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# Transcending Westphalia: The Two Faces of European Foreign Policy

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**Transcending Westphalia:  
The Two Faces of European Foreign Policy**

**Momchil Jelev**

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The Two Faces of European Foreign Policy**

**Momchil Jelev**

Honors Thesis

Department of Political Science

Macalester College  
Saint Paul, Minnesota, USA

May 2008

Adviser: Wendy Weber

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skills many a time kept me going and brought me to yet another night at the library. Adrienne was always honest and just in her view of our progress, but she also invariably gave credit where and when that was due, as well as compassion and support at hard times. Her feedback throughout the year made me a better public speaker and helped me present and defend my project. I doubt I would have completed this thesis had it not been for Prof Christiansen's unfaltering energy, strength of character and focus that she brought to each of our cozy Wednesday-night gatherings.

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## **ABSTRACT**

Scholarship has tended to understand the European Union as either intergovernmental or supranational within the context of the Westphalian state system. This study begins with the assertion that the EU is a unique political entity that requires more flexible conceptions of world politics. I argue that the EU is structurally different in the economic and security domains of foreign policy. It is supranational in economic relations and intergovernmental in security issues. This is demonstrated through examining the EU policies on trade, aid, and intervention. I also highlight the weaknesses – democratic deficit, weak public opinion and lack of common identity – that affect the Union’s international identity. Thus, the combination of structural achievements and liabilities has made the Union a complex political creature with dual identity.



## **List of Acronyms**

ACP – African, Caribbean, and Pacific countries  
CAP Common Agricultural Policy  
CEEC – Central and Eastern European Countries  
CET – Common External Tariff  
CFSP – Common Foreign and Security Policy (2<sup>nd</sup> pillar of the EU)  
DSM – Dispute Settlement Mechanism (within the WTO)  
EC – European Community  
ECB – European Central Bank  
ECHO – European Community Humanitarian Aid Office  
ECSC – European Coal and Steel Community  
EDF – European Development Fund  
EEC – European Economic Community (ceased to exist in 1992)  
EMU – Economic Monetary Union  
EP – European Parliament  
EPC – European Political Cooperation  
ESDP – European Security and Defense Policy  
EU – European Union  
EU-15 – the Union prior to the Eastern Enlargement of 2004-2007  
GSP – Growth and Stability Pact  
JHA – Justice and Home Affairs (3<sup>rd</sup> pillar of the EU)  
NATO – North Atlantic Treaty Organization  
OECD – Organization for Economic Cooperation and Development  
OSCE – Organization for Security and Cooperation in Europe  
QMV – Qualified Majority Voting  
SAA – Stability and Association Agreement  
SEA – Single European Act  
SEM – Single European Market  
WTO – World Trade Organization

## Introduction

Sixty years in the making, the European “adventure”, as Zygmund Bauman calls it, continues, and the shape and functions of the European Union (EU) are in constant evolution and transformation.<sup>1</sup> This has prompted questions about the nature of the Union beyond its already established economic integration. Is it possible that Europe could become a federal state? How likely is that nation states would increasingly cede political sovereignty to the EU, thus creating an entity much like the United States? What exactly is Europe in geographical and normative terms? These are only some of the questions that occupy the minds of academics and politicians in both Brussels and the capitals of the member-states. As all these issues suggest, the future of the EU structure seems uncertain, with federalists and confederalists heatedly exchanging ideas about the state of the Union and its political direction. Resolving this debate has already occupied a significant volume of literature and promises to remain relevant in the near future both in the academic and policy arena.

In the context of these current debates, the EU is gradually looking into a system of common security and defense, which has been largely provided by the US and NATO in the last sixty years. This would be a revolutionary step forward in building a common European foreign policy. However, issues of national sovereignty, transatlantic relations, and pressure from neighboring states (especially Russia) have emerged as the major impediments on the road to a shared EU security policy. Deep divisions on the topic – particularly between old and new EU members – are quickly exposed at every occasion when international crises like the ones in Kosovo and Iraq call for a European response.

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<sup>1</sup> Bauman (2004).

At the same time, the EU is a formidable player in the international economy, shaping the global trade agenda and leading efforts in humanitarian aid. The single voice of the Union in economic affairs has made it the most significant single market in the world and the largest source of aid to developing countries.<sup>2</sup> This demonstrates the serious crossroad at which Europe's foreign policy ambitions have arrived. When looking at the linkage between the internal structures of the Union and its international role, two questions arise:

- 1. How do the EU's integration achievements (in terms of common institutions and policies) affect its identity as a global actor, and**
- 2. How do the three central liabilities of the European project influence the foreign policy of the Union?**

In other words, an analysis of Europe's significance as a foreign policy actor against the backdrop of the governance model that Brussels has espoused is necessary. The existing literature on the EU does not offer such comprehensive examination. To address this conceptual gap, I look at the economic and security dimensions of foreign policy, trying to discern the Union's international identity in each of the two domains through answering both of the above questions. In this context, my argument is twofold. First, the structural underpinnings of the EU make it a supranational economic and intergovernmental security actor. This shows that the Union is a complex international actor that stands on the margins of the Westphalian state model, defying the traditional understandings of nation-state cohesion in foreign affairs. Second, the central issues that the EU faces internally – the democratic deficit, the absence of a common European

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<sup>2</sup> The EU is the largest Official Development Aid (ODA) source as percentage of the total GNP of the Union. It is also the biggest humanitarian aid provider (when Union and member-states figures are combined) at 55% of total amounts. Holland (2002), p. 109.

identity, and weak public opinion – enhance the Union’s supranational identity in economic affairs but limit its capabilities as a global security actor.

### **Significance of the Research**

The central driving force behind this project is the significant gap in the EU literature as it relates to the Union’s role as a foreign policy player. I have identified three vital shortcomings in the EU scholarship. First, the primary portion of the existing literature focuses on arguments about the theoretical underpinnings of the EU and is divided between those who claim the EU is a supranational entity and others who see it more as an intergovernmental organization. I argue alongside a minority of academics who see the EU as a unique political entity that cannot be aligned with any of the traditional theories about institutional design and stands on the spectrum between a full-fledged nation-state and an association of states. Second, analysis of the Union’s foreign policy ranges from skeptics who emphasize the absence of military capacity and those who focus on the Union’s “soft power” as a key to understanding its foreign policy. Both of these are grounded in the traditional understanding of foreign policy as it was formulated within the Westphalian framework of nation-states. Such conceptualizations emphasize military capabilities and projection of power as the central markers of a state actor and carry limited application when related to a novel political entity like the EU. Third, there is no significant analysis on the intersection between the internal institutional achievements of the EU and its foreign policy identity. Scholarship tends to address these two separately, while the current study searches for the linkages between them within a historical and theoretical framework.

In this context, the current study first offers a novel approach to analyzing the EU as an international actor by proposing a more complex definition of foreign policy and looking at the connection between the institutional achievements of the EU and its foreign policy. I argue that foreign policy ought to be divided between its economic and security components in order to fully reflect the asymmetry between the economic and political integration of the EU. Granted there are inherent linkages between economic and security policies and I realize that divorcing the two could be viewed as a potentially limiting enterprise. However, I view those concerns as products of the familiar paradigm of international relations, which is heavily grounded in the Westphalian tradition. As I will demonstrate in the subsequent chapters, the EU fundamentally deviates from the Westphalian model of a nation-state, and as a result, I allow for a distinct definition of foreign policy which reflects the uniqueness of the case study itself. This approach is also warranted by the obvious discord (also highlighted by the literature) between the historic evolution of Europe's economic and political integration. In this way, it will become clear that the EU is neither fully supranational, nor completely intergovernmental on the international scene. A comprehensive analysis of its underlying nature ought to include aspects of both theoretical frameworks.

Second, I argue that the underlying liabilities of the EU both enhance and limit its capacity in the economic and security aspects of foreign policy respectively. I propose an analytical framework that includes the three fundamental structural weaknesses of the EU: the democratic deficit, marginalized public voice, and the fragile common European identity. These three provide a second dimension of analysis beyond the institutional achievements of European integration. Their influence on the economic and security

presence of the EU abroad is complex and varies in intensity and breadth. Discussing them allows for a balanced argument that examines how both the achievements and failures of the EU influence its foreign policy.

## **Methodology**

The methodology used in this project relates to both the sources that I employ, as well as the particular approach to addressing the research question. The research that lies at the heart of this study comes from a variety of sources, but considering the vast quantity of both primary and secondary resources about the EU, I will not argue for a completely exhaustive view of all available sources. Nevertheless, the literature review relies heavily on secondary material and attempts to analyze the EU both in breadth and depth. It spans history, as well as theoretical frameworks, in order to provide a complete picture of the historical evolution of the Union, as well as the reasons for its divergent political and economic competence. Subsequent chapters move away from analytical accounts of the EU and also focus on specific primary texts (statements from European leaders and the Commission, treaty documents, and Eurobarometer surveys) which are readily available on the Internet. These are central to a closer look into the EU's structures and functions both on the economic and security fronts that make up its foreign policy identity. When viewed in the context of the specific issues I examine, primary materials provide the skeleton of my argument about the Union's foreign policy identity.

In terms of the more specific approach to answering the questions guiding this study, I employ a two-fold strategy. First, I use "ideal type" definitions of supranationalism and intergovernmentalism as provided by the literature on the EU.

These serve as the reference points at the two extremes of EU identity. They are critical to placing the Union in comparative perspective on the continuum between a perfectly cohesive political entity and a mere association of states. Second, I use case study analysis within each of the domains of foreign policy, the economy and security. This historical narrative analysis allows for a detailed and nuanced examination of the Union's identity as an international actor, a task that hardly lends itself to quantitative study. Within each of these domains I choose two central issues that continue to spur debates among policy makers and academics alike. Trade and aid in the context of the economy are broad issues that span time and have retained their relevance ever since the formation of the EU. The crises in Kosovo (1999 and 2008) and Iraq (2003) as security challenges coincide with the general move towards a comprehensive European foreign policy and the broadening of Union membership with all the complexities this implies. This combination between theoretical "ideal type" analysis and a case-study examination – both based on an array of primary and secondary sources – stands at the core of the findings that this study offers.

### **Scope and Limitations**

As the literature indicates, the European Union is a complex and multifaceted entity that calls for a variety of research perspectives and scholarly inquiries. Hence, in order to preserve the focus of the current project, it is critical to discuss the scope and possible limitations of the methodology and analysis.

The paper focuses strictly on the foreign policy of the EU as defined by economic and political and security issues. Each of the two areas is analyzed in the context of two

issue areas that most clearly illustrate the EU's international identity. Hence, a number of important issues have been left beyond the purview of this paper, but I would argue that their discussion would not change significantly the outcome of my analysis. Some of these include the complex relationship with Russia, the peace process in the Middle East, contradictory economic relations with China, the security impact of the Union in the Mediterranean and East-European regions, as well as the nuances of the Trans-Atlantic relationship. At the same time, the conclusions that this paper offers will shed some light on possible interpretations of these issues and the potential for an EU impact in their solution.

The major limitations of analysis stem from the limited time and resources for the completion of this project. A comprehensive view of EU foreign policy would demand more breadth in the choice of issue areas in order to paint a more detailed picture of the Union's activities on the international economic and political arena. However, such depth of analysis would require a significantly longer time for research. Another limitation of the project is the selection of the structural liabilities that I focus on. When analyzed by scholars of democracy, the democratic deficit is certainly the central institutional weakness of the Union and has deep implications about the foreign policy role of the EU.<sup>3</sup> The lack of common European identity and the weak public opinion are similarly problematic for the cohesiveness of the Union but their effect on the foreign policy of the EU is more complex than the literature suggests. At the same time, other critical issues like immigration and an ageing population are left beyond the scope of the paper because they are less related to the EU institutions themselves.

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<sup>3</sup> Schmitter (2000) and others, particularly Moravcsik (1991 and 2003).



Another limitation for my conclusions particularly in *Chapter IV* stems from the choice of the two crises. Both the responses to the Kosovo conflict in 1999 and the Iraq intervention in 2003 are situated in an EU-15, rather than EU-27. Twelve new countries have entered the Union since 2004, and this has profound implications for the structures and decision-making procedures of the EU. Perhaps the first time that an EU-27 was tested in terms of security was again Kosovo but only in 2007. Hence, the changing membership of the Union could have profound consequences for the argument I present, but this is a central limitation when one analyses a dynamic political project in constant flux. While Iraq in 2003 perhaps only reflects an EU-15 foreign policy, the Kosovo case in 2007 provides the most temporally relevant view of the Union's foreign policy.

### **Outline of the Argument**

The project is divided into five parts. *Chapter I* summarizes the existing literature on European integration, providing the necessary historical and theoretical background to the project. The chapter will demonstrate the evolution of institutions and theoretical frameworks for describing the EU. I will also introduce the most current structural debates about the Union's internal identity. The analysis proves that the EU does not follow neatly any of these frameworks but rather represents a new type of political entity, *sui generis*, whose various policies place it at different positions on the federal-confederal spectrum.

At the same time, there are critical internal challenges that threaten the Union and influence its international standing. I have grouped those into three categories that also serve as the prisms through which I look at the EU in the international arena. These

include the weak European identity, the limited voice of public opinion, and the democratic deficit of European institutions. Each of these separately is a major liability of the European project which manifests itself in particular ways when the EU acts on the international arena. Overall, the chapter offers many more questions than answers, showing once again that the Union is a dynamic entity that has not yet reached its *finalité politique*. The conclusions drawn from the literature justified my later choice in dividing the foreign policy analysis into two distinct areas and helped articulate the two questions that stand at the core of this project.

*Chapter II* represents a transition between the dense theoretical background of the EU and the more concrete functions that the Union performs in international relations. The chapter focuses on the development of the Common Foreign and Security Policy (CFSP) framework in the early 1990s and its evolution until the most recent Lisbon Treaty signed in December 2007. The chapter stresses not only the forces and events that have generated the European drive for a common foreign policy, but also the substance and details of the institutional framework that the EU has developed in international affairs. In the end, *Chapter II* concludes that the drive for a common foreign policy is a recent phenomenon deeply conditioned by the post-Cold War international environment. What is more, the Union faces a serious capabilities-expectations gap which reflects the asymmetry between ambition and capacity in responding to the evolving security challenges after the fall of communism. At the same time, it is clear that the EU constantly seeks to enhance its capabilities through a number of important treaty reforms from Maastricht until Lisbon.

*Chapter III* examines the European Union within the framework of the global economy. The focus is on the Union's role in trade and development and humanitarian aid and its combined muscle as a single market and an economic union.<sup>4</sup> The chapter also shows that the depth of EU economic integration has intensified the three main weaknesses that the Union exhibits, thus increasing policy efficiency and fostering a single European voice in international economic affairs. This illustrates the Union's identity as a superstate with twenty-seven votes in most organizations, particularly the WTO. In the end, the chapter affirms that the EU possesses a strong foreign policy with lofty goals and effective implementation in the economic realm. This affirms that the Union's soft power is at the core of its global influence, making the EU the world's strongest economic player.

*Chapter IV* focuses on the other central aspect of foreign policy, security and defense issues. I look at the issues of Kosovo and Iraq not only because of their timeliness and importance, but also because they represent an internal and external European problem respectively, thus capturing a broad range of the Union's strategic security interests. At the same time, both have showed the inability of the EU to act as one on the security arena, not only in terms of diplomatic cohesiveness (prior to the war in Iraq and so far in the debate on Kosovo's independence), but also as far as operational capabilities for military interventions. Overall, the chapter demonstrates that the EU is a much weaker international actor in the area of security, and its three major internal

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<sup>4</sup> When referring to the EU as an economic union, an entity governed by a common macroeconomic policy and having a single currency, we only talk about the so-called Eurozone. It includes fifteen countries (after Cyprus and Malta joined on January 1, 2008) that are all members of the EU. The other twelve which are outside the Eurozone but still within the EU will be joining in groups once they meet all the necessary economic requirements. Only the UK and Denmark have opted out of joining the Eurozone and are not obliged to do so except by their own will.

challenges greatly reduce its capacity to formulate common security and defense interests. This precludes the EU from projecting military power globally, which makes it a superpower that does not rely on force and coercion. This largely substantiates the claim that the EU's international identity stands on the margin of the Westphalian political model, challenging traditional means of power projection through force and exhibiting different degrees of cohesion in different areas of foreign policy.

After examining how the two main questions that drive this project affect the EU's role in economic and security affairs and thus shape its particular image in international relations, I dedicate *Chapter V* to some concluding thoughts and a look into the future. The chapter moves away from a purely descriptive and analytical approach and adopts a more normative view as to what the EU could and ought to do in order to become a more effective actor on the international arena. I look at how the EU's movement towards the margins of — the Westphalian governance model and beyond has undertaken can deliver foreign policy outcomes that make the EU a more effective international actor.

## **Chapter I: Literature Review**

### **Different Views of the Elephant:**

### **The Nature of the EU and the Challenges Ahead**

#### **Introduction**

It is important at the outset to establish that the literature on the European Union comprises a wide body of authors, arguments, and perspectives. One can be easily disoriented in the sheer volume of studies, theories, and analyses. This calls for a certain selectivity and parsimony in choosing the relevant and applicable documents. Moreover, despite the innumerable studies on the EU overall and its foreign policy in particular, many of the secondary resources are repetitive both in substance and form, which makes the task of the researcher harder. Thus, identifying the central debates and concepts related to the topic at hand is crucial. In addition, for the purposes of relevance and because of the potentially short time span of any theory or analysis on a dynamic entity such as the EU, the choice of time period for a literature overview is equally important.

The study of the literature that I propose focuses on articles and publications from the 1990s onwards, allowing for the presence of older works that are still considered seminal for understanding the European Union's underlying structures. The layout of this chapter is as follows. First, I provide a historical background to the EU and the process of integration as reflected by both particular events and theories over the past sixty years. I begin with an overview of the path of integration painted in broad strokes, followed by the so-called "grand theories" and debates of the EU. Together, these serve as a

contextual basis for a majority of the literature on the EU. Second, I examine the nature and political structures of the EU today in the context of the intergovernmentalism-supranationalism debate. I adopt the view of some scholars who claim that the EU stands somewhere between the confederal and federal political designs, transcending both but still retaining some of their features. This establishes the first prism of analysis that I will employ in the rest of the study; it has profound consequences for defining the Union's international identity. The last section of this chapter discusses three central challenges embedded in the structural framework of the EU, the growing democratic deficit, weak public opinion and absent European identity. These will serve as the second analytical anchor for examining the EU as an international actor.

### **Historical Canvass I: Temporal Evolution of the EU**

As a starting point for the historical canvass of the study I use the analysis that Magone provides in *New World Architecture: the Role of the European Union in the Making of Global Governance*.<sup>1</sup> He argues that the European integration process can be divided into two major periods: the politics of treatyism, and the flexible, constitutional Europe.<sup>2</sup> In his view, the period 1950 – 2000 was shaped by the paradigm that “slowly from the core, one develops new layers of integration until it becomes a complete set”.<sup>3</sup> Treatyism implies dynamism in integration as a result of policy decisions conditioned by internal and external forces. Contrastingly, the period of constitutionalism is characterized by a longer-term view that considers European institutional reform as a

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<sup>1</sup> Magone (2006).

<sup>2</sup> “Treatyism” refers to integration based on a series of multilateral agreements formalized into treaties. Contrastingly, “constitutional Europe” derives from the push to establish a single foundational document for the Union, a constitution providing a rigid legal and symbolic framework for a unified Europe.

<sup>3</sup> *Ibid.*, p. 69.

necessary and sufficient condition for the political functioning of the Union, both internally, as well as within the realm of international relations. Constitutionalism seeks to reduce the structural dynamism of the Union and establish a *finalité politique* that serves as a stable foundation for common policies. A closer look at each of the two periods, uneven as they are in length, merits attention as it clearly informs the current *status quo* of the Union.

Following the formation of the European Coal and Steel Community (1950) and the Treaty of Rome establishing the European Community (EC), the move towards integration quickly accelerated. The 1950s and 60s were marked by integration led by hidden grand designs, which I will describe further. European elites were devoted to the formation of a United States of Europe, hoping to quickly establish economic and political unity. In the 1970s, the European project entered a period of stagnation, often referred to as “Eurosclerosis” (following the entry of Denmark, Ireland, and the UK). Nevertheless, the end of the decade (1979) brought the first elections for EU Parliament which revived the integration process. This symbolized the first introduction of democratic elements in an otherwise elite-driven system. What followed was the neo-liberal skepticism of the 1980s, with strong British opposition to deeper integration.

This movement was counterbalanced by the politics of Delorism, introducing the notions of flexible integration.<sup>4</sup> The process has often been referred to as “Europe à la carte”, because it was understood that policies would be brought from the state to the Union level following agreement among all member states. This also gave the impetus

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<sup>4</sup> Following the name of the President of the European Commission at the time, Jacques Delors. Flexible integration refers to pulling separate policies from the national to European decision-making levels only when this provided added value to the policy outputs of the entire Union. If national decision-making is more effective, the Union would leave policy on the member state level. Ibid., p. 68.

behind a fundamental reform of the Rome Treaty, which was embodied by the 1992 Maastricht Treaty. Maastricht not only established the European Union as the successor of the European Community, but it also established the EU foreign policy pillar.<sup>5</sup> The treaty also provided the roadmap for achieving a complete economic union through adopting a single currency. Only countries fulfilling strict macroeconomic requirements could join the new currency, a clear demonstration of Delors' notion of flexible integration.

Beyond the undeniable achievements at Maastricht (driven home largely by the Delors Commission), the Council of Nice (2000) finally affirmed real integration of other actors, "which were able to change the way the heads of the state and the national governments have been negotiating the institutional and political development of the European Union".<sup>6</sup> This included the emergence of civil society as a factor in the process of EU integration. Its role will be discussed in the last section of the review.

The second period that Magone outlines, flexible constitutional Europe, began with the commitment in Nice to organize an IGC on the future of Europe.<sup>7</sup> Magone describes in great detail the European Convention of 2001-2003, its protagonists and outcomes (particularly the project for a European Constitution). This is a new type of constitutionalism – "open and without final structure" – started by Joschka Fisher's famous speech calling for the EU to move towards federalism.<sup>8</sup> This initiated the process

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<sup>5</sup> This particular component of the Maastricht Treaty will be discussed in greater detail in Chapter II.

<sup>6</sup> Including the finalization of the Internal Market (consisting of the "four freedoms", freedom of movement of goods, services, labor, and capital), the agreement on a Common Foreign and Security Policy, the establishment of some majority voting in the Council, as well as the focus on subsidiarity (always striving to resolve policy issues first on the lowest possible level), among others.

Ibid.

<sup>7</sup> Intergovernmental Conference (IGC) – one of the traditional avenues for debate and discussion in the attempt to generate a new reform on the Union's institutional level. It takes place prior to the formulation of a formal proposal for new treaty.

<sup>8</sup> Ibid., p. 76. and Fischer, Joschka. (12 May, 2000). Speech at Humboldt University, Berlin.



of deliberative democracy demonstrated at the Convention. In Magone's view, the shift from treatyism to constitutionalism has pressured the EU to steadily overcome the language of classic national state-building and create a new linguistic repertoire related to the emergence of the multilevel European Union governance system. This was largely exemplified by the debates and outcomes centered around the Treaty on the Constitution of Europe

*The Constitution: A Failed Experiment*

Turpin presents a comprehensive picture of the European Constitution, the impetus behind its formation, the obstacles to reform, as well as the final output of the Convention.<sup>9</sup> The author's analysis begins with Kant's "Project for Perpetual Peace", an essay considered one of the most fundamental ideological and theoretical drivers behind the idea of a post-war united Europe. Kant suggests establishing, via a "Constitution similar to the civil constitution (of the States)", a "federation of the people which would however not form a single state".<sup>10</sup> The idea would create emotional ties between people, ensuring the establishment of solidarity and empathy that would preserve peace. The earliest attempt at an institutionalized effort to form a constitution was Spinelli's project for a "treaty-constitution" for the European Community (1953) which ultimately failed.

