

The European Union: A Global Power?

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CHRISTIAN HAAS, MAY 29 2009

Preface – The European Union as an Effective Global Power?

Ever since six European heads of state and government put their names under the *Treaty of Rome* in 1957, practitioners, theorists and observers of the European integration sought to define the nature and future of the institution that was to become the European Union (EU). With practitioners like Charles de Gaulle aiming at *d'Europe of Nations* in the 1960s, Jacques Delors describing the EU an *'unidentified political object'* in the 1980s (Drake, 2000) and Joschka Fischer proposing a *'European Federation'* in 2000 (Fischer, 2000), some academics have called it a *'super state'* (like Morgan, 2005), others a *'normative power'* (like Manners, 2001) and still others evade the debate by simply denouncing it as an entity *'sui generis'* (like McCormick, 1999).

Yet however commentators defined the EU, conventional wisdom for a long time classified the EU as weak, cleft, divided and incoherent regarding its role as an actor within international relations – which was and is obviously due to its unique role within international relations, its institutional structure, its democratic deficit the largely intergovernmental nature of its *Common Foreign and Security Policy* (CFSP) and, first and foremost, to the special nature of foreign policy as compared to other policy issues (McCormick, 2007). It is because the sphere of EU foreign policy comprises three different levels: the external relations and foreign policy priorities of each member country, the communautarised policy fields in which the Commission is the prime actor in international relations (such as the Common Commercial Policy), and the intergovernmental framework of Pillar 2, the CFSP (Peterson, Smith, 2008).

Since the rise of the sovereign nation-state as a result of the *Peace of Westphalia* in 1648, international relations were dominated by formally equal and sovereign states. Among other policy issues, it were first and foremost both the claimed values underlying and the actual implementation of a country's foreign policy – an amalgam of its political culture, history and identity – which distinguished the world's nation-states from each other and which were and still are one of the last bastions of a nation's very identity and sovereignty.

Yet with the blurring of state borders, the changing nature of the international relations environment and the undermining of Westphalian sovereignty that has occurred so heavily since the collapse of the Soviet Union and the subsequent end of the East-West conflict (see Sissenich, 2008), other actors than nation-states – e.g. regional and supranational organizations, multinational companies, non-governmental organizations – can be identified as players in the game of international relations. But in spite of those non-state actors playing an increasingly important role in shaping the international policy environment, the notion of a 'global power' is still largely associated with the perception of a traditional nation-state possessing all those features that constitute *high politics*: a clearly defined centre of authority which is able to exercise vast control over other states' behaviour – in the political, economic, social, but also in the cultural field – if necessary and most notably through the threat or use of its extensively available force.

As the EU lacks all those features, it was and still is generally not regarded as a 'global power': its internal division over the United States' plan of intervening in Iraq and its lack of a coherent and effective policy during the deteriorating war in the Balkans were and are generally cited as the most prominent examples of what was and is depicted as a rather weak standing of the EU in the global game of power politics. It was only in the last several years that an increasing number of academics (like, for example, Leonard, 2005; Manners, 2006 or Zielonka, 2006) – of

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which most are constructivism-oriented – emphasized that exactly those features of the EU which are usually presented as being the reasons for its weakness on the global scene can and should rather be seen as unique tools able to influence international relations at least not less, or even more effective than old-style power politics: *i.e.* the EU's use of soft power (incentives, prospect of membership) and its character as a civilian or even normative power attracting and influencing other policy actors because of its constant implementation of its underlying values and norms.

By posing the question how effective the EU is as a global power, the present essay seeks to align itself into this discourse about the EU's character in world politics (For a short introduction into the ongoing debate see Smith, Elgström, 2006). Obviously, before any theses are being made, one has to clarify what one understands by and 'effective global power'. Normally, an actor is considered 'effective' when it is able to influence other actors' behaviours in the way it wants to do and when its large-scale aspirations are met by equally large-scale results. A 'global power' is an actor that has at its disposal several capacities able to attract, transcend or also deter other actors; again resulting in their implementation of policies the global power seeks to spread. The word 'global' is insofar important as it indicates that the respective actor has to be able to spread its values and exercise influence to a more or less equal degree to all different parts of the world.

