Schmidt, "Towards a New EU-African Relationship—A Grand Strategy for Africa?" *Foreign Policy in Dialogue* 8, no. 24 (2008): 8–18.

34. Maurizio Carbone, "The European Union and China's Rise in Africa: Competing Visions, External Coherence, and Trilateral Cooperation," *Journal of Contemporary African Studies* 29, no. 2 (2011): 203–21.

*Toward Policy Coherence:
The European Union's Regional
and Bilateral Approaches to East Asia*

With the ratification of the Lisbon Treaty, the European Union (EU) seeks to be a more coherent foreign policy actor. It currently faces challenges in achieving not only coherence and consistency in its approach to East Asian policy but also personality coherence and task coherence in projecting itself as an effective regional interlocutor with East Asia. It currently is a regional actor with the Association of Southeast Asian Nations (ASEAN), the major regional grouping, and a bilateral actor in relations with individual Asian nations. Engagement with East Asia is increasingly more multidimensional, comprising trade, investment, development, market access, humanitarian assistance, and various aspects of foreign policy, with some shared values and global goals reinforcing and extending the relationships. However, the EU is not regarded as a coherent international actor in the region. This chapter draws on scholarly analysis, official documents, and interviews and meetings conducted by the author with European Commission officials in the period 2006–11 regarding the EU's engagement with Asia. These constitute an attempt to contribute to the growing body of literature on elite perceptions in the EU regarding EU–East Asia relations.¹

**Regionalism: The Development of the EU's
Engagement with East Asia**

The relationship between Europe and East Asia was partly forged by past colonial links between some EU member states and East Asian nations, in a state-to-state bilateralism. Postcolonial “special relationships” were characterized by special interests in Asia on the part of the United Kingdom, France, and the Netherlands, in particular. Yet these EU member states have not promoted a coherent EU approach to relations with East Asia, although all member states seek access to the Chinese market.

The EU's engagement with East Asia is based on strategic evaluations of both national and regional interests. The EU's primary objective is to seek better trade relations through greater access to East Asia's burgeoning markets, offsetting the considerable EU trade deficit with East Asia. Redressing this trade deficit was a priority of the EU's global Europe strategy of 2006. More recently, the EU is aware that, by 2015, "90% of world growth will be generated outside Europe, with a third from China alone." Thus the EU realizes that it needs "to seize the opportunity of higher levels of growth abroad, especially in East and South Asia."²

The EU's economic engagement encompasses efforts to promote and protect its interests in a more open Asian market in investment, protection of intellectual property rights, services, government procurement, and sustainable development, in keeping with its global Europe strategy.³ The EU therefore adopted an assertive stance in recent years to secure free trade agreements (FTAs) with East Asian countries, commencing with the new-generation FTA with the Republic of Korea, which came into effect in 2011, and encompassing others under discussion with Malaysia, Vietnam, and Singapore. The 2010 trade strategy states:

We should make good use of fast-growing regional trade in East Asia and pursue our strategic economic interests in that region, inter alia by linking into the rapidly growing network of free trade areas in that region. We will therefore seek to expand and conclude bilateral negotiations with ASEAN countries. East Asian governments are equally interested in seeking economic engagement, too, as well as European influence to counterbalance reliance on the United States and China.⁴

This trade engagement with Asia is in stark contrast to the past lack of EU attention to either bilateral or interregional relations with Asia. Until the EU's first Asia strategy in 1994, the EU was internally preoccupied and had little interest in Asia.⁵ The new Asia strategy was a reaction to East Asia's new economic dynamism and was motivated by the European trade deficit there. The key elements were trade and political and security cooperation, and the main objectives were to strengthen the EU's economic presence; to contribute to stability through expanding economic and political relations; to encourage economic growth, especially in poorer countries; and finally, to develop and consolidate democracy and respect for human rights.⁶ The EU therefore sought to engage as a regional entity with this new and dynamic region and later, in its 2001 document, to broaden the 1994 approach.⁷ Yet policy coherence has been a challenge in all EU strategies toward Asia, with only trade regarded as an EU competence by Asian interlocutors. Further, there is no single Asian regional body along the lines of the EU and, hence, no single interlocutor for the EU. Rather, there is a web of security alliances and economic agreements.

Interregionalism

The beginning of interregionalism came with the commencement, in 1978, of the biennial meetings of EU and ASEAN foreign ministers. ASEAN, which currently consists of ten nations, was formed in 1967, with the objectives of accelerating economic growth, social progress, and cultural development in the region.⁸ Unlike the EU, this regional body is characterized by an intergovernmental format and noninterference in each other's affairs. The formal ASEAN-EU relationship began with the 1980 cooperation agreement and the development of political dialogue in the form of regular ministerial meetings.

The desire for a more regularized yet informal interregional format became evident at the time of the formulation of the 1994 EU Asia strategy, with the initiative of Singapore in that year, which led to the creation of the Asia-Europe Meeting (ASEM).⁹ This new forum for cooperation aimed to strengthen dialogue and interaction between the EU and ASEAN-plus-three (Japan, South Korea, and China). The first ASEM Summit of heads of government was held in 1996, and summits have been held since then at two-year intervals. The participants in the ASEM Summit in October 2010 in Brussels were the twenty-seven EU members, the thirteen ASEAN-plus-three plus India, Pakistan, and Mongolia and the ASEAN secretariat (which joined in 2008), and the European Commission and the three new members who joined in 2010—Russia, Australia, and New Zealand. This interregional summit and associated meetings are based on informal dialogue and are framed by three pillars of cooperation: political, economic, and cultural. The ASEM structure encompasses an Asia-Europe business forum; a university program for student exchange; a meeting of economic ministers; Asia-Europe Foundation meetings (a “vision group”); and an action plan to promote trade and investment.¹⁰

Interviews conducted by the author with European Commission and External Action Service officials show that there is a clear commitment among them to strengthen this relationship. This coherence of views does not extend to the evaluation of the success of ASEM. When asked how important ASEM is, an official expressed a position of extreme skepticism: “At the end of the day, what really matters is our relationship with ASEAN, our relationship with China, and . . . our bilateral relationships. In most cases, the issues you discuss [in ASEM] are interesting, but you discuss them much more deeply and in a much more productive manner when you are meeting with ASEAN or when you are meeting and discussing certain issues bilaterally.” This view is shared by an official who considers that the EU “should try to work with ASEAN a little bit more, at the political level . . . because it's more focused, more doable,” while “ASEM is fine for exchanging views . . . but I have some doubts about it.” Another official

was of the opinion that ASEM is an internal, rather than an external, visibility tool for the EU, with “confidence-building measures.” A more enthusiastic commission official view is that the EU is attempting to “demonstrate that the Asia-Europe meeting is the prime point of convergence between Europe and Asia, as far as our relationship is concerned, at the multilateral level.”

The value of dialogue, socialization, and mutual understanding—such as that fostered within ASEM—cannot be underestimated, as evidenced by the commission’s recognition in its 2001 document, *Europe and Asia: A Strategic Framework for Enhanced Partnerships*, that there is a measure of mutual ignorance: “One element which does not seem to have evolved greatly is the degree of mutual awareness between our two regions, with stereotypes on both sides still casting Europe as introspective and old-fashioned, and Asia as a distant and exotic continent, presenting more challenges than opportunities.”¹¹

Interregional relations can certainly be advanced if there is a recognition of common experiences and shared interests, and here we see the potential value of ASEM, although human rights, labor laws, and governance issues are key concerns for the EU interlocutors that are not addressed by most Asian interlocutors. The fact that East Asia does not constitute a region in the way that the EU does means that engagement must encompass a comprehension of differences and of lack of comparability between some experiences. Although Europe is not without its diversity, the defining features of East Asia include a remarkable heterogeneity of race, ethnicity, religion, and historical experiences. Democracy, authoritarianism, and communism are all present in the region.¹² These contrasts mean that a relationship based on regionalism and interregionalism currently operates under considerable constraints.

Conflicting Agendas?

The EU’s increased visibility in international affairs and its desire to take a more active role in international governance and multilateralism have led to expectations that the EU will be a more active international actor, moving from external relations to foreign policy. Yet there is little personality coherence in the EU since the Lisbon Treaty, with Catherine Ashton, Herman Van Rompuy, and José Manuel Barroso all appearing to speak for the EU internationally. Karol De Gucht argued that European citizens expect the EU to use its substantial international influence to protect and promote their interests and that the rest of the world expects the EU to develop a greater weight in international affairs.¹³

Yet the effectiveness of the EU’s strategy in East Asia requires scrutiny, as it can appear to be characterized more by promissory rhetoric than action, in its attempts to be an effective regional interlocutor with East Asia and to project

its soft power. The evidence to date suggests that, where the EU is recognized as an actor, it is predominantly in trade and not in soft power or promotion of governance or regional integration, although integration promotion with ASEAN has increased in recent years, often as a form of norms diffusion.¹⁴ Further, it is not always clear what outcomes the commission wishes to achieve. According to the EU's most recent policy guidelines toward East Asia, released in December 2007: "The attitude of the major East Asian players is also increasingly important to the EU's wider global agenda. The EU needs, and seeks to promote, multilateral solutions to global challenges. The EU is promoting an open and fair trading system and further liberalization under the WTO [World Trade Organization] and in its bilateral and regional agreements."¹⁵ Currently the commission is negotiating several bilateral FTAs in recognition of the stalling of the WTO as well as of FTA negotiations between the EU and ASEAN. Procurement, nontariff barriers to trade, intellectual property, and services feature in these bilateral negotiations.

There is an uneasy coexistence of the desire to promote multilateralism in the WTO and to conclude FTAs with East Asia. The global Europe strategy applies two major criteria for new FTA partners: market potential (economic size and growth) and level of protection against EU export interests (tariffs and nontariff barriers).¹⁶ The document also sees the need to evaluate "potential partner" negotiations with EU competitors, their likely impact on EU markets and economies, and the risk that current partners' preferential access to EU markets may be eroded. Using these criteria, the EU made ASEAN and Korea priorities.

Further, although regionalism is actively promoted by the EU in ASEAN, as seen in commission officials' meetings with ASEAN's Eminent Persons Group, which provided valuable input into the ASEAN Charter, the EU perceives its own experience of integration positions as playing "an important role in helping to bolster regional security" based on the EU's "economic presence in the region, and its unique experience of post-war reconciliation and political and economic integration."¹⁷ One commission official interviewed referred to the EU as consisting of "countries which really have a stake in the future of Asia and in the security of Asia."

This challenge to security means that the EU seeks to be actively involved in Asian regional forums. Comments by officials suggest that the EU can be perceived as neutral, giving Asian partners the impression that "the EU can be used in a neutral fashion without necessarily infringing on their own interests." Officials view security as an emerging field for the EU but say "we have to see our limits very clearly" because the EU is more a soft power, which is "what we also want to be, for the moment." Yet commission president Barroso interprets this as follows: "While the European Union's geo-political power is not military

in nature, it is not limited to soft and economic power. Foreign policy today goes well beyond trade and peace. It stretches from climate change negotiations to migration flows to counter-terrorism to food, development and aid.”¹⁸

A Promoter of Regional Integration

The EU’s experience has been admired by many Asian leaders.¹⁹ Although such admiration is tempered by the eurozone crisis, there remains considerable interest in the EU’s success in creating a unified entity, with a significant internal market, institutional reforms, and a regional peace settlement.²⁰ However, there is equally a perception that the Asian experience is distinctive and requires a different approach. The promotion of the European integration experience as an example, or template, is not an approach on which all commission officials concur.

The EU seeks to promote regional integration, as seen in the June 2008 transatlantic summit declaration, which states: “We also encourage greater regional integration as a means for promoting prosperity and stability in East Asia.”²¹ Commission president Barroso has stated: “While we acknowledge that every situation has its own specificities, we feel proud when so many of our partners and friends in Asia consider the European experience as a source of inspiration for their own cooperation and integration efforts.”²² And a Commission official stated, “We think that the better ASEAN integrates, or East Asia integrates, the better it is for the rest of the world.”²³ Yet many officials are aware that it is important for the EU to avoid a perception of integration snobbery.

Regional Actor

The EU is not perceived as an effective regional actor by many interlocutors in the region. Rather, they see it as a multiactor entity with many voices and problems of policy inconsistency and incoherence.²⁴ Interviews reveal that there is recognition that the EU’s internal and external policies need to be more closely linked and that there is a need for increased interinstitutional cooperation on a strategy for East Asia. There is a need for task coherence among and across the EU institutions and their leadership.

Yet the EU continues to project itself as a form of soft power both internationally and in East Asia. Officials perceive the EU as “very definitely a value-driven global actor” and the EU’s international ambitions as “value-driven.” They refer to the EU’s “global ambitions in terms of dousing civil wars wherever possible.”

Officials understand that the EU needs more visibility, expertise, and capacity, as well as negotiating clout, with third countries. They are aware that the EU is not easy to understand, with one official stating: “It is a big task to require

interlocutors to understand the EU and member states' competences." The EU's complexity is also a challenge to its institutional coherence and to its "attempts to bring together disparate policies of the EU" toward East Asia. There is recognition of the need for institutional consolidation in the region. East Asia is firmly on the EU radar screen because of East Asia's economic competitiveness, common global agendas, the EU's desire to be a more active political and security actor in the region, and its desire to concurrently exercise its soft-power capabilities.²⁵ Dialogue on economic, political, and sociocultural issues is also a means to advance the EU's norms and agendas.

In addition, the emergence of China as a powerful economic player and interlocutor is central to all EU policies with regard to Asia (see Mara Caira's chapter, this volume). There is also a perception among some officials that the EU is a soft-power competitor, with the United States as a regional hegemon, although this view has been actively disputed within Asia itself as well as in Europe. The 2007 East Asia policy guidelines put the issue in the following context:

The U.S.'s security commitments to Japan, the Republic of Korea and Taiwan and the associated presence of U.S. forces in the region give the U.S. a distinctive perspective on the region's security challenges. It is important that the EU is sensitive to this. Given the great importance of transatlantic relations, the EU has a strong interest in partnership and cooperation with the U.S. on the Foreign and Security policy challenges arising from East Asia.²⁶

These guidelines set an agenda for future engagement. They state that the EU should develop its cooperation with all regional partners on many global issues, expanding dialogue and cooperation in areas such as development assistance, environmental sustainability, climate change, nonproliferation of weapons of mass destruction, conflict prevention, and peace support. They seek engagement for the promotion and protection of human rights and fundamental freedoms in East Asia, and this includes encouraging Asian partners to adhere to and comply with UN human rights instruments and mechanisms. The guidelines see this as potentially narrowing existing gaps in those values that hamper efforts to find common policy ground. Further, they suggest that the EU promote the development and consolidation of democracy and the rule of law and that it continue to promote cultural and civil society exchanges as a cornerstone of mutual understanding.

The EU's roles of integration exporter and multilateralism supporter are evident in the statement that the EU should "encourage and support regional integration as a means for promoting prosperity and stability" and "encourage and support the integration of countries in the region into existing multilateral

non-proliferation and disarmament instruments and assist them in the full implementation of these instruments as well as in the establishment of effective export controls.”²⁷

Bilateralism

The EU continues to advance an EU-to-state bilateralism, such as that between the EU and South Korea. Another common form of bilateralism is that of individual EU member states negotiating with individual Asian states. The desire for EU member states to pursue individual policies with Asian nations is, in part, the legacy of the colonial heritage. It is also due to the reluctance to regard the European Union as the key negotiator on Asia policy. De Gucht perceived a vertical inconsistency within the EU, defined as “the inadequate support from national diplomacies for EU foreign policy,” as regrettable because it reveals a perception of EU foreign policy as a zero-sum game, involving loss of national influence and prestige, as in the case of China.²⁸ Bilateralism can be regarded as the most pragmatic and effective approach to making progress on regional coherence within Asia itself. The fact that neither ASEAN nor ASEAN-plus-three is a regional actor with embedded institutions similar to the EU means that bilateral relations with individual Asian nations will be a hallmark of the EU’s policy toward East Asia. An official has admitted that “our Asia strategy has been a bit a function of the integration pace in Asia, which is quite slow and . . . that explains why we go for bilateral relations . . . we individualize the countries and we deal with them individually.”

Concluding Observations

The EU seeks to establish its credibility and credentials in Asia, a difficult task given that it does not appear to Asian interlocutors to speak with one voice. What is needed is coherence and consistency in three ways: policy coherence, personality coherence, and task coherence. The sources of operational incoherence are related to structure (resulting from inter- and intra-institutional differences and a multilevel governance model) and leadership (resulting from shared and contested competencies). This is accentuated by the lack of conceptual coherence in the EU’s broader regional strategy.