Thus, it is important, Turpin argues, to look at the main arguments for a European Constitution. On the political side, it could create a better understanding of the body of EU legal instruments. In addition, it could lead to greater democracy by including citizens in the decision-making process. In legal terms, the text could symbolize the existence of a common constitutional heritage among the people of Europe. Moreover,

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<sup>9</sup> Turpin (2002).

<sup>10</sup> Ibid., p. 241.

the new document would embody a Constitutional Charter – a common body of Union law which prevails over national legislation and becomes an integral part of national constitutions. The specific novelties in the document – while limited in number – contained far-reaching implications for the political organization of European structures. Among the innovations were a Charter of Fundamental Rights and a new model for the distribution of powers in the Union.<sup>11</sup> However, as Turpin recognizes, the obstacles to the constitution were significant.<sup>12</sup> First, it became increasingly obvious that the EU did not constitute a people (*demos*) and that it was not a sovereign state that represented a homogenous citizenry. Moreover, only a federal Europe could have a constitution and it was evident at the time of the Convention (and later, during the ratification process), that there was no political will to realize this objective.

The failure of the Constitution in 2005 has been widely regarded as a step back for European integration and a serious blow to the vision of a politically unified continent where peoples, rather than nations, form the basic units of solidarity and the desire for a common future. However, the paradigm of constitutionalism itself did not die together with the document. Two years of stagnation in the integration process were followed by a renewed energy for reform and the assembly of sufficient leadership to arrive at a new, reshaped treaty for the European Union. On paper this indicated a return to the familiar practice of treatyism, but the Lisbon Treaty that was agreed on by the EU heads of state in October 2007 is closer in spirit and ambition to the failed Constitution, rather than previous treaty reforms. The new text introduces institutional reforms that not only unify

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<sup>11</sup> This included electing a Union President, strengthening the role of the Commission as a *de facto* executive, expanding the mandate of the Parliament, and creating the position of a European Foreign Minister.

<sup>12</sup> *Ibid.*, pp. 252-255.

all previous EU treaties in an overarching new document, but also transform the Union into an entity with a clear political dimension.

*The Lisbon Treaty as the New Status Quo*

As a consequence of the recent emergence of this new important document in the European integration process, the literature that analyses it is relatively limited, allowing the present study to offer perhaps one of the first interpretations of the treaty itself and its implications for the policies of the EU.

The deal on the Lisbon Treaty was finally sealed among EU leaders on October 19, 2007, ending the two-year impasse on EU institutional reform. To many critics, the treaty's content mirrors that of the rejected constitution, scrapping out the symbols of a state like the flag, anthem, and the constitutional document itself.<sup>13</sup> As a result, the opinion of Euroskeptics is that EU leaders have simply agreed on an updated version of the constitution, calling the document a treaty and thus circumventing the requirement for referenda to be called before ratification. Arguing that the new document is qualitatively different from the constitution in that it does not imply any significant transfers of power from the national to the European level, leaders have deflected calls for popular votes on the treaty. This has prompted many to condemn the EU for returning once again to elite-driven decision-making. I would agree with this assessment especially against the backdrop of frustration among EU leaders with the popular response to the Constitution. Elites possessed the political will and ambition to deepen integration and decided once again to diminish the EU's legitimacy while increasing efficiency and strengthening the

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<sup>13</sup> Bonde (2007), a member of the European Parliament, has been one proponent of this view.

Union's central institutions. This further perpetuates the top-down mode of design of the European project.

In terms of content, the treaty indicates several important changes in the structures of the Union. First, a president of the European Council would be elected for a two-and-a-half year mandate, supplanting the existing practice of countries rotating at the presidency for six-month periods. Second, a new post would unite the positions of the external affairs commissioner and the High Representative for Foreign Affairs, thus in effect creating a single European Foreign Minister who would represent the European voice in external relations. Third, the EU Commission would be reduced in size and fewer commissioners than the number of member states (27) would serve after 2014. Fourth, a new voting weights system will be implemented between 2014 and 2017, following long bitter debates between Poland and other states as to the weight that that country would have. Fifth, the powers of the Commission, Parliament, and Court of Justice are enhanced in a number of areas, most particularly in justice and home affairs. Sixth, a number of veto-based areas were converted into QMV, with the goal of increasing efficiency in decision-making.

While many of the above reforms were already within the Constitution, the difference between the two documents (aside from the removal of state symbols) lies in their legal implications. The constitution sought to eliminate all previous European treaties, replacing them with a revised, all-inclusive new legal document that would guide all aspects of work of the Union. In contrast, the agenda implied by the Lisbon Treaty is more limited. It amends the Treaty of the European Union (Maastricht, 1992), and the Treaty Establishing the European Community (Rome, 1957). Moreover, the treaty is

much more flexible in allowing some states, most notably the UK, to opt-out from certain provisions and choose not to participate in adopting, for example, the Charter of Fundamental Rights in its portion on social rights.

From a normative perspective, Lisbon has been lauded by EU leaders for the functional capabilities that it creates or enhances. According to Commission President Barroso, through the Lisbon Treaty the EU is finally resolving the issue of institutional reform and once this is set aside, it can finally turn to dealing with crucial domestic and global policy issues, making sure that Europeans see clear manifestations of what the Union does for each of them.<sup>14</sup> Thus, the political agreement in Europe currently favors a turn away from the complex and often painful introspection that characterized the last five years. Leaders want to focus on concrete policy, both domestic and foreign, which would affirm the EU's role on the global stage and increase its relevance to the everyday lives of its own citizens. Against this broad historical context, I will look in more detail at some of the theoretical frameworks that have underpinned the Union's structural achievements in the process of integration.

## **Historical Canvass II: Theoretical Evolution of the EU**

McLean argues that for the first three decades of the existence of the EU, literature was mainly descriptive.<sup>15</sup> Moreover, in the field of International Relations, the EU was mainly viewed as an intergovernmental entity within the Westphalian system of states, and only a few scholars treated it as a supranational body.<sup>16</sup> At the same time, Hix

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<sup>14</sup> Barroso (11 January, 2008).

<sup>15</sup> McLean (2003).

<sup>16</sup> Particularly Smith, Hazel (2002) and Smith, Karen (2003). This notion has only recently been accepted and tends to be limited to the economic nature of the Union.

argues that some scholars define the EU as a political system (Andersen and Eliassen, 1993), while others (Lindberg and Scheingold, 1970) claim that it is creating a “new polity”.<sup>17</sup> More specifically, Hix elaborates: “Few contemporary theorists try to set out a systematic conceptual framework for linking the study of the EU political system to the study of government, politics, and policy-making in all political systems.”<sup>18</sup> Here is the moment to look at some of the “grand theories” traditionally employed to describe the European integration project, but I will also highlight some more recent interpretations that emerged within what Magone describes as flexible, constitutional Europe.

### *Consociationalism*

First developed by Lijphart as a theory of political stability in plural societies, consociationalism provides one prism for analyzing the underlying structures of the EU. The theory is still relevant since according to Lijphart’s definition, consociational democracy is grounded in “the deliberate joint effort by the elites to stabilize the system.”, and this is precisely how the EU operates, especially at the level of the European Council.<sup>19</sup> According to Bogaards and Crepaz, there is a striking similarity between the EU decision rules and the “seven rules of the game” determined by Lijphart.<sup>20</sup> These encompass agreement to disagree, pragmatic tolerance, summit diplomacy, proportionality, depolitization, secrecy, and governance from the top-down. Bogaards and Crepaz focus on the topic of segmental autonomy, guarded by sovereignty and subsidiarity within the EU. They consider a grand coalition of segmented elites,

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<sup>17</sup> Hix (1999).

<sup>18</sup> Ibid., p. 14.

<sup>19</sup> Lijphart (1969).

<sup>20</sup> Bogaards and Crepaz (2002).

perhaps the Council or the Commission<sup>21</sup>. However, the authors argue that the gradual transfer of sovereignty from member states to the EU makes it more meaningful to see how EU policies affect member states rather than how the latter influence policy decisions. Overall, as one of the earliest conceptual interpretations applied to analyzing the EU, consociationalism still retains some value when looking at the inner workings of EU institutions. Moreover, it brings to light one of the fundamental problems of the Union, its lack of internal political cohesion, which is demonstrated by a severe democratic deficit at the institutional level.

### *Functionalism*

This is one of the most debated and perhaps most widely recognized theory on EU. Hix explains that the theory, developed by Haas, views EU integration as a deterministic process: an action related to a specific goal creates an outcome where more action is required to achieve the original goal, and this creates a snowball effect of structures built through common policy accumulation.<sup>22</sup>

Functionalism is also inherently linked to the historical context of European integration, which provides a clearer background for its understanding. As Burgess explains, the means for building the EU have been economic, but the goal was always political.<sup>23</sup> Thus, Monnet's approach sought to build functional ties between European countries, which, over time, would open the door to federalism. According to Burgess, this rendered constitutionalism as a function of cumulative economic achievements.<sup>24</sup> In other words, the vision of Jean Monnet was that through policy cooperation and

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<sup>21</sup> According to Schmitter (2000), the Commission is a more accurate representation of the segmented elites within the EU.

<sup>22</sup> Hix (1999) and Haas (1958, 1961).

<sup>23</sup> Burgess (1996).

<sup>24</sup> Ibid.

coordination, European states would reach a level of solidarity and *de facto* unity that there will a genuine necessity would arise for the formation of federal or supranational institutions on the continental level. In the final analysis, functionalism always looked at the short term policy cooperation as a key to longer-term integration, and this was largely the driving theoretical force behind the European project until the late 1990s. However, as membership and policy cooperation expanded, the need for reform in EU institutions became increasingly acute, demanding for the formulation of a new theoretical framework for integration.

Both consociationalism and functionalism offer important perspectives to the early development of the EU. Functionalism was the theory of choice in the process of integration, but consociationalism remains relevant in describing what was actually achieved in terms of structural cohesion. Both theories were seen as key to achieving first economic and then political unification, and they defined the conceptual thinking of European leaders during the period of treatyism. However, both remain relevant today, and many of their central markers permeate the current structures of the EU. Therefore, understanding them is critical to understanding the EU's internal identity, which in turn affects its foreign policy identity.

### *The Paradigm Shift*

Beyond these “grand theories” for European unification, one can find a set of more recent studies of the political structures of the Union coupling interpretations about the intrinsic nature of the EU with its standing as an international actor. These new conceptualizations are temporally conditioned. Europe has entered a post-Cold War era that poses new challenges and requires new types of institutions and policies appropriate



for the age of globalization. In this context, Torbiorn explains that the drivers for EU integration have transformed and while some were relevant in the Cold War years, the 1990s introduced new challenges to the international political structures, and this also had an effect on the EU.<sup>25</sup> In other words, Torbiorn asserts that the security threat to the EU is much smaller today and this has a number of ramifications, among them most notably the reluctance to commit to a strong Common Foreign and Security Policy and a European Security and Defense Policy (ESDP).

Burgess and Magone expand on Torbiorn's description, arguing that the global changes in the late 1980s and early 1990s coupled with the features of globalization constituted the necessary "outside" impetus for further EU integration and helped the 1992 Maastricht Treaty: "Today, the former concepts of international relations and comparative politics no longer describe adequately the processes that are taking place worldwide".<sup>26</sup> This stems both from the changing nature of traditional inter-state relations, but also from the increase of global mobility, technologies, communications, and the rising prominence of non-state actors. For example, the globalization of the market and the acceleration of production and innovation further pushed the EU towards economic cohesion, as leaders realized that no single European countries could withstand alone international competition and a dynamic global economic system. *Chapter II* offers further analysis of the changed security paradigm after the fall of the Iron Curtain.

Further, Magone claims that *pax democratica* has supplanted *pax Americana* and it is characterized by globalization of peace and democracy as essential elements of a

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<sup>25</sup> Torbiorn (2003).

<sup>26</sup> Burgess (1996), pp. 1-15 and Magone (2006), p. 16.

post-national system of international relations.<sup>27</sup> In this context the EU fits well, characterized by a “lack of final design and open-endedness of the project”.<sup>28</sup> Overall, Magone suggests that there has been a dramatic shift in international relations paradigms: we are in a post-Westphalian world driven by democracy, international cooperation and peace, and relations between regional blocks will further undermine the role of the nation state.<sup>29</sup> Naturally, this has opened the possibility that the EU does not have to fit into any of the aforementioned theoretical frameworks, and it is truly a *sui generis*. Nevertheless, regardless of the particular institutional shape of the EU, as Magone argues, the Union has moved to constitutionalism as the paradigm that underpins all attempts for structural reform. In addition, Burgess explains that after the debate about Europe became constitutional, it also moved beyond the scope of political elites and entered the public space, engaging the public in a discourse about the political future of the continent.<sup>30</sup> This created a whole new series of complexities and contradictions that will be addressed in the last part of this section.

### *Constitutionalism*

Bogaards and Crepaz provide an overview of the internal impetus behind further reform in the direction of a constitution.<sup>31</sup> The authors claim that aside from purely symbolic elements (anthem, flag, and common holiday) the increasingly powerful common currency has been one of the major forces behind arguments for a *de facto* political union. Moreover, short run economic factors could also lead to greater integration; high performance might generate support for moving towards a European

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<sup>27</sup> Magone (2006).

<sup>28</sup> Ibid., p. 28.

<sup>29</sup> Ibid.

<sup>30</sup> Burgess (1996).

<sup>31</sup> Bogaards and Crepaz (2002), p. 357-381.

federation. Thus, it becomes clear that aside from the changed political environment in which the EU operates, the increased cooperation in a growing number of policy areas within the Union (such as monetary policy) is an additional trigger for further integration which in turn can transform the EU's international identity.

When analyzing constitutionalism, a look at Burgess's analysis is once again critical. First, he argues, that today, we see a shift from functionalism to constitutionalism (especially after Maastricht).<sup>32</sup> Moreover, this means that the EU is finally gravitating towards Altiero Spinelli's model of integration that emphasizes the formation of strong institutions before cooperation in policy areas is expanded. Spinelli disagreed with Monnet's approach and claimed that there first needed to be a clear "organization of power at the European level".<sup>33</sup> Over reliance on functionalist logic would not suffice for the transition between policy cooperation and institution-building for deep political integration. In short, Spinelli claimed that Monnet's approach left the European centre weak. Spinelli advocated a shift from functionalism to constitutionalism in the 1980s in the EP, but the result of his efforts, the European Union Treaty (adopted by EP in 1984) was never ratified or even officially considered at intergovernmental negotiations. However, it influenced Maastricht and remains a blueprint for a fundamental institutional reform in the EU. The focus on constitutionalism also served as a major force behind the attempt to form the first European Constitution at the beginning of the 21<sup>st</sup> century.

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<sup>32</sup> Burgess (1996).

<sup>33</sup> Interview with Spinelli, 14 February 1985. In Burgess (1989), p. 58.

## **The Political Nature of the Union Today**

This second part of the literature deals specifically with the nature of the EU today, using most of the theoretical concepts discussed above as a point of departure. This is also the section that engages the biggest debates among EU scholars. Thus, it is a crucial tool for situating the EU on the theoretical continuum of political structures. Moreover, this is also a platform for discussing the structural achievements of integration, the first part of my analysis of the Union's foreign relations. Naturally, the debate in the literature is also firmly grounded within the older conceptual frameworks discussed previously.<sup>34</sup> The reader ought to look at this section as the more tangible manifestation of the rather abstract theoretical arguments that I presented previously.

Torbiorn's analysis is a convenient starting point. The author first claims that the Maastricht Treaty did not proclaim the EU as a new entity in international law, replacing its member states (like, for example, the USSR did in 1922). Nor did it affirm that a confederation or a federation had been formed with a considerable loss of state sovereignty. Rather, an ambitious word, *union*, was used to denote something rather small, an association of states. Thus, Torbiorn claims that the EU remains an ongoing process, rather than a finished state.<sup>35</sup> Llorente further explores the general outlook of the EU as it was defined by post-Maastricht treaties and declarations.<sup>36</sup> Beyond the objectives of the EU articulated by the three pillars in Maastricht, the Millennium

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<sup>34</sup> The so-called "grand theories".

<sup>35</sup> This was articulated in the preamble of the 1992 Maastricht Treaty. Torbiorn (2003).

<sup>36</sup> Llorente (2002).

Declaration of the EU states that “the European Union is a unique venture, with no mode in history”.<sup>37</sup> In Llorente’s own words,

Europe will continue to be a purely supranational structure, a type of weak confederation whose real strengthening can only take place step by step by means of timely concrete extensions of common action in specific matters.<sup>38</sup>

### *The Federate-Confederate Continuum*

Intergovernmentalism and supranationalism have historically stayed at each side of the theoretical demarcation line along which most debate and policy discussions have taken place. However, intergovernmentalism has been the dominant *modus operandi* of the EU despite the constant debate (much more among academics than among politicians) about the merits of supranationalism and the advantages and limitations of a strong central European state.

Hix provides a basic definition of the terms, explaining that intergovernmentalism emerged as a diametrically opposed approach to earlier attempts of supranationalism.<sup>39</sup> The concept is grounded in the recognition that the self-interests of nation-states are at the center of European integration and that decisions at the European level shape a zero-sum game whose central pillar is a respect for and espousal of diversity. Further, Hix looks at liberal intergovernmentalism as a two-stage approach to political structures.<sup>40</sup> First, there is a demand for EU integration from domestic economic and social actors. Secondly, the self-interest of these groups engages them in competition to promote their interests through national governments to the European level (through treaties, budget

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<sup>37</sup> Three Pillars: The European Communities (brought together for the first time under a supranational structure), CFSP, and Justice and Home Affairs (JHA), which were left in the intergovernmental realm of decision making. *Ibid.*, p. 277.

<sup>38</sup> *Ibid.*, p. 281.

<sup>39</sup> Hix (1999). Elaborated by Moravcsik (1991).

<sup>40</sup> A theory first put forward by Moravcsik (1993, 1998).

reforms, etc). As a result, state interests are overall driven by economics, rather than geopolitical considerations.

On the other side of the argument, Hueglin and Burgess explain that supranationalism means a centralization of power into a single superstate structure than in the majority of occasions overrules the decisions of member states.<sup>41</sup> The term tends to characterize federations like the United States, Canada, Germany, or Switzerland, although the degree of centralization often varies in different cases. In supranationalism states' sovereignty is given up to a central authority that transcends the nation state.

Torbiorn goes a step further and outlines the tension between these two forms of governance. He sees the EU currently at the stage of intergovernmentalism (especially since expansion has been pursued further), but at the same time the EMU has also put pressure for moving toward supranationalism, psychologically preparing Europeans for establishing closer ties with each other.<sup>42</sup> As a result, the supranational arguments popular in the first two decades of European integration have re-surfaced again and a Union of twenty-seven member states is looking for ways to create closer ties among its peoples, both on a social and political level.

Within this theoretical framework, federalism and confederalism are largely considered to be the political manifestations of supranationalism and intergovernmentalism. The tension between the two has been present ever since the inception of the European project in the 1950s. Thus, defining the EU as either a federation or a simply a group of states in a loose confederate union is an important

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<sup>41</sup> Hueglin (2000) and Burgess (2006).

<sup>42</sup> However, Torbiorn raises the question of whether political unity should precede monetary union since that was the model adopted by the US (2003, p. 144).

dichotomy for examining a possible answer to the question about the nature of the EU as a foreign policy actor.

Beyond the difference between federation and confederation, Hueglin goes further and distinguishes between two types of federalism, constitutional and treaty federalism, in an attempt to characterize more precisely the European Union. He ascribes constitutional federalism to the American system in which the US constitution clearly establishes the primacy of federal legislation. Despite efforts to coordinate laws on the local and national levels, the Union-level jurisdiction always prevails. According to the so-called “Hamiltonian project”, both people and states are represented in the federal government and in this way individual rights are protected.<sup>43</sup> The House represents different political groups within society, while the Senate reflects the fifty states in the Union. Finally, constitutional federalism also eliminates any possibility for territorial sovereignty and imposes considerable limitations on the powers of states.<sup>44</sup>

In contrast, Hueglin describes treaty federalism as a more flexible system of governance, with the EU notion of subsidiarity as its central pillar. All members within the Union are equal and decisions are made on the lowest possible level. As a result, the added value of EU legislation should be clearly demonstrated and defended before decisions are made on this highest level. In addition, even when the EU sets rules for the entire Union, implementation is left to the different member states. In this structure only the European Council can change the Union treaties themselves, while the Council of Ministers effectively acts as a legislative body.<sup>45</sup>

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<sup>43</sup> The “Hamiltonian Project” bears the name of Alexander Hamilton, one of the Founding Fathers of the US and a vehement supporter of the federal idea during the 1787 Constitutional Convention.

<sup>44</sup> Hueglin (2000).

<sup>45</sup> Ibid.

However, Hueglin also acknowledges that treaty federalism in the context of the EU is a constantly evolving system, and the power of nation states is gradually reduced in some areas of decision-making.<sup>46</sup> Thus, even though countries remain the central agents within the EU, there is a pronounced movement beyond confederate governance. In this respect, Hueglin argues that the EU is a unique political entity which could constitute the leading model of governance in the era of globalization.<sup>47</sup> The project supports this claim, and the further chapters of the study will show how this uniqueness is manifested in the Union's foreign policy.

Goldstein makes a simpler and more forceful argument for the Union already having reached a federal state of governance. He claims that the EU went through a smooth development of legal legitimacy and authority. Using the cases of the pre-Civil War US, the Swiss Federation, and the United Provinces of the Netherlands, Goldstein claims that the EU's authority has been almost seamlessly accepted by its member states (relative to other federations).<sup>48</sup> Nevertheless, Goldstein fails to address a plethora of other questions implied in his own analysis: why is the EU such a successful federation; would the admission of new members weaken this consensus; will the expansion of EU authority into new policy areas meet intense opposition? And most central: what essential characteristics of the EU experience can be duplicated in other areas of the world and how? I will venture to answer some of these in the following sections of this study.

A more cautious analysis of federalism in the EU is provided by Hug.<sup>49</sup> He claims that the EU is on the road to achieving Dahl's "third democratic transformation",

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<sup>46</sup> Ibid.

<sup>47</sup> In legal terms, the expression *sui generis* is often used to characterize the EU. From Latin, it means "of its own kind" or "unique in its characteristics". In political science, the term is often applied to the European project, placing it somewhere on the line between the federal and confederal tradition (Burgess, 2006, p. 240).

<sup>48</sup> Goldstein (2001).

<sup>49</sup> Hug (2003), pp. 121-134.



establishing democracy beyond the nation-state, but it is still unclear whether the Union will become a federal structure and what its structures would be.<sup>50</sup> There are clear tradeoffs between enlargement and deepening, and in this context, Hug asks whether, as Tsebelis argues, the increase of veto players stabilizes institutions and decision making, or not.<sup>51</sup> Despite failing to answer this central question, Hug is prepared to argue that with respect to vertical separation of powers, the EU is already a federation, or at least is firmly on the way to becoming one. The main issue that remains, in his view, is to increase accountability within the horizontal division of powers.

McKay is less ambitious in his argument, asserting that the EU is just another confederation on the road towards federalism. Others have gone this way (Canada, US, Switzerland), and the lessons from their experiences are important for the EU to preserve its integrity in an environment of diversity. McKay argues that the field of comparative federalism, even more than international relations can offer a lot for the analysis of EU integration.<sup>52</sup>

Finally, there is a small group of scholars – like Magone – that puts forth a more nuanced vision of the “unidentified institutional object” that is the European Union.<sup>53</sup> The author argues that on one hand, the Single European Market (SEM) “represents the end of the national state as a self-contained bordered unit in political, economic, social and cultural terms”.<sup>54</sup> This demonstrates Magone’s belief that the EU is on the path to transcending the familiar Westphalian organization of state power and sovereignty. At the same time, however, he recognizes the continued importance of nation states in the power

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<sup>50</sup> Dahl (1989).

<sup>51</sup> Hug (2003) and Tsebelis (2002).

<sup>52</sup> McKay (2001).

<sup>53</sup> The phrase was used by former President of the European Commission Jacques Delors with reference to the ambiguous nature of the Union.

