

**The Quest for Coherence:
Institutional Dilemmas of External Action From Maastricht to Amsterdam**

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Improving the effectiveness and coherence of the European Union's (EU) external capabilities was a key motivation behind the Maastricht Treaty on European Union (TEU). By formally linking the European Community's (EC) capabilities in trade and other external economic affairs to those of the second pillar—the Common Foreign and Security Policy (CFSP)—and to a lesser extent the third pillar—cooperation in Justice and Home Affairs (JHA)—the TEU represented an important step toward realizing this goal. In particular, the Treaty established a single institutional framework to govern all of the EU's policies, internal and external. This new architecture was expected to provide greater discipline over the two methods with which Europe's external relations had long been conducted: the supranational Community method on the one hand and the intergovernmental methods of European Political Cooperation for foreign and security policy, and the Trevi and Schengen frameworks for JHA on the other.

However, while the single institutional framework seemed to resolve certain institutional questions about the conduct of the EU's external relations, it also raised a number of other problems once Maastricht came into force in November 1993. It is now generally accepted that Maastricht's provisions concerning external relations and, more importantly, the EU's record in this area reveal a number of limitations. These difficulties have received a great deal of attention from those charged with managing the EU's external affairs, and they have persistently attempted to improve the EU's provisions in this area. As a result, some of these institutional problems were addressed with temporary mechanisms, others were resolved with the Amsterdam Treaty on European Union during 1995–97, and still others remain in place. In other words, Maastricht set the stage for a new set of debates among key EU actors about institutionalization, involving both the consolidation of a new policy domain—the CFSP—and the linkage of that domain to the EU's broader system of governance through a more ambitious principle: coherence.

These actor perceptions about institutional performance and change prompt two major questions that I address in this chapter. First, what kinds of institutional problems resulted from Maastricht's provisions on external relations? Second, to what extent, and how, have these problems been resolved? To answer these questions, in the rest of this chapter I first map out the EU's institutional space in the policy domains most directly concerned with external relations. I then show how these mechanisms created new problems, and thus pressures for institutional change, once the Treaty came into effect. These problems are defined primarily in terms of institutional gaps and contradictions across the EU's external policy domains. Finally, I explain how the EU has attempted to resolve these problems through two sets of institutional reforms, one informal and the other formal.

1. Maastricht and External Relations: The Institutionalization of Coherence

There is little mystery about why the TEU attempted to enhance the EU's external capabilities, and why it references 'coherence' in this domain. Debates about these matters, and about the relationship between the EC and European Political Cooperation (EPC) in particular, were clearly influenced by an extraordinary series of events surrounding the Maastricht negotiations. After more than 15 years of informal, and very limited, policy coordination between the EC and EPC, the two policy domains had been linked and legalized in treaty form with the Single European Act (SEA) in 1986. Although EPC's performance improved after the SEA (Regelsberger 1988; Lodge 1989), only two years after the Act came into effect it was confronted with an unprecedented set of challenges: the fall of the Berlin Wall, the unification of Germany, democratic change in the former Soviet bloc, the Persian

Gulf War, and the first signs of disintegration in the Soviet Union and Yugoslavia. Most EC states clearly felt their external capabilities needed improvement to cope with such problems, if only because of their potential to disrupt other important goals such as the single European market and monetary union. Uncertainty about the willingness of the US to play a leading role in the post-cold war era provided an additional motivation. Finally, crisis response in general had been a particular deficiency of EPC (Praag 1982; Edwards 1984; 1992; Hill 1992; Wood 1993), and the lack of a coordinated European policy toward these problems was felt among most EC Member States. These considerations weighed heavily during the intergovernmental conference on political union that helped produce the TEU (Corbett 1992; Laursen and Vanhoonacker 1992; Baum 1995/96; de Schoutheete de Tervarent 1997).

As a result, and to counterbalance the compartmentalization of the EU's external relations that had been established by EPC, the principle of coherence appears throughout the Maastricht Treaty. Under Arts A and C, the EU is charged with ensuring the coherence of its actions, in particular ensuring 'the consistency of its external activities as a whole in the context of its external relations, security, economic, and development policies' (Art. C). Title V (Arts J.1 and J.8) also mentions the concept as a guiding principle behind the CFSP. The fact that the TEU established a single institutional framework covering all three pillars of the EU's activities further demonstrates the importance of coherence in European integration (Curtin 1993).

Despite these various references to what seems to be a fundamental principle in the EU, coherence has not received a great deal of attention (Neuwahl 1994; Krenzler and Schneider 1997; Tietje 1997).¹ However, it should also be noted that the concept of coherence as mentioned in the TEU is not entirely new; it continues a trend that had been developing for some time in the EC's external affairs (M. Smith 1998b: 319–21; see also Lak 1989; Coignez 1992). In fact, an entire body of legal arguments and other decision-making principles, such as mixed agreements and dualist case law, emerged to enhance what I call the 'damage-limitation' function of EPC and to improve the general institutional linkages between EPC and the EC, particularly when EPC wished to use EC competencies for its own ends. In addition, becoming a 'cohesive force in international relations' was an explicit incentive behind the inclusion of EPC as Title III of the Single European Act (Art. 30.2[d]). Maastricht merely attempted to clarify and reinforce this trend. In a sense, then, the CFSP represented the next stage in a transition from EPC's primary focus on a damage-limiting objective—ensuring that Member State foreign policies did not adversely affect the Community—to positive integration—equipping the EU with the means to act coherently in world politics. This major change in emphasis—coherence across external policy domains or organizational fields—required a qualitative shift in institutional design.

Since Maastricht, to what extent does the principle of coherence actually play a role in the way the EU governs its external activities? Four caveats will inform my consideration of this question. First, this chapter focuses on what Tietje (1997: 211) has called 'horizontal

¹In fact, the term itself is not used consistently in various translations of the TEU. As Tietje (1997: 211–12) points out, the English translation favours 'consistency', or the absence of contradictions, while most continental languages use the term 'coherence', meaning positive connections). For Tietje, coherence is evidently the favoured term for most EU states and it clearly sets a higher standard for the EU's policies. Thus, I use the term here.

coherence', or the extent to which the various foreign affairs activities of the EU are logically connected or mutually reinforcing. 'Vertical coherence', or the extent to which the foreign policy activities of individual EU states actually mesh with those of the Union, is another matter. In general, horizontal coherence means that the EU should be able to pursue its foreign policy goals despite the use of different institutional mechanisms and policy tools. These goals involve those codified by Maastricht and specific objectives set down by the European Council, particularly the June 1992 Lisbon summit (Council of Ministers 1992).