But speaking with a single voice in external relations has proven to be a major challenge for EU elites. Effective coordination is an essential prerequisite for a single voice, with better coordination among policies and a clear voice among actors. The importance of cementing key relationships with rising economic and political powers is a core priority for the EU. This will be an opportunity to build on and expand from what drives the relationship: a

commitment to multilateralism, trade flows and investment, and bilateral FTAs and other agreements.

So can the EU still be a relevant player in Asia and a partner for emerging Asian countries? It can, in soft security and soft power. The EU can promote regional integration, but the effectiveness of this strategy depends on whether Asian interlocutors and ASEAN regard the EU as a useful partner and a counterbalance to U.S. and Chinese dominance of the region. The EU has proven that it can engage with East Asia at different levels—bilateral, regional, and multilateral. The EU is recognized as an influential actor in trade and development assistance but not as a political leader in the region. Its exclusion from the East Asia Summit remains problematic for its interregionalist agendas.

The EU seeks to act as a cohesive actor in East Asia and to support the development of regionalism in East Asia. Until recently, there was little concern about the need to understand the EU's impact on its interlocutors and to move beyond the essentially self-reflexive nature of the EU's pronouncements. The EU and East Asian countries have differing experiences and understandings of regionalism. The EU needs to be cautious in advancing its experience of integration, because it is not always clear what kind of regional paradigm the EU is promoting and how that might be perceived by its interlocutors.

As the EU attempts to spread its more established policies, such as trade and development aid, and to establish or broaden its more recent approaches based on security, humanitarian assistance, "norm entrepreneurship," and governance promotion, the EU is spreading itself quite thinly across a number of policies in an enormous region. It is certainly the case that the EU has adopted a multidimensional approach to East Asia. The EU will need to continue to monitor developments in the region, such as the East Asia Summit, which it seeks to join. It will monitor the roles of China and Japan as well as the difficult relationship between those two interlocutors. It seeks to redress what is perceived as a lack of recognition by the commission "of just how rapidly the entire Asian landscape is changing."²⁹ The EU is, and will continue to be, engaged in a multidimensional relationship of regionalism, interregionalism, and bilateralism as it seeks to act as a regional interlocutor with East Asia.

Notes

1. The author conducted interviews and meetings with European Commission and European External Action Service officials in Brussels between September 2006 and June 2011. The officials prefer to remain anonymous.

2. European Commission, *Global Europe: Competing in the World, a Contribution to the EU's Growth and Jobs Strategy*, Brussels, COM(2006) 567 final, October 4, 2006, p. 4.

Also see European Commission, *Trade, Growth, and World Affairs*, Brussels, COM(2010) 612, pp. 4, 10

3. "We will require a sharper focus on market opening and stronger rules in new trade areas of economic importance to us, notably intellectual property (IPR), services, investment, public procurement and competition." European Commission, COM(2006) 567, p. 6.

4. Philomena Murray, "Introduction: Europe and Asia, Two Regions in Flux?" in *Europe and Asia: Regions in Flux*, edited by Philomena Murray (Basingstoke, UK: Palgrave, 2008).

5. European Commission, *Towards a New Asia Strategy*, Brussels, COM(94) 314 final, July 13, 1994.

6. Ibid.; Philomena Murray, "Contemporary European Perspectives on East Asia and EU-Asia Relations," in *Europe and Asia*, edited by Murray.

7. European Commission, *Europe and Asia: A Strategic Framework for Enhanced Partnerships*, Brussels, COM(2001) 469 final, September 4, 2001.

8. The five original members were Indonesia, Malaysia, Singapore, Philippines, and Thailand. Today's ten members are Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore, Thailand, Vietnam, Laos, Burma (Myanmar), and Cambodia.

9. Yeo Lay Hwee, "The Origins and Development of ASEM and EU-East Asia Relations," in *Europe and Asia*, edited by Murray.

10. Bertrand Fort, "Can Asia and Europe Cooperate?" paper prepared for the International Conference on EU-Asia Relations, Contemporary Europe Research Centre, University of Melbourne, March 27–28, 2008.

11. European Commission, *Europe and Asia*, p. 14.

12. Murray, "Introduction: Europe and Asia."

13. Karol De Gucht, "Shifting EU Foreign Policy into Higher Gear," EU Diplomacy Paper 1/2006 (Bruges: College of Europe, 2006).

14. Natalia Chaban and Martin Holland, eds., "The EU through the Eyes of the Asia-Pacific," NCRE Research Series 4 (University of Canterbury, 2007); Anja Jetschke and Philomena Murray, "Diffusing Regional Integration: The EU and Southeast Asia," *West European Politics* 35, no. 1 (2012): 174–91.

15. Council Directive 16460/07/EC of 14 December 2007, East Asia policy guidelines, p. 3. FTA negotiations are currently on hold; the FTA with Korea is now ratified.

16. European Commission, *Global Europe*, p. 9.

17. Council Directive 16460/07/EC, p. 4.

18. José Manuel Durão Barroso, "Shared Futures: Europe and Australia in the 21st Century," keynote address, Australia National University, September 6, 2011.

19. Toshiro Tanaka, "Asian Perspectives on European Integration," in *Europe and Asia*, edited by Murray.

20. François Godemont, "Europe-Asia: The Historical Limits of a Soft Relationship," in *Europe-Asia Relations: Building Multilateralisms*, edited by Richard Balme and Brian Bridges (Basingstoke, UK: Palgrave, 2008).

21. Council Directive 10562/08/EC of 10 June 2008, 2008 EU-US summit declaration.

22. José Manuel Barroso, speech, Asia-Europe Meeting, September 10, 2006 (www.asem6.fi/news_and_documents/en_GB/1157887132984/).

23. Philomena Murray, "Comparative Regional Integration in the EU and East Asia: Moving beyond Integration Snobbery," *International Politics* 47, nos. 3, 4 (2010): 308–23.

24. Philomena Murray, Adam Berryman, and Margherita Matera, "Coherence, Effectiveness and Recognition in EU-East Asia Relations," paper prepared for workshop on EU-Asia relations, Brussels, July 10, 2008.

25. Council Directive 16460/07/EC.

26. *Ibid.*, p. 4.

27. *Ibid.*, p. 5.

28. De Gucht, "Shifting EU Foreign Policy."

29. Malcolm Subhan, "Europe and Asia: A Common Future?" in *L'Europe et l'Asie*, edited by Dumoulin Michel, Actes de la IXe Chaire Glaverbel d'études européennes (Brussels: PIE-Peter Lang, 2004), p. 104.

*The EU-China Relationship:
From Cooperation to Strategic Partnership*

The relationship between the European Union and China has developed in depth and extent over the past thirty years. Many points of disagreement as well as many important achievements have punctuated its evolution. The relationship was triggered in the 1970s by the Chinese interest in the birth and development of the new political entity: an integrated Europe. It grew in the 1990s, as the European Commission became concerned with protecting and consolidating European interests in an evolving East Asia. The idea was to have these interests materialize through “an action-oriented, not a merely declaratory” policy aimed at what was becoming the most important regional power.¹ This relationship grew into a cherished strategic partnership. Since roughly 2006, relations seem to have stalled or taken a step backward. This relationship has been said to have entered the mature “marriage” phase after a “honeymoon” period.² The Lisbon Treaty has recently suggested that the relationship could enter a new phase if the EU shows a capacity to be a major political actor.

An Overview

The establishment of official relations between the EU and China goes back to 1975, when Christopher Soames, vice president of the Commission of the European Community (EC) in charge of external relations, made a trip to China on the invitation of the Chinese Institute of International Studies.³ China had been showing a sustained, though not continuous, interest in European integration for at least ten years.⁴ In the Chinese analysis, developed within the framework of the “three world” theory, an integrated Europe would eventually play a significant role on the international stage. Since 1964 Western Europe had been situated in the “second intermediate zone,” distinguished from the other two camps, the socialist and the imperialist.⁵ As a consequence, like other countries

belonging to the intermediate zones, Western Europe was a potential ally in reducing China's isolation.

There were of course economic reasons for building closer relations with Europe, since China needed technology and equipment for its modernization. But it seems that the Chinese motive was essentially political, as was also reflected in the opinion of EC leaders. From the European perspective, China was offering EC member states the opportunity to acquire a new market. The prospect of consolidating China's separation from the socialist bloc was perceived as a valuable political outcome.

The trip of the vice president of the EC Commission resulted in an agreement to have the EC recognized by the People's Republic of China (PRC) and to have the Chinese ambassador in Belgium accredited as ambassador to the EC as well. China was, therefore, the first country of the socialist camp to recognize an integrated Europe as a political entity. The EC commissioner was not empowered to make declarations concerning Taiwan, but Soames stated at a press conference that the EC had neither an official relationship nor agreements with Taiwan and that all EC member states recognized the government of the PRC as the sole legal government of China. However, a European delegation office was opened in Beijing only in 1988.

Until the end of the 1980s, the initial phase of the EU's relationship was characterized by cooperation arrangements designed to assist China's development in many areas, such as science, rural economy, and training, and by the signing of economic and trade agreements. The first trade agreement was signed in 1978, followed by a new agreement on trade and economic cooperation between the European Economic Community and the People's Republic of China in 1985. Even though the emphasis at that time was on the economic opportunity offered by the development of China and the resulting opening of vast markets for European goods and services, political dialogue also existed. It was initiated in 1984, although it remained confined to meetings between the presidency of the European Council and the Chinese ambassador to the country of the presidency.

A real political relationship took shape in the mid-1990s, when the first communication addressed to China by the EU Commission, *A Long-Term Policy for China-Europe Relations*, was published.⁶ That first communication activated a wider and more institutionalized political dialogue. It had been established in 1994 through an exchange of letters, in order to include all issues of common interest and global significance. Meetings were held between the foreign ministers, between the Chinese foreign minister and the EU ambassador in Beijing, and between the Chinese ambassador in the country holding the EU presidency and the foreign minister of that country. Their intention was

to create a network of regular consultations, with the aim of engaging China progressively in full-fledged political cooperation and gradually developing a more mature relationship.

The next communication, *Building a Comprehensive Partnership with China*, went further. It established the annual EU-China summit at the heads-of-state and government level, the first of which took place in April 1998 in London. Altogether, and apart from these first communications, the commission issued several documents concerning European policy toward China: *EU Strategy towards China: Implementation of the 1998 Communication and Future Steps for a More Effective EU Policy*; *A Maturing Partnership: Shared Interests and Challenges in EU-China Relations*; and *EU-China: Closer Partners, Growing Responsibilities*, accompanied by the working paper, "Competition and Partnership."⁷

A few key words sum up EU's China policy: engagement, cooperation, and partnership. Engagement reflects the idea that, due to its rise as an economic power and as a global actor, China is "both part of the problem and of the solution to all major issues of international and regional concern."⁸ Therefore it is essential for the Europeans to develop a common understanding on all issues of concern and to involve China in global governance. The best way to reach this goal is to develop a policy of engagement through cooperation with the PRC. Engagement implies opposing containment, especially in the mind of the Chinese leaders, and it underlines the different European and U.S. approaches to China's rising role in the world.

Cooperation between the EU and China occurs through a wide range of projects (including the Galileo satellite navigation system, biological technology, aviation, good governance, training of officials, and others) and through sectoral dialogues ranging from political analysis to environmental and trade issues.⁹ Sector dialogues are one of the most interesting features of Sino-European relations. Each one involves officials and experts from both sides in a broad discussion. As a whole, they are conceived as a means to closely examine issues and to make progress in analysis through discussion and confrontation of the parties' respective points of view. The idea is to reach convergence and solutions and to avoid misunderstandings and different interpretations of the letter of the agreements. The very existence of institutionalized frameworks of discussion, under the general structure of the political dialogue, makes the Chinese side ready to engage frankly and openly on even difficult issues, which would very probably be impossible in a different context. Political and civil freedom and human rights are the object of a separate specific dialogue.

Political dialogue, sector dialogues, and cooperation projects are of course linked. The interaction among them strengthens political dialogue and cooperation, with the sector dialogues being a kind of conveyor belt. The whole system

ensures that the EU's priorities are pursued in concrete and practical ways when projects are implemented. The system and structuring of the relationship are specific and have been effective.¹⁰

Through this peer approach to issues, cooperation was upgraded to partnership. Cooperation and partnership have developed into a comprehensive strategic partnership since 2003, as formulated in an EU policy paper and in a policy paper issued by the Chinese government in October 2003 (the first document of its kind ever issued by the PRC).¹¹ In the opinion of many analysts, the sense of comprehensive strategic partnership still needs to be defined in a clear way by both sides.¹² On the Chinese side, the concept of a comprehensive strategic partnership was elucidated by Prime Minister Wen Jiabao in May 2004:

By comprehensive, it means that the cooperation should be all-dimensional, wide-ranging, and multilayered. It covers economic, scientific, technological, political, and cultural fields, contains both bilateral and multilateral levels, and is conducted by both governments and nongovernmental groups. *By strategic*, it means that the cooperation should be long term and stable, bearing on the larger picture of China-EU relations. It transcends the differences in ideology and social systems and is not subjected to the impact of individual events that occur from time to time. *By partnership*, it means that the cooperation should be equal footed, mutually beneficial, and win-win. The two sides should base themselves on mutual respect and mutual trust, endeavor to expand converging interests, and seek common ground on the major issues while shelving differences on the minor ones.¹³

From the European Union's point of view, as reflected in the first two communications by the commission, strategic partnership is a relationship in which the two parties reciprocally recognize the strategic relevance of the partner on issues concerning both bilateral relations and global governance.

The partnership should address both sides' interests, and the EU and China need to work together as they assume more active and responsible international roles, supporting and contributing to a strong and effective multilateral system. The final goal is for China and the EU to use their respective strengths to offer joint solutions to global problems.¹⁴ Strategic partnership is still under construction. It should be the driving force for the Partnership and Cooperation Agreement currently under discussion and should be embodied in it.

Negotiations over the Partnership and Cooperation Agreement began in January 2007, after the two partners had agreed in 2005 that a new framework for the EU-China relationship was necessary because the former legal tool, the Trade and Economic Agreement (1985), was out of date. The new agreement is

expected to be comprehensive, and it should embody both the political and economic dimensions of the partnership, covering a wide range of fields of cooperation and including existing small separate agreements. It should also reflect the complexity, breadth, and depth of the relationship, its strategic relevance, and enhanced cooperation in political matters.

Over time, the relationship has become more complex than initially expected. Political and strategic issues (human rights and the arms embargo) proved more difficult to handle, economic and trade interests became more conflicting, and member states took different positions on themes to which China is sensitive (Tibet, protection of human rights, the arms embargo). From China's perspective, these are not separate issues because they all concern Chinese sovereignty and international status.

Convergence and Frictions

The first convergence lies in the lack of conflicts of interest between the two partners: no territorial conflict or dispute exists between them, and Europe does not represent a security challenge to China. A convergence of interests between the EU and China has been evident in many circumstances. The aim of the commission at the time of the first communication in 1995 was to facilitate China's accession to international institutions, in that case the World Trade Organization (WTO). With this commitment, the EU was responding to the Chinese effort to assert itself as a peer nation on the global stage. The EU was a strong supporter of China's accession to the WTO, arguing that a WTO without China was not truly universal in scope. For China, formal accession to the WTO in December 2001 symbolized an important step in its integration into the global order. The commitments made by China in the context of WTO accession secured greater access for EU firms to China's market. Thus the economic interests of the EU were met. China appreciated the support given by Europe, in contrast with the ambivalence of the United States, at a time when joining international institutions was a paramount goal of Chinese foreign policy.

A false convergence exists in the international role that China credits to the EU. This can be defined as a kind of wishful thinking, or cognitive dissonance, in the sense that China supports an international role that the EU only partially accomplishes.¹⁵ This role consists in a stance for the democratization of international organizations and for the construction of a multipolar world, the international order China would like to achieve. The Chinese view elaborates on the EU's advocacy of a multipolar order in which superpowers are conditioned by supranational institutions, peaceful conflict resolution through international multilateral organizations, an enhanced role for the United Nations, promotion

of a political space open to all actors, and opposition to the superpower politics that would impose a unilateral view of the international order.

