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LIFE AFTER LISBON

Foreign and Security Policy after the Lisbon
Anand Menon

Much of the soul searching that accompanied the ratification the Lisbon treaty was based on concerns regarding the possible negative consequences of a failure to ratify, rather than any great expectations as to what a Lisbon-equipped EU would be capable of. However the one area in which observers believed the new treaty could provide substantive improvements was foreign and security policy. From the Laeken declaration of December 2001 to the ratification of the resultant treaty in the summer of 2009, member states had devoted much time and energy to securing the passage of a document intended to improve the institutional system of the Union. External relations were the object of particular attention: twenty five of the sixty two amendments the treaty makes to the Treaty on European Union pertain to its provisions on CFSP and ESDP.

Following ratification, the treaty has continued to generate high expectations. Whilst Assistant Secretary of State Philip Gordon declared that it 'marks a milestone for Europe and for its role in the world,'¹ the Brussels CEO of PR firm Hill and Knowlton declared it would make the EU 'a real entity on the global stage.'² Meanwhile, Elmar Brok, prominent member of the European Parliament's Foreign Affairs Committee, voiced his certainty that Lisbon would allow Europe to 'speak with one voice'.³

As striking as the hyperbole surrounding the treaty was the profound sense of disillusionment that greeted the announcement that Herman Von Rumpuy and Catherine Ashton had been chosen as inaugural holders of the newly created posts of Chair of the European Council and High Representative of the Union for Foreign Affairs and Security Policy respectively. Carl Bildt (himself a putative candidate for the latter position) spoke of 'a historic missed opportunity,' Giscard d'Estaing bemoaned the Union's 'limited ambition' whilst Simon Hix complained at its apparent desire to become a 'supersize Switzerland.'⁴ Die Welt even coined a new term – *Selbstverzwergung* – to describe the Union's apparent lack of international ambition.

Yet it would be wrong to assume that a failure of the Treaty to deliver what many clearly feels it should can be put down merely to these two unfortu-

nates. For one thing, member states themselves have displayed a breathtaking willingness to undermine the provisions of the treaty they themselves signed.⁵ Lisbon notwithstanding, Carl Bildt chaired the first meeting of the new Foreign Affairs Council – a job which should have fallen to Baroness Ashton. The Spanish Government has done nothing to dispel rumours that it will act in the same way. Meanwhile. The French Government has called an ad hoc meeting of certain select Foreign Ministers from the Union for the Mediterranean – from France, Spain and Egypt – in an attempt to set up a Secretariat General for the institution, thereby preempting any action by the new, post-Lisbon EU Foreign Policy authorities.⁶

Perhaps most worryingly, there is little sign that national capitals will focus on effectiveness when implementing the treaty. Early debates over the new External Action Service reveal the way in which considerations of narrow national self interest will triumph over notions such as merit or efficiency. The larger member states have begun to argue forcibly that their officials should occupy key posts and make up the bulk of the new service; simultaneously, their smaller partners have expressed their disgruntlement at what they already perceive to be their marginalization in the foreign policy field. Estonian President Toomas Ilves pointed to the massive under-representation of new member states in the EU's existing diplomatic service (only one of the one hundred and fifty eight EU Embassies is headed by a diplomat from new member state).⁷ A heated fracas over who gets what is sure to mark the birth of this potentially crucial new institution.

Perhaps such tussles were to be expected. Yet even once they are resolved, there is little reason to suppose the EU, armed with its new institutions, will prove a more coherent and effective actor in world politics. Take the two new posts discussed above. The Permanent Chair of the European Council will have a role in external relations, with Van Rompuy 'at his level and in that capacity' tasked with ensuring the external representation of the Union on issues related to CFSP. Baroness Ashton is charged with implementing these policies.