Second, although it is clear that the creation of the EU and its external capabilities was originally motivated by the changes in its external context noted above, most of the post-Maastricht institutional changes discussed in this chapter have been influenced by internal dynamics. As there are no major distributional issues surrounding the specific question of coherence, contests about institutions are mostly legal or ideological in nature. The central, macro-level—rule-system—battle is about the constitutional structure of the EU and the right of EU states to preserve their own foreign policy autonomy within that structure. Moreover, by attempting to create a closer link between the EC and the EU's other external capabilities, the drafters of the TEU unwittingly created potential tensions, inconsistencies, and gaps between the rules governing these domains at both the meso—organizational—and micro—individual—levels. Such problems provided openings for governments and EU policy-makers to work at cross-purposes with each other. The fact that the EU was also *legally* required to present a coherent front on the international stage provided an additional motivation to improve the working relationships among the EU's external activities. These issues would have to be resolved once the TEU entered into its implementation phase.

Third, I assume that the primary actors are representatives of EU governments acting within the European Council and Council of Ministers, and of EC organizations—chiefly the Commission, but with supporting roles for the European Parliament (EP) and European Court of Justice (ECJ). In other words, this is largely a story about elites, as the problems and debates examined in this chapter do not have the same capacity to draw in domestic actors and interest groups as do other EC policy domains (on this point, see Mazey and Richardson, this volume). In general, I assume that governments attempt to balance their inherent desire for foreign policy autonomy against the external goals of the EU, and that EC actors like the Commission are generally 'pro-integrationist'. However, it must also be recognized that governments and the Commission are not monolithic; they have conflicting goals and their officials compete with each other to pursue those goals. Still, for my level of abstraction, where the chief conflict is between those who seek more 'Europe' and those who seek less, it is reasonable to suppose that the Commission's goals are uniform and that EU governments of any type have strong reasons for keeping all EC organizations at bay in certain aspects of foreign affairs.

Fourth and finally, it is beyond the scope of a single chapter to analyze all EU policy areas that affect external relations; instead, they may be categorized according to their basic institutional structures:

1. External policy domains where supranational EC organizations—chiefly the Commission and the Court—and procedures—qualified majority voting (QMV)—dominate. Here economic concerns, the driving force behind European integration, are paramount. The EC's trade, aid, and development policies—or 'external relations'—generally fall under this heading.

2. Domains that involve interaction between EC organizations and intergovernmental forums—chiefly the European Council and Council of Ministers, or ‘Council of the EU’—and procedures, and where economic concerns coexist with other goals, such as political stability. This domain includes regional or political dialogues, the CFSP, and perhaps certain areas that overlap with JHA concerns, such cooperation to combat drugs and terrorism outside the EU.

3. Domains where intergovernmental forums and procedures clearly dominate, such as security and defence, which can also involve the Western European Union (WEU). In these areas economic concerns are usually subordinated to the goals of ‘high politics’, if cooperation can be achieved at all.

EU external policies are conditioned according to these three institutional categories, which differ from the EU’s three *pillars*. Some of them privilege EU Member States; while others privilege supranational EC organizations. The Commission, for example, enjoys the exclusive right to initiate policies and negotiate agreements on behalf of the EU in domains that fall under the external-relations competencies of the Community, such as trade. In other areas, such as the CFSP and JHA, it shares these rights with EU Member States. Similarly, the Council of Ministers and the Commission must ensure the coherence of the Union’s external policies, thus giving these bodies—one an intergovernmental forum, the other a supranational organization—a joint role in this responsibility. Equally important here is the fact that the ECJ is *excluded* under the TEU (Art. L) from exercising its jurisdiction over the activities of the second and third pillars. Thus we cannot rely on Court decisions to determine how coherence has fared as a general principle; we must look to decisions and policies.

In addition to the way they affect normal policy-making, each of the categories also conditions institutional change within its respective sphere. In areas where the EC dominates, institutions are more or less self-sustaining. Here, the Commission’s activities related to policy initiation and implementation inevitably produce new rules, and even new competencies, whether as a by-product of implementation—that is, through secondary legislation—or otherwise. These rules then condition later initiatives. This ‘spill-over’ is well-known and has occurred in other external policy areas such as environmental policy (Sbragia 1998) and the extra-territorial application of competition policy (Damro 1999). In areas where intergovernmentalism is the rule, most institutional changes, even the most unassuming, often require tense discussions or bargains among EU governments or their representatives (for related examples, see the chapters by Turnbull and Sandholtz on JHA and McNamara on EMU in this volume). Areas of mixed competency are the most problematic, as some EU Member States have opposed Commission involvement, or required the Commission to justify its involvement, in such areas or have blocked the use of EC procedures or resources for external political activities.

In fact, we can break down these TEU external policy categories in terms of their institutional provisions, the actors and stakes involved, and the types of external behavior—that is, foreign policy tools—each one has the capability to produce (Fig. 9.1):

	EC/supranational Competencies	Mixed competencies	Intergovernmental competencies
Dominant focus of policy domain	Economic issues	Political issues	Security/defence
Examples	Trade, aid, development	Dialogues, CFSP, certain aspects of JHA	CFSP/WEU
Decision rule	QMV is allowed	QMV is allowed under special circumstances	Consensus only
Agenda-setting and implementation	Commission	States/Commission	Primarily states
Policy resources	Primarily EC	EC/states	Primarily states
Legally binding?	Yes	Depends	Depends
ECJ involved?	Yes	Very limited role	Highly unlikely

FIGURE 1: Governance of the EU's external relations

These categories are not discrete, of course; in fact, it is their tendency to interfere with each other that generates many of the institutional problems examined in this chapter. Still, they establish an initial set of reference points with which we can assess institutional performance.

2. Institutional Performance

Given the way Maastricht organized the EU's external capabilities, how did the system perform once it was implemented? More accurately, how did *perceptions* of performance among EU elites, defined mainly in terms of coherence, create pressures for further institutionalization? To answer this question, we can examine the EU's record of external policies towards a region or problem that have involved more than one type of the three decision-making competencies described above—EC-dominant, mixed competency, and intergovernmentalism-dominant—and that have produced conflicts between EC organizations and EU governments. These areas include EU activity in the Balkans, perhaps the EU's most important challenge; EU activity regarding arms control or non-proliferation, such as the control of dual-use goods and the EU's involvement in the Korean Peninsula Energy Development Organization; and various actions toward South Africa, Russia, central-eastern Europe, and the Middle East.