<sup>54</sup> Magone (2006), p. 51-52.

struggles and institutional setup of the Union itself. In this context, he refutes the arguments of confederalists like McLean or federalists like Goldstein. Overall, Magone states that EU “governance is a product of the mutability of the European interstate system” and this dynamic process determines the model of governance adopted by Brussels.<sup>55</sup> He is not convinced that the Union falls within any of the aforementioned theoretical frameworks since those operate within a traditional Westphalian paradigm. Hence, the author promotes the idea that the EU is somewhere on the margins of the Westphalian paradigm and this naturally puts it outside any familiar conceptualization as far as its governing structures.

What is more, going beyond the borders of the Union, Magone states, “The continuing convergence of European policy making and the Euro will further create a new spatio-temporal order that will shape the rhythm of the world economy. This naturally shows that the European Union is no longer merely a European project, but a global one with a possible new international order.”<sup>56</sup> The author concludes on a rather dissatisfactory note: “for now the European Union is embedded in a transition and heading towards an endpoint”.<sup>57</sup>

Magone’s argument is both well-articulated and provocative. His vision of a system of governance beyond the familiar Westphalian order is shared by others, among them Jeremy Rifkin. As is usually the case, when seen from the outside, the Union rarely appears as a confused entity in constant search of a meaningful identity and direction. On the contrary, both in his book *The European Dream: How Europe’s Vision of the Future is Quietly Eclipsing the American Dream*, as well as at the 2007 Schuman Lecture at

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<sup>55</sup> Ibid., p. 60.

<sup>56</sup> Ibid., pp. 87-88.

<sup>57</sup> Ibid., p. 302.

University of Maastricht, Rifkin manages to build a grand narrative about the past and future of the EU.<sup>58</sup> Rifkin argues that Europe is indeed the growing new power in the world, and its unique model of governance, particular values and moral standards, and specific understanding of what living a good life means would be at the core of a fundamental paradigmatic shift in the global social, political, and economic structures.

Rifkin's view of Europe as a reorganizing force that could transform the world in the era of globalization is a provocative one. What is more, the author quickly solves the historical debate between federalists and confederalists by arguing that Europe will neither assume the shape of a superstate, nor will it return to fragmentation. Rifkin and Magone both articulate fresh new concepts about a post-Westphalian political order symbolized by the European experience in integration and pooling of sovereignty. Their analysis leaves ample space for more narrow descriptions of the EU, avoiding the overly-limited analysis of supranationalists and intergovernmentalists. At the same time, they also venture to define the global implications of a post-Westphalian EU political creature. This analysis will serve as the theoretical basis for the rest of my argument about the Union's foreign policy. My analysis of the historical and theoretical evolution of the EU has demonstrated the validity of this open-ended definition of the Union. It leaves ample room for interpretation and nuance, critical tools for any scholar who seriously examines a dynamic and multifaceted object as the European Union.

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<sup>58</sup> Jeremy Rifkin is a Washington-based economist, EU observer, and personal adviser to a number of European leaders (among them Angela Merkel and Romano Prodi). Rifkin (2004, 2007).

## **The Challenges Ahead**

Naturally, the literature on the central issues facing the EU internally is vast, both among the so-called Euro-optimists and Euro-skeptics. In fact, the volume of critical analysis leads one to believe that European themselves fail to recognize the tremendous positive potential of the political project they have created in the last fifty years, meeting the outsiders' enthusiastic views of the Union with skepticism. Among the major issues on the table for the EU's internal affairs are immigration, cultural cohesiveness among the peoples of 27 countries, energy security and sustainable development, the respect for human and social rights in all member states, the democratic deficit of European institutions, the security threats implied by terrorism, a common home affairs and justice policy and a more coordinated social policy (including a truly open labor market). For the purposes of the current analysis, I have focused on three areas of concern that are most directly tied to the underlying structures of the EU and possible threats for their reform and evolution into a functioning post-national political project. These three are also anticipated to shape the most policy choices in the EU, highlighting the link between the institutional underpinnings of the Union and its foreign and security policy.

### *The European Demos*

Perhaps the most critical issue facing a Europe on the road to political unification is the issue of fostering a truly European identity among its more than 500 million citizens. This is considered a prerequisite for the formation of a political system where representation is determined by all citizens at the union level. Moreover, the issue of identity is linked with the question of solidarity (one of the pillars of the EU after Maastricht) among the peoples of culturally, linguistically, and – most importantly –

economically different countries. Achieving solidarity has direct implications for a common redistributive system of resources, the possibility for a common fiscal policy and even social services on a European level. Thus, addressing this challenge is at the core of moving the European project forward, regardless of the final destination.

Dusan Sidjanski offers a comparative perspective on this challenge. He claims that it is important to remember the cases of the US (fought a civil war 80 years after the formation of the Union) and Canada (which started to address issues of common identity only 100 years after its political formation).<sup>59</sup> In those two cases, the institutions were built first and the identity issues almost destroyed the entire framework. Thus, building a common European identity, Sidjanski argues, will take time as it did in Canada and the US. Granted, this is an important historical perspective, which, however, disregards the specific historical context for each of the case studies.

Magone looks at the issue of a common European *demos* and its operational implications.<sup>60</sup> He claims that EU Commission's technocratic approach to integration relied on the absence of a European *demos*, which made the lack of accountability and transparency acceptable. He points to J.H. Weiler, who argues for the multiple *demoi* thesis, which suggests that people in Europe possess many identities, a situation not only acceptable but also desirable. In fact, diversity in Europe is celebrated and there is still space for the nation state especially as far as culture and tradition go, but there is also a recognition of the dangers associated with unchecked nationalism (which stems from European history).<sup>61</sup>

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<sup>59</sup> Sidjanski (2000).

<sup>60</sup> The term *demos* in European Union literature is often used in relation to the lack a common European people with a common identity that is at least on a par with their national identities. Magone (2006).

<sup>61</sup> Weiler (1996), p. 29.

A similar argument is presented by Fossum (2004). He identifies two possible lenses through which one could look at the EU today. On one hand, Fossum talks about *deep diversity* as an articulation of complete constitutional tolerance, i.e., the recognition of multiple *demoi* within the Union.<sup>62</sup> This contrasts with the ideas of Habermas (2001), who claims that the EU needs common principles and values that bind the European *demos* as a basis for increased solidarity, integration, and cooperation.<sup>63</sup> In fact, Fossum claims that “plurality of ways of belonging” are accepted and even encouraged in the EU.<sup>64</sup> This seems to describe well the EU: it is still a conglomeration of different nations and peoples, and the governing authority is derived from the will of all members. At the same time, Fossum describes another vision that could shape the future of Europe. Constitutional patriotism, as a clear path towards a single democratic state and an expression of a common allegiance to transnational values and principles is a future objective rather than current reality within the EU. One of its prerequisites is a popular endorsement of a constitution and a system in which member states cannot veto decisions.

Magone further accentuates the importance of a common European identity. He reminds us that among the proponents of united Europe, Richard Coudenhove-Kalegri predicted soon after World War I that if Europe did not integrate, a new war would ensue.<sup>65</sup> This certainly demonstrates the fundamental significance of this issue to a Europe that does not want to repeat old mistakes, a continent that reluctantly turns back at its own bloody past. However, it is important to remember that Europe is too diverse for a

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<sup>62</sup> This illustrates the idea that there are diverse communities that live within the Union and the formation of a common identity is neither probable, nor desirable within the framework of constitutional tolerance (which recognizes the equal importance of all nations and their unique cultures and identities). Fossum (2004).

<sup>63</sup> Habermas (2001).

<sup>64</sup> Fossum (2004), p. 3.

<sup>65</sup> Magone (2006), p. 97.

single European *demos* to be formed; rather, there will always be multiple *demoi* which could, at a future stage, feel more European as a result of positive effects of the EU on their lives. The current data show that this might be a long run process: Eurobarometer studies show that there is still a small percentage of people in each country that feel more attached to a European identity than a national one.

Bogaards and Crepaz provide a slightly more hopeful proposition vis-à-vis the formation of a common European identity. They argue that unlike the violent and messy process of European nation state building (through war, opposition of “us against them”, and strong sense of nationalism), the EU integration process has been peaceful, gradual, and democratic. Thus, it has the potential to gradually nourish a new European identity grounded in the pride in EU integration which took place legitimately and peacefully.<sup>66</sup> In other words, the authors define the common European identity in temporal terms, as opposed to the “old” Europe whose existence was marked by constant warfare and destruction.

Michalski’s compilation of essays *What Holds Europe Together?* examines the central aspect of identity-building in Europe, the issue of genuine solidarity.<sup>67</sup> In “‘United in Diversity’: What Holds Europe Together”, Biedenkopf, et al. explain that enlargement has led to bigger social and cultural asymmetry within the Union, and “markets cannot produce politically resilient solidarity”.<sup>68</sup> Further, the authors recognize the dynamic nature of the process of integration and the constant transition that has characterized the continent’s political landscape since World War II: “Europe is not a fact but a task...the

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<sup>66</sup> Bogaards and Crepaz (2002), p. 374.

<sup>67</sup> Michalski (2006).

<sup>68</sup> Biedenkopf et al. (2006), p. 95.

common European cultural space cannot be defined in opposition to national cultures”.<sup>69</sup> This also demonstrates the complex relationship between national and European identity, which is often presented as an oppositional dichotomy, rather than dialectic with elements that complement each other. This is even more important if one sees European solidarity not only as institutional solidarity, but also as individual solidarity. In this context, the authors seem to have an appropriate definition of what the continent represents: “Europe is both a “zone of peace and a community of values”.<sup>70</sup>

A much more sober analysis of the issue of solidarity is provided by Ivan Krastev in the same publication. Titled “Europe’s Solidarity Deficit”, his essay elaborates on Jacques Delors’s statement that the EU needs to have a spiritual dimension in order to command the allegiance of its citizens, and this is not an intellectual but a political issue. Krastev’s major concern is that “what once upon a time was the ‘unification of Europe’ has turned into the enlargement of the EU”.<sup>71</sup> Europe needs cultural foundations because the familiar cohesion sources (discussed above as the traditional Cold War drivers for integration) are losing their relevance. Krastev goes as far as to say that the solidarity deficit in the EU is a major obstacle for a united continent to really exist and speak with one voice. This issue is especially serious in the “new Europe” (Central and Eastern European member states) both on the level of one’s own society and on the European level (long lost are solidarity in the face of communism or during the testing times of economic transition in the early 90s). Krastev seeks a solution in an unexpected place. Perhaps, he asks, a new look towards religion could be one way to solve this issue.<sup>72</sup> It is

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<sup>69</sup> Ibid., p. 98.

<sup>70</sup> Ibid., p. 102.

<sup>71</sup> Krastev (2006), p. 142.

<sup>72</sup> Ibid.



a potentially explosive and controversial issue that might go against the very foundations of modern European identity, and yet, at the same time, the Church has historically been the most effective agent of solidarity.

In the final analysis, the scholars are in agreement as to the importance of a common European identity. It is seen as a foundational requirement in forming a lasting and functional Union among people and states. Most authors agree that a common *demos* does not exist, but I would argue in favor a more limited understanding of identity. It is grounded in more basic principles such as support for democratic governance, dedication to human rights and international law, social solidarity across regions and states, and the belief in justice and equality. If one uses this definition, the formation of a common European identity does not seem that impossible. Even though this study focuses on more formal institutional liabilities, the common European *demos* underlies the entire skeleton of the EU, and has profound consequences for the Union's identity in foreign policy.

### *The Democratic Deficit*

The second major challenge to the EU is the so-called “democratic deficit” embedded in virtually all institutions at the European level. It is intimately tied to the absent European *demos* and conditions a limited transparency and accountability at the Union level. The major debates here are the same as other federal entities have faced before: process versus outcome, efficiency versus democracy and – specifically in the case of the EU – integration versus democratic representation and accountability. These are precisely some of the debates that Torbiorn addresses. He explains that the Commission has a mandate diluted by three (citizens elect national parliaments, which elect commissioners that are accepted by the Commission President and confirmed by the

EP). This shows how distanced the Commission really is from the individual voter. Torbiorn claims that the EC is not accountable to anyone since it has no popularly elected members and thus greatly reduced legitimacy. Tools for its accountability (dismissing or taking it to the EU court) are available but rarely used. At the same time, it has shaped many of the recent treaties of the EU, largely influencing the final decisions of the Council. Similarly, the Council itself has a mandate diluted by two although it serves both as executive and co-legislature (together with the Parliament).

Contrastingly, Grande, similar to Magone, chooses to analyze democracy in the EU within the context of post-nationalism, which moves his analysis away from familiar models (federations, confederations, etc). In *Democracy beyond the state: The European Dilemma and the Emerging Global Order*, Grande begins with Robert Dahl's scholarly analysis of democracy in the EU:

Except for the European Union, the prospects for even moderately “democratic” governments of transnational political associations are poor...With respect to decisions on crucial international affairs, the danger is that the third transformation [of democracy] will not lead to an extension of the democratic idea beyond the nation-state but to the victory in that domain of de facto guardianship.<sup>73</sup>

The question, then, is can democracy, as it shifted from the city state to the nation-state, move further to the transnational space? What type of fundamentally new institutions would this require? The EU can be used as a case study for the potential of democracy to transcend the nation-state and form a post-national polity. However, this is a valid argument only under the assumption that democracy is a product that can be manufactured wherever there is democratic craftsmanship and the proper zeitgeist.

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<sup>73</sup> Grande (2000) and Dahl (1994), p. 33.

Therefore, it can be transplanted into the EU political system. In other words, Grande overlooks the importance of a culture and tradition of democracy in the country where it is manufactured.

He recognizes the limits of his own proposition, stating that there are several obstacles to achieving democracy on a European transnational level.<sup>74</sup> Most importantly, in losing their political power to EU-wide bodies, national representative institutions have not been compensated by wide representation on the supranational level. This was acceptable while the purview of the EU itself was limited and most policy decisions were taken by national governments. However, after the SEA and Maastricht, the tension between a push for further integration and insufficient democratic weight of the EU institutions has increased. Many realized, along the lines of Spinelli's long-held view, that if the move towards an ever closer union is to be continued, radical reforms in EU institutions are necessary. The challenge remains, though: how to achieve reform without jeopardizing the problem-solving capabilities of the EU. This demonstrates the inherent tension between democracy and efficiency, which exists in every political system. What is more, EU citizens (assuming that they have become the major decision-makers on ratifying the new structural documents of the EU) are torn between the two, since both are desirable but seem to be engaged in a zero-sum game.

Here Grande steps back and acknowledges that the analysis of the issue depends on the democratic criteria one sets for the EU.<sup>75</sup> For example, the union excels if a procedural minimum is applied, but if an "expanded procedural minimum" is considered (elected governments have effective power to govern and elected governments are fully

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<sup>74</sup> Grande (2000).

<sup>75</sup> Ibid.

responsible to the government), the EU fails the test. What then are the solutions to this fundamental problem for the EU? Here, Grande does not diverge from Magone or Bogaards: he calls for an expansion of the powers of the EP and the establishment of a two-chamber parliamentary system at the supranational level.

Furthermore, Grande lays out an entire post-national democratic model based on the European Union.<sup>76</sup> First, the EU has no common *demos*, but if the notion is relaxed to include the tolerance towards the diversity of the various member states, the problem of democracy is also soluble. This would make majority decisions hard to defend and would have to be relaxed as well (search for consensus instead); in fact, this model of consensual democracy has increasingly dominated in industrial advanced societies. Because there is a push in the EU to do away with consensual decisions and move towards majority rule for reasons of effectiveness, this is a fundamental dilemma that the Union will need to address. One resolution, Grande argues, could be that for every issue the option to choose a method for decision would remain open and participants would make a judgment which one (consensus or majority) is more appropriate. Overall, the debate is not about the model of consensus itself but about its implementation. After all, as Torbiorn shows, veto areas have increased from 15 in Maastricht to 38 in Amsterdam (1997), which shows a general trend towards more consensus-based decisions.<sup>77</sup>

Second, there is no integrated EU party system, but an increased representation and accountability will make the already complex political process in the EU even slower and less efficient. Moreover, increasing transparency in Council meetings would endanger the reaching of consensus and would increase pressure for majority voting

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<sup>76</sup> Ibid.

<sup>77</sup> Torbiorn (2003).

(which was already rejected in the first part of the model). Here Grande's solution is to introduce alternative methods of participation to improve the responsiveness of the system.<sup>78</sup> Unfortunately, he does not go into further detail as to what these new methods would entail.

Third, power should be equally distributed between the major institutions of the government. No institutions should be outside the system of checks and balances, and that is why an increase in the mandate and independence of the Commission should be seen as a potentially dangerous development. Fourth, the role of referenda will also be central: they will be initiated by a sufficient majority of EU citizens, performed among all Europeans, and their outcomes will be binding for the relevant supranational institutions (on the EU level).<sup>79</sup>

Grande's neat political model is further supported by Dahl himself: "democracy on a transnational scale [will] require a new set of institutions that are different in some respects, perhaps radically different from the familiar institutions of modern representative democracy".<sup>80</sup> Certainly, Grande is aware of the possible weaknesses in his own model, and yet, he rightly emphasizes that the central question is whether Europeans will be content with an acceptable but worsening *status quo* or a potentially brighter but uncertain future. Moreover, in a literature dominated by analysis, critique, and speculations about the future, Grande's view provides an important normative argument that offers a clear choice for policymakers in the EU.

Overall, the democratic deficit is not an insurmountable challenge to the EU, but its solution requires a divergence from the elite-driven process of integration that has

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<sup>78</sup> Grande (2000), p. 127.

<sup>79</sup> Ibid.

<sup>80</sup> Dahl (1994), p. 33.

dominated the European project from the outset. The EU has reached a level of integration and cohesion which now requires stronger legitimacy and transparency, in order to be an effective actor domestically and abroad. The deficit is stronger in policy areas that are primarily under the purview of Brussels. Finally, the deficit is a function – but also a component – of the international identity of the EU, and its influence could be critical in defining how deeply European states will integrate in foreign affairs.

### *Public Voice*

The increasing role of civil society in the decision-making process in the EU has manifested itself numerous times, most recently through the sounding defeat of the EU Constitution among voters in France and the Netherlands. The active role of Europeans in shaping their own political and economic future cannot be circumvented and the desire for involvement and growth of civil society is not a phenomenon likely to disappear. As a result, it needs to be factored into any consideration for reforms or policy alterations in Brussels. Therefore, the challenge for EU leaders is both to connect better to “civil society” (through increased transparency and accountability), as well as to generate support for further integration.

Lubber and Scheepers present a study on the skepticism of EU citizens about integration and the specific policy areas that the EU controls. They find that European citizens who are skeptic about international policies are also skeptic about joint decisions on immigration policies and socio-cultural policies.<sup>81</sup> At the same time, Max Weber has clearly stated that the legitimacy of the state stems from the monopoly on the means of

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<sup>81</sup> Lubber and Scheepers (2005), p. 223.

violence and the right of taxation.<sup>82</sup> Hence, Europeans continue to be skeptical about the continent's common foreign policy, seeing the nation state as best suited to act in this domain. According to Weber's definition, EU legitimacy is therefore impossible within the traditional definition of the nation-state.

Overall, importance of public support for EU integration has increased significantly, as scholars like Lubber and Scheepers and others include analysis of EU public opinion in their studies.<sup>83</sup> These offer some interesting insights about the opinion of citizens about European integration. In particular, policy areas which are hard to decide on the national level tend to be supported for decision at the EU level (and vice-versa).<sup>84</sup> Hooghe argues that "Europeanization is lowest for policies with the highest financial flow from state to citizen."<sup>85</sup> Further, the authors hypothesize that Euroskepticism should be lowest for international issues. It turns out, Hooghe argues, that according to Eurobarometer surveys, opposition to CFSP is mainly on the governmental level, while citizens tend to be skeptic about joint socio-cultural policies. As a result, it becomes evident that a separation between governments and citizens exists when issues of integration and common policies are put forward for discussion. This is an important distinction when considering whether a country is *truly* in favor or against European-level decision-making.

Riekmann further addresses the tension between the interests of governments versus citizens in an essay in *Globalization and the European Union: Which Europe for Tomorrow?*<sup>86</sup> She argues that balancing the interests of the individual (democracy) with

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<sup>82</sup> Max Weber (1991)

<sup>83</sup> Lubber and Scheepers (2005), p. 225.

<sup>84</sup> Ibid., p. 226.

<sup>85</sup> Hooghe (2003), p. 292.

<sup>86</sup> Riekmann (2002).

the common interests (republic) is one of the big accomplishments of the US model, and Europe has a critical need to achieve this. Thus, integration cannot remain an elite-driven process, as has been the case in the past. Furthermore, even though the rhetoric of citizenship has emerged after Maastricht, the EU still remains an entity driven mainly by the interests of states. Riekmann goes even further in her conclusion in asserting that the opacity of the decision-making process and the lack of clarity about what the national interest is, and “who sacrificed what to whom and in whose interest” reinforces the role of the informal and the secret in the functioning of the Union.<sup>87</sup> This clearly demonstrates the importance of resolving the tension between the public and the elites at the European level, so that the two pool their strength together in advancing the process of integration. However, the literature fails to put forward concrete models for reconciling the two, thus leaving the debate on this crucial issue much more unclear than on the issues of European solidarity and democratic institutions.

## **Conclusion**

The vast literature on the European Union cuts through both temporal and theoretical lines of analysis. The majority of scholars, however, continue to rely on traditional understandings of state structures along the Westphalian paradigm. Hence, the predominant lenses of analyzing the structural identity of the EU situate the Union either on the supranational or intergovernmental extreme. A minority of authors like Rifkin and Magone venture beyond the Westphalian framework and define the EU as a new type of political creature with a much more nuanced political identity than the rest of the literature would suggest. The arguments in favor of a new conceptualization of the

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<sup>87</sup> Ibid., p. 238.



European model of governance are sound and convincing, and my analysis has shown that this theoretical point of view is conceptually appropriate as the first lens of analysis of EU foreign policy.

The second lens of analysis comprises the structural deficiencies of the Union. The literature is in general agreement that the most severe limitations to the European project remain the democratic deficit, the absence of a common European identity, and the weak public opinion. Analysis will show that these are engaged in a complex relationship with the Union's structural achievements, and this has important implications for the EU's identity as an international actor. Examining the relationship between the three challenges and the economic and security components of European foreign policy will be central to my analysis in chapters three and four. The concluding chapter will offer some additional solutions to each of these liabilities.

In the final analysis, returning to Rifkin's idea of the European dream and the numerous obstacles to its evolution, it is important to keep in mind his own words, "dreams are not what you *are*, they reflect what you *would like* to be".<sup>88</sup> Indeed, the European project is confronted by a number of problems, internal and external alike, but aspiring to face and resolve the challenges is what truly matters. Having an effective foreign policy is one way of tackling the global challenges that face the EU. However, this is only possible after the internal liabilities of the Union are addressed while the structural achievements are preserved. The next chapters will illustrate how this complex balancing act is providing the European Union with a distinct international identity.

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<sup>88</sup> Rifkin (2007).

## **Chapter II**

### **Laying Foundation:**

### **The History and Evolution of EU Foreign Policy**

#### **Introduction**

The current chapter offers a transition between the historical and theoretical underpinnings of the EU and the effect of the European structural achievements and liabilities on the international identity of the Union. The goal of this segment of the study is to establish some operational terms, provide a background of the EU's foreign policy and introduce the major instruments the Union uses to project its influence abroad. I will also demonstrate that the new security environment after 1989 together with a number of global and regional crises provided the impetus for establishing a common European foreign policy. To this end, I will first introduce the concept of foreign policy as it will be used in this project, as well as some other preliminary remarks on the distinction between the economic and political dimension of EU foreign policy. Second, I will trace the history of the EU foreign policy aspirations, as they evolved throughout the Cold War era and then after the collapse of communism. I will show that each of the two periods is characterized by a very different EU role in the global arena, with the challenges after 1989 constantly expanding the global responsibilities of the Union. Third, I will analyze the current institutional foreign policy framework that was most recently articulated in the Lisbon Treaty and is highly likely to be ratified by all member states by the end of 2008. Here, I will pay special attention to the emerging post of the European Foreign Minister, one of the symbolic but also highly functional manifestations of an increasingly

integrated foreign policy agenda at the EU level. The chapter will conclude by looking at the different sets of foreign policy instruments that the EU employs and their inherent relationship with a particular paradigm of foreign policy that challenges the traditional Westphalian understanding of the state's role in international affairs.