Not long after the mutual endorsement of engagement in a strategic partnership, both sides put forward requests and expectations. Since 2003 the Chinese side has required the strategic partnership to fulfill a list of conditions. First, it requires proper handling of the Taiwan issue. China hopes that the EU will continue to respect China's major concerns, keeping exchanges with Taiwan strictly on an unofficial and nongovernmental basis, and that it will avoid selling weapons to Taiwan. Second, the EU should lift its ban on arms sales to China "at an early date so as to remove barriers to greater bilateral co-operation on defense industry and technologies."¹⁶ Third, the EU should not have any contact with the "Tibetan government in exile."

Taiwan in itself does not represent a real problem in EU-China relations because the EU and its member states are committed to the one-China principle. But the arms embargo and the Taiwan issues came to be connected after the so-called antiseccession law was passed by the National People's Assembly in March 2005. This touches on two questions: China's sovereignty and its international status. Against this background, the strategic partnership conflicts with those two crucial issues of Chinese domestic and international politics. As a consequence, China claims that the EU is not treating it as a strategic partner.

Up to the most recent phase, another source of misunderstanding lay in the peculiar characteristic of European external relations, which is defined by three actors: the European Commission, the European Council, and the European Parliament. The commission develops the general lines of the common European action to be pursued toward China; the council expresses and protects member states' individual interests; and the parliament's resolutions criticize China on human rights and political freedom issues, often more harshly than the two other institutions. Moreover, the parliament has recently exerted greater influence on the council than in the past. Because the three actors' positions are not homogeneous, China must deal with what it perceives as an unbalanced and inconsistent attitude. Besides that, each member state, or at least the major ones (Great Britain, France, and Germany), has its own "China policy," which in turn makes it difficult for China to evaluate the "European" stance.

This conundrum has a chance to be rectified through the Lisbon Treaty and through a closer coordination between the commission and the council, if the high representative for foreign affairs, who is at the same time vice president of the commission, presents the council with proposals for a more effective long-term strategic relationship with China. In respect to member states' national interests, the new instruments introduced in the Lisbon Treaty should help define a more consistent and coherent EU China policy, if a paper from the

high representative goes through a consultative process in the various European countries.

But all in all the Chinese side remains realistic about the possibility of hearing the same message from the twenty-seven voices. For instance, the recent economic crisis in the eurozone highlights the limits of the EU in coordinating decisions, even in the realm of its currency, with which it has achieved its most success in building its identity as a major pole. Concerning effective convergence, in light of the war in Iraq and the arms embargo, China has become more aware of the weight of transatlantic relations, of the connections between the China-EU relationship and the EU-U.S. relationship. In short, it has become aware that the relationship is in fact triangular.¹⁷

From the European point of view, the strategic partnership also means that China should assume more responsibility on global issues (the environment, nuclear nonproliferation, relations with African countries) and in bilateral relations (property rights protection; opening the Chinese market to European economic actors, especially in the financial sectors; reducing the trade imbalance). Increasing criticism has been expressed by experts and by the economic and business milieu.¹⁸ This was reflected in the commission document, *EU-China*, and in the accompanying document on trade.¹⁹ All of these frictions keep the EU-China relationship at a suboptimal level. But at same time, the articulation of the different instruments and mechanisms has built up a solid flow of information, know-how, aid, and transfer of knowledge concerning Western institutions, which has helped mold Chinese bureaucracy, political culture, and legal conceptions. Those influences are not always evident but are nonetheless metabolized in the "Chinese way."²⁰

Another reason that the relationship is deepening is of course the economic interdependence, or complementarity, of the two parties.²¹ The relevance of economic ties is reflected in the ever increasing number of new "mechanisms." For example, the high-level economic and trade mechanism, launched in Beijing in April 2008, will deal with the already mentioned issues of crucial importance to the EU-China relationship (trade relations and economic cooperation, investments, market access and intellectual property rights protection). Trade, investments, economic interests, and political engagement should be, as noted before, integrated in the new Partnership and Cooperation Agreement, which the two partners are still negotiating. It has to be noted that the relationship's most interesting feature is the support given to China's internal reform process. It comes as a challenge to the EU, but it engages both sides in a more and more mature cooperation.

The implementation of the Lisbon Treaty also provides the establishment of the European External Action Service and a larger commission delegation to

replace the present commission representation in Beijing. This will foster more direct and operative communications between the EU and China—which is highly appreciated by the Chinese side—and a better coordination of European actions toward China, thus enhancing the quality of the relationship.

Notes

1. European Commission, *A Long-Term Policy for China-Europe Relations*, Brussels, COM(1995) 279, p. 3 (www.delchn.ec.europa.eu/download/com95_279en.pdf).
2. David Shambaugh, Eberhard Sandschneider, and Zhou Hong, eds., *China-Europe Relations: Perceptions, Policies and Prospects* (London: Routledge, 2008), pp. 303–17.
3. The trip was then upgraded to a high-level visit.
4. See Mara Caira, *Unione Europea e Cina. Storia del dialogo sino-comunitario* (Rome: Carocci, forthcoming); Harish Kapur, *China and the EEC: The New Connection* (Dordrecht: Martinus Nijhoff, 1986).
5. *Renmin ribao* (People's Daily), editorial, January 21, 1964.
6. European Commission, *A Long-Term Policy for China-Europe Relations*.
7. See European Commission, External Relations, "China" (www.ec.europa.eu/external_relations/china); also see several European Commission documents: *Building a Comprehensive Partnership with China*, Brussels, COM(1998) 181; *EU Strategy towards China: Implementation of the 1998 Communication and Future Steps for a More Effective EU Policy*, COM(2001) 265; *A Maturing Partnership: Shared Interests and Challenges in EU-China Relations*, COM(2003) 533; *EU-China: Closer Partners, Growing Responsibilities*, COM(2006) 631; *Competition and Partnership*, COM(2006) 632.
8. European Commission, *EU Strategy towards China*, p. 7.
9. European Commission, External Relations, "An Overview of the Sectoral Dialogues between China and the EU" (http://ec.europa.eu/external_relations/china/sectoraldialogue_en.htm).
10. European Commission, *Evaluation of the European Commission's Co-operation and Partnership with the People's Republic of China*, country-level evaluation, final synthesis report, April 2007, p. 16.
11. See European Commission, *A Maturing Partnership*; Chinese government, *China's EU Policy Paper*, October 2003.
12. See, for example, Zhang Tiejun, "EU, China and Global Governance," paper prepared for the Fifth Shanghai Workshop in Global Governance, Shanghai Institute for International Studies and Friedrich-Ebert-Stiftung, January 23–24, 2007 (library.fes.de/pdf-files/bueros/china/04642.pdf).
13. Wen Jiabao, "Vigorously Promoting Comprehensive Strategic Partnership between China and the European Union," speech, China-EU Investment and Trade Forum, Brussels, May 6, 2004.
14. European Commission, *EU-China*.
15. Shambaugh, Sandschneider, and Zhou, *China-Europe Relations*, p. 128.
16. *China's EU Policy Paper*.

17. Jean-Pierre Cabestan, "European Union–China Relations and the United States," *Asian Perspective* 30, no. 4 (2006): 11–38; Bates Gill, "The United States and the China–Europe Relationship," in *China–Europe Relations*, edited by Shambaugh, Sandschneider, and Zhou, p. 128.

18. Katinka Barysch, Charles Grant, and Mark Leonard, *Embracing the Dragon: The EU's Partnership with China* (London: Centre for European Reform, 2006).

19. European Commission, *EU-China*; European Commission, *Competition and Partnership*.

20. Zhou Hong, "EU Social Policy Studies in China," *Asia Europe Journal* 2, no. 3 (2004): 425–27.

21. Bernadette Andreosso-O'Callaghan and Françoise Nicolas, "Complementarity and Rivalry in EU-China Economic Relations in the Twenty-First Century," *European Foreign Affairs Review* 12, no. 1 (2007): 13–28.

*Promoting Values
and Models Abroad*

PART
IV

*The European Union as a Model Power:
Spreading Peace, Democracy, and
Human Rights in the Wider World*

The principles of human rights, peace, and democracy have been deeply embedded in the European integration experiment since its inception. The triad reflects the intrinsic core values of the European project's ontology and teleology. As the process of integration crystallized, respect for human rights as well as promotion of democracy and peace became concrete goals guiding the European Union's foreign policy actions and tools. More recently, since European reunification, with the return of the Central and Eastern European states to the coveted ideational fold of liberal democracy, this trend was consolidated with the European Union's move from a regional to a global foreign policy agenda, including seeing itself as a global peace builder and norm setter.

The quest for peace and the pursuit of democracy and respect for human rights, among other coveted values, justify the depiction of the EU as a "force for good," in line with the perspective of a "normative power Europe" (NPE).¹ A similar approach was taken by the proponents of an "ethical power Europe."² Such contemporary designations, inspired in the tradition of the conception of a "civilian power Europe" (CPE) forged by François Duchene in the 1970s, have fueled a topical academic debate between those holding a realist view and those advocating a more idealist-liberal understanding of the role of the EU in contemporary international relations.³

Moreover, the development of the Common Foreign and Security Policy (CFSP), which in 1999 came to incorporate the European Security and Defense Policy (ESDP), led to contrasting interpretations of the emergence of a "military power Europe," similar to that envisaged by Hedley Bull in 1982.⁴ Some saw evidence of the militarization of the EU in the capacity-building efforts based on the Helsinki headline goal established in 1999 and the subsequent launching of military operations in such geographical locations as Africa and the Balkans, a development with the potential to undermine the EU's normative exceptionality.⁵

This academic debate largely echoes the diverging national perspectives of EU member states regarding the role of the EU in the world and, ultimately, the teleological objective of the European venture. Such differing views surfaced in October 2007 with renewed vigor under the political impetus of French president Nicolas Sarkozy toward a greater European military integration conducive to the emergence of a genuine “Europe of defense.” In the context of an anticipatory announcement about the future priorities of the EU’s French presidency (July–December 2008), Sarkozy declared that his country intended to seize its presidential term in office to boost the ESDP to the point at which the EU would gain more military autonomy.⁶

The emphasis placed by Sarkozy on enhanced military élan for the ESDP, matching a vision of a military power Europe, was opposed by the British foreign secretary, David Miliband, in his celebrated speech at the College of Europe in November 2007. In what Jean Luc Dehaene describes as “the first great political speech on Europe at a crucial moment for Europe,” Miliband countered Sarkozy’s push for greater military integration with the statement that the EU “is not going to become a superstate. But neither is it destined to become a superpower.”⁷ Hinting at a 2030 time horizon, the vehemence and frequency with which Miliband underlined this idea backed up the reading that the EU is still far from becoming a state actor with significant military power.⁸

The head of British diplomacy depicted the EU as a “model power” derived from a “role model that others follow.”⁹ Drawing on this and taking into consideration the increasing identification of this organization as a model, a key truism in the discourse of the EU’s global role, the present chapter raises the theoretical and empirical question of a model power Europe (MoPE). Hence it engages in the evolving polyphonic debate on the international role and identity of the EU. In this chapter, the concepts of *model* and *modeling* are used in accordance with the classical and mainstream work of the renowned psychologist Albert Bandura. In particular, this chapter uses his social learning theory, which introduced the social learning paradigm to the domain of psychology.¹⁰ This application of Bandura’s theoretical framework to critically assess the EU’s capacity to influence the conduct of other actors (states and organizations alike) is based on the assumption that it can provide a measure of explanatory power that has not, to date, been applied to EU studies or to its foreign policy.

The learning process framework offers a good way to describe the idiosyncratic interplay between the EU and other actors and the way the former is both perceived by and affects the latter. It has the potential to help reconceptualize the manner in which the EU can exert influence and be a role model in the world both as a peace builder and as a promoter of well-established, ethically informed principles. As noted, the task of exporting norms viewed as universally

valid and beneficial is a daunting one because of the limited demand among major players such as China and Russia.¹¹ The concept of MoPE can therefore open new avenues of reflection on how the EU can improve its ability to disseminate its principles and values in the world and thereby enhance its global power. The effective modeling of third states' behavior has the potential to mitigate the difficulties of sharing a normative agenda with key international actors in the areas of human rights and democracy. Indeed, reflection on and appraisal of the EU's power of modeling will facilitate understanding of its future successes and failures in diffusing norms and values or in enhancing its normative appeal in other regions of the world.

I do not invoke here all the theoretical complexity of Bandura's social learning paradigm but rather offer a set of major tenets or core notions relevant to the main argument developed in this chapter. This means that the discussion concentrates on the concept of *models* and *modeling*. Social learning theory certainly does not explain all the intricacies and nuances related to the assertion of the EU's role, identity, and influence on the international scene. However, it is a sound analytical tool and can help explain the influence that the EU exerts in the contemporary international system.

The Concepts of *Model* and *Modeling* in Light of Bandura's Social Learning Theory

From the outside it looks like a loose "*European model*" exists, both as a way of organizing our societies and in approaching international affairs. Others around the world are *paying close attention*. The African Union, Mercosur, Asean—these are all examples of strengthening regional regimes. They are explicitly taking their inspiration from the EU experience. There can be no simple export of whatever we think the *European model* is, but the EU is seen as a source of inspiration. And of course, *imitation* and adaptation are easier than invention.¹²

Although the affirmation that the "EU is a model" has become a widely repeated truism cherished by political leaders, diplomats, and Eurocrats, as the passage quoted above illustrates, it is possible to identify objectively characteristics typical of a model in the nature of the EU. Here I do this in light of Albert Bandura's paradigm of social learning, which posits that the learning process is based on imitation through the observation of a given model's behavior. The learning process, or modeling, that follows from the observation of the model's pattern of behavior is consolidated when the observer readily discerns the positive consequences of the modeled behavior.

Social learning theory points out three aspects of a model that are key to the present discussion (and to which we will return later in connection with the EU's external action). The first feature typical of a model is *salience*, which can be equated with distinctiveness or uniqueness. For Bandura, the more distinctive the characteristics of a given model, the higher the likelihood that the model will draw the attention of others and eventually generate modeled behaviors. The second aspect is *prevalence*, which relates to the endurance of the model over time. The third characteristic aspect relates to the *power of attraction* of the model, that is, the ability of the model to attract followers.¹³

All of these aspects are critical in defining a model and, consequently, in triggering the so-called cognitive modeling, which is evident when learning takes place. According to Bandura, there is no learning without attention, which means that the capacity to attract attention and sustain it over a period of time is central to Bandura's conceptualization of both models and modeling. Attention on the part of the observer is therefore the starting point of any modeling dynamic, since a model can simply be ignored by the observer. Moreover, the mere exposure of an observer to modeled behavior is not enough for the observer to learn a rule or behavior. Hence Bandura insists that modeling not be squarely equated with automatic behavioral imitation. Rather, cognitive imitation involves the reproduction of a behavioral repertoire, accompanied by the internalization of a rule or a discourse that can be generalized and used in multiple applications.

In light of this social learning theory, the efficacy of the modeling process is largely dependent on the motivational processes that stand between the initial observation of a specific behavior and its motor reproduction (that is, imitation). These processes involve direct reinforcement or, as originally designated by Bandura, "vicarious reinforcement." Direct reinforcement occurs when a modeled or replicated behavior receives an immediate reward, which can take material or verbal form. Such prompt reinforcement of the modeling stimuli makes the observer inclined to continue to perform imitative responses for their inherent reward value.¹⁴ As Bandura stresses, the "observation of a model performing responses for which he is positively reinforced may be expected to produce disinhibition, and positive incentive learning in the observer, thus facilitating the occurrence of imitative behavior."¹⁵

From this it follows that the more immediate the external reinforcement, the stronger the likelihood of the behavior exhibited by a model's being replicated or imitated by the observer. When an individual is punished for a certain modeled behavior, the likelihood increases that the individual will stop imitating the behavior. Bandura also demonstrates that "vicarious reinforcement" increases the likelihood that an individual will reproduce a given behavior.

In other words, the observation of others being reinforced with approval for matching the model's behavior increases the likelihood of an imitative response by the observer for its intrinsic reward value. Therefore, attention and modeling stimuli are significantly conditioned by the perceived functional value inherent in the imitative behavior for the readily discernible positive consequences resulting from it.