More specifically, it is possible to break down institutional incoherence into several areas that have affected policy performance in the view of several observers (Regelsberger and Wessels 1996; Ginsberg 1997; M. Smith 1998a); these problems help create a demand for new rules and procedures. In the rest of this section, I analyze the relationship between institutional change and actor perceptions of the TEU's performance by focusing on several sets of institutional problems. Again, I am not attempting to evaluate all of the EU's external

policies, only those which have raised serious institutional problems—chiefly due to clashes between the first two pillars of the EU—in terms of policy performance and coherence.²

2.1. Decision-Making Rules

Perhaps the most common complaint about incoherence between the pillars in terms of external relations involves the fact that decision-making rules have not been applied uniformly where competencies overlap. Recall that the CFSP is expressed through two primary instruments, *common positions* and *joint actions*, which take the place of normal EC legal instruments (under Art. 189). However, in the first place, qualified majority voting for CFSP joint actions, and JHA joint actions as well, has not been utilized. The rules for QMV are so convoluted that it has been nearly impossible to apply them quickly, consistently, and efficiently. In fact, Maastricht set up a series of up to five veto points where EU Member States have an opportunity to prevent themselves from being outvoted on a particular CFSP decision. Blocking the use of QMV has been done primarily for ideological reasons: the fear that one QMV vote on any CFSP action, no matter how trivial, would set a precedent leading to the ‘contamination’ of the second pillar with supranationalism. These fears are somewhat justified; lower-level CFSP officials have tended to draft policy texts with the understanding that legal precedents are being set, even where EC treaty articles do not apply.

Second, when there is a conflict between policies requiring CFSP and EC decisions, particularly the use of economic sanctions, the procedures of the CFSP have tended to dominate. Art. 228a was supposed to clarify the legal conflict between Art. 113—the common commercial policy, which allows QMV—and the CFSP; however, CFSP’s intergovernmental procedures—that is, unanimity—have prevailed.³ Some CFSP and JHA⁴ decisions have even undermined the EC’s own competencies, thus contaminating the EC with intergovernmentalism, a development that led to many Commission complaints during the preparatory stages of Amsterdam.

Third, Art. 116, which obliged Member States to adhere to common positions, decided by QMV, in international economic organizations, was conspicuously omitted by the TEU. This article was not often invoked before the TEU removed it, but it did impose a certain discipline on Member States to coordinate their actions with those of the EC in external economic affairs. Commission officials argue that the absence of Art. 116 has led to

² The analysis that follows is based in part on confidential interviews conducted by the author with officials from the Commission, Council of the EU, COREPER, European Parliament, and the permanent mission of the US to the EU.

³ Art. 228a was established to govern the way economic (under Art. 113) and financial (under Art. 73.1) sanctions could be applied against non-EU states after years of confusion about whether EPC was allowed to impose such sanctions. Under Art. 228a, such sanctions can be imposed only by reference to a competence provision of the EC, which allows QMV, or under a CFSP common position or joint action, which stresses unanimity.

⁴ For example, JHA ministers, using their own procedures, have attempted to require a clause to be inserted into all future EU agreements with third countries, even those handled by the EC, like the Lomé Convention, allowing the EU to deport illegal immigrants back to the state from which they entered the EU, even if that was not their state of origin.

'a marked change in climate. More and more often the opinion is expressed that the complicated rules of the CFSP regarding settlement on a common position [Art. J.2] replace Art. 116' (da Fonseca-Wollheim 1996: 2). Since these rules require unanimity rather than QMV, it has become more difficult to arrange compromises in such matters. This is additional evidence of the way some rules of the intergovernmental pillars have apparently undermined the EC's own supranational procedures.

2.2. External Representation and Policy Implementation

In addition, external representation and implementation have created problems of coordination in areas where the EC—and thus the Commission—does not enjoy exclusive competency. The CFSP is vague on the division of labour between the two main actors charged with representation and implementation: the EU presidency and the Commission. Within this pillar, arrangements for their respective roles have generally been worked out on a case-by-case basis, which can create delays at best and confusion at worst. Depending on the issue at hand, representation can be handled by the Commission; the EU presidency; the 'tandem' formula, also known as the 'bicephalous Presidency'; the 'Troika' formula; or the designation of special representatives on an ad hoc basis. In some cases, such as the "Stability Pact" with Central and Eastern Europe, the tandem formula worked very well; in others, such as Bosnia, confusion ensued about who was speaking for the EU, and with what authority. Where policies cross pillars, disputes arose over the division of labour among Commissioners - particularly Brittan for trade and van den Broek for the CFSP—even in areas where the Commission dominates, such as trade.

A more serious problem regarding representation and implementation involves relations not among Commissioners but between Commission representatives and those of EU Member States. As with fear of precedent-setting over decision-making, some EU states have preferred to keep the Commission at arm's length when dealing with cross-pillar or CFSP/JHA matters. This is especially true when military or defence issues are involved; recall how EU states reproached external-relations Commissioner van den Broek in 1996 when he suggested that EU states may have to maintain their forces in the Balkans even after the US withdrew its own troops. Thus, although the Commission enjoys the *de jure* right to speak on these matters, and thus link them to EC affairs, the *de facto* practice has been for such decisions to be left up to intergovernmental bodies like the European Council and Council of Ministers.

2.3. Financing the EU's External Relations

Institutional mechanisms regarding financial resources for external actions also opened up a series of problems after Maastricht. The EU was built on a rule that some areas of external actions would be funded by the EC budget, and others, such as the CFSP and JHA, by contributions from Member States. The CFSP/JHA pillars began operating under a rule that the 'operational' side of their respective joint actions would be funded by national contributions, unless decided otherwise, while 'administrative' expenditure would be drawn from the EC budget. In practice, the arrangements for providing operational funds from national contributions became subject to logistical problems and domestic difficulties in EU Member States. The EU's administration of Mostar in the former Yugoslavia revealed how difficult it would be to fund the CFSP's operations through national means. Nearly a year after the initial Council decision of 8 November 1993 to support the operation in part with

national contributions, only three EU Member States—Ireland, Greece, and Denmark—had contributed to it (Hagleitner 1995: 6; Court of Auditors of the European Communities 1996).

Additional problems arose over the basic distinction between administrative and operational expenditures under Arts 199, J.11, and K.13 of the TEU. Simply defining what constitutes operational expenditure has been a most difficult issue under the new arrangements. The TEU (Art. J.5) provides that the EU presidency shall be responsible for implementing *joint actions*, but also that the Commission (Art. 205) implements the *budget*, so several Member States suggested that QMV be used (under Art. 205) to implement the later financing stages of the joint actions in the former Yugoslavia that had been decided unanimously. This led to protracted debates over ‘joint action implementation’ by the EU presidency, and ‘budgetary implementation’ by the Commission. Britain adamantly refused to use QMV procedures in this area, and every phase of the EU’s actions in the Balkans—Mostar and otherwise—required a tedious repetition of the consensual decision-making process at the highest levels, when normal disbursements of EC funds could have been made with QMV decisions.