### **Defining Foreign Policy**

My analysis of EU foreign policy demands a clear definition of what foreign policy means, at least for the purposes of the current study. Various authors see the concept differently and this naturally shapes the nature of their arguments about EU foreign policy. Here, I focus on two competing understandings of the concept, each pointing to a different conclusion about the EU's foreign policy identity. Allen and Smith argue that the impact of the EU on security matters depends on the definition of security: the narrower the definition, the smaller the EU's capacity, while the broader the concept is understood, the more the EU could have an impact, particularly through its economic might.<sup>1</sup> In other words, the further one moves away from the military aspect of security and into its social and economic aspects, the bigger the EU's presence and its capacity to take responsibility.<sup>2</sup> The classic interpretation of foreign policy focuses heavily on security and tends to be focused on the role of military power, both as an instrument for

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<sup>1</sup> Allen and Smith (1998).

<sup>2</sup> This view is also shared by Shirm (1998) who explains that CFSP along traditional defense lines would not be possible since Britain, France and some of the smaller members are completely unwilling to transfer sovereignty to the EU with respect to security matters. Instead a socioeconomic approach (promoting wealth and stability through the management of interdependence) is possible: it encompasses policy areas that the EU already decides *en bloc* and it is already partially practiced by the Council and the Commission. Shirm also asserts that when socioeconomic and political instability is the main threat to security, the traditional notion of defense changes: military power becomes an instrument of last resort and socioeconomic policy becomes the first priority (p.80).

defense, and as a tool for projecting a country's interests abroad.<sup>3</sup> The second view, broader in scope, moves beyond the narrow emphasis on a state's capacity to project power abroad. Karen Smith and Michael Smith define foreign policy as the "capacity to make and implement policies abroad which promote the domestic values, interests and policies of the actor in question."<sup>4</sup> They claim that foreign policy includes much more complexity and nuances than merely a state's military capabilities. This is, in fact, a more useful starting point for my analysis of the EU and its foreign and security policy, since adopting a narrow definition of both foreign policy and security would render this study a purely critical endeavor that ignores the positive potential of the European project.

As I will demonstrate in subsequent chapters, the facts also show that the Union employs a broader definition of foreign policy and security, which de-emphasizes raw military power and is grounded in the overall capability of a state (or another political entity like the EU) to spread its fundamental values, principles, and interests beyond its borders. However, this does not preclude the EU's aspiration to become a global actor within the more traditional foreign policy framework and a recognition of the EU's foreign policy comparative advantage, which lies away from the security domain. The roots of this dichotomy between capabilities and expectations grow out of the very nature of the EU, which tries to fit within the familiar Westphalian paradigm (as a confederation or a superstate) but in practice functions as a confederation in some policy areas and a superstate in others. The manifestation of this tension within the foreign policy domain, between the economic and security components, serves as a trajectory for the following chapters.

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<sup>3</sup> These include Holbrooke (April 1995) and Hazel Smith (2002). While Smith argues that the EU has a distinct foreign policy, the term is defined in the context of traditional understandings of state power.

<sup>4</sup> Karen Smith (2003) and Michael Smith (2004).

## **The Political – Economic Asymmetry of the EU**

In many ways, one could argue that the desire for a more pronounced political role on the international stage stems largely from the increasing economic leverage that the EU could project globally. The constantly increasing membership of the bloc in international organizations such as the UN and the WTO has made the EU an important force in formulating and adopting transnational economic policies. This has also fostered the “soft power” of the EU, which relies on economic carrots and sticks as tools for projecting influence in various regions.<sup>5</sup> While devoid of military clout outside the NATO framework, in the beginning of the 1990s the EU could affect global political issues through promises for closer cooperation in areas of trade and increasing levels of foreign aid and assistance to poor areas such as Africa, Latin America, and the Middle East. Indeed, as Robert Kagan argues, the US emerged from the Cold War as the sole carrier of overwhelming hard power in the world, and this allowed the EU to develop another niche of influence which often proved more efficient than sheer brawn.<sup>6</sup>

The more the EU cultivated its global economic power, the more exposed its military weaknesses became. Political power on the international level certainly derives from economic power - and this is even more true today – but in the beginning of the 1990s understandings of political power were heavily grounded in a state’s capacity to project unified military power or at least articulate a single response to international crises. This asymmetry between the economic and political influence of the Union has

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<sup>5</sup> Soft power is understood as the promotion of policy abroad, through negotiations and the provision of incentives for cooperation and consent, primarily within the economic and social realms. Soft power is projected through multilateral action without the use of force. The concept stands in contrast to hard power, which refers to an actor’s (a state, within the Westphalian paradigm) capacity to project military force and achieve foreign policy objectives primarily through coercion. The distinction between soft and hard power was first developed by Joseph Nye Jr. in Nye, Joseph. (1990). *The Changing Nature of World Power. Political Science Quarterly*, 105(2).

<sup>6</sup> Kagan (June 2002).

created and sustained the impetus behind a common foreign policy and a common security and defense capability, in particular, the formation of a European army. As the increased influence of the EU in economic matters and its relative weakness in military power has become more pronounced, the relationship with the US has also become more strained.

While Washington has persistently encouraged European countries to contribute more troops and technology to NATO and the UN and assume more responsibility for the continent's security, the EU has articulated different visions about its military aspirations. Some European leaders had a different idea in mind, and calls for such an approach are, albeit marginally, still heard: Europe has to couple its economic strength with sufficient military power consolidated between all member states and situated outside the auspices of NATO.<sup>7</sup> This would certainly create a rift in transatlantic relations. The goal of other EU states was not to rival the US in military might but rather to complement soft power with a degree of hard power that would allow the EU to participate as one in peacekeeping and peace-building both within the UN and NATO.<sup>8</sup> Further, the wars in the Balkans revealed the inability of the EU to address European internal nationalist feuds embarrassed the EU; whenever push came to shove, the US had to get involved and quell military confrontations. However, one must look at the seminal moments in the history of the Union which have shaped the EU on the global scene for a detailed view of the emergence of the European foreign policy doctrine. The particularities of international crises and the EU's response will be the subject of the following chapters.

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<sup>7</sup> De Villepin (27 March 2003).

<sup>8</sup> Blair, Tony. (28 April 2003). Interview in *Financial Times*.

## **Origins and Development of European Foreign Policy (EFP): 1957 - 2007**

The EFP's development naturally follows the fundamental political changes of 1989, which transformed the role, identity, and goals of the Union in the global arena. Therefore, the current section describes the first three decades of EU integration in the foreign policy domain, as well as the more recent developments following the fall of the Iron Curtain. In addition, the idea behind a common EU foreign policy can be traced to the founding document of the Union, The Treaty of Rome, as well as in the conceptual frameworks of Europe developed by Jean Monnet and Robert Schuman. However, even in the six-member EC, the idea was never genuinely pursued, as the political will for integration was mainly focused on economic cooperation.

### *The First Three Decades*

In 1948, the West European Union (WEU) was set up between the European members of NATO. Two years after the Schuman declaration, in 1952, the six founding members agreed on a European Defense Community (EDC). However, very soon France rejected the plan due to concerns over national sovereignty. The debate was revived in 1969 when the issue of political integration (including common defense) was re-introduced through the establishment of the European Political Cooperation (EPC) which sought to strengthen cooperation between member states on foreign policy issues. The agreement itself was broad and vague since all members of the EC were certain that it would be impossible to overcome national interests for the sake of a common foreign policy. Therefore, the EPC remained outside the legal structures of the European treaties. Nevertheless, it allowed European foreign ministers to debate broader political and security issues and foreign policy decisions to be taken through “common positions” of

the EC foreign ministers or heads of state. Although these two provisions were not binding, members agreed that national governments would not take a position contradicting the EC.

Further, in 1981, the EPC was strengthened, providing the “troika” structure (past, current, and future presidents of the Council work together on behalf of the EC). It also established a consultative role for the Commission, and expanded the number of policies agreed upon through “common positions”. Finally, by 1987, sufficient political will was generated to bring EPC into the EC Treaty framework through the Single European Act. This action had a number of ramifications: it gave more freedom to the EP to scrutinize the actions of national officials and the foreign ministers under EPC; parties agreed that decisions would be by consensus and in the cases when this proves impossible, governments in the minority would abstain, rather than veto a proposal.<sup>9</sup> This was largely the state of the art regarding the EU foreign policy ambitions towards the end of the Cold War. Evidently, the foreign policy tools of the Union were minimal, and the security environment did not demand or allow the development of European military or diplomatic capabilities. In terms of security, the European Community relied on NATO and American power, which provided peace and stability to realize the economic boom and integration of the continent. This environment did not motivate states to look for common foreign policy because the common challenge of security was sufficiently addressed, while the rest of Europe’s concerns fell into the economic domain where capabilities for common action were already strong.

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<sup>9</sup> This is what Hix (1999) and Fraser (1998) call “constructive abstention”.



### *Defining Features of the Post-Cold War Era*

Prior to 1989, the EU relied largely on the US and NATO for security against the Eastern bloc, and the international clout of the Union was not pronounced, since intergovernmental cooperation was still dominant, even on economic issues. However, with the fall of communism and the subsequent agreement on the Maastricht treaty, the EU became an important international actor for two major reasons, the completion of the internal market, and the dissolution of the Eastern security threat. Moreover, two additional areas of international relations, the relationship with NATO, and the emerging importance of international law, further defined the EU within the post-Cold War era. In addition, the events of 9/11 further changed the post-Cold War period, and the threat of terrorism and non-state violence has emerged, largely shaping a new security paradigm.

The Union's commitment to a common currency substantially finalized the process of economic integration, as the EU achieved the status of economic union characterized not simply by free movement of goods, services, labor and capital, but also by a common macroeconomic policy and a single means of exchange.<sup>10</sup> Moreover, the political reforms which *de facto* established the legal entity called European Union made Maastricht a watershed in developing the EU's global role. The EU, almost overnight, achieved a status of one of the world's economic superpowers, creating one of the largest single markets in the world coupled with a flexible and dynamic market economy. This naturally created the desire to complement economic might with military capabilities that could be used in implementing a common foreign policy.

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<sup>10</sup> Of course this is only applicable to the members of the Eurozone, which still does not include all 27 EU members.

As the threat from the East disintegrated, the Union could focus on other issues on the global stage and become more in global governance. This stimulated the view that the EU gradually had to abandon its security dependence on the US and transform a relationship that was inherently asymmetrical since the end of World War II. Further, the international relevance of NATO considerably diminished since the end of the Cold War, and the organization was left without an “enemy” to confront. Established in 1949 as a security cooperation framework grounded in transatlantic support, NATO’s *raison d’être* had been tightly linked to the security threat of the Eastern Bloc. Suddenly, a two year period, 1989-1991, rendered NATO’s existence irrelevant, and the organization either had to re-focus its mission, or increasingly risk losing its importance under new international conditions. In other words, Europe would change from being the theater of NATO action and focus to launching-pad of NATO missions in crisis spots throughout the world. In this context, the EU has continued its close cooperation with NATO, but the changing global environment has pushed voices within the EU to call for an independent security framework for the Union. This increased the uneasiness in the transatlantic relationship, especially since the US continued to insist that Europe’s security is intimately related to NATO, and the Union’s increasing political and economic influence ought to translate into strengthening NATO, rather than the forming a completely new security force.

At the same time, the increasing importance of international law became one the central priorities for the EU. Promoting common rules for civil and military relationships, economic exchange, and human rights on a global level exploited the comparative advantage of the EU in being an effective negotiator and multilateral actor. Meanwhile,

the engagement of the US in a number of international conflicts created tension between Washington's interventions, which often placed effectiveness of action above the limitations of international law, and the EU's position as an observer and critic of America's role in the world. While the EU emphasizes (at least in terms of rhetoric) the means a country uses in achieving foreign policy objectives, the US is much more willing to circumvent obstacles to achieving its foreign policy goals, especially when they are related to security issues. This difference continues to fundamentally distinguish the policies of Washington and Brussels. Nonetheless, the EU continued to assert its role as a supporter of international law, and this remains one of the fundamental characteristics of the Union as an international actor.<sup>11</sup>

The post-Cold war environment might have remained as described above, if not for the terrorist attacks in New York on September 11, 2001. The combination of a security attack, which the US had never experienced on its home soil, and the entry into office of a conservative and interventionist administration led to a fundamental shift in America's international role. Two military interventions, in Afghanistan in 2001, and in Iraq in 2003, constituted the West's response, creating sites of bitter sectarian violence among Muslims. In addition, the call for a "war on terror", which President Bush announced after 9/11 has transformed the security environment not only within the US, but also throughout the world. Prevention became the modus operandi of the US military when a state or non-state actor was deemed a security threat. This challenged the established international norm of preemption, which had governed the rules of conflict in the last century.

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<sup>11</sup> *Chapter IV* will show how the EU promoted this principle in the interventions in Kosovo (1999) and Iraq (2003).

Moreover, it is already common knowledge that expansive intelligence operations led by the CIA have led to the arrest and elimination of key terrorist leaders and also the capture of a number of innocent civilians. This posed a challenge to the human rights aspect of international law, arguing for new rules of engagement with non-state actors. The use of questionable interrogation techniques on terrorist suspects has further marred the US's image in the world and outraged civil society in its European allies. At the same time, some new member states from Central and Eastern Europe (CEECs) were collaborated in the US "extraordinary rendition" program, which questioned Europe's unity in its dedication to human rights and international law, creating deep rifts within the Union.<sup>12</sup> Overall, 9/11 shifted the post-Cold War international environment towards a more insecure time where the United States is much more willing to intervene militarily and unilaterally, and the efficiency of international organizations (including the EU) is one again called into question. Beyond a discussion of the changing post-1989 environment, however, it is important to look at the institutional response of the EU and its attempt to formulate a cohesive foreign policy.

#### *Maastricht: The Commitment to CFSP*

The 1992 Treaty of Maastricht articulated a Common Foreign and Security Policy (CFSP) largely based on EPC and established as the second pillar of the EU. It provides for the eventual formation of a European army and a single voice in international affairs. In other words, the Treaty aimed for the EU

to assert its identity on the international scene, in particular through the implementation of a common foreign and security policy including the eventual framing of a common

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<sup>12</sup> These divisions of course are based on secretive leadership decisions, rather than popular support for "extraordinary rendition". This once again illustrates the rifts between institutions and public opinion in Europe.

defense policy, which might in time lead to a common defense.<sup>13</sup>

More specifically, five objectives for CFSP were articulated and foreign policy became a normal part of Council business.<sup>14</sup> Meetings between foreign ministers were set within the General Affairs Council. The Political Committee (of the political directors) became a part of the Committee of Permanent Representatives (COREPER). Integration was further illustrated by the EPC secretariat joining the Council secretariat. In addition, the Commission was permanently committed to work on CFSP and created a Directorate-General 1A for external political affairs. The European Parliament, however, was given no direct role except to consult with the Council when decisions need to be taken.

As the treaty provisions show, the achievements at Maastricht included objectives and goals more than anything, while concrete institutional mechanisms were not fully described. Nonetheless, the commitments to international law and security, democracy, human rights, and dynamic global economic relations were clearly outlined, thus establishing the basic operational principles that would shape Europe's identity. Maastricht itself did not establish the EU as a full-fledged international actor but signified serious intent and ambition to formulate foreign policy much like a state would. European leaders' vision was still grounded in the Westphalian framework, and there was an expectation within the EU, as well as within the global community, that the Union fundamentally had to act as a single political entity, a nation state. This perception had a tremendous influence over the development of the CFSP post-Maastricht. Therefore,

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<sup>13</sup> Article 2[ex B]. *Treaty on European Union*. Signed in Maastricht February 7, 1992.

<sup>14</sup> The five objectives include: 1) to safeguard the common values, fundamental interests and independence of the Union; 2) to strengthen the security of the Union and its Member States in all ways; 3) to preserve peace and strengthen international security, in accordance with the principles of the United Nations Charter as well as the principles of the Helsinki Final Act and the objectives of the Paris Charter; 4) to promote international cooperation; and 5) to develop and consolidate democracy and the rule of law, and respect for human rights and fundamental freedoms. Article J.1.2.

once the institutional foundation was articulated, Maastricht became the key to further reform and cooperation in foreign policy, which, as will be shown in the following section, became incrementally unified over the next decade.

### *Building on Maastricht's Achievements*

As mentioned before, the primary concern of politicians and academics alike was the relative inability of the EU to generate the hard power sufficient to face regional and global security challenges. The desire to achieve this, particularly after the EU's failure to act in the biggest conflicts of the 1990s, Yugoslavia, and Rwanda, added an increasing impetus behind CFSP after Maastricht. Yet, it was only in the beginning of the new century that the EU garnered enough internal political momentum to agree on its own Rapid Reaction Force that could be deployed quickly and efficiently, trained according to common standards, and comprised of military forces from all member-states. The security of the southern part of the continent (the Western Balkans) was left to NATO and essentially the US, especially in the case of Kosovo, which will be discussed further. This was a serious blow to the Union's foreign policy ambitions.

Meanwhile, some modifications of CFSP were adopted as part of the 1997 Amsterdam Treaty. First, a new vehicle for CFSP was articulated: "common strategies" of the EU would be adopted by the EU Council based on proposals from foreign ministers. Second, ministers agreed on a clearer distinction between "common position" and "joint action" with the latter being used only when operational action is required. Third, the Union formalized and clarified "constructive abstention" by stating that those who abstain are not bound to participate in the implementation of a particular policy but should not take action contrary to the decision; moreover, abstentions can be formalized

in declarations. Fourth, the treaty formalized the use of Qualified Majority Voting (QMV) on issues of policy implementation<sup>15</sup>; but it also recognized that if a state objects to QMV for “important and stated reasons of national policy”, it can request that the matter be referred to the European Council for a unanimous decision.

Perhaps most important, the treaty enhanced the EU’s capability to speak with a single voice on foreign affairs through a series of specific roles ascribed to the Council. First, the Council could convene extraordinary meetings within 48 hours (or shorter, during an emergency). Second, the Council could be mandated to negotiate on behalf of the EU in international negotiations. Third, it had an enhanced responsibility for common EU actions. Fourth, the treaty further integrated defense policy cooperation as the Council could implement policies such as those related to armaments.<sup>16</sup> However, the treaty failed to come to a decision on what to do with the WEU once its Treaty expired in 1998. Despite this and other setbacks, the members agreed to perhaps the boldest and most important component of a foreign policy: a new individual post was proposed to represent the EU in CFSP matters. It would be part of the Council structure, and the secretary-general of the Council would become the European High Representative for CFSP.

Two years later, at the Tampere Council, a mandate was given to the High Representative, Javier Solana, to further strengthen the CFSP, specifically highlighting the importance of a European Security and Defense Policy (ESDP). However, the EU members’ participation in NATO gradually emerged as a major obstacle the more Brussels attempted to integrate external security policy. Clearly, the bilateral talks that

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<sup>15</sup> First, a common strategy is adopted and then, through QMV the Council acts on a common position or joint action to implement the decision.

<sup>16</sup> The treaty emphasized that this would not threaten NATO or the neutrality of some EU members.

the US preferred when discussing security issues with European countries did not help in generating sufficient political will for the establishment of a common European army. The Helsinki Council in 1999 finally agreed on a more concrete articulation of common security: “member states would have the obligation by 2003 to be able to deploy within 60 days and sustain for at least one year military forces of up to 50,000 – 60,000 troops”.<sup>17</sup> At the same time, however, the rhetoric of “European army” was completely abandoned and the EU began referring to its military force as a “rapid reaction force”. Washington was assured that any actions of the force would be transparently undertaken in full cooperation between the EU and NATO. These were the last reforms in the CFSP prior to the agreement on the Constitutional Treaty in 2004, which was subsequently rejected in referenda in France and the Netherlands.

Moreover, as the EU-15 turned towards expansion into Eastern Europe, it became clear that the concurrent entry of most of the former Eastern Bloc countries into NATO would limit their capacity and willingness to support a common foreign policy, especially in its common security dimension. These new members were also more aligned with the policies of the US, which often created rifts between themselves and the EU-15. Thus, increased membership became an obstacle to a well-defined and operationalized EU foreign policy.

As a whole, the developments in the decade between 1992 and 2001 show some significant institutional reforms for strengthening the CFSP pillar of the EU. Institutional capacity was increased, especially as far as the Council is concerned, and the establishment of the High Representative position fostered the hope that one day the EU would speak as one on the international scene. However, little was achieved as far as

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<sup>17</sup> Llorente (2002), p.259.



bridging the capabilities-expectations gap with respect to security policy, and defense issue continued to be largely resolved within the NATO framework. Nonetheless, the EU clearly established its own principles and norms as far as foreign policy, reaffirming support for international law, multilateralism, and resolution of conflicts within the UN framework, as well as efforts for poverty alleviation and protection of the environment. These often put Brussels at odds with Washington, which was much more engaged with security concerns.

### **The EU's Current and Future Institutional Foreign Policy Framework**

A common foreign policy for the EU is intimately connected to a development of political cooperation overall, and it is contingent on an array of variables. At the same time, as the European states have traditionally functioned within the familiar Westphalian paradigm, it was not feasible for sovereignty in foreign affairs to be pooled in the same way that economic interdependence was achieved. This was overcome to some extent in the Constitutional Treaty, but ultimately rejected in a popular vote. However, two years later, European leaders came back to the substantial provisions of the Constitution and re-articulated much of the same language and goals in the Lisbon Treaty reforming the Treaty of the European Union.<sup>18</sup> Meanwhile, the post-9/11 international environment had changed the foreign affairs environment. This, together with the increasingly strained relationship with an American policy that was too distant from the fundamental European adherence to international law, pushed the Union further on the path to foreign policy integration.

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<sup>18</sup> The similar provisions about the CFSP in the Constitutional and the Lisbon treaties rationalized only a look at the latter for the purpose of this study.

The tools for achieving the European foreign policy objectives are broad, and they tend to go beyond a security-oriented view of foreign policy. The foreign policy tools of the EU can be divided into two groups: institutionalized and informal tools. The former include primarily the CFSP, as well as the more recent ECSDP (European Common Security and Defense Policy). These have been the product of negotiations among member states and reform treaties, especially after Maastricht. They also strive to follow the more traditional view of foreign policy, which involves a strong and well-articulated security policy as well as a unified voice on the international political arena. In short, the institutional FP tools of the EU seek to transform the Union into a global player along the lines of a nation state. The second category is broader and less clearly defined. It includes what analysts call soft power – political influence grounded into economic and cultural impact – and assumes a broader definition of foreign policy that does not necessarily imply strong capabilities for projecting military force.

#### *The Lisbon Treaty: Strengthening the Institutional Tools*

The recently adopted Lisbon Treaty reforming the Treaty of the European Union is considered a major step forward in the foreign policy domain. At the same time, it cannot be regarded as a final step for the full integration of CFSP at the Union level. The treaty makes several structural steps forward beyond articulating the general principles that the Union strives to accomplish through the CFSP.<sup>19</sup> First, it enhances the Union's response to international events by allowing the President of the European Council to call

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<sup>19</sup> The general principles for the EU foreign policy as stated in Article 10a.2 are broad and touch on a number of areas. They include, among others, the preserving peace, the preventing conflicts, safeguarding the security of the Union, fostering sustainable development, promoting international multilateralism, supporting democracy and the rule of law, and assisting the poor regions in confronting man-made or natural disasters.

emergency meetings of the Council to coordinate policy responses.<sup>20</sup> Second, it strengthens the role of the High Representative for the Union's CFSP (currently Javier Solana) in formulating and implementing the CFSP.<sup>21</sup> Third, it establishes a European diplomatic corps, an External Action Service, which will act in cooperation with the diplomatic services of member states.<sup>22</sup> Fourth, as articulated in Articles 14 and 15, the "joint action" and common position" rhetoric adopted at Maastricht is replaced by "decisions" taken by the Council, thus shifting the emphasis from cooperation among member states to decisions taken at the Union level, albeit through the Council. Fifth, the treaty consolidates the various foreign policy leadership positions, removing the post of Commissioner for external relations. These comprise the major advancement in the general CFSP framework.