Bandura has established that an individual can learn vicariously through "observing the behavior of others and its response consequences without the observer's performing any overt responses himself or receiving any direct reinforcement during the acquisition" of a certain behavior.¹⁶ The modeling dynamic is decisive for the acquisition of a certain behavioral pattern, while the practice, through continued imitation and frequent reinforcement, is crucial for reproducing motor responses by one model.¹⁷

Within the social learning framework, Bandura underscores the importance of incentives that draw the observer's attention toward a given pattern of behavior or activity while hinting at the likely benefits resulting from duplication of the model's actions. Anticipated consequences play an "influential role . . . in regulating imitative behavior."¹⁸ Punishment tends to redirect the observer's attention to an alternative model, different from the one that was being "wrongly" imitated and to cause a change in behavior. It has the potential to foster a process of countermodeling, or "counterconditioning," as Bandura puts it.¹⁹ The anticipation of attractive incentives and punishment may increase the likelihood of response duplication; and the nexus of response and consequences, either to the model or to the observer, may influence the performance of imitatively learned responses.²⁰

Other factors such as similarity (notably, cultural) between the observer and the model, as well as the model's perceived prestige and competence, facilitate observation, attention, and subsequent learning. Finally, if the model's responses are highly consistent and sufficiently distinctive, this ultimately ensures observation and imitative learning.²¹

The European Union on the International Stage: A Model for Emulation and a Modeling Agent

It is by now recognized that the EU is emerging, in distinct situations, as a model in the eyes of other international actors, states, and organizations. In the mid-1990s an academic controversy arose about not only the universal validity and appropriateness of that model but also its consistency and coherence as mirrored in the EU's collective external action. However, few studies, if any, endeavor to unpack the conception of *model* as applied to the EU's international

performance and to assess the imitative learning process resulting from the continued exposure of third states to the EU's modeling behavior.

Based on the application of the learning theory framework to the EU's international role, it can be asserted objectively that the EU is a model. This is so, first, for the salience founded on differentiated characteristics that it exhibits. This stems from the politico-institutional exceptionality of the EU, which is neither a state, nor a typical international organization, but rather a "coagulating hybrid."²² It encompasses what Ian Manners calls the EU's "normative difference," which ascribes to it a normative appeal.²³ Second, the EU can be considered a model for emulation because of its fifty years as both an economic project and a force for peace. Its success was achieved by means of a reiterated *modus vivendi* and *modus faciendi*, which created conditions for the continued existence of a democratic norm, promotion of an equitable distribution of wealth, and avoidance of the use of military force to resolve interstate conflicts.

The fact that the EU came to present itself as both a prosperous regional community and a powerful international economic actor has generated economic magnetism, which helps explain its power of attraction, another typical feature of a model. Moreover, the magnetic force exerted by the EU as a peace project resulted from the power of both ideas and deeds, which culminated in the absence of war in western Europe for more than a half century. The EU's power of attraction is reflected in the successive enlargement rounds completed from 1973 to 2007 and, at present, in the number of candidate countries (Turkey, the former Yugoslav Republic of Macedonia, and Montenegro) and potential candidate states (Albania, Bosnia-Herzegovina, Serbia, and Kosovo) that are queuing up for admission to the EU. This is not to mention those that have been forced to abandon their ambition to join the club of affluent Western democracies primarily because of geographic *diktat* (Morocco and Cape Verde).

As the consolidation of the European experiment exposed other actors to the multiple activities of the EU, the latter's behavioral repertoire attracted their attention and eventually became a source of a (vicarious or imitative) learning process. Third countries incrementally duplicated the repertoire, having witnessed its positive consequences both for the founding states of the European Community and for the states formally seeking accession. The observation of the model being reinforced thus constitutes "positive incentive learning" for other countries. Furthermore, the anticipated (positive) consequences associated with the prospect of membership played a critical role in stimulating a modeling dynamic—that is, an imitative behavior conducive to the full acceptance of the *acquis communautaire*. The *acquis*, among other regulatory items, incorporates a normative agenda embedded in the defense of democracy, the

rule of law, and respect for human rights, which all states wanting to join the European club were supposed to adopt unconditionally.

Indeed, the disposition of other states to engage in imitative behavior has traditionally been reinforced through a broad spectrum of expedients, ranging from economic and trade incentives to (formal and informal) diplomatic praise. Free trade agreements, association agreements, and stabilization and association agreements are direct (positive) reinforcements because of their perceived inherent reward value to the recipient countries. The same can be said about the granting of “candidate” and “potential candidate” status. The modeling dynamic fostered by the EU, however, is not confined to its enlargement policy. It has transcended that to cover a multilevel relationship and partnership with various regions of the world. The fact that provisions regarding respect for human rights and democratic principles have acquired substantial weight in the conditionality engineering designed by Brussels (in the framework of development policy, bilateral and multilateral trade agreements, and even non-trade agreements as in the case of the EU-Australia 1996–97 negotiations) is symptomatic of the transverse nature of the modeling stimuli engendered by the EU in its international relations. The same can be said about coercive features involving sanctions and embargoes through which the EU has on various occasions punished states that failed to incorporate into their own repertoire the European principled way to behave.

The application of “sticks” to punish those exhibiting an “imitative deficit” (those failing to produce imitative behavior) and of “carrots” to reward those disposed to perform imitative behavior, on the basis of a vast array of economic and bureaucratic instruments, has led some to depict the EU as a *sui generis* empire. Indeed Jan Zielonka notes that the EU, acting as an imperial collective entity, “tries to make other actors accept its norms and standards by applying economic incentives and punishments.”²⁴ On the other side of the coin, the recognized success and competence exhibited by the EU—particularly in economics, finance, and trade, which have traditionally enabled it to control and distribute both rewarding and punishing resources—provide an important basis of attraction.

According to this line of reasoning, the EU can be considered a model for “what it is,” *tout court*. Yet it can only cause the reproduction of behavior among third actors on the basis of “what it does” and what it achieves in different modeling situations. And this is seen in terms of positive consequences that are closely observed by third parties (that is, states and organizations). In other words, the EU can only encourage modeled behavior through its own actions and activities, which eventually reinforce other actors exposed to the attractive European model. As an example, other countries’ identification with the value

system of the EU can only take place when the normative rhetoric forged in Brussels results in actions whose effects are discerned as being intrinsically positive. More generally speaking, it is only by showing others that the European standards and norms are practical and effective and that they can bring about tangible benefits that the EU is then able to act as a modeling agent and exert influence on the international scene.

To be sure, the EU's modeling dynamic underlying its efforts to be an example of the appropriate way to behave in different functional fields is both globally oriented and intentional. This idea is both explicit and implicit in various dispositions of the Lisbon Treaty, notably those linked to the EU's external action and to the CFSP. For example, in title 5, article 21, of the consolidated version of the Treaty on the European Union one reads: "The Union's action in the international scene should be guided by 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." There is consensus that, by promoting democracy, human rights, and sustainable peace and development as universal values in the world, the EU shapes its milieu and consequently reduces the likelihood of external shocks.²⁵ Furthermore, the modeling stimuli generated by the EU have been mainly a function of economic power. This is so to the extent that the EU's economic leverage enables it to control and selectively distribute a vast array of incentives and punishments (diplomatic, legal, administrative, and economic) as part of diverse strategies designed to produce behavioral change. In the framework of the accession process, besides economic incentives, the possibility for third states to gain access to the EU's decisionmaking process has also played an important role.

Model Power Europe: A Conceptual Tool to Assess the European Union's Influence in a Globalized World

The concepts of models and modeling offered by Bandura's social learning paradigm have inspired a new assessment of the type of power the EU displays in its interaction with other actors: model power Europe (MoPE). This conception should not be regarded as a substitute for those already offered in the literature, notably CPE, NPE, and EPE, which coexist and also overlap. It rather points to an additional prism through which it is possible to further understand the EU's power projection and, subsequently, the growing influence that it exercises in the world. The reasons for this are fourfold.

To begin with, unlike the notion of NPE, the concept of MoPE embraces civilian and military power as well as economic power. As such, it reflects the

evolution that has taken place since the formal launching of the ESDP in 1999. It further matches the self-perception of the EU's proactive responsibility as a global crisis peace builder and democracy promoter, as underlined by Miliband in his speech at the College of Europe: The EU "must be able to deploy soft and hard power to promote democracy and tackle conflict beyond its borders."²⁶ In the realm of the ESDP—which was renamed the Common Security and Defense Policy (CSDP) by the Lisbon Treaty—the EU has been acquiring broad civilian and military capacities in the context of collective missions for the promotion of democracy, rule of law, and respect for human rights. Some argue that the new military dimension strengthens the EU's ability to enforce respect for the democratic credo and, ultimately, moves it to pursue a more ambitious policy of democratic enforcement.²⁷ The EU's operational capabilities also have a peace rationale, since they are aimed at promoting peacekeeping, conflict prevention, and international security.²⁸ While adding a military dimension to its traditional civilian ethos, the EU has been viewed by some authors as conducting its external strategy in a "smart" manner. Accordingly, it can be said that underlying the notion of MoPE is the view of the EU as a "smart power."²⁹

Second, the concept of MoPE helps transcend the discussion of the limits of the concept of NPE, which have been manifest in economic and trade relations with both Russia and China. It also goes beyond the discussion about the failures of the CPE in the Balkans and moves away from the dilemma over ethical choices confronting the EU when resorting to its broad civilian or military capabilities. Indeed, the conception of MoPE is not concerned with the ontological debate centered on ethics or with the dichotomy CPE/NPE versus military power Europe. Nevertheless, the concept of MoPE recognizes not only the significance of ethical considerations as intrinsic to the EU's identity but also the fact that, featuring itself as a model, the EU tends to act in accordance with ethically informed principles, of which it is a long-standing repository.³⁰

Third, the MoPE approach encourages one to look at the role played by individual major member states in the assertion of the EU as a consistent model to be imitated. More often than not, the postures adopted by some key states on the basis of national preferences—and to safeguard specific interests—undermine the EU's modeling stimuli and dynamics. As an example, the lack of consistency and coherence regarding human rights policy sends mixed signals to other actors. This can eventually interfere with third states' behavioral changes through the imitative learning process.

Finally, and above all, the notion of MoPE centers on the EU's exercise of influence through its behavior or action in modeling situations across functional fields. This conceptual tool shares with the notion of EPE an analytical shift from what the EU *is* to what the EU *does* in order not only to move third

countries to play by its rules and establish global standards but also to secure its own success, competence, and leadership on the international scene.³¹ The success of the model's behavior (and the consequences this entails) is central, since it tends to determine the degree to which a pattern of behavior will be reproduced by observers.

Conclusion

This chapter advances a conceptual approach that encourages one to think of the EU as a model power when considering its behavioral impact on the contemporary international scene. The concept of model power Europe is articulated in light of Bandura's notions of *model* and *modeling* and sheds further light on the EU's global power while opening up new avenues for reflection on how the EU can improve its tangible contribution to international peace and security.

According to the MoPE approach, it is not enough for the EU to espouse the values of peace, democracy, and respect for human rights and to promote them in world politics. It needs to *be* a model power, in a consistent way, at the international level, and one that others emulate. This is of enormous relevance, since it is through what the EU does, especially through the perception of the positive consequences that follow from its behavior and from its interaction with other actors, that it is able to stimulate observation and imitative learning. The result will be the reproduction of its principled pattern of behavior, with all that this implies for shaping the international milieu in which it operates. This reading of the EU's role as a global actor informed by the MoPE concept does not overlook the fact that the modeling stimuli are intentionally engendered by the EU to secure and promote European interests, although they can ultimately contribute to a "better world." Incidentally, the title chosen for the 2003 European security strategy, *A Secure Europe in a Better World*, seems to convey this prioritization of concerns.

Much of the success that the EU can achieve in spreading peace, democracy, and human rights in the context of its international relations, notably within the CFSP/CSDP realm, depends on its ability to stimulate imitative or vicarious learning. In other words, the power of influence exercised by the EU derives not purely from its being a model per se but particularly from its ability to capture others' attention and foster behavioral changes according to its own standards, rules, principles, and values. For this power to be preserved the EU needs to invest time and energy in improving at least four situations.

First, it should keep up its *differentia specifica* when compared to other actors. This requires, among other things, preserving its normative agenda and the modes to promote it in distinct regions or subregions of the world. It should

maintain its shared normative agenda with the United States, but not necessarily the strategies of the latter, to export or spread it across the world. It should adhere to its preference for “system change” rather than “regime change,” as Javier Solana puts it.³²

Second, there is a need to enhance the EU’s attractiveness by extending its economic success to other areas, such as the CFSP/CSDP, where shortfalls remain substantial. The issue of success is of some importance, because observers tend to choose a successful actor as their model, regardless of the form of behavior. In this regard, the perceived economic and social success of China in Africa in the absence of a normative agenda represents a challenge for the EU to promote the duplication of its own value system in the region.

Third, it is critical that the EU improve the coherence and consistency of its own behavior. This means living by its own standards beyond its borders. This is so because unrelated and disunited actions in a formal political setting have the potential to cause mixed feelings among peripheral states and, subsequently, to impede the learning process.

Fourth, it is important that the EU sustain systematically the exposure of third states and organizations to its modus operandi as well as the perception of its functional value by means of explicit reinforcement of imitative responses. This can be done in the context of CSDP missions and operations; in the framework of cooperative arrangements such as the EU for the Mediterranean and the European Neighborhood Policy; or under the aegis of institutionalized strategic partnerships with major players like Brazil, China, India, Japan, Russia, and South Africa.

Indeed, only by being able to promote and reinforce modeling stimuli for their inherent reward value to other actors, while keeping up a distinctive behavioral pattern characterized by consistency, success, and competence in diverse functional fields, can the EU be considered a genuine model power. And only then will the MoPE conception gain concrete rather than merely rhetorical significance.

Notes

1. Ian Manners, “Normative Power Europe: A Contradiction in Terms?” *Journal of Common Market Studies* 40, no. 4 (2002): 235–58.

2. Lisbeth Aggestam, “Introduction: Ethical Power Europe,” *International Affairs* 84, no. 3 (2008): 1–11.

3. For the realist view, see Adrian Hyde-Price, “‘Normative’ Power Europe: A Realist Critique,” *Journal of European Public Policy* 13, no. 2 (2006): 217–34. For the idealist-liberalist understanding, see Ian Manners, “Normative Power Europe Reconsidered: Beyond the Crossroads,” in *Civilian or Military Power? European Foreign Policy in*

Perspective, edited by Helen Sjursen (London: Routledge, 2007), pp. 14–31; Ian Manners, “The Normative Ethics of the European Union,” *International Affairs* 84, no. 1 (2008): 45–60.

4. Hedley Bull, “Civilian Power Europe: A Contradiction in Terms?” *Journal of Common Market Studies* 21, no. 2 (1982): 149–64.

5. Manners, “Normative Power Europe Reconsidered.”

6. Laurent Zecchini, “La France veut profiter sa présidence de l’UE pour relancer la défense européenne,” *Le Monde*, October 17, 2007.

7. For Jean Luc Dehaene, see Ian Traynor, “Britain Scorns France’s Plans for EU Defence,” *Guardian*, November 16, 2007, p. 26. Also see David Miliband, “Europe 2030: Model Power Not Superpower,” speech, College of Europe, November 15, 2007.

8. This links to Sarkozy’s proposal to create a *Groupe des Sages* to reflect and envisage the EU of 2030.

9. Miliband, “Europe 2030,” p. 3.

10. This new paradigm came to oppose the classical assumption that the learning process was based exclusively on direct experience and its consequences and has demonstrated on the basis of intense investigation that for a person to learn it is not necessary that he or she engage in a trial-and-error process (that is, it is not necessary to fail in order to learn a given behavior).

11. Jan Zielonka, “Europe as a Global Actor: Empire by Example,” *International Affairs* 84, no. 3 (2008): 472.

12. Javier Solana, “Shaping an Effective EU Foreign Policy,” speech, Konrad Adenauer Foundation, Brussels, January 24, 2005.

13. Óscar Gonçalves, *Introdução às Psicoterapias Comportamentais* (Coimbra: Quarteto 1999), p. 91.

14. Albert Bandura and Peter Barab, “Conditions Governing Nonreinforced Imitation,” *Developmental Psychology* 5, no. 2 (1971): 244.

15. Albert Bandura, Dorothea Ross, and Sheila Ross, “Vicarious Reinforcement and Imitative Learning,” *Journal of Abnormal and Social Psychology* 67, no. 6 (1963): 601.

16. Ibid.

17. Gonçalves, *Introdução às Psicoterapias Comportamentais*, p. 87.

18. Bandura and Barab, “Conditions Governing Nonreinforcement Imitation,” p. 254.

19. Albert Bandura, “Psychotherapy as a Learning Process,” *Psychological Bulletin* 58, no. 2 (1961): 143–59.

20. Albert Bandura distinguished between learning and performance. While learning implies the acquisition of the cognitive equivalents of the model’s behavior, performance involves the translation of this learning into the corresponding motor responses. Bandura, Ross, and Ross, “Vicarious Reinforcement and Imitative Learning,” pp. 606–07.