2.4. The EU and the WEU

The fact that Maastricht (Art. J.7) mentions the WEU as a potential defence arm for the EU was considered a major breakthrough as military affairs were treated as taboo subjects under EPC. However, the TEU did not clarify the practical relationship between the EU and the WEU, which led to inane procedural debates over how the EU could ‘avail itself’—in the words of the TEU—of the WEU in order to implement its decisions. Also, the fact that after 1995 one-third of the EU—Austria, Denmark, Finland, Ireland, and Sweden—did not enjoy full membership of the WEU complicated decision-making. As a result, the CFSP has had very little to do with the WEU in operational terms. By the start of the Amsterdam negotiations, only one very minor Art. J.4(2) joint action, which provides for WEU participation, had been decided: a Council decision of 27 June 1996 to have the WEU prepare contingency plans to support the possible emergency evacuation of EU nationals from third countries if necessary.⁵ Later, during the Kosovo crisis, the WEU decided in May 1997 to send a ‘Multinational Advisory Police Element’ (MAPE) to Albania, consisting of 94 officers from 23 WEU nations. Although this was not a CFSP-related joint action, MAPE was supported by EU funds under the Poland and Hungary Assistance for Economic Restructuring programme amounting to 4.8 million ECU during 1998–9. Thus, from the perspective of both EU actions and WEU actions, cooperation between the two bodies has been far less frequent than proposed in the TEU.

Also complicating matters in this area is another potential ‘hard core’ EU on defence issues: the ‘Eurocorps’, a small—60,000 troops—land force that became operational on 30 November 1995. This unit, supported by contributions from France, Germany, Spain, Belgium, and Luxembourg, is loosely linked to the WEU and the two forces began joint exercises, ‘Crisex’, in December 1995. Although these activities may have much symbolic importance for European integration, they still do not live up to the hopes of the TEU’s architects that the WEU would significantly enhance the EU’s external policies. Rather than find a pragmatic way for the WEU and CFSP to take joint actions, the EU seemed to be

⁵WEU support of the EU’s administration of Mostar was not an official CFSP joint action made at the request of the EU under Art. J.4(2).

paralyzed by the larger issue of fully merging the EU and the WEU. Moreover, since NATO rapidly transformed itself into a convenient, effective substitute for EU military actions, particularly in the Balkans, the EU's most problematic area, there was no longer any operational incentive for the EU to quickly resolve its institutional problems in this area.

2.5. Democratic Oversight

Finally, to the extent that the EU's external relations are supposed to involve democratic oversight by the EP—which is more a legitimacy issue than a capability issue—some problems of coherence have emerged. The EP is directly involved in some external policy domains—the EC—only consulted in others, and largely ignored in yet others. Indeed, the democratic deficit is one of the primary deficiencies of the CFSP, and the EU in general, according to some observers (Stavridis 1997). The dominance of the CFSP/EU by the European Council makes it difficult for Euro-enthusiasts to claim that the EU is becoming more transparent and open. Although members of the European Council are elected in their respective states, this body is not a Community institution, has a dubious legal identity, meets in secret, and does not publish its deliberations. In addition, since Maastricht the EP has consistently complained about being ignored by the Council of Ministers (Grunert 1997). The EP wants consultation to take place before policies are decided; the Council often prefers to provide information *post hoc*. The EP has also threatened to use its leverage over the CFSP budget if its views were not taken into consideration (European Parliament 1994a), and has continually pushed for institutional changes on these issues.

Also, not all external agreements have been submitted to the EP for consideration;⁶ the Council seems to decide at whim which agreements should be presented to the EP, and at what stage in their development. As Regelsberger and Wessels (1996: 42) observe, the CFSP is also far-removed from most national political elites. These are serious problems, and there is clearly a lack of openness and accountability in the EU's intergovernmental pillars, but it cannot be said that this legitimacy problem has adversely affected the EU's institutional performance in external relations in any significant way. Yet it repeatedly figures in debates about the institutional architecture of Europe, which repeatedly stress democracy, so we must be sensitive to it.

2.6. Institutional Gaps

Beyond the problems raised by existing provisions in the TEU, coherence has been hindered by at least three other fundamental issues that were not fully addressed at Maastricht.

First, since the EU lacks legal personality, it is difficult to conclude international agreements or join international organizations where the Community, which enjoys legal personality under Art. 210, is not a signatory (Cheyne 1994; Sack 1995; Wessel 1997). This is especially problematic for the EU's membership of international organizations when competencies appear to cross pillars.⁷ The problem of legal personality similarly complicates

⁶ The Interim Agreement with Russia is perhaps the most notable example.

⁷ This has been a problem even within the EC's exclusive sphere of competence, like trade matters. For example, a debate opened up about whether the Commission, representing the EC, or individual Member States should sign the General Agreement on Trade and Services (GATS) and the Trade-Related Intellectual Property Rights (TRIPS) as part of GATT's Uruguay Round of trade negotiations. The ECJ ruled on 15 November 1994 that the

the manner by which the EU—or CFSP/JHA—once it finally decides on a negotiator, attempts to implement a policy by way of an agreement with non-EU states or other actors. For example, the EU could not participate in the Korean Peninsula Energy Development Organization (KEDO) as a board member despite its initial financial contribution of 5 million ECU, and EU legal officials are continually telling CFSP diplomats that they lack the legal authority to make a particular agreement on behalf of the EU. Similarly, the principle of exclusivity, which means that EU states are not permitted to join international organizations where the EC has exclusive competence, had to be clarified in terms of cross-pillar issues. This point was raised during a heated debate when Britain and France wanted to sit on the board of KEDO while the EU, through the CFSP, was pursuing that goal as well. In the end, the parties agreed to have the EC, by virtue of its Euratom competencies, represent the EU on KEDO's board.

Second, the Maastricht Treaty says little about how to ensure compliance with CFSP/JHA decisions or other external intergovernmental actions, so there is no way to evaluate or punish defections. TEU confers this responsibility on the Council of Ministers, and since they decide such matters by consensus, no one state is likely to criticize another. Compliance after the fact has not been much of a problem since few CFSP actions have required it. Although the Commission is fully associated with all aspects of the CFSP and must ensure coherence, in this domain it clearly does not enjoy the extremely important monitoring and enforcement role it actively plays in the EC (Art. 155). As we have seen, one of the most visible examples is the EU's administration of Mostar, where most EU Member States did not make their financial contributions to the operation in a timely fashion. This greatly contributed to debates over the CFSP budgetary process (see below). Similarly, the Commission chooses its battles carefully and has not emerged as a major enforcer of compliance. For example, it was decidedly reluctant to invoke Arts. 34, 35, or 192 of the Euratom Treaty to halt French nuclear tests in the Pacific for fear of a backlash,⁸ and did not attempt to censure Greece for its unilateral actions regarding the former Yugoslav Republic of Macedonia. A related problem is a temptation for EU states to pursue their interests unilaterally or in other forums like the UN Security Council, NATO, or 'Contact Groups'. Again, there is no independent way for the EU to discipline its Member States for these apparent transgressions.

Third, the ECJ is effectively excluded from second and third pillar issues, so there is no independent dispute-resolution procedure in these domains. As noted above, under Art. L the ECJ may not exercise any jurisdiction over the CFSP and JHA pillars. This may not seem to be an issue for the EU, because its Member States seem to assume that disputes cannot arise from decisions made by consensus. Even when they are dissatisfied when the foreign

Commission alone should sign GATT—now WTO—provisions due to its exclusive authority over trade in goods under Art. 113 of the TEU, but that it shared this competency with Member States in the GATS and TRIPS agreements. Therefore, EU Member States as well as the Commission could sign those agreements.