Within the CFSP, the European Common Security and Defense Policy also underwent a major transformation at Lisbon. While grounded in the capabilities of member states, the ECSDP is clearly geared towards the operational capacity of the Union in terms of civil and military assets.<sup>23</sup> The same article also stipulates that the ECSDP framework is considered as a step towards the formation of common defense, "when the European Council, acting unanimously, so decides".<sup>24</sup> Further, there is a commitment to defining European capabilities and armaments policy, which would assist member states in improving military capabilities, thus addressing, at least partially, the major capacity argument against the EU foreign policy. Decisions in this domain will be adopted by the Council at the proposal of either the High Representative or a member

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<sup>20</sup> Article 13. Lisbon Treaty (2007).

<sup>21</sup> This will of course be coordinated with the Council and the member states, under the rules of unanimity, as stated in Article 11.

<sup>22</sup> Ibid., Article 13a.3

<sup>23</sup> Ibid., Article 27.

<sup>24</sup> Ibid.

state. Naturally, the first article on the common defense policy ends with an assurance that any cooperation in this area would be consistent with member states' commitments within the NATO framework. Next, the section articulates the cases when the Union could develop common military capabilities for dealing with disarmament, conflict prevention, peace-building and peace-keeping, as well as support for third countries in their fight against terrorism. What is more important, the treaty opens the possibility for only a small group of "willing and able" states to implement security and defense policies, thus avoiding the process of unanimous decision when it comes to military action.<sup>25</sup> Overall, the treaty greatly expands the potential of the Union to respond to crises and project military force, providing the possibility for establishing a permanent framework for military cooperation, according to strict capabilities criteria, among a willing group of EU members. This concludes the overview of the Treaty of Lisbon's provisions for CFSP and the ESDP. The characteristics and development of the Foreign Minister position will be discussed in the following section.

### *The Union Foreign Minister*

A key component of foreign policy is the establishment of an office that represents a political entity's unified voice in external affairs throughout the world. In other words, the EU's institutions necessitate the establishment of a foreign ministry. With the formation of the post of High Representative for EU Foreign Policy at Amsterdam in 1997, the Union started on the path towards establishing a single Foreign Minister. The Presidency of the European Council retained its central role when formulating common EU opinions on various issues, but it was the High Representative

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<sup>25</sup> Ibid., Article 29.2

who gradually became the face of the EU on the global stage, meeting with heads of state and articulating EU's common policies. At the same time, the President of the European Commission also remained involved in the foreign policy agenda, and this rendered the EU inconsistent in its positions and in assuming a single voice in international affairs.

The failure of the constitutional treaty in 2005 delayed foreign policy reforms for another two years. It was not until the recent Lisbon Treaty that the EU heads of state once again agreed on consolidating EU foreign policy within a single political institution, and the considerable likelihood that the treaty will be ratified by all members shows that the EU has moved substantially towards a truly integrated representation in foreign policy. One example of this is the specific power the High Representative has to articulate EU positions to all third parties, states and international organizations alike. Other areas of expanded powers for the High Representative include initiating foreign policy agenda, participating in decision-making and articulating Union positions, as well as implementing policy.<sup>26</sup> However, this did not diminish the dependence of the Foreign Minister on the Council, which largely leaves the foreign policy decisions at the intergovernmental level, allowing each member to retain an effective veto over any external policy. Nevertheless, the Foreign Minister will preside over a new body, the Foreign Affairs Council, which will assist in policy recommendations.<sup>27</sup>

### *Informal Tools of Foreign Policy*

Outside the narrow provisions of CFSP, it is important to also look at the more general instruments that the EU uses in foreign policy, without necessarily

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<sup>26</sup> In this context, member states and their diplomatic services are required to cooperate with the High Representative in implementing policies adopted at the Union level.

<sup>27</sup> *Ibid.*, Article 13a.

institutionalizing them within the already complex legal code of the Union. Trade relations, international aid, and development cooperation are the obvious manifestations of the “soft” side of EU foreign policy. The more coercive strategies that the EU employs are much less direct. They hinge on the rational understanding by other international actors of the military capabilities of individual Union members, as well as the overall military might of European NATO members. Economic and trade sanctions complement the stick that the EU often uses vis-à-vis particular regimes on the international arena. Thus, within a broader view of the term, the Union possesses a common foreign policy and it is much more than simply the sum of foreign policies of its members. The unilateral external policy of the Bush administration after 9/11 has further opened a spacious niche for the EU’s approach to foreign policy, which is increasingly dissimilar from that of its American ally. As global challenges like hunger, terrorism, poverty, the environment, and health continue to create misery and conflict, it becomes even more important that in the foreign policy arena there are approaches to crises other than the unilateral use of force. As mentioned before, the challenges in the post-Cold War era have become increasingly economic in nature and often require multidimensional approaches, a strategy that America seems incapable of adopting in a post-9/11 era.

Granted, it is important to recognize that the normative vision of what the EU could become as an independent, powerful actor both in the economic and political realm, is often in discord with the concrete capabilities and actions of the Union. International politics often tends to be grounded in responses to events and this is what the EU is least effective in doing – being sufficiently effective and unified in formulating

a common position on rapidly developing situations.<sup>28</sup> In contrast, this is what the US knows how to accomplish best, and in this context, the aspiration of building an effective European foreign policy can benefit more from a close transatlantic relationship, rather than antagonistic opposition. This particular point of view is important to bear in mind while adopting as broad a view of foreign policy as the current project does, and yet, the conceptual framework that I offer certainly will not be limited to defining the EU foreign policy simply in opposition to the US.

In conclusion, the Lisbon Treaty has made a considerable step ahead in consolidating EU foreign policy. Both the objectives and tools for their accomplishment were clarified and affirmed in great detail, and the goal of a common military capability appears as close as ever. Cooperation with NATO is assured, but Europeans are also much more empowered in formulating policy without the agreement of the US, particularly since the latter's international credibility has been greatly reduced in the war in Iraq and the broader war on terror. Nonetheless, the recent treaty ought not to be seen as a final arrival at a common European foreign policy, but rather as another step towards an objective.

The nature of the objective is still uncertain. Even though many of the institutional provisions shape the EU as a typical state actor in international politics, the text on military intervention undertaken only by a group of "willing and able" is one example of the high degree of flexibility within the CFSP. This implies that the EU could respond differently to different international crises, which distinguishes it from a traditional superstate within the Westphalian paradigm. The response system within the Council has been strengthened, and the more rapid formation of unified (or at least majority-based)

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<sup>28</sup> Hill (1993).

positions seems feasible. Thus, it is more appropriate to now place the EU somewhere between the Westphalian state framework and a new conceptual foreign policy model, which will become clearer in the following chapters.

## **Conclusion**

My historical analysis has shown that the particular nature of the post-communist international environment generated the commitment to developing common European foreign policy tools. However, the question remains – how do the EU’s foreign policy toolkit and its institutional foundation shape the Union’s foreign policy identity in the context of post-Cold War challenges? The record so far shows that when the issues of war and peace are at stake, the US remains the most reliable and formidable force in the world, while the EU is more efficient on the diplomatic front. This is only relative to the Bush administration, which has not been a representative case for US foreign policy. What is more, some venture to claim that while staying out of the major military conflicts, the EU is comfortably criticizing the US, while the Union is still impotent in the concrete implementation of all of its lofty foreign policy principles and objectives.

It is evident that the EU is seeking to strengthen its hard power potential while keeping its considerable soft power, but the question remains whether the EU institutions and the inherent liabilities of the structures of the Union will permit the full-fledged formation of a traditional foreign policy along the model of the nation state. Alternatively, the EU could focus on using its comparative advantage, establishing a dynamic and nuanced foreign policy identity, but this contradicts some of the ambitions



of the EU leadership.<sup>29</sup> Finding a response to this complex tension between aspirations and capacity is grounded in a rigorous analysis of the current relationship between the EU institutions and its foreign policy identity in the economic and political/security domains. The following chapters will demonstrate the interplay between the integration achievements and liabilities of the EU and its foreign policy. The major goal of the analysis will be to offer a fresh look into the Union's foreign policy identity as it is situated to on the federal-confederal continuum. I will show that the EU is a post-Westphalian actor in the international arena in contrast to the traditional Westphalian actors like the United States.

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<sup>29</sup> Some European leaders (led by France and Germany) have gravitated towards a CFSP as a viable alternative to the US as a global economic and security power. Whether they have overestimated the institutional capabilities and political will of other member states on this issue remains to be seen.

## **Chapter III**

### **The EU on the International Economic Arena:**

#### **The Makings of a Superstate**

##### **Introduction**

This chapter is the first of two core sections in this study. It deals with the economic side of foreign policy and analyzes its relationship to the internal achievements and limitations of the European integration project. The chapter will show that the EU is effectively a unified international actor in the fields of trade and aid as the elements of its global economic engagement. However, its actions continue to be shaped by external challenges and are defined by its own structural limitations: the democratic deficit, weak public opinion, and the absence of a common identity. First, I will focus on the historical underpinnings of the Europe's common economy since the roots of foreign economic policy stretch deep into the history of the continent. Next, will analyze how the internal economic achievements of the EU play into its foreign economic policy. Last, I will examine the effect of the three fundamental weaknesses of the European project.

##### **The Economic Mechanisms of Unification**

The European Union is one of the world's largest economic markets, encompassing almost 500 million people. Its total Gross Domestic Product is more than 16 trillion dollars, accounting for more than a third of the global GDP. The size of its market and the total output of its goods and services outweigh those of the US, and the

EU is also the world's largest exporter and its second biggest importer. It has close and sizable economic exchanges with large economies such as India and China, as well as the US. Moreover, since the adoption of a single currency by 15 of the 27 EU members, the EU has offered the world its second strongest currency, which recently became the strongest, following the US' economic woes and the declining value of the dollar. In addition, 163 of the leading Fortune 500 corporations are headquartered in Europe. In other words, the European Union in its first sixty years has emerged as the world's leading economic bloc, largest trading bloc, and its strongest single economy. And it could hardly be otherwise. As I mentioned in *Chapter I*, the European project has inherently been an economic one, and the economic platform proved to be the easiest and most effective means for unification after the end of World War II. The EU's founding fathers, Jean Monnet and Robert Schuman viewed the economic interest as the primary driver for cooperation and pooling of sovereignty. Over time, they said, its functional achievements would drive forward the project for deeper political integration.

This short overview of the European economic integration presents the major achievements but also leaves out some of the grueling, slow, almost impossible debates and negotiations that brought about these changes.<sup>1</sup> The details of the EU's economic integration are highly technical and complex and transcend the scope of this paper. The European Economic Community (EEC) formed in 1957 was the offspring of the European Coal and Steel Community (ECSC), the project of Franco-German reconciliation. It quickly did away with existing inter-state tariffs, and by 1968 became a Customs Union with all internal duties removed and a common external tariff (CET). The Common Agricultural Policy (CAP), one of the central pillars of solidarity and food

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<sup>1</sup> The overview was primarily taken from Hix (1999) and Nugent (2006).

independence for the EEC was negotiated in 1962. Meanwhile, the Community had already signaled to the rest of the world its unification as an international economic actor: in May 1964, it participated at the GATT Kennedy Round of negotiations as a single delegation.

Thus, gradually national policies on trade were diminished and moved to the community level of decision-making. The international fusion of member states' trade agenda was a direct function of the internal fusion of trade within the Community. A single, common trade policy was a natural function of a unified domestic trade system coupled with a CET. This was further strengthened by the development of common policies in transport and industry, as well as competition and agriculture, moving the community from a customs union to a common market and ultimately an economic union.

Next, the 1969 Hague Summit agreed that the economic and monetary union would have to be completed by 1980, an ambitious agenda which, despite its delay, demonstrates the resolve and audacity of EU leadership during the first decade of unification. By 1970, the budgetary foundation of the EEC was moved under the auspices of the European Parliament, and the 1970 Paris Summit reaffirmed the broad goals set in The Hague. However, as the Community expanded and internal policy disagreements became rife, the European Monetary System (EMS) was adopted only in 1979. The following decade was marked by increased cooperation in particular policies (e.g. fisheries) and rows about the Community budget and national contributions. Further harmonization ensued in the rules governing the movement of goods, services, capital

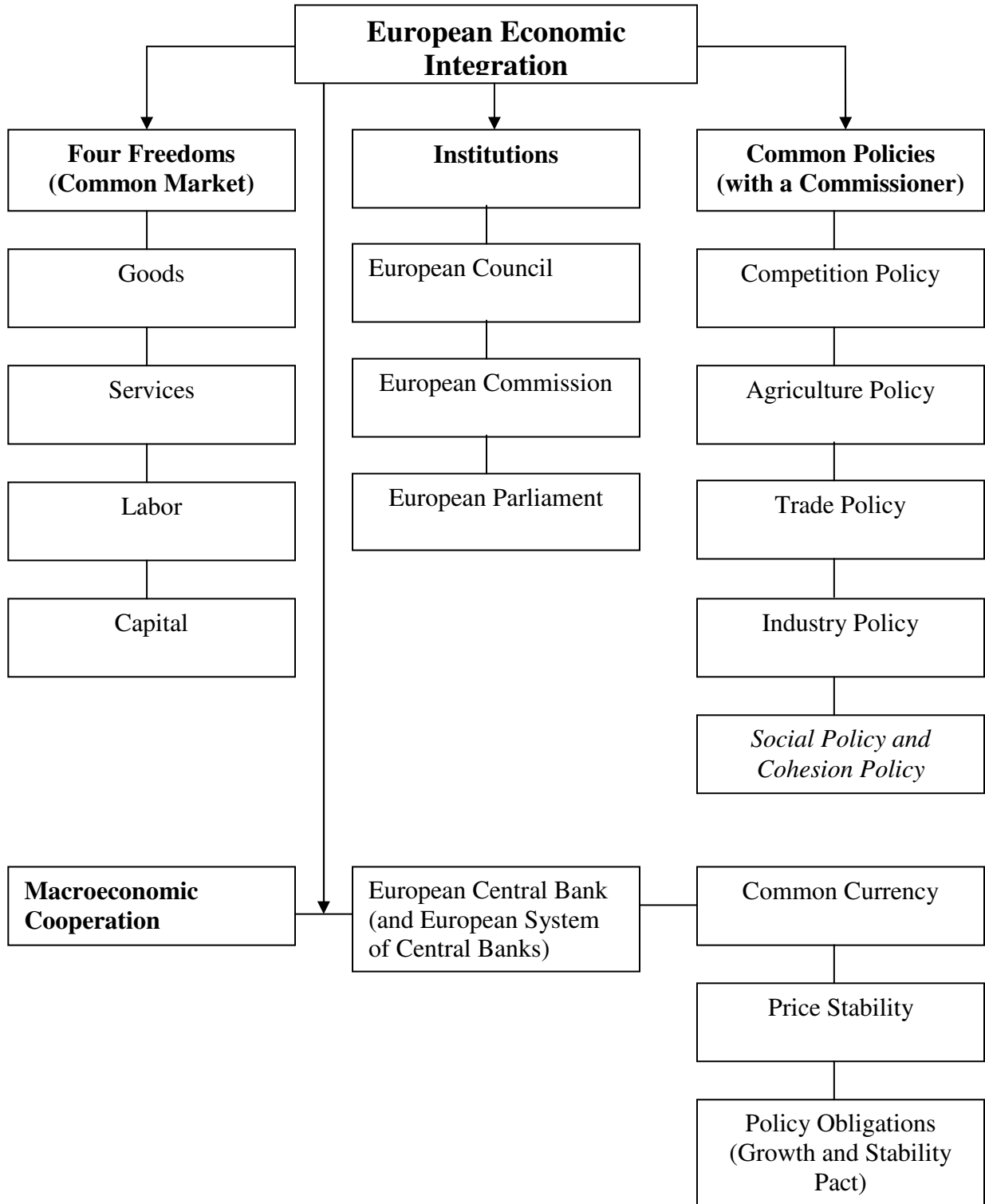
and labor throughout the Union, thus completing the Internal Market between 1985 and 1992.

Because this level of integration was deemed insufficient by ambitious European leaders and prominent federalists (like Altiero Spinelli and Jacques Delors), studies were undertaken between 1988 and 1991 on the possibility of establishing an Economic and Monetary Union (EMU). The 1992 Maastricht Treaty initiated the process of creation and adoption of a common currency for the newly forged European Union (not the Community anymore). This meant further centralization of economic policy into a single Central Bank that would take macroeconomic policy away from national governments. It also signified the “beginning of the end” for a number of national currencies that had been a sign of national pride and independence for centuries. In return, the first eleven members of the monetary union received the Euro, first in banking transactions in 1999 and then in physical form since January 1, 2002. In the six years since, the Eurozone was joined by four more EU members, and the euro is almost one and a half times more valuable than the dollar (as of January 2008) after being met with skepticism on the other side of the Atlantic. Meanwhile, as the Union expanded and turned eastward, the economic consequences of enlargement became the core of the economic debates in Brussels. It called for reform in the CAP and the Structural Funds, which has been slowly addressed since the Amsterdam (1997) and Nice (2000) Summits.

Currently, the EU has reached its highest level of economic integration, which will be completed if all member states join the Eurozone. This degree of economic cohesion is reflected in the Union’s international economic involvement, providing it

with a single voice in global trade and aid issues. The structure of the European economic union is shown in *Figure 1* below.

*Figure 1: European Economic Structures*



It is important to remember that at every step of the European economic integration process, decisions have been taken by elites in a largely non-democratic fashion, without communicating with public opinion but with the clear idea that this would strengthen European identity and the political and economic cohesiveness of the continent.<sup>2</sup> Therefore, the internal process of bringing the economies of Europe together has been profoundly shaped by the challenges that the entire Union continues to face today: a growing democratic deficit, a fragile and confused common identity, and a rising but still infant European public opinion. Nonetheless, rectifying these in terms of the internal economic dynamics of the EU is a task both overdue and irrelevant to this study. It is more critical to look at the ways in which these internal liabilities are manifested through the European external economic policy, as this is a creature that still evolves and will very likely experience the influence of a more diverse set of internal and external forces, rather than simply the bargaining and deal-brokering among European leaders.

For the sake of clarity within a rather complex and multifaceted topic, I have further divided the chapter into two sections that address two core elements of the European foreign policy in the realm of the economy. First, I will look at the issue of trade and the extent to which the EU acts as one, particularly in international organizations like the WTO, as well as other multilateral fora. Second, I will examine the Union's activity in the area of economic development (which in the EU also includes humanitarian aid), one of the most lauded policies that Europeans claim separates them from their counterparts in the developed world. I hope to be able to answer the two questions that guide my research with respect to each of these subtopics: (a) how do the EU's integration achievements (in terms of common institutions and policies) affect its

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<sup>2</sup> Van Miert (May 4, 2007).

identity as a global actor, and (b) how do the three central liabilities of the European project influence the foreign policy of the Union? I will conclude the chapter with a section on the overall identity of the EU on the international economic arena, as well as several meditations about paths of reform and improvement that the Union could take particularly with respect to the three challenges.

### **Structural Achievements**

#### *Trade: Europe is or Europe are?*

The EU trade policy, along with its agriculture and competition policies, comprises one of the “heavyweights” within the realm of Union-level economic decisions. As noted above, the Union has acted with a single voice in international trade since the 1964 Kennedy Round. Moreover, as a single legal entity, the Community signed trade agreements with the African, Caribbean and Pacific (ACP) nations on a number of occasions (earliest was the Yaoundé Convention with eighteen African countries in 1963), giving them preferential access to European markets.<sup>3</sup> Similar treaties were signed with the Comecom (Eastern European countries - 1988) and the USSR (1989). All this shows that in bilateral trade agreements, the EU has functioned as a single entity from the very beginning of its economic integration.

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<sup>3</sup> Subsequent agreements were made in Yaoundé (1968), Lomé (1975) where the Convention was extended to include 46 underdeveloped countries in Africa, the Caribbean, and the Pacific. Further extensions of the Lomé agreement took place in 1979 (with 58 states), 1984 (66 states), and 1989 (68 states). It was replaced in 2000 by the Cotonou agreement (with 77 ACP countries). As a result, the EU currently absorbs more than 70 per cent of the world agricultural exports of the least-developed countries (in comparison, the US only absorbs 17 per cent). Pelkmans (2006), p. 287.



From the outset, EU internal trade policy was more comprehensive than the GATT rules implied.<sup>4</sup> The major justification behind it was economic. According to Pelkmans (2006), the key reason was “negative externalities, generated by disparate national trade policies in a Union with free movement”.<sup>5</sup> In other words, discrepancies between national trade policies could diminish the economic advantages derived from the free movement of goods, services, labor and capital among member states. Other central reasons include the increased bargaining power for each nation, as well as legal uniformity throughout the Union.

The major objectives of the common trade policy are rather ambitious: “the harmonious development of world trade, the progressive abolition of restrictions on international trade and the lowering of customs barriers”.<sup>6</sup> As Pelkmans argues, this sounds like a benevolent readiness to conditionally lower external Community protection and liberalize world trade at large. However, the reality shows that restrictions to imports have and continue to exist, particularly “in agriculture, textiles and clothing, cars, coal and steel, shipbuilding and, more generally, services”.<sup>7</sup> In terms of common instruments, trade policy includes tariffs, quotas, voluntary export restraints, export subsidies, regulatory barriers, and licenses. However, all these are aligned with WTO rules and whenever the EU abuses its trade instruments, other countries (e.g. Ecuador for banana trading) have penalized it through the Dispute Settlement Mechanisms (DSM) of the Organization. Hence even though the EU relies on some trade distorting mechanisms

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<sup>4</sup> According to GATT rules, the EU is a Customs Union and needs to have a common CET as well as some other common provisions.

<sup>5</sup> Pelkmans (2006), p. 270.

<sup>6</sup> Article 131 of the Treaty of the European Union.

<sup>7</sup> Pelkmans (2006), p. 271.

because of its historic eagerness to be food and energy independent, it respects the international bodies that regulate trade and abides by their decisions.<sup>8</sup>

At the same time, it is important to recognize the “pyramid of preferences” that the EU employs in its bilateral relations to other nations. This demonstrates the nuanced nature of the Most Favored Nation (MFN) policy which the EU is supposed to exercise towards all WTO members. Aside from candidates for accession as well as other European OECD countries (Switzerland, Norway, Iceland, etc) that are not members, the EU also has free trade agreements with several strategic partners – Mexico, South Africa, Chile, and Israel. Below them are all the MED (Mediterranean), ACP, and Western Balkan countries. Still lower on the pyramid are Mercosur and Gulf Cooperation Council countries followed by developing countries other than ACP and 48 least-developed countries. At the bottom of the pyramid are non-European OECD countries. Each group receives a different degree of access to the European market even though all of them fall within the MFN status. This tiered system of preferences has been criticized by developing and non-European developed states alike, but it also demonstrates the single voice of the Union in international trade.

In terms of the inner workings of WTO negotiations, T.R. Reid argues,

The EU and its members have developed a sort of useful schizophrenia about these international groupings. When the issue is sheer size, the EU offers itself as a single market with a single government, representing nearly 500 million people... But when it comes time to cast votes, the EU members suddenly become separate countries, with twenty-five [as of 2004] separate votes to cast on behalf of the European position.<sup>9</sup>

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<sup>8</sup> This is of course partially a consequence of the Union’s central role in drafting the rules of the WTO.

<sup>9</sup> Reid (2004), p. 56.