Yet who seriously believes that the member states will tolerate being sidelined on sensitive or high profile foreign policy issues? Had the Russian invasion of Georgia taken place under the new treaty arrangements, would President Sarkozy (who effectively ignored Javier Solana during his shuttle diplomacy) really have taken a back seat? In the unlikely event that he would, could either Van Rumpuy or Ashton have done what the French President did in riding roughshod over the objections of Estonia, Latvia,



Lithuania and Poland - all of whom disapproved of his willingness to sign up to a ceasefire agreement which did not mention the inviolability of Georgian territorial integrity?

Even if member states really were prepared to allow others to represent them, the question remains as to who they would trust to do so. The rationale behind the creation of the post of High Representative was that it would serve as a bridge between the Council and the Commission. It is difficult to see how one individual could be expected to do this, given the internecine feuding that has characterized relations between the two institutions on matters of foreign and security policy. All the more so given that she will not have free rein. For all that the Chair of the European Council is meant to perform his representative functions 'without prejudice' to the powers of the High Representative, this still leaves significant scope for friction given the role of the latter in 'conducting' the CFSP. Early unease in national capitals about Ms Ashton's decision to maintain her office in the Berlaymont illustrate all too clearly the danger that member states might not fully trust a Commissioner to represent them on matters of Foreign and Security policy.⁸

And should they come to do so, this will have implications for the Commission itself. For one thing, any individual too closely associated with the member states might struggle to exert authority within that institution. Ashton will need good working relations with her colleagues because her effectiveness will depend in part on her ability to collaborate with those members of the College either directly (Development Policy, Enlargement and Neighbourhood Policy, Trade and Overseas Aid) or indirectly (Energy, Climate, Justice and Home Affairs), involved in shaping the Commission's policies towards the outside world.

More broadly, member states do not seem to have considered the implications for the delicate balance between EU institutions of placing of a Council representative within the College. It will be interesting to see the text of the oath of office taken by Commissioners under the second Barroso Commission. Members of the first solemnly undertook 'to be completely independent in the performance of [their] duties, in the general interest of the Communities; in the performance of these duties, neither to seek nor to take instructions from any government or from any other body.' Could Baroness Ashton really make such a pronouncement without keeping her fingers firmly crossed? What then of the sacred principle of Commission independence?

Apart from the organizational headaches that await her, there is also the question of how, practically, Ms Ashton will manage her various responsibilities.

Javier Solana earned a reputation as something of a globetrotting firefighter, clocking up an estimated 2.6 million air miles during his tenure. It will be interesting to see what gives as Ashton tries to combine this function with her various other duties such as chairing the Foreign Affairs Committee, attending meetings of the College, and chairing meetings of ministers on trade and development policies.

The picture is hardly more promising when it comes to security and defence. In the kind of leap of faith common amongst EU treaty writers, ESDP will become the Common Security and Defence Policy (CSDP) under Lisbon. Certain elements of the treaty merely incorporate into law what were already established practices. Thus, it institutionalizes the 'implementation of a mission' by a group of states so entrusted by the Council on behalf of the Union as a whole - a procedure that has already characterized several ESDP missions. Similarly, the European Defence Agency, created in July 2004, is now mentioned in the treaties for the first time.

More substantively, the treaty removes the block on enhanced cooperation being used for matters with defence or military implications.⁹ It also includes a provision for 'Permanent Structured Cooperation', open to all states that fulfill certain requirements in terms of capabilities. So far, so good. Yet, for all the hopes elicited by the creation of the European Defence Agency, it is hard to see how this institution can reasonably be expected to impose stringent conditions on member states wishing to participate in such schemes. Certainly, it is charged with contributing to the 'regular assessment of participating Member States' contributions with regard to capabilities,' and particularly so with regard to entry requirements for Permanent Structured Cooperation. Yet even leaving aside chronic problems of measurement, and the lack of comparable data on national defence spending,¹⁰ it is hard to see how any EU institution, particularly one whose Board is comprised of national defence ministers, would rule definitively against one of their number on such a sensitive issue.