⁸In brief, these articles require EC states to provide the Commission with information about nuclear testing, to allow Commission officials to access test sites, to obtain a Commission opinion prior to conducting particularly dangerous experiments, and to support provisions of the Euratom Treaty in general.

policy actions of other EU states conflict with common EU policies, EU governments tend not to criticize too loudly for fear of inviting future criticisms in the event their own foreign policies fail to conform to those of the EU. Thus they would be unlikely to take each other to Court over such matters, even if they enjoyed the right to do so. However, Art. M provides that nothing in the TEU shall affect the Treaties amending the EC, except for certain stated provisions to that effect. In other words, CFSP/JHA activities cannot be used or allowed to modify Community competencies. This means that the ECJ 'can and must police the borderline between the Community pillar and the CFSP' (and JHA) (Eaton 1994: 221). Yet the ECJ had made no major rulings in this area during the time period under consideration, so we can conclude that its jurisdiction over these questions is more of a conceptual issue rather than a practical one.

3. Institutional Reforms

In this section I analyze how institutional inconsistencies or gaps have been resolved after Maastricht was implemented. In other words, to the extent that solutions to the problems of incoherence discussed above have now become standard operating procedures for conducting the EU's external relations, we can say that they have been institutionalized. As with the Maastricht negotiations, this reform process has been encouraged in part by exogenous factors, such as American pressures to play a greater role in global affairs or the need to improve the EU's representation or negotiating positions in certain international forums. One major exogenous incentive is the need to clarify the relationship between the EU's emerging capabilities in security/defence policy and those of other functionally-related institutions, namely NATO and the WEU. Yet these pressures have always been part of the EU's internal debate about external coherence, and they did not necessarily increase in any dramatic fashion since 1991—especially compared with the events surrounding the Maastricht Treaty. Moreover, they explain only the general incentives for greater institutional coherence, not the specific choices made by the EU. Thus, most of changes discussed in this section are better explained by endogenous processes, most of which involve the ongoing, macro-level ideological debate in the EU between supranational and intergovernmental visions, or rule-systems, of external policy-making.

One part of this internal debate involves *policy effectiveness*, which involves defending the example of supranational EC procedures as the most efficient and legitimate means for achieving common European goals. In other words, the EC has a powerful mimetic effect on other pillars and the relationships between them; it is the most important frame of reference, at least in terms of effectiveness, in debates about institutional change. Arguments over this question are fuelled by evaluations of policy successes and failures, both of which have occurred during the period under consideration. As I noted above, here the Commission enjoys a privileged role—though not an exclusive one—by virtue of its policy implementation function, which often requires it to establish new procedures to accomplish its tasks. Another part of its power derives from its role in evaluating policy outcomes, and it has often attempted to make its case for greater institutional coherence, particularly during the preparatory stages of Amsterdam, by emphasizing implementation problems rather than invoking the virtues of supranationalism.

However, another part of the debate involves *policy appropriateness*, and this aspect of the institutional reform debate is far more subtle and complex. Two major strands of argument can be discerned here. One is that even though EC procedures may be more effective, foreign and security policy are still special domains where Member States enjoy the

dominant role and should maintain the maximum freedom of manoeuvre. Control over this aspect of policy is still considered a defining characteristic of a state, and EU governments feel they would be acting irresponsibly were they to surrender this right to supranational EC actors. The result is a constant bargaining process between governments and EC organizations about the appropriate boundaries of their respective domains. A second strand of argument derives from simple disagreements about what the rules actually mean, particularly concerning the division of labour across the external relations functions. This area of disagreement is about the legalities of certain behaviours within respective spheres of competence, and, not surprisingly, those who know the rules best, particularly the EC's much larger and complex body of rules, often have the upper hand in this argument.

Within these grand, macro-level debates over institutional change, which by their nature are the most difficult to resolve, we can also find more common, parochial contests that have produced some reforms. These conflicts have occurred at both the micro-level and the meso-level. In general, micro-level activity often involves problems such as turf battles among Commissioners whose portfolios involve external relations; meso-level activity involves delineating the proper roles for the various EC organizations, policy domains, and intergovernmental forums involved in EU foreign actions. In the rest of this section, I first examine the informal mechanisms of institutional change, such as unwritten rules, then turn to a more formal expression of the EU's institutional reforms of the TEU: the Amsterdam Treaty (for a similar distinction between types of institutional mechanisms, see Heritier, this volume).

3.1. Informal Mechanisms

Given the great sensitivity among several EU Member States about the supranational governance of external relations through formal mechanisms, and given the inherently unpredictable nature of foreign affairs, there is a strong inherent tendency in this area toward informal, flexible procedures whose obligations are less demanding, and also not justiciable. This tendency dates back to the formative years of EPC, which relied on a host of unwritten rules or 'gentlemen's agreements' about appropriate behaviour in this domain and its overall relationship to the EC's own more formal rules (Nuttall 1992; Smith 1998a: 316–24). The EU has continued this tradition by using a number of informal procedures, many developed under EPC, to fill in the gaps between the TEU's external relations competencies. These procedures apply to both decision-making and the implementation of external policies.

For example, in the sphere of decision-making, the EU has had to devise several ways to contend with long-standing prejudices among some EU states against linkages between the EC and the CFSP in general and the application of QMV procedures in particular. A number of compromises have emerged; these are used to guide later decisions. For example, the first 'dualist' EC/CFSP act, a policy to control the EU's exports of dual-use goods, required much debate among EU officials, particularly those in the legal services; but it was resolved on terms acceptable to both sides of the supranational-intergovernmental divide.⁹ More importantly, this exercise then encouraged the establishment of 'model common positions' to

⁹The compromise involved using a CFSP joint action (94/942/CFSP) to establish the *content* of the policy—that is, lists of affected products and technologies—and an EC regulation (3381/94/EEC) to *implement* it.

help avoid time-consuming legal debates over EC/CFSP decision-making.¹⁰ These models can be used as templates for future decisions. Also, casting combined EC/CFSP agreements as 'administrative' in nature has also helped to reduce disagreements about the application of decision-making rules to joint EC/CFSP decisions. Finally, rather than relying on QMV in the CFSP, EU states have occasionally refrained from forcing a vote—that is, 'refrained from insisting on unanimity', in the words of Declaration No. 27 on voting in the CFSP, during four relatively uncontroversial CFSP implementation decisions.¹¹ Although this type of decision-making is probably not what the architects of the TEU had in mind, CFSP officials have temporarily managed to find a middle ground between strict intergovernmentalism through unanimity and the use of supranational QMV procedures.