21. Albert Bandura and Frederick J. McDonald, “Influence of Social Reinforcement and the Behavior of Models in Shaping Children’s Moral Judgments,” *Journal of Abnormal and Social Psychology* 67, no. 3 (1963): 281.

22. Laura C. Ferreira-Pereira and A. J. R. Groom, “Solidarity in the European Union’s Security and Defence Policy,” paper prepared for the Second Global International Studies Conference, Ljubljana, July 25, 2008.

23. Manners, "Normative Power Europe Reconsidered," p. 240.
24. Zielonka, "Europe as a Global Actor," p. 475.
25. Ibid., p. 481; Hyde-Price, "'Normative' Power Europe," pp. 222, 231.
26. Miliband, "Europe 2030," p. 1.
27. Sten Rynning, "Providing Relief or Promoting Democracy? The European Union and Crisis Management," *Security Dialogue* 32, no. 1 (2001): 89, 91–92.
28. Manners, "The Normative Ethics of the European Union," p. 49.
29. Olli Rehn, "Europe's Smart Power in Its Region and the World," speech, European Studies Centre, St. Antony's College, University of Oxford, May 1, 2008.
30. Aggestam, "Introduction: Ethical Power Europe," p. 4.
31. Miliband, "Europe 2030," p. 3. On the terms *is* and *does*, see Manners, "The Normative Ethics of the European Union," in which, although he leaves the impression that he ascribes importance to the EU's foreign policy behavior as such, this theoretical development is not yet clarified, bearing in mind the strong emphasis placed on principles rather than on actions in his groundbreaking article "Normative Power Europe." The correspondence that Manners puts forward between what the EU says with actions alone is also somewhat puzzling. For this reason, in this discussion I refer to his initial emphasis on what the EU is and what it says.
32. Javier Solana, speech, College of Europe, October 19, 2005.

*U.S. and EU Strategies
for Promoting Democracy*

The strategies of the United States and the European Union for promoting democracy are part of the “international dimension” of democratization, which refers to all of the external factors that can influence democratic changes in domestic political regimes, such as transnational and regional events, NGOs, states, and other international actors. Initially, democratization studies gave no importance to external factors in explaining the causes of the democratic transitions that occurred in Southern Europe and Latin America between 1974 and 1989.¹ It was only with the fall of the Berlin Wall, the breakdown of the Soviet Union, and the end of the cold war that international actors, such as states, international organizations, NGOs, and independent foundations, engaged more actively and systematically in promoting democracy. As a consequence, democracy promotion has become “a norm of practice within the international system.”² Several experts have affirmed that the international dimension, together with domestic variables, should be taken into consideration to explain democratization processes as an intervening factor.³

In this new international context, there is no doubt that, at least rhetorically, democracy promotion is at the center of both U.S. and EU foreign policy and their strategic partnership. In both cases democracy promotion, rather than being a foreign policy objective in itself, is an instrument for achieving their primary foreign policy goals, security and economic prosperity. For instance, in his inaugural speech of January 2005, U.S. president George W. Bush argued that promoting the freedom of other countries is now an “urgent requirement of our nation’s security.”⁴ Likewise, President Bill Clinton’s administration declared “promoting democracy” to be one of the three pillars of the national security strategy because “democratic states are less likely to threaten our interests and more likely to cooperate with the United States to meet security threats and promote free trade.”⁵ In 1995, former national

security adviser Anthony Lake stated clearly, “We led the struggle for democracy because the larger the pool of democracies, the greater our security and prosperity.”⁶ Similarly, according to the European Security Strategy, “The best protection for our security is a world of well-governed democratic states.”⁷ This implies that in the case of conflict between democracy promotion and national security interests, both the United States and the EU will give priority to the defense of their security interests, even if this means tolerating or even supporting dictatorial regimes.⁸

This chapter describes and compares the U.S. and EU strategies of democracy promotion, evaluating whether they have shared strategies or whether there is a “transatlantic divide over democracy promotion.”⁹

Democracy Promotion in Historical Perspective

While the United States has a long history of democracy promotion that goes back to the presidency of Woodrow Wilson, the EU has become a democracy promoter only in recent decades, since the end of the cold war.¹⁰ Democracy promotion is said to be “central to U.S. political identity and sense of national purpose.”¹¹ On the contrary, it can be argued that the EU has become a democracy promoter “more by accident than by design,” as a consequence of its enlargement policy.¹²

The United States

President Wilson defined the country’s role in World War I as a mission “for democracy, for the right of those who submit to authority to have a voice in their own government, for the rights and liberties of small nations . . . and to make the world itself free.”¹³ During the cold war the primary accomplishments of the United States in promoting democracy were the creation of democratic regimes in Germany and Japan and support for the process of European integration. However, in this period, “America’s principal objective was not to promote political freedom but to contain the Soviet Union.”¹⁴ Indeed, U.S. support for undemocratic regimes was considered an acceptable alternative to communist expansion.

It was only with Ronald Reagan that democracy promotion became a central objective of U.S. foreign assistance.¹⁵ His administration articulated the democratic peace argument, according to which the regime type of other states matters, and if they are democracies they will be less threatening to the United States.¹⁶ In addition, in 1983, Reagan’s proposed “Campaign for Democracy” led to the creation of the National Endowment for Democracy (NED), “a Congressionally-funded, bipartisan, non-governmental organization dedicated to

supporting democrats abroad.”¹⁷ However, it should be recalled that for the Reagan administration promoting democracy was only one component of its anticommunist policy.¹⁸

Before the creation of the NED, U.S. foreign assistance was managed through the United States Agency for International Development (USAID), created in 1961 by President John F. Kennedy to counter communism and Soviet foreign assistance. It did not explicitly aim to promote democracy, but rather focused on economic development.¹⁹ Therefore, according to Thomas Carothers, the creation of the NED “represented the major first step toward the establishment of the broad program of U.S. democracy assistance.”²⁰

While initially democracy aid was mainly “a side element of anticommunist security policies,” in the 1990s it found its place in U.S. foreign policy and rapidly increased in dollar amounts and geographic reach.²¹ The administration of George H. W. Bush (1989–93) established democracy promotion as one of the three principal elements of its foreign policy, alongside economic concerns and national security. In practice, however, the emphasis placed on democracy promotion varied greatly from region to region, depending mainly on the configuration of U.S. interests. After the fall of the Berlin Wall, the Bush administration initiated a carrot-and-stick policy of “democratic differentiation” in Eastern Europe in order to encourage movement toward democracy and a free-market economy.²² Under the Support for East European Democracy (SEED) program, the United States allocated an average of \$360 million to the region each year in the period 1989–94.

President Bill Clinton embraced the “enlargement of the democracy community” as a key element of U.S. foreign policy. According to national security adviser Anthony Lake, “The successor to a doctrine of containment must be a strategy of enlargement—enlargement of the world’s free community.”²³ However, according to Carothers, the Clinton administration did not substantially increase the U.S. emphasis on democracy promotion in any region, but continued to incorporate democracy promotion only where U.S. economic and security interests correlated with the advance of democracy.²⁴ It continued to eschew it where the U.S. interest required working relationships with nondemocratic regimes, as in the case of China.

President George W. Bush (2001–08) did not enter the White House with the mission to promote democracy around the world, but his administration was strongly affected by the terrorist attacks on September 11, 2001, which turned democracy promotion into a central objective of his foreign policy agenda.²⁵ Bush ordered the forcible ouster of autocratic regimes in Afghanistan and Iraq, and he also increased general foreign assistance funding, including support for democracy promotion.

The European Union

In the original founding treaties of the European Union there was no mention of “democracy.”²⁶ It was only in January 1962, when the European Parliament approved the Birkelbach report, that the necessary political conditions were established for membership in and association with the European Economic Community (EEC).²⁷ In particular, it was decided that “only states which guarantee on their territories truly democratic practices and respect for fundamental rights and freedoms can become members of the Community.”²⁸

On this basis, the February 1962 application by Franco’s Spain for association status with the EEC was dropped for political reasons and only a commercial agreement was reached in 1970.²⁹ Then, after the 1967 Colonels’ Coup, which established a military dictatorship in Greece, the EEC decided to freeze its association with Greece.³⁰ The last years of the 1970s and the first part of the 1980s were characterized by the accession processes of Greece, Spain, and Portugal and by the Declaration on Democracy at the Copenhagen Summit in April 1978. It stated that respect for and maintenance of parliamentary democracy and human rights in all member states are “essential elements of their membership in the EC [European Community].”³¹ On the whole, the literature has shown that the role played by the European Community in the democratic consolidation of Greece, Spain, and Portugal during the 1980s was only an indirect one.³² Its strategy of democracy promotion “was marked by a distinct lack of procedure and its operation by *ad hoc* approaches and a continuing tendency to react to events rather than trying to determine their outcome.”³³

With the creation of the EU at Maastricht in 1992, the “development and consolidation of democracy” became one of the objectives of its Common Foreign and Security Policy. The EU started to play a direct role in the democratization process of accession candidate countries from Central and Eastern Europe that joined the Union in 2004. The main turning points in the EU relationship with Central and Eastern European applicants were the 1993 Copenhagen European Council and the 1997 Luxembourg European Council meetings. In 1993, the heads of state and government of the EU agreed that those associated countries of Central and Eastern Europe desiring membership could become members of the EU, even though, for the first time, the promise of membership was accompanied by a statement of formal conditions, among which was “democracy.”

In 1997 the Luxembourg European Council launched the enhanced pre-accession strategy to be applied to all Central and Eastern European applicants, which made it possible for the EU to implement political conditionality and move from indirect influence to direct leverage. The political conditions

established in Copenhagen were translated by the EU into a demand for specific political reforms from each candidate. Moreover, the progress of each candidate in complying with these demands began to be monitored annually by the European Commission in specific reports. Finally, the EU began rewarding those candidates that complied with its requests with institutional links (such as the start of accession negotiations) and economic assistance.³⁴

At the beginning of the twenty-first century, the EU is seeking to replicate this successful strategy of “democracy promotion through integration” not only with the current candidate countries and the remaining potential candidate countries of the Western Balkans, but also with those countries of Eastern Europe, the Southern Mediterranean, and Southern Caucasus that fall under the European Neighborhood Policy launched in 2004 but that do not have the prospect of membership in the Union.³⁵ Indeed, according to the European security strategy, “Our task is to promote a ring of well-governed countries to the East of the European Union and on the borders of the Mediterranean.”³⁶

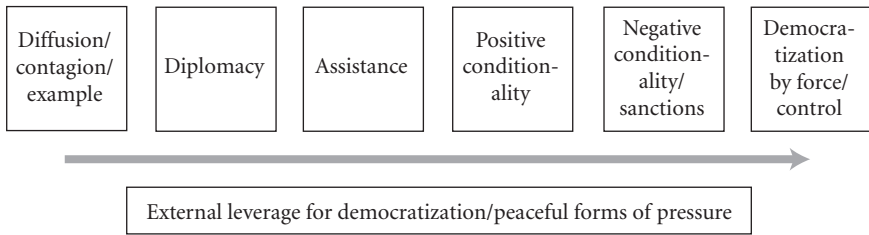
The Lisbon Treaty (2007) does not add much to what was already established. The most innovative element is that for the first time it established that any European state wishing to apply to become a member of the EU should not only respect its democratic values but also “be committed to promoting them.”³⁷

Strategies of Democracy Promotion

Strategies of external democracy promotion, defined as approaches that donors take to promote democracy, can vary on two main dimensions.³⁸ These two dimensions are the “degree of leverage” and the model of democracy that is promoted.³⁹ “Leverage” here is defined as external pressure for democratization, and not governments’ vulnerability to external pressure.⁴⁰ Thus this definition is very close to what Larry Diamond calls “peaceful forms of pressure . . . to advance human rights and democracy.”⁴¹ The second dimension of democracy promotion—the model of democracy promoted—refers to the fact that different external actors can give priority to different policy areas.

External Leverage and Models of Democracy Promotion

External leverage for democratization may be viewed as a continuum of strategies adopted by the international actors. At one pole there is no active external leverage, but rather what has been called “diffusion,”⁴² “contagion,”⁴³ or “example”⁴⁴ to describe a situation in which ideas and models of democratic change come from outside, but without any direct activity by external actors. The other pole represents the end of the use of peaceful forms of pressure in favor of “democratization by force,”⁴⁵ “military intervention,”⁴⁶ or what has been

Figure 20-1. *Degrees of External Leverage for Democratization*

called “control.”⁴⁷ This pole describes a situation in which an external actor promotes democracy through the use or threat of force.

Between these extremes are different modalities of democracy promotion that involve different degrees of external leverage. The most important are: (1) diplomacy; (2) democracy assistance; (3) positive conditionality; and (4) negative conditionality or sanctions. Of course, there may be some overlap between them.

“Diplomacy” here refers to diplomatic pressures that push the target country toward democracy.⁴⁸ Democracy assistance comprises “all aid for which the primary purpose, not the secondary or indirect purpose, is to foster democracy in the recipient country.”⁴⁹ It is both economic and technical: “The provision of advice and instruction, training programs, equipment and other forms of material support to institutional capacity building are typical examples, as are financial subventions to pro-democracy bodies and subsidies to cover the costs of certain democratizing processes.”⁵⁰

“Positive conditionality” refers to the fact that the target country has to satisfy the democratic conditions required by the external actor in order to be granted additional benefits or “carrots” such as economic assistance or closer bilateral relations.⁵¹ Negative conditionality, or sanctions, are penalties imposed on a country that does not respect the required democratic conditions, such as the suspension of economic assistance or the “freezing” of bilateral relations (see figure 20-1).⁵²

Both the United States and the EU have made active use of all the methods listed in figure 20-1 to promote democracy, with the exception of coercion in the case of the EU. Democratization by force and “democratization through integration” are the characteristic models of democracy promotion by the United States and the EU respectively, while democracy assistance is the model common to both.

There has been a constant debate over the United States’ use of military force to promote democracy, even though it is not “the only instrument of regime change in the U.S. arsenal,” but rather “the rarest used.”⁵³ Democratization

through integration is the preferred model of the EU to promote democracy.⁵⁴ However, it can only be applied to a specific category of third countries: the accession candidate country. This means, as in the case of democratization by force by the United States, that it is not the most common model used to promote democracy. Indeed, the EU can only offer it to the accession candidate countries, in exchange for respecting its democratic principles in addition to its economic assistance. The incentive of membership in the organization is considered a much more important “carrot.” Indeed, it means that the country that joins the Union can participate in the EU decisionmaking process at the same level as the other member states, and that, like other members, it can benefit from the EU’s redistributive policies.

The most commonly used model of democracy promotion for both the United States and the EU is democracy assistance. Formally, this assistance is usually positively or negatively conditioned on the achievement of some democratic objectives. The decision to implement this conditionality is a political one and it is very rarely taken.

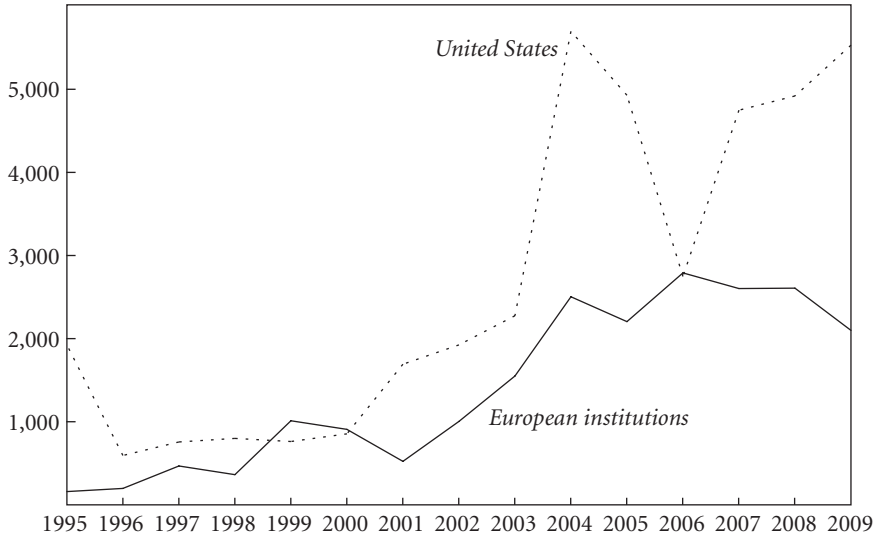
It is not easy to compare the levels of democracy assistance from the United States and the EU institutions, for several reasons: (1) both the United States and the EU administer numerous democracy-related budgets; (2) it is not easy to distinguish democracy assistance from other sectors of assistance; and (3) it is not easy to find comparable data.⁵⁵ However, the OECD statistics on development make it possible to make this comparison between the EU institutions and the United States.