Which brings us to the crux of the matter. For all the hype surrounding the Lisbon institutions, they alone cannot be expected to generate a qualitative leap in terms of the EU's foreign policy potential. After all, even if the Union enjoyed sufficient military capabilities, consensus between member states would be required before these could be deployed (Permanent Structured cooperation does not apply to operations).

And of course, the fact is such capabilities simply do not exist, as revealed all too clearly in a recent coruscating critique by the former Head of the EDA.¹¹ Creating them would require decisive - and potentially



expensive – action at the national level rather than new institutions in Brussels. Similarly, neither a Catherine Ashton nor a David Miliband, a Carl Bildt, nor even a Peter Mandelson could simply conjure, through strength of will, a unified EU position on Russia, China, or on the need to impose sanctions on Iran.

Member states need to work through the European Union if they are to enjoy an international role commensurate with their combined economic strength. Javier Solana was right to label as a ‘fantasy’ the ambitions of even larger European countries to play a meaningful independent role in world affairs.¹² For an inordinate amount of time, the unratified Lisbon treaty served as a useful alibi, allowing member states to ignore matters of substance and talk in glowing terms about the potential of a post-Lisbon Union.¹³ The danger now is that Catherine Ashton will serve as a replacement alibi, that she will become the scapegoat behind which member states can hide their own failures to live up to their lofty ambitions. For Lisbon really to enhance the ability of the EU to influence international politics, twenty seven national capitals must realize their responsibility to enable it to do so.

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Notes

¹The Lisbon Treaty: Implications for Future Relations Between the European Union and the United States,’ Assistant Secretary, Bureau of European and Eurasian Affairs, Statement before the Subcommittee on Europe of the House Foreign Affairs Committee, Washington DC, 15 December 2009, available at <http://www.state.gov/p/eur/rls/rm/2009/133583.htm>

²Euractiv 2 December 2009

³The Sunday Times, 15 November 2009

⁴The Guardian, 20 November 2009.

⁵Charlemagne blog 17 December 2009 http://www.economist.com/blogs/charlemagne/2009/12/can_brussels_cope_with_a_hobbe

⁶Agence Europe 16 December 2009

⁷EUObserver 15 December 2009

⁸For an interesting and perceptive discussion see Charlemagne, ‘Too Many Cooks,’ The Economist, 17 December 2009.

⁹The bar was in 27b TEU; article 1 22 of the Lisbon Treaty provides for a new Article 10 TEU which replaces article 27b without reproducing the latter’s bar on enhanced cooperation with military or defence implications

¹⁰Heisbourg, F. (2000) ‘Europe’s Strategic Ambitions: The Limits of Ambiguity’. *Survival*, Vol. 42, No. 2, p.pp. 4-15.

¹¹Witney, N. (2008) *Re-energising Europe’s Security and Defence Policy*.

¹²New York Times, 30 November 2009

¹³Philip Stephens, *Europe loses its Lisbon Hiding Place* Financial Times, 1 October 2009.

Why Lisbon Won’t Do the Trick

Tanja A. Börzel

At last! The Lisbon Treaty entered into force on 1 December 2009. This ends more than a decade of trial-and-error attempts to make the EU fit for the 21st century. What started as the endeavour to finish off with the leftovers of the Maastricht Treaty soon became a necessity to prepare the EU for the big bang enlargement. After the hopes for institutional reform got dashed in Nice for the first time, the member states set their aspirations even higher and called a Convention on the Future of Europe that should come up with nothing less than a European Constitution to improve democracy, transparency and efficiency in the EU. The Constitutional Treaty came close but was rejected by the French and the Dutch. While not rejecting Europe altogether, people have become increasingly frustrated with the current form of the European project.