The controversies over decision-making have also had negative repercussions regarding the initiation and implementation of second pillar, or cross-pillar, actions. Rather than wasting its resources and inviting disputes by initiating numerous CFSP actions, the Commission has tended to pursue a strategy of embedding foreign policy issues in broader sets of EU agreements or policies, such as 'Association Agreements' with states outside of the European land mass, 'Europe Agreements' with applicants to the EU from central and eastern Europe, and 'Partnership and Cooperation Agreements' with Russia and other former Soviet states.¹² These agreements are in fact institutionalized frameworks to help achieve coherence among the EU's policies toward important areas of interest. The Commission has occasionally attempted to instigate actions which involve the CFSP alone, but it is understandably far more successful when engineering long-term, cross-pillar strategies towards other states and regions—an approach which has been formally institutionalized since Amsterdam; see below. And the Commission is fully aware of the power of precedent-setting; it has been quietly trying to develop a 'critical mass' of precedents and experience outside of normal EC affairs to serve as a foundation for future foreign policies. This is especially crucial when economic instruments besides aid and joint-action financing are involved—that is, sanctions or association agreements—since they affect the internal market and the external economic relations of the EU and must involve the Commission. Involvement in security- or defence-related external policies has been far more problematic, and even discouraged by some EU states, although the Commission played a role in the

¹⁰See the 'Mode d'emploi concernant les positions communes définies sur la base de l'Article J.2 de Traité sur l'Union Européenne', internal Council document 5194/95 of 6 March 1995.

¹¹These were: financial sanctions against Bosnia-Herzegovina, the prohibition against making payments under contracts caught by the embargo against Haiti, some minor disbursement decisions concerning Mostar, and the EU's anti-personnel mine-clearing directive.

¹²These 'all-inclusive' agreements, however, have raised other problems. First, since they involve competencies that cross pillars, they must usually be negotiated by Commission officials and an official from a Member State, usually the holder of the EU presidency. Second, assuming this 'tandem' approach results in an agreement, certain aspects of such agreements—that is, those involving the second and third pillars—must then be ratified by individual EU states, a long and complicated process which delays the full implementation of the agreement.

Nuclear Non-Proliferation Treaty renewal conference and the EU's initiative on de-mining war-torn areas.¹³

Beyond these measures, policy coordination was improved, and turf battles were reduced, among Commissioners over foreign policy in areas where external activities overlap, such as central and eastern Europe and South Africa, after President Santer institutionalized regular '*relex group*'—for *relations extérieures*—meetings of the six Commissioners who have external relations portfolios, plus himself. These are supported by regular meetings of Commission planning staff, meetings of cabinet officials, particularly the *chefs de cabinet*, involved in the CFSP, and monthly meetings of the directors-general of the major external relations directorates, where the DGs coordinate political and economic affairs in between the Commissioners' meetings. The results have been generally positive.

It should be noted, however, that when turf battles over foreign policy occur within the Commission, Commissioners whose external portfolios involve a core policy area of the EC, such as trade, tend to win out over the others, such as the CFSP and human rights. Part of the reason for this is institutional: there is naturally an inherent bias in the Commission towards protecting its economic functions, and Commissioners defer to those who oversee those functions. And part of the reason for this is political: Commissioners who handle economically-oriented policy areas simply have more resources to use when bargaining over policy. Still, these efforts toward internal coordination have been especially helpful in promoting cooperation between DG I for external economic relations and DG VIII for development before the latest Commission reorganization, both of which are linked to the CFSP, and which did not always share information with each other under EPC.

These efforts to coordinate external policy at the individual level within the Commission have been duplicated at the organizational level. Much preparatory activity for EC policies takes place in COREPER working groups; when the TEU came into effect all relevant EC and EPC working groups were merged to help end the compartmentalization of these policy areas. In addition, the EU has established a few 'tri-pillar' working groups—EC/CFSP/JHA—for certain countries and regions, such as the US. The role of COREPER in the preparation of all General Affairs Council meetings was also enhanced, although there is still some confusion about the division of labour between COREPER and the long-standing Political Committee that prepares CFSP decisions for foreign ministers. However, to overcome that difficulty, each permanent representation to the EU has established a 'CFSP counsellor': in an important precedent, these officials now prepare all matters relating to the use of economic sanctions.

¹³It should also be kept in mind that the Commission was preoccupied with a number of internal changes to help its implementation of external policies, such as creating DG IA to accommodate the CFSP and related policies. These changes represented the most extensive reorganization of the Commission's responsibilities in foreign affairs in the entire history of the organization. They were not all successful, and the Commission had to scale back some of them in the first few years of the implementation of the TEU (Allen and Smith 1994; Nuttall 1995). Yet reforms have continued; for example, the Commission's main external competencies have been reorganized into development/humanitarian aid, enlargement, trade, and external-relations spheres. Also, the new Commissioner for external relations, Chris Patten, is now attempting to streamline the EU foreign-aid delivery process.

In the area of financing external policies, after months of debate an informal agreement was reached in June 1994 to use a GNP scale as a general rule to determine national CFSP contributions (*European Report* No. 1958, 15 June 1994). Even then, given the problems raised by Mostar noted above, EU states increasingly looked to the EC budget for CFSP funds, making Commission and EP involvement certain. Until then, lack of policy guidelines meant that petty ideological disputes over funding often held up actions; even something as uncontroversial as the EU's election-monitoring mission to Russia led to internal wrangling over how to pay for buses to transport the monitors. Once again, it took months before a temporarily acceptable procedure was worked out (Hagleitner 1995; Monar 1997a, b). Against the wishes of their partners, France and Britain supported financing the CFSP's operational expenditure under the *Council's* line in the budget, to be used at the Member States' discretion. Naturally the EP was adamantly opposed to this idea; instead, it adopted a resolution in 1994 to establish a CFSP operational line (line III-B-8) within the *Commission* budget, which includes money for actions previously decided in Council and a 'general CFSP reserve fund' (see European Parliament 1994b). Transfers of funds would still be approved by the EP. In an important victory for the Parliament, this was the solution adopted, and the Commission and the EP have more discretion over the disbursement of CFSP operational funds than ever before.

While this temporary solution was being worked out, EU states engaged in creative financing by raiding operational funds from the EC budget, such as monies for development or cooperation. For example, the Council of the EU charged the costs of supporting Belgian 'Blue Berets' in Somalia to the EC Development Fund Budget, a clear case of EC support for a military operation. The excuse was that the EC was not able to spend its Somali aid due to unrest there, so EC officials argued that 'military assistance to the civilian power' in Somalia was a proper charge to the EC development budget (*Agence Europe* 4 September 1992). Disbursing these EC funds for CFSP-related actions also raised legal questions, since the EP has the right to participate in the EC's budgetary process (Art. 209) and the right to approve all non-compulsory expenditure (Art. 203), such as the CFSP (European Parliament 1994a).