Based on these data, figure 20-2 shows an overall perspective of all official development assistance (ODA) for government and civil society and for support to NGOs provided by the United States and the European Union to all recipients (197 countries) between 1995 and 2009. First, it can be observed that U.S. government and civil society ODA increased steadily from \$ 1,924 million (all figures here are 2009 prices) in 1995 to a peak of \$5,698 million in 2004. In 2005 it started to fall, reaching a low of \$2,748 million in 2006. In 2007 it started to increase again and reached a new peak of \$5,530 in 2009. Similarly, in the case of the EU there was also a constant increase in government and civil society ODA: from \$165 million in 1995 to \$2,795 million in 2006. Then, differently from the United States, it fell to \$2,100 million in 2009, almost one-third of democracy assistance provided by the United States in the same year.

However, government and civil society ODA remains a small percentage of the total ODA provided by the United States and the European Union between 1995 and 2009: 15 percent for the United States and 13 percent for the EU (see table 20-1).⁵⁶ In addition, data presented in table 20-1 show that ODA for

Figure 20-2. *Official Development Assistance (ODA) from the United States and the European Union Institutions for Government and Civil Society and for Support to NGOs, 1995–2009*

Commitments in millions of constant 2009 dollars



Source: Author's calculations based on aid activity data from OECD.

“Support to NGOs,” in the same period, was 0.02 percent of total ODA, in both the United States and the EU.

Figures 20-3 and 20-4 show the regional distribution of government and civil society ODA for the period 1995–2009. In the case of the United States, the Southern Sahara received the highest percentage of aid for government and civil society (21 percent), followed by the Middle East (19 percent over the years). Similarly in the case of the EU, the region that received the largest amount of government and civil society ODA in the period under study was the Southern Sahara (35 percent), followed by Europe (15 percent).

Finally, with regard to the modalities of U.S. and EU democracy assistance, it can be argued that the European Union, unlike the United States, prefers to concentrate on state actors rather than focusing its democracy assistance activity on civic groups, political parties, and other society actors. In addition, while the EU relies much more on direct grants to state institutions in order to implement its projects, the United States relies much more on training and technical assistance.

Table 20-1. *U.S. and EU Institutional ODA to All Recipients by Sector, 1995–2009*

Millions of constant 2009 dollars (percent of total ODA)

<i>Sector of assistance</i>	<i>EU institutions</i>		<i>United States</i>	
Education	9,213.72	(5.64)	7,625.67	(2.84)
Health	6,058.59	(3.71)	11,930.20	(4.44)
Population policy/program and reproductive health	1,622.09	(0.99)	31,633.76	(11.77)
Water supply and sanitation	5,872.78	(3.60)	6,811.73	(2.53)
Government and civil society	20,991.05	(12.85)	40,153.90	(14.93)
Other social infrastructure and services	7,585.27	(4.64)	19,545.41	(7.27)
Economic infrastructure and services	24,163.74	(14.80)	29,132.06	(10.84)
Production sectors	15,856.89	(9.71)	15,891.02	(5.91)
Multisector/cross-cutting	17,161.87	(10.51)	18,427.31	(6.85)
Commodity aid/general program assistance	25,627.05	(15.69)	23,049.04	(8.57)
Action relating to debt	381.19	(0.23)	11,566.45	(4.30)
Humanitarian aid	22,123.09	(13.55)	35,205.10	(13.09)
Administrative costs of donors	5,527.82	(3.39)	12,839.66	(4.78)
Support to NGOs	36.64	(0.02)	52.60	(0.02)
Refugees in donor countries	10.45	(0.01)	4,760.18	(1.77)
Unallocated/unspecified	1,070.06	(0.66)	243.57	(0.09)
Total	163,302.30	100	268,867.70	100

Source: Author's calculations based on aid activity data from OECD.

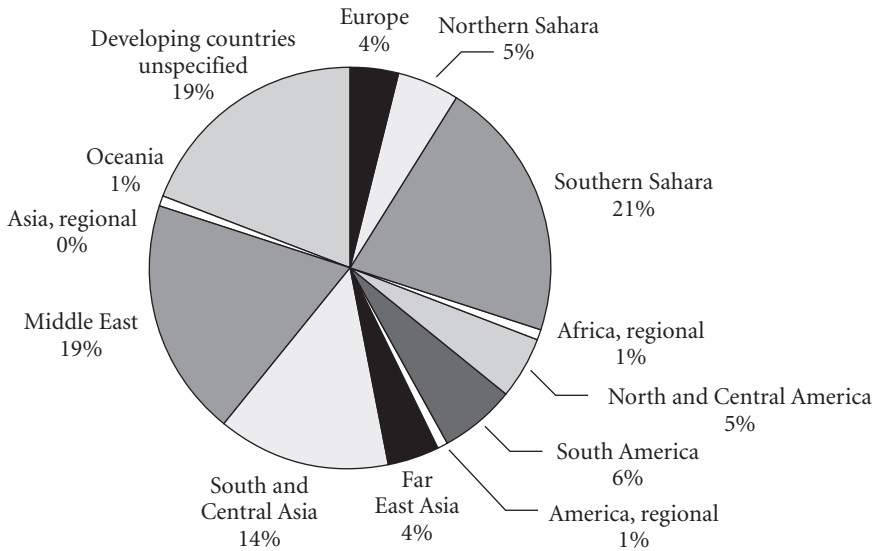
Models of Democracy Promoted

In both the United States and the EU the model of democracy promoted is the Western liberal democratic one. It has the following basic features: (1) regular, free, and fair elections; (2) a constitution that enshrines democracy and a full set of human rights; (3) a governmental system based on the separation of powers with an accountable executive, a representative legislature, and an independent judiciary; (4) local government structures; and (5) political parties that aggregate citizens' interests. In addition, in the past two decades both the United States and the European Union have moved from the promotion of a formal democratic model (with a liberal-democratic constitution and free elections) to the promotion of a more substantive model of democracy.⁵⁷

In the case of the EU, this substantive model of democracy has been developed by the European Commission during the accession process of the Central

Figure 20-3. *U.S. ODA to Government and Civil Society Sector by Region, 1995–2009*

Commitments as a percentage of total U.S. ODA

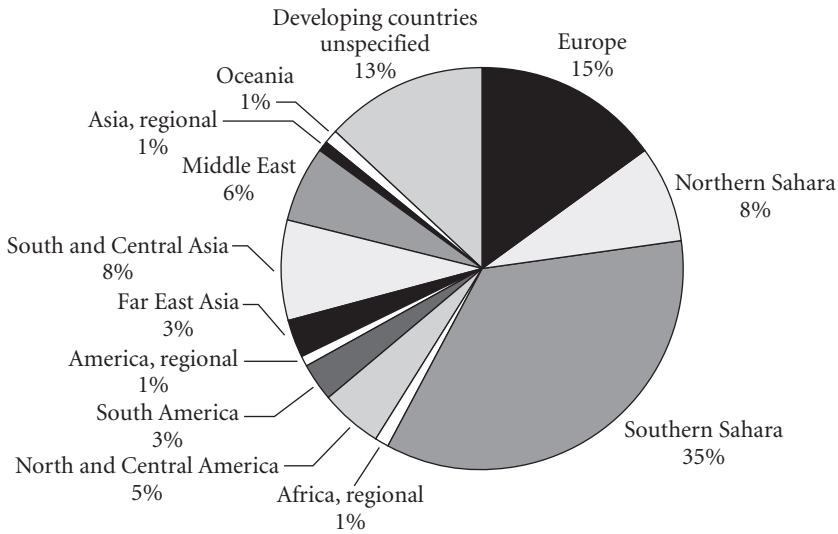


Source: Author's calculations based on aid activity data from OECD.

and Eastern European countries that joined the Union in 2004. It includes the strengthening of institutional and administrative capacity, judicial independence and efficiency, the fight against corruption, civil control of the military, and a vast array of human and minority rights, not only civil and political rights but also social, economic, and cultural rights.⁵⁸ In the case of the United States the “democracy template” focuses on three main sectors—electoral process, state institutions, and civil society—and includes free and fair elections, strong national political parties, a democratic constitution, an independent and effective judiciary, a representative and competent legislature, responsive local governments, a pro-democratic military, active advocacy NGOs, a politically educated citizenry, strong independent media, and a strong independent union.⁵⁹ A slight difference in the U.S. and EU models of democracy promoted may be found in the fact that the United States pays much more attention to political party, NGO, and union building than the EU. The latter focuses much more not only on civil and political rights, but also on social, economic, and cultural rights.

Figure 20-4. *EU ODA to Government and Civil Society Sector by Region, 1995–2009*

Commitments as a percentage of total EU ODA



Source: Author's calculations based on aid activity data from OECD.

Conclusion: Shared Strategies or a Transatlantic Divide over Democracy Promotion?

It has been shown that there are both similarities and differences in the U.S. and the EU strategies of democracy promotion. On the whole, it can be argued that they share the same strategy, with only slight differences. First, rhetorically, democracy promotion is at the center of both entities' foreign policy, and in practice, democracy promotion is in both cases subordinated to other national interests: security and prosperity. Second, with regard to the model of democracy promotion, even if democratization by force and democratization through integration are the characteristic models of democracy promotion of both the United States and the European Union, they are also the rarest used, while democracy assistance is the model common to both. Third, in both cases, between 1995 and 2009 the ODA for democracy-related activities increased, to about 15 percent of total ODA for the United States and about 13 percent of total ODA for the EU.⁶⁰ Finally, in both cases the model of democracy promoted is the Western liberal one, which has shifted in the past two decades from

formality to greater substance. Indeed, differences can be found only in (1) the United States' longer history of democracy promotion versus the EU's more recent one; (2) the centrality of democracy promotion to U.S. political identity, while the EU has become a democracy promoter more by accident; (3) U.S. democratization by force versus EU democratization through integration; and (4) the U.S. focus on society versus the EU focus on the state.

Notes

1. Guillermo O'Donnell, Philippe C. Schmitter, and Laurence Whitehead, *Transitions from Authoritarian Rule: Comparative Perspectives* (Johns Hopkins University Press, 1986); Juan J. Linz and Alfred Stepan, *Problems of Democratic Transition and Consolidation: Southern Europe, South America and Post-Communist Europe* (Johns Hopkins University Press, 1986); Larry Diamond, Juan J. Linz, and Seymour M. Lipset, *Politics in Developing Countries: Comparing Experiences with Democracy* (Boulder, Colo.: Lynne Rienner, 1989); Leonardo Morlino, *Democracy between Consolidation and Crisis: Parties, Groups and Citizens in Southern Europe* (Oxford University Press, 1998), p. 166.

2. Carl Gershman and Michael Allen, "The Assault on Democracy Assistance," *Journal of Democracy* 17, no. 2 (2006): 36.

3. Philippe C. Schmitter, "The Influence of the International Context upon the Choice of National Institutions and Policies in Neo-Democracies," in *International Dimensions of Democratization*, edited by Laurence Whitehead (Oxford University Press, 1996), pp. 26–54; Laurence Whitehead, "Three International Dimensions of Democratization," in *The International Dimensions of Democratization*, edited by Whitehead, pp. 3–24; Geoffrey Pridham, "The International Dimension of Democratisation: Theory, Practice and Inter-Regional Comparisons," in *Building Democracy? The International Dimension of Democratisation in Eastern Europe*, edited by Geoffrey Pridham, Eric Herring, and George Sanford (Leicester University Press, 1997), p. 7; Samuel P. Huntington, *The Third Wave of Democratization in the Late Twentieth Century* (Oklahoma University Press, 1991).

4. Office of the Press Secretary, The White House, "President Sworn-In to Second Term," January 20, 2005 (www.whitehouse.gov/news/releases/2005/01/20050120-1.html [October 2008]).

5. Quoted in Gideon Rose, "Democracy Promotion and American Foreign Policy," *International Security* 25, no. 3 (2000): 189. In particular, according to G. John Ikenberry, the American focus on democracy promotion must be seen as part of a larger American way of thinking about the sources of a stable, peaceful, and prosperous international order, or what he calls "America's Liberal Grand Strategy." According to this strategy "the United States is better able to pursue its interests, reduce security threats in its environment, and foster a stable political order when other states . . . are democracies rather than non-democracies." John G. Ikenberry, "America's Liberal Grand Strategy: Democracy and National Security in the Post-War Era," in *American Democracy Promotion: Impulses,*

Strategies, and Impacts, edited by Michael Cox, G. John Ikenberry, and Takashi Inoguchi (Oxford University Press, 2000), p. 103.

6. Anthony Lake, "Remarks on the Occasion of the 10th Anniversary of the Center for Democracy," Washington, September 26, 1995.

7. European Council 2003, "A Secure Europe in a Better World. European Security Strategy" (www.consilium.europa.eu/uedocs/cmsUpload/78367.pdf [August 2008]).

8. See also Thomas Risse, "Conclusions: Towards Transatlantic Democracy Promotion," *Promoting Democracy and the Rule of Law: American and European Strategies* edited by Amichai Magen, Thomas Risse, and Michael A. McFaul (Basingstoke, UK: Palgrave, 2009), p. 262.

9. Jeffrey S. Kopstein, "The Transatlantic Divide over Democracy Promotion," *Washington Quarterly* 29, no. 2 (2006): 85–98.

10. For a systematic survey of American democracy promotion in the twentieth century, see Tony Smith, *America's Mission: The United States and the Worldwide Struggle for Democracy in the Twentieth Century* (Princeton University Press, 1994). However, according to Steven W. Hook, "Contemporary initiatives in the pursuit of democracy promotion may be viewed as the continuation . . . of a virtually continuous 'democratist crusade' that has been underway throughout the nation's history." Steven W. Hook, "Inconsistent U.S. Efforts to Promote Democracy Abroad," in *Exporting Democracy. Rhetoric versus Reality*, edited by Peter J. Schraeder (Boulder, Colo.: Lynne Rienner, 2002), p. 110. Similarly, Gideon Rose quotes Lincoln, according to whom the Declaration of Independence gave liberty "not alone to the people of this country, but hope to the world for all future time," in Rose, "Democracy Promotion," p. 186.

11. Jonathan Monten, "The Roots of the Bush Doctrine: Power, Nationalism, and Democracy Promotion in U.S. Strategy," *International Security* 29, no. 4 (2005): 112–56. See also Hook, "Inconsistent U.S. Efforts"; and David C. Hendrickson, "The Democratist Crusade: Intervention, Economic Sanctions, and Engagement," *World Policy Journal* 11 (Winter 1994–95): 3–20.

12. Valerie Bunce and Sharon Wolchik, "International Democracy Promotion: Players, Policies and Potential for Democratic Change," in *American Democracy Promotion and Electoral Change in Postcommunist Europe and Eurasia*, edited by Valerie Bunce and Sharon Wolchik (forthcoming).

13. Quoted in Hook, "Inconsistent U.S. Efforts," p. 110.

14. Cox, Ikenberry, and Inoguchi, *American Democracy Promotion*, p. 4.

15. Francis Fukuyama and Michael McFaul, "Should Democracy Be Promoted or Demoted?" *Washington Quarterly* 31, no. 1 (2008): 23–45; Bunce and Wolchik, "International Democracy Promotion."

16. Ikenberry, "America's Liberal Grand Strategy," p. 125.

17. Marc F. Plattner, Introduction to "A Quarter-Century of Promoting Democracy," *Journal of Democracy* 18, no. 4 (2007): 111. The NED in the 1990s had an annual budget in the range of \$25 million to \$35 million, and gave at least half of its grant funds to the International Republican Institute (with ties to the Republican Party), the National Democratic Institute for International Affairs (with ties to the Democratic Party), the

American Center for Labor Solidarity (with ties to the AFL-CIO), and the Center for International Private Enterprise (with ties to the U.S. Chamber of Congress), which were created after the NED. Political party institutes work primarily on elections and political party assistance, the American Center for Labor Solidarity supports labor unions, and the Center for International Private Enterprise promotes free enterprise abroad. The rest of NED's funds go to organizations in the United States and abroad to promote civic education, democratic awareness, independent media, human rights, often in nondemocratic countries; see Thomas Carothers, "Taking Stock of Democracy Assistance," in *American Democracy Promotion*, edited by Cox, Ikenberry, and Inoguchi, p. 190; Thomas Carothers, "The NED at 10," *Foreign Policy* 94 (1994): 123–39.