This neatly summarizes the character of the EU as a single trading bloc. It commands the world's largest GDP and represents the world's largest exporter with a single external tariff and harmonized rules for the movement of goods, services, capital and labor. Mere size makes the EU a formidable force in the global economy and an important negotiating power in bilateral and multilateral trade fora. In fact, the EU's power is so considerable, that it sometimes only takes the EU and the US to agree on a particular agenda, and this suffices for complicated and tense trade talks to move forward. An example is the Hong Kong ministerial conference, which made significant advances in reducing agricultural subsidies in developed countries. The current Doha round is unlikely to end with a constructive solution without agreement on both sides of the Atlantic. In another scenario, when the EU is unwilling to agree on a particular provision (for example, sharply reducing barriers to agricultural imports), the current trade round in Doha becomes deadlocked, leading to animosity between developed and developing countries. The simple logic of the power game at the WTO implies that Japan and the US would not reduce their tariffs to particular imports if the EU does not, since the negotiations on trade are profoundly based on reciprocity and mutual concessions. At the same time, however, just as Reid explains, the organization was designed to accommodate nation states, and this allows the EU to possess twenty-seven votes against America's one, which once again shows that the international legal and political architecture is largely unprepared for a post-Westphalian creature like the EU. However, this apparent schizophrenia should not be misleading. The EU is fundamentally a single force in global trade and its frustrating abuse (although this is hardly an apt description of

simply following ill-conceived rules) of the WTO operational rules is merely a tool for achieving an otherwise unified and cohesive trading agenda.

Moreover, the institutional structures of the EU have been specially designed for a comprehensive Union trade policy. The Union has managed to promote and develop a complex set of international trade law, playing a central role in setting the legal standards of the WTO. In addition, there is not only a trade commissioner who represents the EU at the WTO, but the presidents of the Council and the Commission are often present at WTO and G8 meetings, thus augmenting Europe's negotiating leverage. As a result, the European Union, regardless of how controversial its trade agenda might be, acts as a full-fledged single entity on the international economic arena. This tendency will only become more pronounced as most of the EU members enter the Eurozone and more than 400 million people will use a single currency and pursue a unified financial and monetary policy.

*Development Policy: What Soft Power is all about<sup>10</sup>*

Even though there is a difference between development and humanitarian aid, the EU literature lumps the two terms together under the general umbrella of development policy. This is a field that is murkier and more complex to analyze than trade. It combines both intergovernmental and supranational elements in the distinction that exists between member state contributions and Union contributions to development. Moreover, some of the development policies of the Union include trade agreements with ACP countries, which were discussed in the previous section. Those certainly indicate a unified European

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<sup>10</sup> Even though there is a difference between development and humanitarian aid, the EU literature lumps the two terms together under the general umbrella of development policy. In particular, see Hix (1999) and Nugent (2006).

action in development. This section will address the rest of the development instruments that the EU employs.

The roots of the EU's dedication to development and humanitarian aid are historical and moral. In terms of history, the Union has deep relations with the majority of the developing world, since most of these poor nations are former colonies to European powers. Within the context of morality, the Union is dedicated to eradicating poverty in the developing world, a principle that is supported to various degrees by different member states. Lastly, there is also an economic reason, which is tied to trade, since 30 percent of EU exports go to developing countries.<sup>11</sup>

Nugent provides a useful overview of the development policies in the EU.<sup>12</sup> The legal basis for development aid is located in the Treaty of Rome, and the general objectives include: 1) "the sustainable economic and social development of the developing countries, and more particularly the most disadvantaged among them; 2) the smooth and gradual integration of the developing countries into the world economy; and 3) the campaign against poverty in the developing countries".<sup>13</sup> These are supplemented by the Union's dedication to the Millennium Development Goals articulated by the UN. All these are pursued by the Union and the member states working in concert, with Union action made complementary to national initiatives. This clearly implies a degree of intergovernmentalism on the issue, and the centralization of decision-making is certainly weaker than in the area of trade.

In terms of statistics, the effectiveness of the EU development policy is undeniable. EU member states alone provide more than 45 per cent of all international

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<sup>11</sup> Pelkmans (2006), p. 513.

<sup>12</sup> Nugent (2006).

<sup>13</sup> Ibid.

development aid, and the Union itself accounts for another 10 percent. At the same time, the Union is more active in humanitarian aid, member states providing around 25 per cent and the EU as a whole accounting for 30 per cent.<sup>14</sup> In terms of financing, development aid outside the European Development Fund (EDF) comes from the EU budget (about 4% percent of it). The EDF resources are provided by member state contributions. Together, the two sources primarily target Sub-Saharan Africa (60%).<sup>15</sup> Overall, development aid tends to be more confederal, while humanitarian aid relies on a more equal distribution of responsibilities between the Union and member-states.

Aside from preferential trade, the EU has focused on four types of development assistance. It provides food aid, emergency aid (particularly to countries experiencing natural disasters or other crises), and aid to local NGOs. In addition, there is special assistance to countries that have close relationships to the Union. Those include specifically ACP nations, and under the most recent Cotonou agreement (2000), the EDF provides financial help for various development projects. This complements the trade preferences for ACP countries that Cotonou prescribes. Moreover, the Cotonou agreement places emphasis on the private sector to stimulate enterprise in ACP countries. Lastly, it ties much of the financial assistance to efforts towards democracy, good governance, respect for human rights and civil society. The latter conditionalities have been immensely controversial, and the moral justification for tying aid to institutional achievements has been widely questioned by civil society. However, a normative discussion of these measures is beyond the scope of this study. The important conclusion from Cotonou is that the EU acts as a single entity in this aspect of development,

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<sup>14</sup> Ibid., p. 512.

<sup>15</sup> Ibid., p. 515.

encouraging universal institutional reforms and channeling financial resources through a central agency, the EDF. In the final analysis, it is clear that development aid does not rely on the exclusive decisions of Brussels. While its trade component is decided at the EU level, states play the central role in terms of financial assistance.

This is largely conditioned by the diverging interests of various member states. As Holland argues, “For example, French development policy remains largely neo-colonial, Italy follows a more commercial approach, the UK stresses good governance whereas the Nordic states focus principally on the alleviation of poverty.”<sup>16</sup> This demonstrates that within the Union the development agenda is not monolithic and differences stem from the ideological, historical, moral, and economic underpinnings of member state policies.

There is a plethora of actors on the EU level who deal with development. The major ones are the General Affairs and External Relations Council (GAERC), the Commissioner for Development and Humanitarian Aid, the Development Directorate-General, the European Parliament Committee on Development, as well as the Commission’s delegations in developing countries. Certainly the mandate of the Commission is the broadest as far as Union-based aid, and its policies are articulated and promoted by the appropriate Commissioner.<sup>17</sup>

In terms of humanitarian aid, a major actor is also the European Community Humanitarian Aid Office (ECHO), a creation of the Commission in 1992, which operates under the supervision of the Commissioner for Development and Humanitarian Aid. Completely independent from nation states, it distributes the Union-level humanitarian aid (not to be mistaken with aid coming from specific members) to developing countries.

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<sup>16</sup> Holland (2002), p. 171.

<sup>17</sup> Nugent (2006).

In 2006 alone, it distributed more than 671 million Euros of humanitarian aid, among which 48% went to ACP states. As a result, the European-wide and member state donations together make the EU the largest aid donor in the world. The Union is expected to reach the UN's 0.7 percent GDP target of aid donations by 2015 (it is currently at 0.34 percent).<sup>18</sup> Some members like Denmark and the Netherlands have already surpassed the target, nearing 1% of their Gross National Product. Overall, as the analysis shows, development assistance and humanitarian aid tend to follow Union-based decision-making, but the role of member states is much more central than in international trade.

## **Structural Challenges**

### *Trade: The Mechanics of Undemocratic Supranationalism*

First, it is critical to remember that the economic integration project has been an elite-driven affair from the beginning, and the three challenges that we look at in this study have only recently manifested themselves with respect to the issue of trade. In terms of the common European identity, I would argue that the average citizen is rather distant from the European trade agenda, and hardly perceives its goals as the common goals of the entire continent. In fact, aside from farmers (and particularly in Western Europe), who are directly affected by the Common Agricultural Policy which has benefited them tremendously, no other portion of society directly lobbies the EU's trade policy. Textile manufacturers or consumers of Chinese toys have been some of the groups affected by certain trade decisions taken in Brussels, but usually their

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<sup>18</sup> Ibid.



dissatisfaction is expressed through opposition to their local and national governments, rather than lobbying or action in Brussels.

However, on the basic level, Europeans agree on certain principles and values. The majority of college educated Europeans espouse democracy, respect for human rights, the importance of assisting the poorer nations, and the principles of justice and rule of law. They see that most of these issues are insufficiently addressed at the national level and look at the EU with a sense of hope for translating these principles into action in a variety of spheres. Thus, if we accept that those are also the guiding principles for the EU in its foreign affairs agenda in general, the specific issue of trade is also a reflection of these values. Hence, one could argue that some minimal form of European identity affects the trade agenda of the Union.

The second challenge, the democratic deficit, allows the European citizen to be most involved only in selecting his or her leaders on the local and national level, while the people that formulate trade policy in Brussels never face a popular vote or strict accountability requirements. This reduces the Commission's representation with regards to its entire agenda, including trade. Members in the Council are directly elected on the national level, but their platforms as far as trade are limited to providing product variety for consumers and ensuring a competitive market for goods, services, labor and capital. There is no citizen oversight mechanism on trade decisions taken in Brussels, the media remains the sole source of information, and consequently the average European remains uninformed and alienated from the Union's international trade agenda. At the same time, however, one has to admit that in this way the complex and cumbersome machinery in

Brussels is much more effective and moves relatively quickly, which is also important in the policy-making process.

As far as the third challenge, the rise and importance of European public opinion, the conclusion is similar. It becomes increasingly clear that the interests and lobbies within civil society, both in the for-profit and non-profit sectors, have become important actors with a serious say over EU policy. Brussels officials are already aware of this phenomenon, and even though the European economic policies were – perhaps until the end of the 1980s – generated and developed by exclusive elites with minimum transparency, the role of public opinion, particularly in the area of trade, has become considerable.

College-educated Europeans are aware of the issues faced by developing countries and the unequal trading relations that have existed between rich and poor nations (from which Europe has undoubtedly profited, particularly in rebuilding after World War II). This outrages both ordinary citizens and various organizations, and their lobbying efforts in Brussels and at every trade summit location in the last decade have put considerable pressure on policy-makers in the EU. Public opinion has been vocal against the CAP (even though its importance is also recognized in public opinion polls) and the uneven trade preferences of the Union, as well as particular issues such as the import of genetically modified foods.

However, most ordinary citizens' concerns remain local. It is a telling fact that not a single piece of statistical support for public opinion on external trade has been found in the Eurobarometer database. The EU simply does not ask questions about the common trade policy and prefers to focus on inquiries about the quality of products that consumers

receive. At the same time, only 20 percent of citizens believe that it is important to focus more on solidarity with poorer regions both on the continent and globally.<sup>19</sup> Even though this is a central topic on college campuses and among academics, ordinary Europeans are more preoccupied with issues of crime, immigration and unemployment, rather than the plight of other nations and regions. All this shows that public opinion on trade issues is limited and often disregarded in official surveys. This leaves the EU with a broad license for action that is virtually unchecked by the large majority of voters.

Thus, it is clear that the three core liabilities of the European project have left trade policy outside the control of public opinion and democratic accountability. As in all areas of policymaking, the Commission's actions in the trade arena remain unchecked and fuel the democratic deficit. Some representation remains at the Council and Parliament, but the strengthening of the latter is crucial to truly bridge the gap between citizens and elected officials. Hence, as the EU is completely supranational in its international trade policy, it is also much more undemocratic than its member states.

At the same time, EU action on trade has reflected the guiding values behind Europe's policies and the underlying necessity for consumer protection, quality of imports and food security. While the EU acts under the widely-accepted principles of free trade and liberal markets, the complex details and implications of its nuanced trade agenda remain hidden to most Europeans outside the college-educated minority. In other words, there is an underlying European identity that is reflected in trade policies, but it is not coupled with accountability and transparency when values are translated into action and policy implementation. One could argue that this stems from the deep historic roots

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<sup>19</sup> Eurobarometer: Survey 68. *Public Opinion in the European Union*. December 2007.

of EU economic integration, which go back to a time when elites were hardly preoccupied with public opinion, and the economic decisions of the Union were based on the immediate needs of the population. Hence, the democratic deficit and weak public voice do not affect directly the EU trade agenda; its centralization actually benefits from their existence. Nevertheless, as a new generation of globally informed and engaged citizens emerges, politicians in Brussels will have to address public concerns that transcend merely opinions about the quality and quantity of products in Europe's supermarkets.

*Development Policy: Mixing the National and Supranational*

In terms of a common European identity, development policy is hardly reflected by a common allegiance to the EU. Nevertheless, the common historical experience of colonialism that exists in many of the Western European states has formed a tradition of cooperation and generous assistance to developing countries in general and ACP states in particular. Moreover, as with trade, the underlying principles and values that decision-makers keep in mind when enacting development policies coincide with the basic beliefs of a majority of Europeans. The ideas of democracy, rule of law, and increasing the living standards of the poor bind Europeans not just among elites, but also on the street. However, much like in trade policy, there is no cohesive European identity – beyond some basic principles agreed by all – that affects decision-making on development policy on the Union level. Identity is solely related to development on the national level and affects specific countries' – particularly former colonizers' – policies.

When Europeans want to voice the aforementioned beliefs and feel that policy-makers are not taking them into account in the provision of development assistance,

public opinion is galvanized among various organizations and interest groups in Brussels. However, as with trade, no individual questions about development policy are posed in Eurobarometer surveys. Questions on the topic are limited to the issue of enlargement and assistance to prospective Union members. However, there are groups of informed citizens and NGOs that lobby Brussels to abandon the preferential treatment of ACP countries (which receive close to 50% of all development aid from the EU) and consider all developing states equally. Similarly, outrage percolates through academic and intellectual circles when it becomes clear that the EU ties aid to particular contracts with European corporations in developing states, which implies high profits for the donors themselves. Thus, public opinion on the issue has been strong, especially among college-educated Europeans and particularly in university towns and in the NGO sector in Brussels. The issue of development, though, remains distant to the majority of ordinary citizens.

The issue of the democratic deficit is weaker in the area of development policy. This is a function of the larger involvement of nation states, whose governments tend not to suffer from such democratic shortcomings. However, the problem re-emerges as soon as decisions are brought to the Union level, and as I mentioned before, the majority of development policy is formulated and implemented in Brussels. The democratic deficit on the issue reflects the general problem across all European institutions and requires a comprehensive solution which would involve reform of EU institutions. At the same time, while it brings down the Union's legitimacy (much like in the case of international trade), the deficit has contributed to a high efficiency in development assistance and humanitarian aid, which has made the EU a model among international donors, both as a

single entity and a sum of its member state donations. Moreover, the presence of democratic deficit on the supranational level and its absence in national systems does not in any way affect the articulation, implementation, and outcomes of Union-based development aid. Member states and the EU as a whole operate under the same guiding principles and provide the same types of aid – albeit on a different scale – to the same groups of countries. In the final analysis, the democratic deficit does not alter the process or outcome of development policy. Hence, overall the democratic deficit has not impeded the EU's capacity to behave as a single international actor in this area.

This second component of the EU foreign economic policy is also perhaps the Union's biggest strength as an international actor overall. The moral leadership and implementation capacities that the Union offers both in development assistance and humanitarian aid demonstrate the comparative advantage of the EU in international relations. The EU channels its resources through multilateral avenues and both as a single actor as well as through its separate member states contributes to a more equitable international economic order. In addition, the Union has developed a complex web of economic relations with its immediate neighbors on the continent and in the Middle East (which traditionally are not considered among the poor nations), thus building mutual trust, cooperation and regional security. All this makes up what Robert Kagan has called Europe's soft power, the antithesis (or perhaps complement?) to the hard power-oriented United States.<sup>20</sup> Through economic assistance in general and humanitarian aid in particular crises, the EU promotes good governance, democracy and the rule of law, thus fostering security and stability. Hence, in its guiding principles, the EU stands as a single actor in development and humanitarian aid, while in decision-making and

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<sup>20</sup> Kagan (2002).

implementation, it has a nuanced role enmeshed in member state initiatives. In short, the EU stands between the superstate and intergovernmental paradigms on the issue of development, but still tends toward the more centralized framework.

## **Conclusion**

The analysis of Europe's role in international trade and aid and development has clearly shown that the continent participates as a single actor on the international economic arena. This is reflected by the structural achievements of the EU, whose economic focus has been strengthened continuously for the past sixty years. Despite the rules of international organizations (like the WTO) which would imply that 27 votes from Europe represent twenty-seven different agendas, the guidance and initiative coming from Brussels is clearly pronounced and it underlies every decision on issues of trade. This is a direct result of the structural achievements that the EU reached through economic integration in the last sixty years. The depth of internal interdependence has required external agenda unification. In development policy, the picture is certainly more complex, but on the whole the EU retains a leading position relative to member states particularly in humanitarian aid, but also in the trade aspects of development. Even if one is left with the belief that the EU institutions sometimes prevent the Union from being a cohesive and unified economic actor, the basic principles and values that govern the entire foreign policy of the EU are well-defined and serve as the most important impetus behind all policy-decisions coming from Brussels and national capitals alike.

In this context, it has become evident that the three fundamental liabilities of the EU are not crucial impediments but are often accommodated and addressed in various

ways. They do not expose a level of divergence by member states, but on the contrary, their manifestation in common external economic policies further reflects the fundamental agreement on the principles, actions and policy implementation in the areas of trade and aid and development. Granted, these weaknesses are problematic from a legitimacy point of view, but I would argue that it is precisely their presence that has elevated the EU to a superstate in global economic affairs.

Therefore, if we return to our initial questions, the answers are as follows. First, the EU's structural achievements have historically determined the Union's identity in international trade. Their effect on development policy is also strong, although the deeper involvement of member states sometimes dilutes the starkly supranational character of the policies. In other words, the EU is certainly a mature, single political actor in international economic affairs, and the sovereignty of member states in this issue area has been reduced to the margins. Second, the three central liabilities of the European project have not curtailed the Union's capacity as a supranational actor. In fact, I would argue that they have greatly assisted in the emergence of centralized, elite-driven decision-making that has taken sovereignty almost completely out of the national realm. Nevertheless, the EU remains undemocratic in formulating its trade and development aid agenda, and it often disregards the voice of the public on the issue. At the same time, the principles underlying the trade and development policies are also common European principles of equality, respect for international law, democracy, good governance, transparency and accountability. This notwithstanding, the importance of these structural deficiencies will become starker as new generations of informed and politically aware Europeans demand a stronger voice and more representative institutions while developing



the common bonds between them. Now it is time to examine similar issues within the context of the second component of the European foreign policy, political and security cooperation.

## **Chapter IV**

### **Mine versus Thine:**

### **Intergovernmentalism in European Security Affairs**

#### **Introduction**

*Chapter III* demonstrated that the EU acts largely as a supranational actor in international economic issues. However, this does not exhaust the foreign policy identity of the Union. The second component of foreign policy is the political, as it relates to both diplomacy and military capability. It complements and is often intertwined with the international economic domain, but for the purpose of this study, I will look at it separately. Having established the supranational identity of the EU in the international economy, it is critical to determine the identity of the EU in security issues. I argue that in diplomatic and military issues, the EU remains a fundamentally intergovernmental actor, more an agglomeration of its member states' policies than a single unified political entity. This shows that the EU – though a post-Westphalian entity – is still entrenched in the notion of national interest when it comes to security and defense. In this context, the EU demonstrates a clear schizophrenia as a foreign policy actor, carrying out a monolithic economic agenda but remaining an association of states in international security and defense issues. This is evident in terms of diplomacy and even more so in terms of military capacity.

The chapter begins with an historical overview of European diplomatic and military action after World War II. Next, I will look at three issues – the conflict in Kosovo, the war in Iraq, and humanitarian intervention as a whole – that best capture the

EU's identity in international security. Each of these will be analyzed in terms of the EU's action – or lack thereof – both within the diplomatic arena and in terms of military operations. At the same time, I will look at how the institutional achievements and liabilities of the Union have affected (in)action for each issue. This will lead to a clear conclusion about the EU's identity as a foreign security actor at the end of the chapter. Overall, the analysis in this and the previous chapter will inform the concluding section of this study, where I will include a look at the future

### **A History of Reaction**

Political cooperation within foreign policy did not exist prior to the formal agreement on foreign and security coordination through the European Political Cooperation (EPC) agreement in 1970. Pooling national sovereignty with respect to foreign policy was unthinkable in the years immediately after World War II, and economic interest was deemed the easier path for integration. However, in 1970, EPC allowed member states to increasingly align their foreign policy agendas outside the formal treaty framework, and *de facto* create common Community positions. By the mid-1980s, the Community expressed a position on most international security issues. However, foreign policy never formally entered the treaties despite its special place in the 1987 Single European Act (SEA). Member states did not believe that security and defense issues could be undertaken through the same political apparatus that emerged out of economic cooperation. Thus, as Nugent explains, the EPC remained looser and more voluntaristic than other common policy initiatives.<sup>1</sup> Hence it is clear that the seeds of

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<sup>1</sup> Nugent (2006).

intergovernmentalism in security and defense policies were planted from the outset of efforts for closer political integration. Most importantly, the EPC could not prevent any state from engaging in unilateral action, which left the locus of decision-making on the national level.

As the core issue for the EU remained the insufficient political will of member states to pool security and defense capabilities, external events in the post-Cold War era gradually convinced EU leaders in the need for closer cooperation. The break-up of Yugoslavia, the genocide in Rwanda, and the chaos in Somalia demonstrated the need for a common European diplomatic and military capability. At the same time, changing notions of sovereignty and the emergence of the concept of global responsibility to intervene in a humanitarian crisis challenged the established notions of state power. In this context, the Union foreign policy machinery, limited as it was, failed to act when crises arrived. It floundered in the context of the first Gulf War in 1991, and, most importantly, it was reduced to an observer to US military leadership in its own backyard. The internecine conflicts in the breakup of former Yugoslavia fully exposed the impotence of the Union's common diplomatic position, let alone its cohesion in terms of military involvement. Similar embarrassments followed in the context of Rwanda (1994) and Kosovo (1999), which called for European involvement (one was a former European colony, while the other was in Europe itself).

The inability of the EU to respond with a unified voice at the times when it mattered the most created frustrations both within the Union and on the other side of Atlantic. First, EU leaders like Tony Blair expressed disappointment at the lack of strong military capacity given that the Union had the second highest defense spending in the

world after the US. When compared to America, European countries taken together remained military dwarfs despite their rather generous defense budgets. The gap in military equipment and preparation, however, was wider than the disparity in spending would suggest. Second, moral arguments about the EU's security obligation towards the entire continent and the region were articulated by more federalist leaders like Commission President Jacques Santer.<sup>2</sup>

At the same time, the US was frustrated because the Union did not seem to be pulling its weight in preserving international security and defending human rights. Despite the lofty rhetoric coming from Brussels, it was clear that when the time for action came, the US was the one that delivered results.<sup>3</sup> Indeed, Americans had fulfilled their mission in supporting the EU during the Cold War, but it was time that the Union became more operationally capable. The only catch was that the EU had to develop this capability within the existing NATO framework. The US was opposed to the full-fledged formation of an independent European Security and defense Policy (ESDP) that could render the North Atlantic Treaty irrelevant. As a result, in their efforts to develop closer security and defense cooperation, European leaders had to walk a fine line between the comfort level of Washington and their own long term objectives.

At the same time, EU leaders could not accept that the US will in effect remain the dominant military power in Europe, shaping the security agenda of the Union. This reflects what Richard Holbrooke argued, that America was essentially a European power.<sup>4</sup> According to Holbrooke, not only did the US have physical presence on the continent (troops in Germany since World War II), but it was always the best positioned

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<sup>2</sup> Santer (May 5, 1998).

<sup>3</sup> Holbrooke, 1995.