One final informal rule involves the problem of legal personality. As we have seen, since the EU/CFSP lacks legal personality, it is difficult to conclude international agreements or join international organizations where the Community is not a signatory. Since it lacks legal personality, the EU has tended to rely on somewhat convoluted 'mixed agreements', which provide for both EC representation and representation by individual EU states, or 'administrative agreements' that refer to both CFSP and EC competencies. These formulae perform a dual function in the EU: they help prevent tedious debates about decision-making rules and they help overcome the EU's own lack of legal personality. In other cases, the EU relies on 'memorandums of understanding' negotiated on its own, mainly for CFSP activities, which are not always binding under international law.¹⁴ Although all of these agreements are difficult to negotiate, nearly impossible for the EP to oversee, and raise unresolved questions about their enforcement, they do represent a pragmatic and creative way to circumvent the legal personality problem. Without such informal mechanisms, the EU would be extremely limited in its capacity to implement its second and third pillars. The EU's legal officials were

¹⁴For example, the despatch of European observers during the cease-fire between Slovenia and Croatia and the EU's administration of Mostar relied on such memorandums of understanding. For more this issue, see Lopandic (1995).

partially responsible for devising these solutions, and they reflect the continued importance of common understandings about the rule of law in explaining the dynamics of European integration.

3.2. Formal Mechanisms

In this section I examine and evaluate a number of formal mechanisms codified by the Treaty of Amsterdam, which prioritized the institutional reform of the EU's external capabilities. In their official contributions to the 1996–7 intergovernmental conference, most EU states and organizations admitted to serious disappointments with the EU's external relations in general and the CFSP in particular. The Commission (CEC 1995a; 1996a) and the European Parliament (1995) were the most critical of these difficulties, while even the official Council report on the functioning of the TEU (Council of Ministers 1995) also referred to the disappointment of some Member States with the performance of the CFSP. As with the original TEU, coherence is preserved (Arts 1 and 3) as a key principle governing the EU's policy domain. In addition, the new Treaty (Art. 17) fully incorporates the so-called 'Petersberg Tasks'—humanitarian and rescue tasks, peacekeeping tasks, and tasks of combat forces in crisis management, including peace-making—as foreign policy objectives of the EU, and it provides a new CFSP policy tool to help improve coherence: common strategies (Arts 12, 13).

Beyond these general provisions, Amsterdam made key reforms in three other areas of foreign policy: decision-making, implementation, and financing.

First, the issue of decision-making was addressed at Amsterdam, but the new provisions (Arts 17 and 23) do not go as far as extending real QMV procedures to security or defence cooperation, as some, such as Commissioner van den Broek (*Economist*, 22 March 1997) suggested. Instead, unanimity remains the rule here, and the Amsterdam Treaty attempted to accommodate both pro- and anti-defence factions in the EU by following the new doctrine of 'flexibility' in such matters, effectively opening the door to two classes of membership in the CFSP—WEU members and non-WEU members—although all states, even non-WEU members, are entitled to participate in all activities in this pillar. EU states are permitted to abstain from any CFSP actions, although they must 'accept that the decision commits the Union' and must 'refrain from any action likely to conflict with or impede Union action based on that decision and the other Member States shall respect its position' (Art. 23.1). However, if such abstaining members represent more than one-third of the votes weighted in Council, the decision will not be adopted.

In non-defence-related areas, if enough members decide to go ahead with a CFSP decision, the Council can act *automatically* by QMV under two circumstances, that is, without an additional consensus decision to apply QMV as under Maastricht: (1) when adopting joint actions, common positions, or taking any other decision on the basis of a common strategy; and (2) when adopting any decision implementing a joint action or a common position. However, as under the TEU, there is still a powerful escape clause that may paralyze the EU: if a member of the Council declares that 'for important and stated reasons of national policy, it intends to oppose the adoption of a decision to be taken by qualified majority, a vote shall not be taken' (Art. 23.2). The Council may, acting by QMV, request that the matter be referred to the European Council for decision by unanimity, but this action requires at least 62 votes in favour, cast by at least ten members. As usual, none of

these provisions applies to decisions having military or defence implications, which must be taken by consensus.

Second, Amsterdam also modifies the issues of policy implementation and external representation. As under Maastricht, the new treaty (Art. 18) provides for the presidency, associated with the Commission, to represent the EU in CFSP affairs. However, Amsterdam provides that the presidency 'shall be assisted by the Secretary-General of the Council who shall exercise the function of High Representative for the common foreign and security policy' (Art. 18.3). He will also have responsibility for the new 'CFSP Policy Planning and Early Warning Unit' housed in the Council and linked to the Commission and WEU. This provision for a new high official provoked much debate, but at least Amsterdam did not reflect the French proposal to establish a new grand political official to speak for the CFSP. Instead, the High Representative is a more modest solution, clearly subordinate to the presidency. A new CFSP representative—Spain's Javier Solana, former secretary-general of NATO—was not formally appointed until mid-1999. There was some concern that whoever held the position would be only a figurehead, but the choice of someone like Solana, a high-profile, respected, competent diplomat and administrator, is helping to allay those fears. The choice was also made with remarkably little discord, especially compared with the embarrassing debacle over choosing the first head of the European Central Bank and the headaches over appointing an entirely new Commission after the EP forced the resignation of Santer's team. Solana also seems willing and able both to raise the profile of the CFSP and to oversee a merger of the EU/WEU very soon (*Financial Times* 15 September 1999). Finally, the Council may, whenever it deems it necessary, appoint yet another special representative with a—temporary—mandate to handle particular policy issues. Whether these new officials will aid or impair the EU's external policy coherence remains to be seen.

Third, given the budgetary problems of the CFSP/JHA over the past several years, the Amsterdam Treaty also outlines specific provisions in the area of CFSP financing (Art. 28) and JHA financing (Art. 41). Under these articles, both CFSP/JHA administrative expenditure and operational expenditures are to be charged to the budget of the EC, under its normal procedures, which inevitably involve the Commission and the European Parliament. There are, as usual, key exceptions to these procedures for expenditures arising from operations having military or defence implications and cases where the Council, acting unanimously, decides otherwise. In keeping with the new doctrine of 'flexibility', EC Member States who formally abstain from military or defence actions according to the above provisions are not required to finance such actions.

After years of debate, the Amsterdam Treaty also includes a unique inter-institutional agreement between the EP, the Council, and the Commission concerning CFSP financing. The new CFSP budgetary procedure is described in detail in this agreement, and it includes sections regarding the funding of various types of external actions. Considering the haphazard nature of CFSP funding since 1993, and disagreements among EU Member States regarding this issue, this agreement could be a great step forward and go a long way to improving the budgetary process. Amsterdam also mentions greater cooperation in armaments production (Art. 17.1), although there are no more specific provisions toward this end. However, since Amsterdam the CFSP has enjoyed a major budget increase, for the first time since it was established in 1993. The CFSP budget had languished in the range of 20–25 million Euro, but the post-Amsterdam budgets provide for an increase in the range of 40–60 million Euro. This increase, the choice of Solana, and the potential for related institutional

changes, such as merging with the WEU, at the next intergovernmental conference suggest that the EU is still committed to making the coherence of its external relations a reality.