18. Thomas Carothers, *In the Name of Democracy: U.S. Policy toward Latin America in the Reagan Years* (University of California Press, 1991), p. 238.

19. In particular, in the 1950s U.S. aid consisted primarily of economic and military assistance to governments friendly to the United States; in the 1960s economic development became a priority of U.S. aid; and the 1970s were characterized by the "basic human needs" doctrine in foreign aid (for details see Carothers, "Taking Stock of Democracy Assistance," pp. 182–83).

20. Carothers, "Taking Stock of Democracy Assistance," p. 183.

21. Thomas Carothers, "A Quarter-Century of Promoting Democracy," *Journal of Democracy* 18, no. 4 (2007): 112.

22. Thomas Carothers, "Democracy Promotion under Clinton," *Washington Quarterly* 18, no. 4 (1995).

23. Anthony Lake, "From Containment to Enlargement," Department of State Dispatch, September 27, 1993, p. 658. On the origins of the Clinton doctrine of democratic enlargement see Michael Cox, according to whom President Clinton always viewed the promotion of democracy as a pragmatic strategy designed to enhance U.S. influence. Michael Cox, "Wilsonian Resurgent? The Clinton Administration and the Promotion of Democracy," in *American Democracy Promotion*, edited by Cox, Ikenberry, and Inoguchi, pp. 218–39. See also Douglas Brinkley, "Democratic Enlargement: The Clinton Doctrine," *Foreign Policy* 106 (Spring 1997): 111–27.

24. Carothers, "Democracy Promotion under Clinton."

25. Kopstein, "The Transatlantic Divide," p. 85; Fukuyama and McFaul, "Should Democracy Be Promoted or Demoted?" p. 23.

26. Indeed, the 1951 Treaty of Paris was more concerned with preventing the recurrence of war. However, the preamble to the Rome Treaty of 1957 noted that member states are "resolved by thus pooling their resources to preserve and strengthen peace and liberty and calling upon the other peoples of Europe who share their ideal to join their efforts." See Geoffrey Pridham, *Designing Democracy: EU Enlargement and Regime Change in Post-Communist Europe* (Palgrave Macmillan, 2005), p. 29.

27. "Report by Willi Birkelbach on the Political and Institutional Aspects of Accession to or Association with the Community" (www.ena.lu/report_willi_birkelbach_political_institutional_aspects_accession_association_with_community_december_1961-020006013.html [September 25, 2009]).

28. Pridham, *Designing Democracy*, p. 30.
29. MacLennan J. Crespo, *Spain and the Process of European Integration, 1957–1985* (London: Palgrave, 2000).
30. Van Coufoudakis, “The EEC and the ‘Freezing’ of the Greek Association, 1967–74,” *Journal of Common Market Studies* 16, no. 2 (1977): 114–31.
31. Quoted in Pridham, *Designing Democracy*, p. 33, n27.
32. See Whitehead, “Three International Dimensions,” p. 261; Morlino, *Democracy between Consolidation and Crisis*, p. 166; and Paul J. Kubicek, *The European Union and Democratization* (London: Routledge, 2003).
33. Pridham, *Designing Democracy*, p. 35.
34. See Elena Baracani, “EU Democratic Rule of Law Promotion,” in *International Actors, Democratization and the Rule of Law: Anchoring Democracy*, edited by Amichai Magen and Leonardo Morlino (London: Routledge, 2008), pp. 53–86.
35. On this concept see Antoaneta Dimitrova and Geoffrey Pridham, “International Actors and Democracy Promotion in Central and Eastern Europe,” *Democratization* 11, no. 5 (2004): 91–112.
36. European Council, “A Secure Europe.”
37. See Elena Baracani, “European Union Democratic Anchoring,” in *Democratization and Hybrid Regimes. International Anchoring and Domestic Dynamics in European Post-Soviet States*, edited by Elena Baracani (Florence: EPAP, 2010), pp. 114–15.
38. Thomas Carothers, “Democracy Assistance: The Question of Strategy,” *Democratization* 4, no. 3 (1997), p. 111.
39. Another relevant dimension of variation may be the time span, which refers to the fact that external actors’ activities to promote democracy can be short term, as in the case of election monitoring missions, or long term when the activity of democracy promotion lasts several years, as is usual in the case of state-building missions.
40. See Steven Levitsky and Lucan A. Way, “International Linkage and Democratization,” *Journal of Democracy* 16, no. 3 (1995): 21; Steven Levitsky and Lucan A. Way, “Linkage versus Leverage: Rethinking the International Dimension of Regime Change,” *Comparative Politics* 38, no. 4 (2006): 382.
41. Diamond, Linz, and Lipset, *Politics in Developing Countries*, p. 111.
42. See, for example, Harvey Starr, “Democratic Dominoes: Diffusion Approaches to the Spread of Democracy in the International System,” *Journal of Conflict Resolution* 35, no. 2 (1991): 356–81; Jeffrey Kopstein and David A. Reilly, “Geographic Diffusion and the Transformation of the Postcommunist World,” *World Politics* 53, no. 1 (2001); Larry Diamond, *The Spirit of Democracy: The Struggle to Build Free Societies throughout the World* (Times Books, 2008).
43. See Whitehead, “Three International Dimensions,” pp. 5–8; and Kubicek, *The European Union and Democratization*, pp. 4–7.
44. See Henry R. Nau, “America’s Identity, Democracy Promotion and National Interest: Beyond Realism, Beyond Idealism,” in *American Democracy Promotion*, edited by Cox, Ikenberry, and Inoguchi, p. 147; Amichai Magen and Leonardo Morlino, *International Actors, Democratization and the Rule of Law: Anchoring Democracy* (London: Routledge, 2009).

45. See Diamond, *The Spirit of Democracy*, p. 133.
46. See Carothers, "Taking Stock of Democracy Assistance," p. 186.
47. See Whitehead, "Three International Dimensions," p. 8; Kubicek, *The European Union and Democratization*, pp. 4–7; Magen and Morlino, *International Actors*.
48. See also Carothers, "Taking Stock of Democracy Assistance," p. 186; Diamond, *The Spirit of Democracy*, pp. 114–16.
49. Carothers, "Taking Stock of Democracy Assistance," pp. 187–88.
50. Peter Burnell, ed., *Democracy Assistance: International Co-operation for Democratization* (London: Frank Cass, 2000), p. 9. See also a recent study which demonstrates that unlike general economic aid, targeted democracy assistance has a positive impact on democratization in recipient countries (James M. Scott, "Sponsoring Democracy: The United States and Democracy Aid to the Developing World, 1988–2001," *International Studies Quarterly* 55 (2011): 48.
51. Carothers, "Taking Stock of Democracy Assistance," p. 187.
52. Carothers calls this democracy policy tool "economic pressure," in *ibid.*, p. 186.
53. See Fukuyama and McFaul, "Should Democracy Be Promoted or Demoted?" p. 34. However, even though the use of force to promote democracy is usually associated with the United States, it should not be excluded by the EU, at least to protect democracy, considering the increasing importance that the principle of the responsibility to protect is assuming in world politics.
54. See Dimitrova and Pridham, "International Actors and Democracy Promotion."
55. See Richard Youngs, "Trends in Democracy Assistance," *Journal of Democracy* 19, no. 2 (2008): 160–69.
56. These data are in line with the report by Finkel and others, which shows that democracy assistance provided only by USAID, in the period 1990–2003, steadily increased over the years, and that it was still a small percentage of the total aid provided by USAID, about 9 percent in 2003; Steven E. Finkel, Anibal Perez-Linan, and Mitchell A. Seligson, "Effects of U.S. Foreign Assistance on Democracy Building: Results of a Cross-National Quantitative Study," 2006, pp. 26–27 (www.usaid.gov/our_work/democracy_and_governance/publications/pdfs/impact_of_democracy_assistance.pdf [July 2008]).
57. See also Pridham, *Designing Democracy*, p. 25.
58. See Dimitrova and Pridham, "International Actors and Democracy Promotion," p. 97; and also Baracani, "EU Democratic Rule," p. 70. However, it should be noted that this substantive model of democracy is promoted by the EU mainly toward its accession candidate countries and the remaining potential candidate countries of the western Balkans, and that this is not the model of democracy promoted toward other third countries that do not have the prospect of membership in the Union; see, for example, the case of Morocco, in Elena Baracani, "From the EMP to the ENP: A New European Pressure for Democratization?" *Journal of Contemporary European Research* 1, no. 2 (2005): 54–67.
59. See Thomas Carothers, *Aiding Democracy Abroad: The Learning Curve* (Carnegie Endowment for International Peace, 1999).
60. However, it should be recalled that, between 1995 and 2009, the total amount of U.S. ODA for government and civil society (\$40,154 million at 2009 prices) was almost double that of EC ODA for the same purpose (\$20,991 million at 2009 prices).

Conclusion

PART V

The Open Question of an EU Foreign Policy

The first edition of this book concludes that, despite legislative and institutional developments, the foreign policy of the European Union (EU) cannot be assessed as national foreign policy. While the Lisbon Treaty has been promoted as a step in that direction, the question remains whether these expectations have come true after its implementation. In the two years since the adoption of the Lisbon Treaty, has the EU been able to formulate a unified foreign policy? If so, is it better equipped to respond to contemporary challenges?

So far, the record remains mixed, and the great expectations of two years ago have remained unfulfilled. Since the Lisbon Treaty went into effect, the EU—and particularly the eurozone—has been seriously hit by the global economic and financial crisis. Furthermore, like the rest of the world, the EU was unprepared to respond quickly and coherently to the so-called Arab Spring. Similarly, there has been no uniform progress in the eastern neighborhood, as illustrated by the cases of Ukraine and Belarus. Energy security has continued to represent an important aspect of international affairs, but the EU's efforts to formulate a common European energy policy have been unsuccessful. Furthermore, despite progress at the Durban conference on climate change, the EU never quite managed to regain the leadership role on climate change it had before the 2009 conference in Copenhagen.

As a result of the financial crisis and the Arab Spring, two of the EU's core projects have been under attack: the eurozone and the Schengen Agreement. The rise of (far) right parties and mass movements of protests across Europe have called into question the legitimacy of European leaders and the direction in which European projects are headed. All this creates problems for the desirability of the EU model internationally. The impact on European external

This chapter draws on the concluding chapter by F. Bindi and J. Shapiro in the first edition.

relations is already visible, with the EU seeing two of its greatest “carrots” (the promise of economic development and increased mobility) diminished. As the contributors to this volume show, the EU’s internal troubles have affected its “soft power” and the overall appeal of the EU model.

This concluding chapter assesses EU foreign policy and its institutional dynamics two years after the entry into force of the Lisbon Treaty. The aim is to evaluate the policy’s efficiency and its capacity to deliver tangible results.

The Nature of the European Union’s Foreign Policy

Understanding the European Union’s foreign policy implies engaging the wider debate about European integration. Consequently, the lack of consensus over the nature of the EU is reflected in the debates over its foreign policy. The contributors to this volume generally believe that a European foreign policy does exist but that Europe’s leaders often resist using the term for fear that it will frighten their publics or reduce their influence. As shown by Nicola Verola, member states’ desire to tightly control developments in EU foreign policy is reflected even at the judicial level in the limitations prescribed in the Lisbon Treaty.

All the chapters in this volume are united by a common thread: that the key to recognizing and understanding EU foreign policy is to go beyond the narrow definition of the European Security and Defense Policy (ESDP, now CSDP) and the Common Foreign and Security Policy (CFSP) to encompass all of the broader policy areas in which the EU operates at the international level. As pointed out by Francesca Longo, part of the explanation for this contemporary situation lies in the post–World War II history of the “old continent.” Having its defense ensured by the United States and NATO, the EC/EU focused on the development of nonmilitary tools of influence and power.

Stephan Keukeleire and Kolja Raube show that it would be limiting to assess EU security and defense capabilities through the lens of military defense alone. Instead, the EU relied on its (historical) experience to introduce an innovative element to civilian crisis management operations. In the process, it made its Common Security and Defense Policy (CSDP) a (rare) recent success of EU integration, with more than twenty operations on most continents by 2011. Similarly, Francesca Longo shows in her chapter that the domestic policies included in the justice and home affairs area (JHA) have come to represent a significant component of the EU’s foreign policy tools and agenda. In his analysis of EU-African relations, Maurizio Carbone agrees with this argument, noting the change in the EU approach toward the region, from a partnership to an asymmetrical relationship governed by EU security and migration concerns. Alfred Tovas reaches very similar conclusions when looking at EU relations

with the countries in the Mediterranean region, where according to him the results of the EU for the Mediterranean have been “meager, if not nil.”

The Evolution of EU Foreign Policy

It is clear that EU foreign policy has evolved as a patchwork, an amalgam of issue areas thrown together with little thought to overall strategy. Consequently, no parallels can be made with the foreign policies of its member states—or indeed with those of other countries. It is fairly easy to define, for example, the foreign policy of the United States, and one can even find a reasonably accurate expression of it in official documents such as the National Security Strategy of the United States. The European Union, in contrast, has not defined the goals of its foreign policy, and this is because, to a large degree, it cannot agree on them. It is true that there is a European security strategy document from 2003, which reads much like that of the United States. As pointed out by Francesca Longo, this document was meant to replace civilian power with multidimensional power, which is presumably better equipped to respond to contemporary international challenges. But the diversity of opinion among EU member state populations and governments on the EU’s role in the world makes it obvious that the EU as a collective actor does not know what its foreign policy goals are. As the failed attempt to update that strategy in 2008 demonstrates, there is no longer even sufficient consensus to articulate a fairly low-key new strategy document.

There is a long history of European efforts to establish a common foreign policy. The nations of Europe first tried to pool resources in the field of defense even before the European Economic Community (EEC) existed. The European Defense Community (EDC) was formed to respond to both domestic and international challenges: German rearmament and the Korean War. But when it became clear that the Korean conflict was a local war, Europeans lost interest, abandoned the EDC, and looked inward. Developments in the 1960s were merely the international extension of domestic policies and problems. For example, the customs union brought with it a commercial policy, with a major boost coming from the General Agreement on Tariffs and Trade (GATT) because it provided the EEC with a forum for negotiating as one entity. In the same years the EEC’s development policy responded to the need to deal with (primarily) French colonies within a European framework—that is to say, to act together where France had failed individually with the *Communauté française*. After the 1973 enlargement, development policy received a considerable boost following the inclusion of former British colonies.

In the 1970s the world changed yet again, and the European Community (EC) found itself unequipped to deal with it: the oil crisis and the Arab-Israeli

wars are two notable examples. Relations with the United States also changed—and not for the better. Henry Kissinger, then the U.S. secretary of state, bluntly told the Europeans a truth that they did not want to hear: that they have only regional interests. Offended, the Europeans tried to form a common political identity in order to express their global interests. In concrete terms that meant that for the first time they gave themselves a few specific instruments for dealing with foreign policy: the European Political Cooperation (EPC) and the European Council. By the end of the 1970s international events conspired to remind Europe that it could not ignore the wider world and could not simply rely on the United States to define its interests in the world. The refusal of the Europeans to go along with American sanctions against Iran after the revolution in 1979 or to join the U.S. boycott of the Moscow Olympics in 1980 in response to the Russian invasion of Afghanistan are two prominent examples of the Europeans not always agreeing with the United States.

In the 1980s, with the accession of Greece, Spain, and Portugal, the European Community essentially comprised all of Western Europe. There was a general sense that as a geographic entity the European Community needed a qualitative leap forward in its capacity to act geopolitically. The Single European Act of 1986 gave the EPC a permanent secretariat and entrusted the EC presidency with representing Europe abroad. In the same years, with the accession of Spain and Portugal, the EEC became interested in Latin America, launching the San José dialogue to create links with Latin American countries and to send a signal to the United States that Latin America would no longer be its exclusive sphere of influence. As shown by Joaquin Roy in his chapter, the EC/EU has continued to be engaged in the region through a variety of programs and initiatives ever since. The EEC also pushed the new democracies in Latin America to create regional groupings in the image of the EC. The most notable result was the creation of Mercosur, an imitation of the EEC that Europe regards as a sincere compliment.