As concerns the object of study in the present essay, the EU, it is not only relevant to assess its impacts and influences in its direct neighbourhood and in the 'wider Europe', it must also be relevant to clarify whether the EU is able to exert influence in Chinese textile mills or in war-torn Sudanese villages. For this purpose, the present essay will consider the EU's record in those three major policy fields that have to be examined when assessing the global standing of an actor within international relations (according to Nugent, 2006): its economic power and impact, its power to deliver external aid and development and assistance, and finally, its standing in security and defence policy.

The essay will argue that the EU can indeed be considered a global power with the degree of effectiveness depending upon the policy field and the respective region at hand. On the one side, the EU is not only highly influential in its communautarised policies – above all in trade policy and to a considerable extent in monetary policy and its handling of the single currency – towards the rest of the world and especially towards the US and China, it also was and still is able to export its governance framework and administrative agenda to potential candidate countries, countries that are dependent on the EU's trade services and other neighbours through the highly effective politics of conditionality and economic incentives. Indeed, it was the region of Central and Eastern Europe before the enlargement rounds of 2004 and 2007, respectively, and now South Eastern Europe, where the EU is able to extensively project its power on states and societies generally eager to join the European Club. And also in not fully communautarised policy issues such as environmental policy is the EU highly effective in declaring targets and thus taking a lead in the formulation of policy goals. On the other side, the EU lacks effectiveness towards those regions of the world, where it can not offer the prospect of membership and positive incentives or where its norms and values are not shared, *e.g.* in Latin America. Moreover, the EU's record and overall capabilities in the security and defence policy, however attractive its 'soft powers' and its self-assessment are, are being highly politicised and often too declaratory and only reactive, thus leading to ineffectiveness and contributing to the often cited 'capabilities-expectations-gap'.

Yet all in all, the EU is far from being a weak dwarf in international politics and the present essay seeks to challenge the traditional notion that an effective and powerful global actor has to possess a clearly defined hierarchy, a simply to understand-structure and a clear authority centre – in contrast, the post-national nature, the multi-layered governance structure of the EU and its extensive array of instruments at hands is of importance and advantage to address today's complex and interconnected challenges (Smith, Elgström, 2006; Cameron, 2007; Zielonka, 2006). The complex nature of the EU's external representation and its characterisation as a '*strange animal*' (Cameron, 2007:24) in the global sphere of international relations should thus not be continued to be presented as a disadvantage. As McCormick (2007:15) has noted, it is the EU which has '*redefined our understanding of the meaning of power*'. The EU's foreign policy objectives (promotion of regional cooperation, promotion of human rights, peace, good governance, the rule of law and the protection of minorities) might not be unique in today's international relations discourse shaped by post-modern values, yet what is unique about the promotion of those values are the instruments available to the EU and its unique, normative-guided approach to take the opinion

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leadership and shape our conceptions of accepted values and norms so that it is considered a *'positive force in the world'* (Diez, 2005:614; see also Smith, 2003).

Then Secretary of State, Henry Kissinger once posed one of the most legendary questions concerning the perception of the EU in international relations in the 1960s, when he famously asked for *one* phone number he could call when he wanted to reach the EU (Peterson, Smith, 2008). Since then, this quotation has been cited endlessly to highlight the alleged disadvantage of the EU's complex multi-level structure and its wide variety of relevant decision-makers. It is the goal of the present essay to demonstrate that Kissinger's bon mot is misleading when used in this way; in contrary, it is in fact demonstrating one of the major strength of EU external relations.

Trade Policy

The EU is often described as an economic giant and the world's major trade power, able to compete with the US over tariff quotas and successfully arguing with China over textile imports. Indeed, when we look at the sheer numbers, the account is impressive: the EU accounts for 40% of all global trade, its GDP equals that of the US (and amounts to 25% of the world's total GDP) while being twice as big as Japan's and it is the world's biggest exporter of both goods and services (Cameron, 2007).

The Common Commercial Policy (CCP) was among the first policy issues which began to be communautarised back in the 1950s (and the subsequent establishment of the customs union in the 1960s) and is since Maastricht fully integrated under the first pillar; this is indeed one of the prime reasons for the EU's effectiveness and coherency in shaping the international trade relations relating to its norms and values (Smith, 2007). Article 133 (formerly Article 113) of the *Treaty establishing the European Community* (TEC) states the European Community, hence primarily the Commission, has the power to decide over treaties on trade and tariffs with other international actors (Cameron, 2007). When the Union has agreed on a common stance, it is a powerful negotiator, whether bilaterally towards other countries, regionally towards other organizations (as with ASEAN, the *Association of South-East Asian Nations*) or in international fora like the WTO.