To summarize, the EU has managed to use a number of institutional devices in creative ways to enhance its pursuit of coherence. As many institutional conflicts have occurred within the EU at the micro and meso levels, so too have many solutions been found at these levels. These actors tend to rely upon pragmatic and inconspicuous, even clandestine, mechanisms to help improve policy performance, continuing a trend established by EPC. Larger, more complex institutional questions, such as the fundamental battle between supranational and intergovernmental visions of integration, have been addressed at the macro level in terms of treaty reform and intergovernmental bargaining. This occurred most dramatically with the doctrine of flexibility, which was the price the EU had to pay to accommodate the persistent divergence of views concerning a European security and defence identity (ESDI). However, even in this sensitive area EU governments are re-thinking their positions regarding institutional reform, thanks in part to the Kosovo crisis and NATO's forceful, though controversial, response to it. This can be seen in the Franco-British agreement at St Malo in 1998 to pursue an ESDI and in the Cologne and Helsinki European Councils of 1999, which produced blueprints for a European rapid-reaction force and for EU armaments cooperation.

All three logics of individual action discussed in this volume—rational choice, appropriateness, and social skill—have motivated various solutions. For example, regularly using EC funds for the CFSP is seen as a rational way to solve the problem of delays when EU states have failed to make their own contributions. Allowing the EP to have some oversight over these funds reflects acceptance of the Parliament's appropriate—that is, legal and legitimate—role in approving the EC budget. And certain new arrangements such as CFSP counsellors and tri-pillar working groups attest to the social skill and creativity of those most closely involved with the EU's external affairs. Moreover, it should be kept in mind that EU actors themselves may respond to one logic of action over another. Some individuals, such as those representing the United Kingdom, are motivated to find pragmatic solutions to recognized problems; others, such as those representing France, are driven by a grander vision of the EU's proper place in the world. And still others, such as Commission officials, are required to satisfy all three logics: as the chief policy initiators and administrators—rational logic; as guardians of the EU's treaties and rules—appropriateness logic; and as the primary locus of the EU's institutional memory and its evolving operating procedures—social skill.

One final point concerns the question of whether these reforms, and the principle of external coherence itself, are likely to persist or instead will be rolled back because they are ultimately unworkable. The experience of the EU in general and of its external relations capacities in particular suggests that the former outcome—reproduction and incremental adaptation—will be the case. EU external relations rest on a fairly solid foundation of Community provisions and the experience of EPC and, to a lesser extent perhaps, of Trevi and Schengen. In other words, the logics of rationality and appropriateness are becoming even more salient in the pursuit of coherence: new rules in this area must be respectful of both the functional record of EC/EPC rules and of the legitimacy those rules have earned based on that record. Moreover, the informal working methods and the formal Amsterdam improvements, particularly in terms of decision-making, funding, and external representation, seem to provide a feasible balance between institutional stability—to promote coherence—

and flexibility—to allow a variety of responses and participants. These new provisions also demonstrate the continuing ability of EU actors to exploit institutional gaps and contradictions with new mechanisms. In other words, these institutions are increasingly self-sustaining. As with the Maastricht Treaty, however, the real test will come during implementation: when the EU attempts to achieve its formidable goal of true security and defence cooperation under the new doctrine of flexibility, particularly after the next series of enlargements.

4. Conclusion

Ten years have passed since European integration reached a new stage with the negotiations that produced the Treaty on European Union and its ambitions concerning foreign affairs. During that time, the EU has faced a number of severe challenges in that domain. Some of these challenges have fallen under the direct authority of the EC, such as the conclusion of the Uruguay Round of trade negotiations, while others have not, such as problems in the Balkans and the former Soviet Union. This chapter has argued that the institutionalization of EU external-relations competencies in terms of coherence is helping the EU forge more uniform methods and solutions for dealing with such problems.

Yet when we consider the powerful political and economic forces that have shaped the outcomes of these issues, it may seem that the EU's internal debates about the institutional arrangements for dealing with these problems have been self-indulgent. Indeed, institutional debates are partly a symptom of more fundamental problems: uncertainty about the need for an EU common security and defence policy, a lack of political will, divergent interests, and honest disagreements over policy. But to the extent that these issues are in fact defined in terms of institutions, and, more importantly, to the extent that institutional ideas and mechanisms increasingly condition these debates and conceptions of interests, they deserve our attention. Moreover, EU states and EC organizations are never content to let these problems lie; since the EU is a work in progress, there are constant pressures for reform and improvisation. In fact, questions about institutional design have become part of the regular political discourse at the EU and domestic levels about Europe's purpose, values, and identity.

Nowhere is this more relevant than with the idea of making the EU into a significant international actor. Ambitions in this area date back to the founding of the EC, and mechanisms to achieve those ambitions have been painstakingly pursued on the parallel tracks of the EC's external policies and those of EPC/CFSP and to a lesser extent, JHA. Since Maastricht, these tracks have moved ever closer together. As we have seen, and as under EPC, exogenous events such as enlargements and periodic intergovernmental conferences have acted as 'institutional moments' during which EC states reconsidered the ends and means of their external relations. External crises such as the Soviet invasion of Afghanistan, the Falklands Islands War, the Gulf War, the break-up of Yugoslavia, and the Kosovo crisis have also led EU states to engage in institutional debates. And changes in other important institutions, such as the WEU and NATO, have required corresponding changes in the EU's own institutions for political cooperation.

However, institutional change has also been influenced by endogenous factors, such as policy problems—paying for Mostar; policy successes—the Stability Pact; internal contradictions concerning working procedures; imitation of established EC rules; and the turnover of officials through institutions like the EU presidency. The more common of these institutional reform mechanisms in the international relations literature—hegemonic

leadership or *quid pro quo* bargaining—played a very limited role in this analysis. While EU states did bargain over the broad structure of the Union, such as linking EMU with progress on political cooperation during the Maastricht negotiations, most innovation took place within the system—at this, at the micro and meso levels—according to its own logic of appropriate rules and behaviours. This logic is largely based on a simple, fundamental principle: do not attempt to codify working procedures until they have proved their necessity and usefulness to those who must implement them. This fact also points to the creative ability, or social skill, of EU governments and EC organizations to work out the practical details of normal policy-making in the face of contradictions or omissions in the treaties.

Finally, and most encouragingly, there is still no thought of going back to pre-World War II times of naked competition and conflict among Western European states. Coherent common policies are still difficult, but a return to the opposite end of the spectrum—wholly self-interested, short-sighted, unilateral approaches to foreign policy problems—is unthinkable. The EU has fundamentally changed the way its Member States define, pursue, and institutionalize their interests. And in the face of challenges to those interests, EU Member States tend to respond by strengthening institutions, not by weakening them. This alone give reason for hope that the EU will find its way in foreign policy, but since change here always occurs incrementally, we must be patient as well.

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