In the 1990s the fall of the Berlin Wall redefined the very meaning of Europe, while the wars in the Balkans demonstrated the dangers of a weak EU. Internally, the end of the Soviet empire meant a reunited Germany, which posed a challenge to the existing arrangements of European governance. In 1992 the Treaty on the European Union sought to anchor a bigger Germany in a stronger Europe, with a common European currency and a stronger foreign and defense policy. Eventually the only result in the field of foreign policy was the CFSP, which was actually an institutional upgrade of the EPC rather than a coherent foreign policy. The European failure to act decisively in the Balkans meant that the 1990s was also the period in which the Europeans started talking seriously about defense. The results were similarly relatively weak institutions (the ESDP) rather than a true common defense policy. Only after the civil wars ended in the

Balkans was the EU able to make a difference on the ground. Siniša Rodin and Raffaele Trombetta argue in their chapters that, at present, the EU's enlargement to the Western Balkans would make history come full circle and will offer a positive ending to the negative chapter of the 1990s Balkan wars.

All in all, however, the main priority of the 1990s was the relationship with the Central European countries. Federiga Bindi, Raffaele Trombetta, and John Peet, among others, point out that the successful 2004–07 enlargement to the east consolidated the image of the EU as a community of values and of enlargement as the EU's most successful foreign policy tool. There is general agreement among the authors addressing this issue that the EU's enlargement should not end here.¹ Indeed, Rodin warns that a slowing down of the process would jeopardize its future, because the institutional memory of negotiating structures in the EU is bound to wane. Similarly, Joseph Joseph argues in favor of a continuation of accession negotiations with Turkey as an advantageous process for both parties and as a way to consolidate relations begun in the late 1950s.

The fall of the Berlin Wall also led to an attempt—not always successful—to enhance relations with Russia and with the other states of the former Soviet Union. Serena Giusti and Tomislava Penkova note that EU-Russian relations have historically oscillated between periods of attraction and emulation and periods of competition and mistrust. The two authors suggest that, with the eurozone crisis, the EU risks losing ground in its eastern neighborhood because its value-based approach may be less effective than the more pragmatic Russian one. Similarly, they argue that the cases of Belarus and Ukraine show that the EU can no longer rely solely on itself to produce changes in the neighborhood. Russia needs to be engaged in order to achieve tangible results.

The early 1990s saw the EU's attempt to become a major actor in the Mediterranean through the Barcelona Process (though it mostly remained a dialogue). Indeed, as pointed out by Maurizio Carbone, (north) Africa became the natural place for the EU to exercise its foreign policy ambitions in the post-Maastricht world. After the 2004–07 enlargement, the EU needed to reconsider its relations with the neighborhood, for which it designed the European neighborhood policy (ENP). Tom Casier argues that the ENP represents a shift in the EU's strategy from extending the EU through enlargement to only exporting its norms through the ENP. His assessment of the ENP is that, far from ensuring the initial promise of “everything but the institutions,” even in a post-Lisbon world the record is limited to assistance and financial support, preferential trade measures, and participation in certain European Community programs. In this sense, as pointed out by John Peet, Alfred Tovias, Tom Casier, and Maurizio Carbone, among others, there is a disconnect between what the EU and its partner states want from each other. Because of the imbalance in power and the

asymmetric relationship, EU interests tend to prevail, but this situation is likely to be unsustainable and have negative consequences in the future.

The post-cold war world also provided the EU with the opportunity to engage with other parts of the world, including Asia. As pointed out by Philomena Murray, it is surprising that the EC/EU did not have a coherent approach toward this region before 1994, when it formulated its first Asia strategy. She argues that, despite the EU's multidimensional engagement in the region, the Lisbon Treaty has failed to address the limitations of this relationship, including the reduced EU personality coherence and overall lack of unity and coherence. Indeed, as observed by Mara Caira, despite the innovations introduced by the Lisbon Treaty, China remains prudent as to the real possibility of hearing the same message from all twenty-seven member states, although it remains to be seen whether it would really welcome a united EU voice.

Of all the EU's external relations, there is one that stands out above all others: the transatlantic relationship. As illustrated by Frederiga Bindi in her chapter, the history of EU integration is to a large extent the history of post-World War II U.S. engagement with the "old continent." In his analysis of contemporary EU-U.S. relations, Dan Hamilton emphasizes the special nature of the transatlantic relationship, but he also warns against taking it for granted. Considering the diverse and complex nature of contemporary challenges (fiscal management, demographic change, international migration, energy supplies, climate change), Hamilton argues that, unless the EU can offer more material and substantial support in areas the United States cares about, the EU as a priority in itself will likely wane from the American foreign policy agenda. Similarly, Finn Laursen argues that the EU may be also losing ground with Canada to rising (East Asian) economic powers, whose fewer complexities and straightforward approach are easier to engage.

The Institutional Setting of EU Foreign Policy

A European Union foreign policy is dependent on the creation of an institutional framework that can support the political process of policy formulation. Even after the adoption of the Lisbon Treaty, the negotiation of EU foreign policy continues to reflect the peculiar nature of the EU as neither purely domestic nor purely intergovernmental. EU foreign policy is mostly, though not exclusively, negotiated by diplomats and foreign ministers in a classic intergovernmental setting. It follows that many actors, with often widely varying and sometimes conflicting ideas, are involved in the process. In the past, the six-month-rotating EU presidency created a striking lack of continuity in foreign policy priorities. The Lisbon Treaty has tempered some of these shortcomings, but the (positive)

example of the Polish presidency in the latter half of 2011 shows that even in the new institutional setting there is substantial room for maneuver.

There are also multiple actors representing the EU abroad. These range from the high representative for foreign affairs and security policy, the council president, the commission president, the commissioner for enlargement and neighborhood policy, to the commissioner for external trade, and they often present divided (and even conflicting) views. The Lisbon Treaty was meant to streamline representation by reducing the number of actors, but so far practice shows a general unwillingness of European institutions and offices to give up power. In fact, while non-Europeans were expecting a single EU voice in foreign policy after the Lisbon Treaty, the reality is that EU voices have multiplied, leaving partners more puzzled than ever. For example, the Obama administration initially showed a willingness to interact with the EU as such, and for this reason it created for the first time an assigned EU department in the U.S. Department of State. It didn't take long, however, for President Barack Obama to show his impatience with the European inability to speak with a single voice by cancelling the U.S.-EU summit that was supposed to take place in Madrid in the spring of 2009.

The Lisbon Treaty also brought two further benefits to EU foreign policy: the creation of an EU diplomatic service and the attribution of a "legal personality" to the EU. Again, experience shows that the setting up of the European External Action Service (EEAS) took longer than expected and was marred by individual member states' interests. Both in its headquarters in Brussels and in the capitals around the world, the EEAS is marked by inter-institutional rivalries and by rivalries among member states and between them and EU institutions. Even cooperation between EU embassies and national embassies remains a distant dream.

Nicola Verola argues that the post-Lisbon Treaty institutional arrangement places a heavy burden on the shoulders of the high representative and the consensus-making ability of that office. Dan Hamilton, however, rightly points out that it would be unfair to blame that office for all the unfulfilled expectations of the post-Lisbon EU foreign policy. What is needed is the political will among EU member states and EU institutions to achieve a unified voice on the world stage.

Ultimately, the EU does not have a foreign policy because, at some level, it does not want one. The member states, the ultimate constituents and deciders in the European Union, still view themselves as having independent foreign policy goals. This situation results not only from disagreements over policy but also and more commonly from conflicts over the priority that should be given to different goals. The Iraq war in 2003, the Georgian war in 2008, and the Libyan intervention in 2011 are just a few examples of the way that the

conflicting interests of individual member states result in European incoherence and inconsistency. Since consistency and prioritization are the very essence of formulating policy, a policy cannot exist.

The Ability of the European Foreign Policy to Deliver (or Not)

The EU's lack of institutional coherence is reflected in its failure to give birth to a unified foreign policy actor. However, the EU is not a nation-state, and the success or failure of its foreign policy should not be judged by the same standards. Indeed, if we lower the bar somewhat and assess EU foreign policy against the standard of intergovernmental organizations, it is clear that the EU has had a fair amount of success.

As noted, the most successful EU foreign policy has been enlargement. The EU has proven able to attract former neighbors and, most important, to support their internal democratization processes and economic recovery. In this sense, this book demonstrates that when the EU was able to agree on coherent, purposeful action (with regard to Central and Eastern European countries) it was successful. Enlargement is a card that cannot be played forever—but as numerous contributors to this volume show, it shouldn't be discarded completely, either. While enlargement has proved expensive monetarily, institutionally, and culturally, it has also enhanced the appeal of the EU model (see Elena Baracani's chapter) for third parties and, incidentally, turned the EU into a democracy promoter (see Laura Ferreira-Pereira's chapter). Another domain in which the EU has proven remarkably successful is in its commercial policy.² In this area the EU clearly acts effectively as the undisputed agent of its member states, which consequently now put little effort into conducting independent commercial policies. Key economic partners, including the United States and China, recognize the EU as the interlocutor in this area and have largely given up on divide-and-conquer strategies. This does not mean that there are no disputes in commercial policy between the EU and its partners. To the contrary, such disputes are commonplace, starting with the well-known case of the EU-U.S. dispute over bananas. Paradoxically, such disputes are a symbol of success, demonstrating as they do, first, that the EU can be an effective advocate of European interests and can stand up to partners such as the United States and China when necessary, and second, that through a relatively orderly resolution of disputes it is capable of reaching compromises that are useful to both sides and to the global trading system as a whole.

In the domain of antitrust (often called competition policy), the EU has also often been able to effectively represent its members at the international level,

even taking the lead during the Bush II years when the United States was largely inactive in this area.³ It is a good example of the EU's potential for capitalizing on a policy area given to it for technical reasons (to facilitate efficient internal market operations) and, through its capacity to create a coherent European structure and mobilize European power, to mature the policy into a foreign policy tool. In certain cases, membership in the EU has also provided an effective megaphone for member states' national foreign policies. Relevant cases are Latin America for Spain and Portugal, Timor-Leste for Portugal, and Africa for Belgium and France.

But despite these important successes, the EU's record on foreign policy is a decidedly mixed one. In certain areas that one might consider key for Europe and for specific member countries, the EU has not been very effective. This is largely because the EU has no real mechanism for resolving internal disputes. Therefore, if there is no consensus, there is no policy. Examples abound and range from very large issues, such as disagreements over U.S. policy in Iraq, to deep divides over Russia's intentions, to small but embarrassing issues such as the failure to formulate a common position for the Durban Review Conference against racism.⁴

In the Georgian crisis in August 2008, the EU was able to reach some consensus, but on a very narrow and immediate issue: creating a cease-fire between Georgia and Russia. But even in that case the EU did not have the capacity to ensure its enforcement and, in the end, achieved much less than was necessary. Similarly, the military intervention in Libya in 2011 was driven by France and the UK—but under the NATO military umbrella and with substantial U.S. support.

All in all, the realities of the post-Lisbon world seem to generally limit the EU's external relations to its immediate neighborhood. Here the stated foreign policy of the EU is to create a "circle of friends" that can enjoy "everything but the institutions." However, while the EU's neighborhood policy is a promising vehicle, the chapters of this book show that it not very effective in practice. So far the EU has been unsuccessful in finding incentives other than the prospect of membership that would guarantee partners' engagement on the path of neoliberal reforms. Indeed, the conditionality approach that characterized the accession process is still present in relations with the neighborhood, to the detriment of these relations. The impression is that oftentimes the EU demands a lot and is willing to give little in return and that it is generally reluctant to address the issues that its partner states care about the most (such as market access, mobility, and conflict resolution).

Finally, is the EU considered a reliable partner outside of the EU? What is the non-EU public opinion of the EU? And has the EU's foreign policy

contributed to creating a European identity domestically? The picture here is mixed. There is certainly a strong recognition of the EU as an outstanding commercial actor throughout the world. Yet there is a much more confusing picture in other policy aspects. In foreign policy there have been great expectations in much of the world that the EU will act like a country, but in practice the EU's actions have not met these expectations. The EU's role as a geopolitical actor is also often jeopardized by internal divisions. Examples here are relations with Russia and the situation in Iraq or in Libya, where the domestic priorities of some member states (in particular, France and Germany) dictate their international behavior.

Looking toward the Future

The overall conclusion is that, although the Lisbon Treaty represents a step forward on the path toward formulating a single European foreign policy, the EU missed an opportunity for a greater role in international relations. From the perspective of third parties, in fact, it has only been a baby step forward. If the EU wants to play a global role that is perceived as such outside its borders, it will have to find a way to contain the divisions and the conflicting aspirations among some of its member states.

The EU also needs to become proactive, given that in the past the EU's foreign policy was to respond to events rather pursue its own clear agenda. The EU has added competencies in foreign policy but has failed to define an effective strategy for action. The unsurprising result of this approach is an EU foreign policy that is often disappointing to not only its member states and institutions but also to third parties. However, as pointed out by Elena Baracani and Laura Ferreira-Pereira, while piling up this record of disappointment, the EU has also developed an ideological basis for foreign policy as well as institutions and capacities that have the potential to serve as the foundation for more significant achievements. The EU would positively benefit from finding a way to replicate the success of enlargement.

To be successful, a foreign policy has to have well-defined goals, the willingness to pursue them, and the instruments to achieve them. A true European Union foreign policy would require a more strategic outlook to realize its potential. The elaboration, in 2003, of a European security strategy was an important step in that regard, but creating a strategy document is not the same as having a strategy. The same can be said of all areas of EU foreign policy. Producing countless papers and documents does not equal having a foreign policy or strategy. The formulation of a strategy is much more than just a document; it is a political process that seeks to negotiate the limits of what the polity can agree

on, to smooth out the most logically incompatible edges of that consensus, and to produce a document that can command widespread respect and agreement. A document is the least important part of that process—it is the process itself and the consensus built into the political negotiations that provide the impetus for action and strategic change. So far, despite the institutional innovations provided by the Lisbon Treaty, the EU has failed to effectively engage in such a process. This failure could prove costly. As Pierre Vimont's foreword to this volume states very clearly, without a foreign policy strategy the EU cannot find its proper role in the contemporary globalized world.

In practice, for the EU to be more effective—and for it to recoup the missed opportunity lost after the implementation of the Lisbon Treaty—drastic changes are required.

First, an effective foreign policy needs to be projected into the future—to have a long-term perspective and a strategic vision. Napoleon's sale of Louisiana to the United States in 1813 is a case in point: he did it because he envisaged that, in the long run, the purchase would make the United States into a power that could overshadow the British Empire. In the nineteenth century Napoleon had the ability to envisage the world of the twentieth century. In the twenty-first century the European Union and its member states need to think in terms of the twenty-second century, not of the nineteenth!

Second, in a rapidly changing and globalized world, it is in the interest of EU member states (and that of transatlantic relations) to act cohesively through the EU. Such cohesiveness can lead to other changes, such as a single EU representative for its foreign policy and the elimination of redundant embassies. The single EU foreign minister in command of EU diplomacy should be proactive and replace the multiplicity of international actors that is true of the present-day EU.

An EU that is cohesive and strong can render intra-European embassies redundant. These can be replaced by small intra-European consulates. A model for such a change is the way the Scandinavian countries have pooled such resources and have used modern IT and communication means to cooperate closely and, at times, substitute for one another.

For similar reasons, national and EU embassies in third countries should be pooled into all-EU embassies. As things stand today, the European External Action Service works in third-state capitals in concurrence, rather than in an integrated manner, with member states' embassies, thus wasting resources and time and essentially losing credibility vis-à-vis international partners.

After all, there is general agreement that the world in its entirety is experiencing a global governance crisis and, as the EU itself states, "In a crisis there is no substitute for unity of command."⁵

Notes

1. For further analysis on the possible implications of future enlargements, see F. Bindi and I. Angelescu, eds., *The Frontiers of Europe: A Transatlantic Problem?* (Brookings, 2011).
2. B. White, *Understanding European Foreign Policy* (London: Palgrave, 2001), p. 37.
3. C. Hill, *The Changing Politics of Foreign Policy* (London: Palgrave, 2003), p. 10.
4. A. Sbragia, *Euro-Politics: Institutions and Policymaking in the "New" European Community* (Brookings, 1992), p. 257.
5. European Council, "A Secure Europe in a Better World: European Security Strategy" (Brussels: 2003) (www.consilium.europa.eu/uedocs/cmsUpload/78367.pdf).

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