Moreover, also many countries which might not have that close political ties to Europe as its neighbours or former colonies, are heavily dependent on the European market, as it constitutes a large pool of nearly 500 million keen consumers. This gives the EU a powerful leverage over its trading partners.

If we want to consider the effectiveness of the EU in trade policy, we have to compare its stated goals with the respective policy outcomes in that area. Generally, the EU trade objectives are committed to a liberal trade policy, *i.e.* the opening of markets, lowering of international customs duties and the removal of non-tariff trade barriers. Yet, of course, a careful balance has to be struck between this liberal agenda and the need not to damage the domestic economies and companies of the member countries. Sometimes, this is resulting in rather inconsistent policies when the EU is demanding the removal of trade barriers and at the same time protecting some economic sectors (of which the most important are the agricultural, the textile and the motor vehicle sector) which are of high symbolic and actual importance for its member states. The effectiveness of the EU in trade-related matters depends on the relevant cooperation partner and on the type of the trade agreement it is seeking to conclude (Nugent, 2006). Besides that, throughout the last years, the Commission lobbied extensively to include in Article 133 (besides the trade in goods and industries) the trade in services and intellectual property, yet only leading to a mixed competence between the Commission and member states in the Nice Treaty (Nugent, 2006).

While the EU has general trade agreements with almost every country of the world, its power to export its values and administrative agenda is most distinct when it is able to bind economic advantages to incentives or political conditions. This is possible in trade and economic cooperation agreements and, to a larger extent, in association agreements. The latter are among the strongest instrument of EU foreign policy as they offer the cooperation partner preferential access to EU markets and eventually the prospect of a free trade area or even EU membership. Among the most prominent examples are the *Stabilization and Association Agreements* (SAA) with the countries of South Eastern Europe, demonstrating that the EU has vast control over the policy-making process in the countries of SEE through the instrument of conditionality (Chandler, 2006).

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To sum up, the EU is indeed an effective power in world trade politics with the effectiveness depending upon the respective cooperation partner at hand. It is more effective when it is able to offer incentives or binds economic prospects to certain conditions. Moreover, the large amount of trade disputes between the EU and the US at the WTO and its position vis-à-vis Asian countries accused of dumping of goods clearly demonstrate that the EU is able and what is more important, willing, to take a hard stance and defend its interests.

Development Aid and Assistance

The second major policy field that makes up an actor's external relations is, as already mentioned above, development policy. Because of the imperial and colonial past of many EU member states (most notably the United Kingdom, Spain, France and Belgium) and due to its self-proclaimed role as a value- and norm-oriented actor, they inevitably have a special relationship to large parts of the developing world and continuously stress their responsibility. Indeed, the EU – if the development assistance from the community's *European Development Fund* (EDF) fund is added to the member states' assistance, together – is the largest donor of development aid in the world, providing for 55% of all global development assistance (Peterson, Smith, 2008).

The relationships with the developing and Least Developed Countries (LDCs) of the world were codified in subsequent agreements since the decolonisation process in the 1960s. Today, they are mainly arranged through the Cotonou-Agreement of 2000 with 79 states of the group of African, Caribbean and Pacific countries (ACP states). It provides for special facilities for the ACP countries to enter the European market, e.g. for duty-free access for the LDCs. Apart from that, general emergency and food aid is offered.

Yet development policy is not within the exclusive competence of the community and the respective bilateral policies of member states are much more target-oriented. In relation to the effectiveness of the EU's development policy, again the policy outcomes of the EU's development assistance have to be on par with its stated objectives; the latter are, amongst others and according to Article 177 of Title XX of the TEC, the integration of the developing countries into the world economy and their sustainable economic and social development (Nugent, 2006).