<sup>4</sup> Ibid.

to carry out military operations within the NATO framework (in Bosnia and Kosovo). Evidently this was a bitter pill for the EU to swallow, particularly in a post-1989 world without the security threat from the Eastern Block. Therefore, following the 1998 Franco-British summit at Saint Malo and the 1999 Cologne and Helsinki summits, a true commitment emerged to a stronger EU military capability within the NATO framework. In this context, the rest of the chapter will focus on the EU's response to two crises, Kosovo (1999 and 2008) and Iraq (2003). I will show that even though between 1999 and 2008 the EU has developed more complex foreign security capabilities, both diplomatically and operationally, the intergovernmental nature of the Union's security and defense policy remains dominant.

### **(Insufficient) Structural Achievements**

#### *Kosovo: Disappointments in the European Backyard*

The ongoing conflict in Kosovo, the last remaining crisis of the break-up of former Yugoslavia, has continuously frustrated EU decision-makers and reveals the Union's weaknesses both on the diplomatic and military fronts. Following the fall of the Iron Curtain in 1989 and the collapse of the USSR in 1991, the Western Balkans were thrown into turmoil. One by one, the former Yugoslav republics demanded independence, and the new nations of Slovenia, Macedonia, and Croatia emerged out of the federation. This fueled desire for independence among Bosnian Muslims, galvanizing a three-year war that ended in 1995 with the independence of the country and its separation into a Muslim and Serbian republics. The Bosnian war took the EU by surprise and exposed its foreign policy deficiencies, calling for the serious engagement of the US. America

negotiated the peace accords at Dayton in 1995 decisively entering Balkan and European security politics.

Meanwhile, Kosovo became the new hotspot of ethnic tension as Kosovo Albanians demanded independence from Serbia. The region slid into chaos in 1998-1999, as Yugoslav leader Slobodan Milosevic decided to reply with force to the region's calls for substantial autonomy. It had been Milosevic who in 1987 rescinded Kosovo's autonomous status within Yugoslavia, an express provision in the 1974 constitution. In the decade that followed, the majority of ethnic Albanians remained disenfranchised relative to the minority Serbs, and their economic condition deteriorated. As employment rates among them reached critical levels below 20 percent, social tensions meshed with ethnic hatred, leading to the explosion of violence. The Kosovo Liberation Army (KLA) became increasingly hostile to local Serbians, provoking Belgrade to send military forces to the region, spurring waves of refugees and engaging in outright ethnic cleansing.

In terms of EU involvement in the conflict, we can trace three phases. First, in 1999 the EU remained largely a spectator to NATO use of military force in halting the ethnic cleansing perpetrated by Serbian militia.<sup>5</sup> Next, through the last eight years, the Union became more involved with the issue, providing a European peacekeeping force and engaging both sides diplomatically by offering a path to EU membership. However, the most recent developments, including the unilateral declaration of independence by Kosovo, once again revealed the deep divisions in the Union *vis-à-vis* the region's final status. These structural and functional deficiencies have been particularly painful, as the EU has constantly appeared incapable of resolving a security crisis in its own backyard.

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<sup>5</sup> Its own member states, however, took part in the NATO effort.

This posed serious questions as to the Union's capacity to address similar situations beyond its immediate sphere of influence.

Towards the end of 1998, both NATO and specifically the US began to urge the Yugoslav authorities to withdraw their troops, as the mass exodus of ethnic Albanians to Albania, Bosnia and Macedonia stretched the economic and security capabilities of these already unstable nations. The UN was equally active, but Secretary-General Annan repeatedly stressed the need for an explicit Security Council mandate for any kind of military action to take place. Meanwhile, the US sent Richard Holbrooke as its special envoy, and the EU was represented by former Austrian ambassador to Yugoslavia Wolfgang Petritsch. Both EU and US diplomats made a number of visits to Belgrade, urging Milosevic to end the atrocities. At the same time, NATO was preparing contingency plans, ultimately giving the then-Secretary General of the Alliance, Javier Solana, mandate to authorize the use of force. Solana's role in the events of 1999 will remain one of the central contributions of European countries in resolving the conflict, since the Union could neither adopt a common diplomatic position, nor commit militarily in Kosovo. Following his appointment at NATO, Solana became the High-Representative of the EU on the CFSP, a post that he continues to hold today.<sup>6</sup>

Diplomatic efforts were exhausted in 1999, following the suspension of the talks at Rambouillet and the increase of Yugoslav troops in Kosovo. NATO air strikes began in March 1999 and it was the US who led the military operation with the help of other NATO members. No mandate was received from the Security Council, as Russia blocked any resolution authorizing the use of force. Some EU states were involved in assisting the

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<sup>6</sup> The overview of the 1999 crisis is based on the US State Department timeline.



American war effort, but their actions were clearly outside the Union framework. As a result, Kosovo not only tainted the capabilities of the EU but also challenged the legitimacy of the UN, becoming the first post-Cold War example of an illegal use of force. The support provided by the EU was limited to its member states that also belonged to NATO. In terms of a cohesive military engagement, the EU remained incapable of interceding.

The Union became more directly involved in the conflict only in April 1999 when, in the context of the UN, it agreed to stop oil product deliveries by or through member states to Yugoslavia. Further, the Union provided 20 million euro to UNHCR to assist its relief work in the region. At the same time, in a controversial move that received some opposition from EU leaders, German foreign minister Joschka Fischer proposed the idea of a Stability Pact for South Eastern Europe. This implied that countries from the region would establish closer economic ties with the Union, opening up the potential for membership. Countries like Greece and the UK were opposed, offering their own, more limited plans for stabilization. Nonetheless, the Pact was signed in June in Cologne, following complex negotiations and bargaining among member states.<sup>7</sup> Its official launch took place in Sarajevo on July 30, 1999.

The Pact had a complex structure and engaged both NATO and other major stakeholders like Russia. It was driven by the EU but remained under the auspices of the OSCE, thus broadening the number of participants. Its major goals included democratic reform and respect for human rights in the region, economic stabilization and development, and strengthening security, justice and defense in the entire Western Balkans. The EU had the central role and would help development in concert with the

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<sup>7</sup> The overview of the Pact can be found in Friis and Murphy (2000).

World Bank. Moreover, even though explicit references to membership prospects were diluted by France and a mention of NATO membership was opposed by Russia, the final text included the possibility for closer economic ties between the region and the Union. This shows that the EU was far more efficient in using economic instruments to impact the conflict, rather than acting as one on the diplomatic or military fronts. In terms of a diplomatic leadership on the issue the Union remained divided and quite unprepared structurally to play a role as central as America. As far as security involvement, the EU did and could not act as one since an intervention in Kosovo never received support from the UN, and Europe's involvement could have put in question its long standing commitment to international law.

NATO remained the sole avenue for action during the crisis. While some of the EU-15 were also members of the Alliance, the major military effort was carried out by the US and UK. In fact, it was Tony Blair's moral call for action that persuaded the Clinton administration to respond to the ethnic cleansing in Kosovo. This once again illustrated the internal rifts within the EU with the Great Britain supporting intervention, while the rest of the members remaining less vocal on the issue. Hence, no action came from the EU itself, and response to the crises was left to member state capitals and national policy-makers.

At the same time, the Union undertook two more initiatives that would establish its political leadership in stabilizing the region following the conflict. First, it provided its own plan for stability, a Stability and Association Agreement (SAA), which spelled out the conditions for opening talks for membership with all countries in the region. It was intentionally vague in scope but still made promises of engaging closer with the region if

countries there delivered on a series of vital reforms. Second, the Union established a Reconstruction Agency based in Thessaloniki. The agency would circumvent the slow and corrupt local authorities and deliver assistance quickly and efficiently. The idea sprang from the bitter experience with slow and corrupt bureaucracy in distributing EU aid to Bosnia.<sup>8</sup> The new agency would begin with reconstruction in Kosovo, but its scope could potentially grow to encompass the entire former Yugoslavia. In the end, the agency's activities set the stage for separating the province from Serbia, facilitating Kosovo's path to independence. Thus, despite internal bickering, the EU managed to regain leadership in the region through quick and effective steps for engaging, assisting and attracting the Western Balkans into the EU zone of influence. This second phase of EU involvement in the conflict remained the most supranational and unified position that the Union managed to adopt until this day.

By June 1999 the NATO campaign was suspended, and as a peace agreement was ratified by the UN Security Council, the peacekeeping effort began. The EU helped the work of the mission with separate nation-states contributing to the UN forces. Peacekeepers were also assisted by the political stability that the EU Association Agreements provided. Overall, the role of the EU in the peacekeeping effort was central, as the political and economic weight of the Union assured the stability of the region and the safety of the UN troops. This symbolized the EU's return to central stage after the military campaign was over.

At the same time, diplomacy was to articulate the final status of the region. The EU slowly regained a more central role in facilitating talks both within the UN, as well as

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<sup>8</sup> Ibid., p. 15.

with the US and Russia. Martti Ahtissari became the Union's new envoy to Kosovo, and his role was to prove critical eight years later when the issue once again preoccupied politicians, media, and citizens alike. Hence, while establishing strong initiatives for short and long term reconstruction and development, the EU quickly began to work on a diplomatic solution for the final status of the region.

In 2006, the US encouraged the UN to come up with a plan for the final status of Kosovo, which had remained under UN and EU mandate for eight years. As Ahtissari was already the UN representative to the province, he was charged with drawing a comprehensive path to independence for Kosovo. Aside from Russia, which supported the reticent authorities in Belgrade, it had become clear to the rest of the world that a region with more than ninety percent ethnic Albanian population could not remain a part of Serbia. However, Ahtissari's plan was vehemently opposed by Belgrade and Moscow, as the Russians stalled Security Council talks, by demanding more time for negotiations between Serbia and Kosovo. Meanwhile, Albanians in Kosovo threatened a unilateral declaration of independence, and once negotiations failed and Serbia remained opposed to formal cessation, Pristina announced the formation of a Kosovo independent state on February 17, 2008.

The EU was once again limited to reaction rather than action. European countries were unable to come to a consensus on the issue prior to the announcement, and in the end agreed to disagree, leaving member states with the prerogative on whether or not to recognize the new state. Spain, Slovakia, Cyprus and Romania were the dissenters, expressing uneasiness with the creation of a legal precedent for independence that could affect their own ethnic minorities. This once again exposed the structural inefficiency of

the EU, which allows national interests to dominate at times when resolve and common action are required. Reaching consensus on a common foreign policy proved impossible, similarly weakening the EU's international standing as in 1999.

In the final analysis, Kosovo proved that the EU was not only structurally incapable to act united, but it also failed to garner the political will and take a common stance on a crisis that was right into the Union's backyard. Action taken by specific members – particularly the UK – does not alter this conclusion and does not substitute for common EU action. In fact, it strengthens the assertion that the Union acted as a mere association of states in response to Kosovo, leaving decision-making to the national level. In 1999 EU inaction was based mostly on lack of political will and operation capability. While in 2008 there was leadership on forming a common EU position on the region's independence, the internal structures of the Union allowed a minority of members to deflect the political will for recognizing Kosovo. Members fundamentally divided on the very issue of sovereignty, whose erosion in the case of Kosovo was an alarming bell to countries like Romania, Spain, Cyprus, and Slovakia.

Some would argue that this demonstrates the EU's adherence to the familiar Westphalian paradigm of state sovereignty, and Union cannot escape this political framework regardless of its own structural achievements. However, it is important to remember that a number of countries with minorities supported Kosovo's independence. Among them were Belgium, Bulgaria, Hungary, Poland, Estonia, a mixture of old and new members. Therefore, the decision on the issue is based more on leadership and political will, rather than rigid understandings of sovereignty, which, it appears, are

different even among new member states from Eastern Europe.<sup>9</sup> Hence, the Union's enlargement presents new challenges to the security and defense structural framework, but it is unclear whether or not this will push the EU further towards intergovernmentalism.<sup>10</sup>

The integrational achievements of the EU stopped short of leading to a cohesive foreign policy at the time when it mattered the most, and this was detrimental both to resolving the Kosovo problem in particular, as well as to the Union's international standing as a whole. The EU's disunity in 1999 contributed to leaving Kosovo in a legal limbo as far as its international status. The same weakness of common policy has failed to stabilize the new country and the region in 2007 and 2008, leaving intact some member states' positions against Kosovo's independence. As a result, both in 1999 and in 2008 Kosovo spurred a retrenchment into intergovernmentalism and the primacy of national interest, rather than a genuine attempt to pool sovereignty in foreign policy and generate a strong cohesive EU position.

#### *Iraq: the Bitter Divisions of the Union*

Similar to the reaction to the atrocities in Kosovo in 1999 and the region's proclaimed independence in 2008, the EU failed to articulate a common policy and implement cohesive action in the lead-up to the war in Iraq. Another international crisis came and went without the unified involvement of the world's largest economic market

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<sup>9</sup> This also helps refute the popular understanding that CEEC countries, or new member states from Eastern Europe, are virtually the same in their reluctance to give away national sovereignty less than two decades after regaining it from Soviet influence. Indeed, considering this diverse group of nations as a monolith is both dangerous and factually inaccurate, as the case of Kosovo suggests.

<sup>10</sup> The same applies to the structural liabilities of the Union and particularly public opinion and European identity. These two could play out very differently had the EU been of 27 member states in 2003 or 1999.

and second largest defense spender.<sup>11</sup> Instead, member state governments adopted their own policies to the crisis, and the vital decision about military intervention was taken at the national, rather than the European level.

There is, however, an important caveat in the analysis of this issue. The decision on whether to support the American war effort or not was taken by the leadership of each country and does not reflect the wishes of the general population. In fact, some leaders, like Aznar in Spain, lost credibility and domestic support because of the war, and this led to political changes in several European capitals. The role of public opinion about the war throughout the EU was vital, but it is important to distinguish it from the official national positions. Hence, I will first analyze the states' responses, followed by a discussion of EU public opinion, which— similar to the atrocities of Kosovo – brought European citizens together.

Following 9/11, the US fundamentally shifted its security doctrine, relying on strong unilateral use of force as the central instrument for facing the new type of challenges that asymmetric warfare offered. Hence, the Bush administration began a war in Afghanistan in 2001 while starting to push the case for a war in Iraq. Within the new international security environment, the US would not be held by international legal standards and a UN mandate. America made this clear in the 2002 National Security Strategy:

While the United States will constantly strive to enlist the support of the international community, we will not hesitate to act alone, if necessary, to exercise our right of self-defense by acting preemptively against such terrorists, to

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<sup>11</sup> The US yearly defense spending as of 2003 was at \$400 billion, while the EU spent around \$160 billion. The third largest defense spender was China at a distant \$70 billion per year.

prevent them from doing harm against our people and our country.<sup>12</sup>

This clearly illustrates US readiness to wage war in Iraq, and the potential legal consequences of action are similarly dismissed in the same document:

We will take the actions necessary to ensure that our efforts to meet our global security commitments and protect Americans are not impaired by the potential for investigations, inquiry, or prosecution by the International Criminal Court (ICC), whose jurisdiction does not extend to Americans and which we do not accept.<sup>13</sup>

This demonstrates that the US relegated international law and global institutions as mere obstacles to achieving American interests. Despite American efforts to couch the argument for invading Iraq into a solid legal case, the US determination to use force regardless of the outcome of diplomatic efforts began to alienate countries that had supported the US in the Afghanistan war.

Conversely, the EU was torn on the issue. France and Germany considered a UN Security Council resolution for the use of force against Iraq a critical necessity before military action is undertaken. In contrast, the UK, Spain and many of the candidate countries from Central and Eastern Europe took a pro-American stance, arguing that the use of force would be legal and justified. In general, the Union relied on international law as the determinant for action, but the interpretations of international law were different for different member states. Moreover, while Washington established a solid link between 9/11 and the Taliban regime in Afghanistan, it was much less clear what the link was between Saddam Hussein's repressive regime and the attack on America. Hence, international support for US use of force eroded, even though both European leaders and

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<sup>12</sup> Bush, G.W. (17 Sept. 2002). The National Security Strategy of the United States of America. The White House.

<sup>13</sup> Ibid.



public opinion were heavily behind the US in the wake of 9/11, demanding European involvement in support of America's self-defense.<sup>14</sup> Thus, America engaged in bilateral agreements with potential allies, in order to avoid being dependent on a UN mandate. The calls for military invasion were blocked at the Security Council by France and China, while Britain aligned with the US.

The situation was especially inconvenient, as the period was marked by increased cooperation between Germany, UK, and France on the further development of the ESDP. Not only did the EU and NATO formally agree in 2002 on the nature and scope of ESDP, but the framework became formally operational at the end of 2001. The Council of Defense Ministers began formal meetings in May 2002, and the EU expressed readiness to take over the NATO mission in Macedonia.<sup>15</sup> In the midst of increasing collaboration between large EU states, the Iraq war stalled further defense integration and exposed the entrenched differences between Union leaders.

Within this context, the EU was divided first on the diplomatic front. Great Britain's support for intervention was contrasted by Germany's firm anti-war stance. The Union could not reach a single position within the framework of the UN where the CFSP provided for coordination of member state positions. Clearly, France and the UK were at the two extremes of the debate, and this led to overall split among member states between the two camps. Moreover, the tension prior to the war demonstrated that when decisions about military affairs ought to be taken, states strongly prefer to articulate a national policy, rather than submit to a common Union policy. This is in sharp contrast to

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<sup>14</sup> "A poll conducted by Gallup on 14-15 Sept. 2001 showed that 73 per cent of those questioned in France favored participation with the United States in military action against terrorists. With the exception of the United Kingdom (79 per cent), this was the highest level of support among the larger EU states." Menon (2004), p. 633.

<sup>15</sup> *Ibid.*, p. 635.

decisions in the economic realm, where the common interest always trumps national differences. In essence, on both sides of the argument for intervention stood sovereign states whose leaders were articulating a national position, deviating from attempts to work as a single political entity. The argument between intergovernmentalists and supranationalists is best exemplified by the exchange in 2003 between Tony Blair and Dominique de Villepin, French Foreign Minister. De Villepin saw a world where Europe acted as one of several regional centers of power:

To be truly stable, this new world must be based on a number of regional poles, structured to face current threats. These poles should not compete against one another, but complete each other. They are cornerstones of an international community built on solidarity and unity in the face of new challenges. The determination of European countries to develop a common foreign and security policy must reflect that. Thus determination shows our will to bring about a true European identity.<sup>16</sup>

In contrast, Blair best articulated the UK vision of a world where European and American power are complements, rather than competing poles of influence:

Some want a so-called multi-polar world where you have different centers of power ...others believe, and this is my notion, that we need one polar power which encompasses a strategic partnership between Europe and America.<sup>17</sup>

Furthermore, in January 2003, eight EU leaders called upon France and Germany to support their US ally and disarm Iraq. These included the UK, Poland, the Czech Republic, Denmark, Hungary, Italy, Portugal, and Spain, who were later followed by prospective members Lithuania, Romania, and Bulgaria. This prompted US Defense Secretary Donald Rumsfeld to brand Central and Eastern European countries (CEECs)

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<sup>16</sup> De Villepin, Dominique (27 March 2003).

<sup>17</sup> Blair, Tony (28 April 2003).

“New Europe” as opposed to “Old Europe” embodied by Germany and France.<sup>18</sup> This deepened the split between the EU members, infuriating the “anti-war” camp and demolishing “any pretence at EU unity”.<sup>19</sup> In the end, the decision for military intervention also created a crevice between NATO members, and the organization was incapable to get involved in the same way as in Afghanistan. This set the basis for a deeper division among EU members according to their allegiances to Washington. New members from Eastern Europe, together with some Scandinavian countries and the UK comprised America’s friends, while others like Germany and France called for a more independent EU response to the war. This fundamentally undermined the EU fledgling common security policy that had been coined at least on paper.

The war in Iraq accentuated fundamental differences between EU member states, precluding the possibility for deepening the ESDP. However, according to Menon, this could prove a cathartic moment for the EU security framework, since it exposed many implicit problems that would otherwise emerge at a later stage of integration.<sup>20</sup> For example, Iraq showed that the EU’s decision to act as a single entity in security affairs or simply try to coordinate national security policies is fundamentally determined by the type of relationship that Europe seeks to sustain with the US (and NATO as a function of American power). Until the latter question is resolved by all, the member state security interests will remain divergent and ad hoc in nature. The Iraq war showed that the divisions on this issue are deeper than member states had been willing to admit.

After the invasion, the EU attempted to once again communicate a cohesive position on the war, but the statements were limited in scope and rhetoric. In April 2003,

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<sup>18</sup> Rumsfeld (2003).

<sup>19</sup> Menon (2004), p. 638.

<sup>20</sup> Ibid.

the Presidency of the Council called for the UN to play a central role in the process of peace building and reconstruction in Iraq, but a common European position on the war as well as a clear commitment to the Union's role after the invasion remained a matter for national governments. This was a natural function of the military commitments of some states in Iraq as part of the "coalition of the willing". It was also a result of the bitter divisions within the Union in the wake of the invasion. In the final analysis, even though the EU became more directly involved in Iraq after the invasion, the moment of crisis rendered the Union incapable of standing as one. Later, the EU's capacity in peace-building and reconstruction became evident within the context of the UN, once the initial phase of the military operation had taken place.

Nevertheless, the crisis gave birth to renewed cooperation in security within the context of NATO. The ESDP was not dead, and the Iraq crisis, perhaps ironically, gave it a push in the right direction, where all stakeholders could reach a consensus. With Britain, France and Germany on board, the EU drafted and approved in 2003 a security strategy for Europe. The director of the EU's Institute for Security Studies noted:

Before Iraq, raising the question of a European strategic concept amounted to either heresy or utopianism: among the Fifteen a combination of indifference, deference towards the United States and national preference jeopardized the very idea of the EU having its own security concept. Since Iraq, all members of the enlarged Union of 25 are enthusiastically involved in drawing up a common vision of the world and also an agreed strategy on the Union's actions in it.<sup>21</sup>

The effort behind the common strategy was shared by all members, regardless of their former opposition to the notion. Scandinavian countries became increasingly involved, polls revealing positive attitudes both among Swedes and Finns towards the ESDP. Even

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<sup>21</sup> Gnesotto, Nicole. (2003), p. 21.

sixty-nine percent of Norwegians expressed support for Norway participating in the ESDP (even though it is not even a member of the Union).<sup>22</sup> Similarly positive were attitudes in the new member states from Central and Eastern Europe. Hence, the debacle of Iraq left the Union with a new positive perspective, and the bitterness among member states was forgotten for the sake of constructive dialogue on a comprehensive security vision and capability for the entire EU.

Overall, the Iraq crisis proved that European security capabilities are limited, and ambitious agendas about forming an ESDP independent of NATO are not constructive. French and German leadership in developing a security framework independent of the US and NATO only served to deepen the bitterness and divisions among member states. Hence, as Berlin and Paris moderated their positions, London re-joined the conversation, and the ESDP of a less ambitious type began to emerge. It is complementary, rather than oppositional, to NATO and spurs less uneasiness in Washington. What is more, it has proven to work in Bosnia, Macedonia and the Democratic Republic of Congo. Therefore, despite the entrenched intergovernmentalism and internal bickering revealed by the second Gulf War, the EU – just like the phoenix rising from the fire – continued its route towards more cohesive security policy.

## **Structural Challenges**

### *Kosovo: A Call for Common Action*

When looking at the common European identity and its weak public opinion, we ought to remember that Kosovo was a crisis which unified most Europeans. The atrocities

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<sup>22</sup> *EU Observer* (3 June 2002).

committed by Serbian forces were widely covered by the media, and citizens were appalled at the violence that reminded them so much of the nightmares during World War II. Hence, there were strong voices in support of European action on the crisis, and I would argue that politicians let down their constituents and could not reflect, on the institutional level, the general unity demonstrated by European public opinion. Therefore, while public opinion and common European identity remain weak on most issues, the continent's citizenry came together in opposition to Milosevic's ethnic cleansing and in support of a troubled and struggling people.<sup>23</sup>

As far as the democratic deficit, European leaders once again took decisions (or indecision) in their own hands and remained distanced from the public opinion of their constituents. At the same time, as the EU decision-making became increasingly intergovernmental during both the 1999 and 2008 crises, national policies trumped common Union decision-making. Hence, I would argue that the democratic deficit was significantly reduced, as all positions of any consequence came from national capitals, rather than from Brussels. Because the democratic deficit is almost insignificant on the national level, this fundamental structural challenge was diminished, albeit at the expense of weak common diplomacy and virtually nonexistent common military effort outside the NATO framework.

Overall, the structural liabilities of the EU were less pronounced as decision-making regarding the conflict remained within the intergovernmental domain. The sole unified position of the Union was related to pushing for the Stability Pact, articulating a

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<sup>23</sup> It is important to remember that at the time of the Kosovo conflict, the EU consisted of only 15 countries situated mainly in western Europe. This implies a very particular kind of public opinion about the war, which would perhaps be different in today's Union of 27 nations (with significant membership from Central and Eastern Europe).

Stability and Association Agreement with the entire region, and forming a Reconstruction Agency for Kosovo. However, even the agreement on these successful initiatives was achieved through nation-state negotiations, rather than leadership from the Commission or other EU-wide bodies. In other words, the Union remained guided by national interests and intergovernmental avenues of decision-making in its entire Kosovo policy. This generated the paradoxical result that the EU's internal liabilities diminished and even disappeared, albeit temporarily. Hence, as decision-making remains at the national level, the democratic deficit is reduced, public opinion is heard clearly, and a thin layer of a common European identity emerges.

*Iraq: Unity outside of Governments*

The structural liabilities of the EU play a complex role in the security identity of the Union. First, the democratic deficit was practically irrelevant in the wake of the Iraq war. Since decisions in response to the US call for intervention were taken on the national level, democratically elected officials had the last word. Thus, the fundamentally intergovernmental reaction of the Union also managed to avoid the inherent democratic deficit of European institutions. Among the entities with largest democratic deficit, the Commission's role in the Union's response to the US challenge remained marginal. As a result, as the EU failed to act cohesively, the most critical of its institutional weaknesses had no direct role in influencing the final policy outcome regarding Iraq.

It is a different story if one looks at public opinion and European identity. I will look at these two in concert, as the overwhelmingly unified European public opinion was in effect an expression of a common – albeit thin in substance and temporary – EU *demos*. As citizens from various member states began to express their opinion about the

war, they spoke as Europeans, articulating a common outrage at the disrespect for international law and ungrounded resort to force against a sovereign state displayed by Washington. This commitment to international law, multilateralism, and diplomacy transcended, albeit for a short time, the differences that create European diversity. Protests in response to the war managed to accomplish that which political leaders failed to reach: a profound agreement about what the Europe's response to the war ought to be. Citizens across old and new member states were not convinced by the US argument for intervention. Both the general case for Saddam Hussein's relation to 9/11 and the particular evidence for Iraq developing Weapons for Mass Destruction (WMDs) did not persuade European public opinion.<sup>24</sup> In other words, Europeans believed that there was no legal argument for the war, and this unified their outrage.

As a result, protests swept through major European capitals, with the opposition in Rome reaching 3 million people and breaking a Guinness Record for the largest ever anti-war rally.<sup>25</sup> As Rifkin explains, while EU leaders were split on the common position to the war, the European citizenry *de facto* articulated a common foreign policy at least in the context of this particular event.<sup>26</sup> After the general sense of compassion towards Americans in the immediate wake of 9/11, Europe voiced its denunciation of what it perceived as abuse of fear and national pride for the promotion of geopolitical interests. Popular protests even took place in London, the capital most closely aligned with Washington. Further, in the long run the strong public opinion translated into action against elected officials that had supported the war. Since these were fundamentally

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<sup>24</sup> This was the case even in Great Britain, the major ally in the US invasion of Iraq. Public opinion in the UK vehemently opposed Blair's chosen course of action.

<sup>25</sup> Protests against the Iraq War. Wikipedia. [www.wikipedia.org](http://www.wikipedia.org).

<sup>26</sup> Rifkin (2004).



located on the national level of decision-making, the reaction to the war was concentrated primarily against them. Perhaps the most prominent case was the fall of the Aznar government in Spain, the election of a Socialist cabinet, and the eventual withdrawal of Spanish troops from Iraq.<sup>27</sup> Other governments, like Tony Blair's, were also affected as their public favorability diminished severely. In this way Europeans expressed a common position both on the continental and then on the national levels, holding policy makers accountable, albeit not on a European level.

The strength of Spanish public opinion was particularly compelling as it was one of two countries (together with the UK) where terrorist attacks would have been expected to galvanize support for the war. In fact, the events from Madrid and London in 2004 and 2005 respectively had the reverse effect of 9/11. Instead of mobilizing public opinion in favor of an all-out military attack against the perceived enemy – regardless of how unclear the enemy himself was – citizens accepted the attacks as extensions of a failed national foreign policy that had assisted in the illegal invasion of a sovereign country. Hence, Spanish and British saw the terror attacks as a result of intervention, rather than a reason for it. This also persuaded protesters in other countries throughout the EU that the war had no moral backing.

The unified public opinion against the war reflected a fleeting manifestation of a common European voice. Citizens went to the streets bound by common European values against the use of force and in support of human rights, multilateralism, international law and cooperation. Then, the same people engaged in political opposition on the national level, bringing down governments that had supported the war. Hence, as Rifkin argues, the European *demos* managed to briefly manifest itself as a response to an external crisis,

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<sup>27</sup> Daly (2003).

underlining the common values and principles that bind the democratic societies of Europe. Iraq brought people together, and it was most remarkable that the crisis did not involve or threaten Europe directly. Europeans unified behind the principles of international law and multilateralism and against the use of force for the promotion of limited national interests. Indeed, one could argue that the European response was also a function of Europe's familiarity with radical Muslim terrorism. However, the opposition was strengthened after the attacks in Madrid and London, which demonstrated the people's understanding of the roots of terrorism.

In the end, the structural liabilities of the Union were alleviated in the context of the Iraq crisis. As the EU relied on intergovernmentalism and even split internally over the question of intervention, the democratic deficit diminished as national capitals dominated the decision-making process. At the same time, the public voice was unified and heard, as it punished national officials that had opted to join America's "coalition of the willing". This also revealed, albeit temporarily, a common European *demos* united behind common principles and values that transcend national difference. In other words, the minimal centralization in the EU response to the US invasion revealed a positive phenomenon diminishing the inherent liabilities of the Union.

## **Conclusion**

The crises in Kosovo and Iraq clearly demonstrate the structural deficiency of the EU to act decisively and cohesively to security challenges. Whether it is thousands of miles away in a former European colony (Iraq) or right inside the Union's backyard (Kosovo), the EU has proven incapable to move from intergovernmentalism to

supranationalism at the time when it matters the most. It is clear that while the economic integration of the Union has coalesced into a common international economic policy, foreign policy lags behind, remaining in the realm of nation-state decision-making. This is significant because while the structural underpinnings of the EU are post-Westphalian, nation states continue to dominate the security and defense agenda, thus pulling the entire project back within the intergovernmental context.

At the same time, the ESDP cannot be relegated to a completely failed experiment. Even though Iraq exposed its weaknesses, it continued to develop with EU forces taking over the UN peacekeeping mission in Bosnia in January 2003 and the Union organizing its own small operation Concordia in Macedonia in March of the same year. Finally operation Artemis in the Democratic Republic of Congo was launched in June 2003, sending 1500 EU soldiers to maintain peace between the government and rebels. These demonstrate that the European security framework slowly begins to become operational and the Union is trying to act as one, albeit in small-scale conflicts. This leaves some space for optimism, despite the failures of Kosovo and Iraq.

In the context of the structural challenges that the EU faces, Iraq and Kosovo demonstrate an interesting correlation. The more intergovernmental the EU remains, the less pronounced are its structural liabilities. While leaders struggled with forming common positions and actions on Kosovo and Iraq, European public opinion became more united, revealing the Union's potential to not only celebrate diversity but also foster the commonalities among its citizens. Europeans were together in their opposition to Milosevic's atrocities and America's invasion in Iraq, and the elites failed to respond to this overwhelming sentiment. At the same time, the democratic deficit associated with

common European decisions is eliminated as soon as intergovernmentalism becomes the dominant mode of action.

In the final analysis, this chapter demonstrated the complex relationship between the common structures and deficiencies of the European Union. I have shown that the EU acts as an intergovernmental creature in security and defense issues. Nevertheless, Iraq and Kosovo revealed the emergence of a stronger European *demos* – albeit aligned along basic and widely-accepted democratic values –, a highly vocal public opinion, and virtually absent democratic deficit. At the same time, we remember that the economic centralization of the Union makes it a supranational actor in issues of international trade and aid, but this identity also exposes an enormous democratic deficit, a quiet citizens' voice, and a weak common identity (again based on some minimal commonalities on democratic ideas). Hence, a tradeoff emerges between the EU's identity as an international actor and the structural challenges it faces. The question, however, remains: Are only severe crises of proportions similar to Kosovo and Iraq necessary to shake the institutional weaknesses of the EU and reveal the positive potential of the Union in reducing its democratic deficit, giving a stronger voice to public opinion, and generating a common European identity? I will explore the normative value of these complex interrelations in the concluding section of this project.

## **Chapter V**

### **A Global Janus:**

#### **Europe's Domestic Struggles and Global Ambitions**

The current study took a variety of analytical avenues and the nature of my argument required both considerable depth and breadth of research. However, the purpose of this paper was simple – to try and add to the conversation on the EU international identity beyond what is already offered in the literature. Through looking at both the economic and security dimension of EU foreign policy, I have shown that the Union is a two-faced international actor with one foot in a post-Westphalian interstate system and another foot still grounded in the traditional notions of sovereignty and national interest. This is of profound importance not only for looking at the current nature of the European project, but also for taking a brief, albeit speculative, view into the future of EU involvement in international affairs. What is the potential of the EU to cope with the excesses of globalization? What is the EU's role in dealing with the global challenges faced by all nations – the environment, poverty, multiculturalism and immigration? How could the European model of governance become a successful example for integration and pooling of sovereignty in other regions of the world? These are only some of the immediate questions that come to mind when one looks at how this two-faced international creature can respond to transnational issues. The end of this conclusion will offer some ideas that could give us a clue to resolving these existential problems.

## **The Two Faces of EU Foreign Policy**

The project began with two fundamental questions:

- 1. How do the EU's integration achievements (in terms of common institutions and policies) affect its identity as a global actor, and**
- 2. How do the three central liabilities of the European project influence the foreign policy of the Union?**

The path I took to answering these began with a historical and theoretical analysis of EU institutions. I looked at a variety of theoretical conceptions of the EU while at the same time explaining the historical development of European integration. In general, we can categorize the debate on the structural goals of the union in two main branches: intergovernmental and supranational. From the outset, the European project has continuously fluctuated between these two theoretical frameworks, in response to either strong leadership (in either direction) or external crises requiring closer cooperation or more independent national policies. However, my analysis shows that currently the EU remains an UPO, Unidentified Political Object, lingering somewhere between the supranational and intergovernmental moment.

At the same time, three fundamental structural challenges that have evolved together with EU integration. First, the democratic deficit undermines the legitimacy of European institutions, as their design is insufficiently representative, filled with unelected officials or individuals elected on a national level but deciding pan-European issues. Second, national allegiances continue to stay at the top of individual belongings, while one's connection to being European remains fragile and underdeveloped. Third, as the integration project over sixty years has been an elite affair, public opinion is still weak,

and its voice is rarely taken into account in European decision-making. In short, not only does the EU defy existing conceptualizations about its identity, but it also appears as a different entity depending on the policy area at hand, and this is heavily conditioned by the structural challenges it faces. I tested this hypothesis in the rest of this study, focusing on the EU foreign policy identity.

Before examining the two questions at hand, I also outlined the particular definition of foreign policy used as the central methodological tool of analysis in the entire study. Because the EU is a unique political entity, it requires new understandings of the concept, and I separated it into an economic and security dimension. Looking at its identity in each of these, I sought to get a more detailed view of the EU on the global arena. This distinction was also justified by the rather monolithic notion of foreign policy that most scholars rely on when analyzing the nature of the Union as an international actor.

In addition, I highlighted the new challenges posed by a post-Cold War era, which offered the external impetus for accelerated political integration and the emergence of a Common Foreign and Security Policy (CFSP) following the 1992 Maastricht Treaty. The fall of the Iron Curtain transformed the security concerns of the EU, changing the foundation of the transatlantic relationship, revealing new global security challenges (like the environment, poverty and terrorism), and opening the doors to an Eastern expansion of the Union. These three factors taken together required European leaders to design a common framework for cooperation in foreign and security policy.

After laying sufficient theoretical and historical foundation, I focused on analyzing the economic and security domains in EU foreign policy and answering each of

the two research questions. In the context of the Union's international economy and by using two issue areas, international trade and development, as illustrations of the Union's global role, I concluded that:

1. In the context of the structural achievements of the EU, the economic moment retains primacy and thus demonstrates Europe's supranational identity in trade and development. Not only is national sovereignty relegated to the halls of the Council meetings where member state representatives negotiate policy, but the trade and development decisions rarely enter the national public debates, as they remain the object of Union policy. This is a historically-explicated outcome, as the forces of economic integration have always preceded political cohesion from the outset of the European project.
2. With respect to the liabilities of the EU, their effect on trade and development is minimal. Their presence helps solidify the supranational identity of the Union in the economic sphere. Only through a significant democratic deficit could European leaders quickly and efficiently act as one as an economic superpower. Only a weak European public opinion could allow these decisions to avoid popular scrutiny and interrogation, as required in the democratic tradition. However, these do not directly affect the external trade policy itself, but rather the mechanism by which it is articulated. At the same time, underlying European values and principles are embedded into the trade agenda of the Union.



In other words, the more supranational the EU becomes in a particular policy area, the smaller the role of the democratic deficit and the weaker the voice of public opinion. A minimum level of common identity is, however, retained. Overall, my analysis proved that the economic domain of foreign policy is where the EU has stepped beyond Westphalia, venturing past the notion of national sovereignty and acting based on the common economic interests and capabilities of all member states.

Looking at the other side of the coin, security and defense policy, and using an in-depth analysis of the Union's role in two crises – Kosovo in 1999 and 2007-8 and Iraq in 2003 – the chapter demonstrated that the other foot of the EU still remains grounded in the Westphalian tradition, even though leaders and external forces try to lift it in the direction of a post-Westphalian political moment:

1. The EU response to both Kosovo and Iraq was fundamentally intergovernmental, circumscribed by both the institutional set-up of the Union, as well as its limited operational capabilities as far as defense and security. The wake to the invasion in Iraq in 2003 created the most bitter internal division in the EU for decades. The refusal of certain members to join in a unified EU position vis-à-vis Kosovo's status indicates that some states continue to cling to national sovereignty, refusing to agree from fear that they would lose control over their own minority groups. When such a division is revealed, the EU does the only thing it does best – it leaves decision-making to the national level and engages in a deep intergovernmentalism that is often reduced to mere coordination, rather than cooperation or consensus. Overall,

both Iraq and Kosovo demonstrate that the structural achievements of the Union have not reached far enough to create a single European response to international crises, regardless if they are in the continent's back yard or thousands of miles away. For now, the chapter concluded, the answers to security and defense questions remain in the national domain of decision-making.

2. In terms of the deficiencies of the European project, the correlation found with respect to the economic domain of foreign policy was further substantiated. The more intergovernmental the Union appears, the more these liabilities are diminished. Without suggesting causality, I would argue that as decision-making on issues of defense and security moves to the national level, the problems with the democratic deficit, public opinion, and the European *demos* become less visible. This, however, does not suggest that they do not affect policy outcomes: on the contrary, as public opinion across the EU-15 unified against the war in Iraq, governments were under pressure to pull their troops out to the extent that Spain's government fell and the country withdrew from Iraq. In other words, within intergovernmental decision-making, the three structural challenges are alleviated, and this increases the effect of democratic representation, a strong public opinion, and a common, albeit thin and temporary, European identity on decision-makers on the national – and by extension – the Union level.

## **Looking Forward: The EU as an Effective post-Westphalian Actor**

At the end of this study, I will allow myself a more speculative look at the future of the EU and its foreign policy, since the Union continues to be a dynamic political entity without a final design anywhere in sight. At the same time, I will deviate from the analytical and offer a normative look at how the EU ought to develop in order to face some of the fundamental challenges of a globalizing world. Each of the topics I will highlight is intimately related to the topic of the current study, and while some of them have been addressed by the literature, further research on these is critical, keeping in mind the conclusions about the two-faced international identity of the Union.

For the sake of parsimony on a topic that could take several books to discuss, I will focus on three issues that merit further attention. First, I will look at what the EU structural achievements ought to look like in order to equip the Union with sufficient instruments for action. Second, I will offer some thoughts on addressing the three structural challenges that featured prominently in my analysis. Third, I will look at the potential for the EU model of governance to be exported in other regions, creating similar economic and security benefits to the actors involved.

### *The Underlying Structural Basis*

For now the reforms of the EU appear to have been addressed through the Lisbon Treaty, which should be ratified by all members by 2009. The cyclical nature of European integration suggests that leaders will take a respite from internal issues, focusing more on policy outputs which can improve the everyday lives of Europeans and tackle larger issues related to globalization at home and abroad. However, as I have shown, external crises as well as personal leadership ambitions periodically tend to steer

the attention back to internal reform. Crises like Kosovo and Iraq revealed weaknesses and inconsistencies in EU institutions, and hence, leaders ought to display vision and resolve about where the Union ought to be headed – towards more supranationalism or intergovernmentalism.

I would argue that this cyclical system will be preserved until the EU reaches some form of *finalité politique*. Since the absence of a final structural design is one of the intrinsic markers of the EU, reaching a solution vis-à-vis the structural accommodations of the Union seems unlikely in the short-to-medium term. This has profound implications for the capacity of the EU both in its internal and external policies. It was not long ago that the EU engaged in a bitter debate about its Constitution followed by a period of deep introspection. This severely curtailed the efficiency of European institutions in dealing with the truly serious issues facing EU citizens and people around the world. From a speculative point of view, I would suggest that such periods are likely to continue arising, albeit with temporal irregularity.

Foreign policy instruments were enhanced at Lisbon, and their centralization will continue, barring another divisive crisis of Iraq's proportions. However, the EU needs a better balancing act between internal reform and policy outputs at the times when calls for change become loudest. It needs to focus efforts on using what it has as instruments to become as effective an international actor as possible. Here political will and leadership (like Tony Blair's during Kosovo and Iraq) will be crucial. The alternative will be a European Union over-occupied with its own image and structures, rather than the problems of the world. Such a system does not promise to move forward the Union's

foreign policy (particularly in its security and defense components) and such half-involved international actor is hardly what the world needs and expects.

### *Addressing the Union's Liabilities*

Before the Union can move forward with structural reforms – regardless if they move towards more supranational or intergovernmental decision-making – it ought to address the structural liabilities embedded in its own institutions. As I have shown in this study, these weaknesses are not necessarily deadly for foreign policy, and their effect is sometimes only mild. The major reason for their importance is the legitimacy deficit that they carry. The EU cannot rely on reducing its foreign policy to the sum of members' national policies and in this way reduce the effect of these challenges on the legitimacy of the common institutions. This approach is effective if Europe does not want a common foreign policy, but it is unacceptable if the goal is to reach more EU cohesion on the international stage. Because the challenges are immediately exposed as decision-making moves to the Union level, the only path forward is direct engagement with each of these problems separately and together at the same time. This is critical for elevating the Union's image both among its own citizens and among the countries of the world. I would argue that solving this problem will translate into increased efficiency and even more policy outputs domestically and internationally. Here are some ideas about addressing the EU's structural deficiencies.

First, the democratic deficit in economic decision-making ought to be resolved with a more central and decisive role for the European Parliament, both on issues of trade and development aid. This will bring some of the power back to the representatives of the 500 million citizens in the EU who are in the end the ones directly affected by Brussels'

international economic agenda. Second and closely related to the democratic deficit is public opinion in the EU, which should be listened to beyond simply conducting the traditional Eurobarometer surveys. Reducing the democratic deficit could be one effective approach in this direction. However, it would take strong leadership and an overall shift from intergovernmental to more centralized negotiations on EU reform to achieve this and take away some of the unchecked power of the Commission. On a more positive note, though, I have shown that the foundations of a European identity partially manifest themselves in both the EU foreign economic and security policies. Granted, these are rarely articulated and are temporarily visible among the general citizenry. However, the general and encompassing nature of these principles and values which could make up a common European identity means that the same values and principles are *de facto* shared by citizens and elites, regardless of the participation and power chasm that exists between them. This is a rather thin common identity, but it ought to be further cultivated. It is an encouraging sign which could allow in the future more commonalities between Europe's diverse inhabitants to be discovered and developed.

#### *The EU Model Abroad*

Finally, I turn to a more long-run issue that touches on the issue of re-organizing the international state system. Exporting the EU model would achieve precisely this – a multipolar world where regions are integrated based on common interests of economic, cultural or political nature. The process has already begun, albeit at a slower pace, in Latin America through Mercosur, in North America through NAFTA, in Africa through the African Union and in the Middle East through the Arab League. Some of these have emerged based on free trade principles, while others provide political responses to

common security or governance problems. However, all these organizations will have to mature substantially and go through much deeper integration to fully resemble the European Union. What matters more, however, are the implications of such new arrangement of the international system. These can be divided into the short, medium, and long term.

In the short run, just like in Europe, regional conflicts will be internalized and commonalities and shared interests will govern the actions of the national stakeholders. This will increase significantly the costs of intra-regional war, making it almost impossible, just like in Europe today. In addition, the European model builds a web of connections between the participating states and this interdependence brings about political cohesion, which I see taking place in the medium run. This second step involves the formation of common decision-making institutions that supersede national bodies. It also means an increased transfer of policy areas from the national to the regional level, leading to a gradual erosion of state sovereignty. National divisions are physically eliminated through a borderless system of travel and free movement of labor, while the cultural diversity of different groups is recognized and celebrated. Manifestations of this period include a common currency, a common body of law, the formation of common representative institutions and a growing array of common legislation. This is where I would currently situate the European Union.

Finally, the long-run scenario is a world defined by five or six such centers (including perhaps China and South-East Asia) that have reached an unprecedented centralization while retaining cultural and social diversity. This type of international system implies less conflict, since all poles will also be heavily interdependent in

economic and security matters. Indeed, it would be hard to imagine an integrated African Union or a unified Arab League that are completely separated from the EU or North America. The same is true for Latin America and Asia. Moreover, the post-Westphalian nature of these projects will render them dynamic political entities without a finalized structure and exhibiting varying degrees of unity on different policies.

What is the potential for exporting the EU model abroad? The answer to this question, I would argue, depends on how much the EU delivers on particular policies both domestically and internationally. Successful political and economic models become easily attractive once others realize that these offer novel and more efficient means of organizing political life both on the micro and macro levels. The EU model is particularly important, as it has stemmed from the desire to eliminate war in Europe. As this is a concern shared by all rational actors in the international arena, a political arrangement similar to EU becomes even more appropriate. War – whether civil or inter-state – has been the *modus operandi* in most of the other regions of the world, particularly Asia, Latin America, Africa, and the Middle East. Hence, it would be reasonable to suggest that, just like in Europe, as soon as nations become exhausted with engaging in conflict (i.e. the cost of war becomes too high), they will be incentivized to engage in cooperative relationships, pooling sovereignty and common interests.

In the final analysis, the European project remains a unique political experiment, carrying both revolutionary achievements and deep liabilities. It has created an unprecedented international actor with two-faced foreign policy ranging between supranational tendencies in the economy and intergovernmental preferences in security and defense. Moreover, despite the issues of identity, public opinion and democratic



representation, European countries have achieved a lot in eliminating war from the mental roadmap of the continent with the bloodiest history of all. Europeans, both on the institutional and individual levels, are trying to transcend the paradigm of Westphalia, and it might take several generations of citizens and leaders to organize European political life along a different system of complete *unity in diversity*. How long this will take depends on how Europe can deal with its internal deficiencies, but it primarily relies on how Europe will conduct its foreign policy. The more efficient CFSP institutions and policies become, the further from Westphalia we move. And once this new model of governance truly delivers on a variety of international issues, others are very likely to jump on the train and make the European project their own.

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