The results are ambiguous. While the EU is certainly committed to share its expertise of good governance and help the developing countries combating their problems, its handling of trade policy (e.g. its ongoing subsidies for the agricultural sector, thereby denying developing countries' producers access to the European market) has shown the potential to undermine the EU's development objectives. Moreover, the past has shown that development aid can become highly politicised, thus subverting the objective of equitable and sustainable development for the developing countries. However, the increasing use of conditionality in the Cotonou system have sought to help to ensure that development assistance is received by responsible recipients (Smith, 2007).

Security and Defence Policy

Last but not least, this essay will consider the most sensitive and at the same time the most visible area of an actor's external relations, its security and defence policy. It is generally subordinated to the overall foreign policy of an international actor. The EU began to coordinate its member states' foreign policies since the creation of the *European Political Cooperation* (EPC) in the 1970s. The EPC was institutionalized within the framework of the *Single European Act* (SEA) of 1986 and, finally, was renamed *Common Foreign and Security Policy* (CFSP) under the intergovernmental Pillar 2 with the Treaty of Maastricht in 1992.

For a long time, the EU has been characterized as a soft and/ or normative power, meaning that it does not have the capabilities for a traditional, realist and hard defence and security policy and, even more important, that it does not seek those capabilities at all and is interested in exerting influence through the above-mentioned soft means of power. Indeed, the wide variety of actors, instruments and backgrounds of member states and community institutions makes the EU a vast source for foreign policy expertise and diplomatic skills, through which it can exercise an incentives-based and mediatory foreign policy (Nugent, 2006).

At the same time, member states were for a long time reluctant to lose hold of their sovereignty over foreign policy,

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one of the most sensitive policy field and closely related to a country's collective identity. Yet incidents like the European disunity in the Balkans led to a change of thinking within European decision-makers and the Maastricht, Amsterdam and Nice Treaties have consecutively enhanced foreign policy cooperation. Furthermore, the 1999 European Council summit in Helsinki saw the creation of a security and defence umbrella, the *European Security and Defence Policy* (ESDP). This was only made possible because the two different sides of European security thinking, France (the most important proponent of an autonomous and self-conscious EU vis-à-vis the US) and the United Kingdom (traditionally taking a US-oriented transatlantic approach), agreed to a common security framework in a Franco-British summit in St Malo. Since then, the ESDP has been put forward several times and was successfully used in several regions of the world (e.g. Operation Artemis in the Democratic Republic of Congo, EUFOR in Bosnia-Herzegovina and Operation Proxima in the Former Yugoslav Republic of Macedonia). Although the creation of 'battle groups' beginning in 2004 signals the formation of a common military capability, European Security and Defence Policy is still largely oriented towards an integrated civilian-military approach and the ESDP's Petersburg tasks stress soft security tasks such as peacekeeping and crisis management (Nugent, 2006). The *European Security Strategy* (ESS) clearly states that the Union's security policy should be aimed at 'effective multilateralism' and 'preventive engagement' (Solana, 2003).

Regarding the effectiveness of the EU's security and defence policies, it is clear that we have to change our traditional understanding of power and replace notions of hard, realist military capabilities with those soft, civilian-military that the EU is seeking to employ. While the EU is obviously not effective in launching a major military campaign without the US – a task which it is not seeking at all anyway – it is severely engaged in post-conflict peace- and institution-building in the Balkans. Evidence shows that the region is slowly heading towards stability but setbacks endanger the path to prosperity.

Conclusion

The present essay was seeking to consider the question whether the EU can be considered an effective global power. It did so by looking at three core elements of an actor's external relations: its trade policy, its development policy, and its foreign and security policy. While we could certainly conclude that the EU is – due to its size, structure and instruments -inevitably an global actor, its effectiveness depends upon the policy field and the respective region towards which it is seeking to address its power. The EU is an effective trade power, able to shape the international economic environment and at the same time possessing the capabilities to successfully argue with its major trade rivals such as China and the US. Moreover, it is highly successful in setting the global agenda in soft policies like environmental protection or good governance policies. Regarding its foreign and security policy, the EU is seeking to spread its values through soft means of power. It is successful in doing so in its immediate neighbourhood where the prospect of EU membership and trade facilitations leads many countries to adopt and implement the EU's legal and administrative conditions. The EU is highly committed to post-conflict state-building in the Balkans and is certainly interested in bringing democracy and stability to this region. However, the EU's impact is limited in those regions of the world where it has no immediate interest to enhance stability and good governance, e.g. in Latin America.

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