Students of European integration disagreed whether this politicization is a good or bad thing (for opposing views see e.g. Moravcsik, 2006 and Follesdal and Hix, 2006). Politicians opted for trying to stuff the genie back into the bottle and resorted to the proven and tested IGC method. Behind closed doors, the German presidency sought to make the best of the institutional reforms the heads of states had agreed to in the Constitutional Treaty. Any constitutional language that might invoke the idea of European statehood was erased. Most of the core institutional reforms, however, could be saved: the Fundamental Rights Charta, the legal personality, the extension of qualified majority voting in the Council and the introduction of the double majority principle, the extension of the co-decision procedure, the reduced size of the



European Commission, the non-rotating presidency of the European Council, the High Representative for Foreign Affairs and Security Policy, the Diplomatic Service, to name just the important ones. All the major institutional changes the Constitutional Treaty had envisioned to maintain and enhance the internal and external action capacity of the EU-27+ were retrieved into the Lisbon Treaty. Yet, the EU claimed that the 'reform treaty' whose key issues had already been ratified by 18 member states, contained only functional rather than constitutional changes. As a result, only Ireland did not ratify the Lisbon Treaty in an exclusively parliamentary process.¹ The Irish had to vote twice, before the institutional make-over of the EU could finally be completed.

So, all is well that ends well? There seems to be a general feeling of relief, particularly among EU policy-makers. The re-elected president of the European Commission, José Manuel Barroso, vowed to put the new institutions to work to make (even) better policies that "meet the objectives of our peoples".² Yet, the Lisbon Treaty is unlikely to solve the legitimacy deficit that has haunted the EU ever since the Maastricht Treaty. Its reforms are not sufficient to remedy the declining problem-solving capacity of the EU nor do they provide an adequate response to the increasing politicization.

A Europe of Substance?

Barroso's pledge for a Europe of substance that delivers the policies that EU citizens need reflects the traditional 'Monnet method' of producing efficient policy achievements at the EU level that will win public support in the member states. The problem of this focus on output legitimacy is that the effectiveness of the EU system of multi-level governance is increasingly at stake since it does not have the power to perform important governance functions such as macroeconomic stabilization and redistribution (on the following see Börzel, 2010). The EU governs the largest market in the world. It has a comprehensive regulatory framework that has successfully prevented and corrected market failures. In (re-)distributive policy areas, however, the member states have not been willing to resort to supranational institutions in order to counteract politically undesired outcomes of the Single Market. At the same time, EU market integration impedes the member states in maintaining such functions. The Single Currency largely deprives the member states of their major instruments for national macroeconomic stabilization, while the Maastricht convergence criteria put serious constraints on state expenditures. Softer modes of governance are unlikely to respond to this "European problem-solving gap" (Scharpf, 2006: 855).

Attempts to use the Open Method of Coordination (OMC) for institutionalizing member state coordination in areas such as taxation of mobile capital, employment, or social policy, where the heterogeneity and political salience of member state preferences prohibit supranational forms of governance, are no remedy. They pale in light of the redistributive effects of supranational centralization in monetary policy, on the one hand, and political competition with regard to taxes and labour costs, on the other. The principle of mutual recognition only contains the progressive dismantling of national standards if it operates under the shadow of supranational hierarchy. This is particularly the case for highly politicized issues. Redistributive or normative conflicts are hard to solve without the possibility of resorting to authoritative decision-making.

The Lisbon Treaty does little to address the dilemma of European governance where 'soft' forms appear to require a shadow of supranational hierarchy to address policy problems, which the member states refuse to make subject to 'hard' supranational forms of governance in the first place. The institutional reforms may help to increase the effectiveness of EU policy-making in areas of what used to be the First Pillar. While the Lisbon Treaty formalizes the coordination of economic and employment policies of the member states, macroeconomic stabilization firmly remains in the realm of voluntary intergovernmental cooperation. What is even more important, the Lisbon Treaty does nothing to strengthen the tax and spending power of the EU. Its redistributive capacity is currently limited to less than two percent of the Gross Domestic Product (GDP) generated by all member states. With upcoming enlargements (Western Balkans), the redistributive capacity of the EU is likely to decrease rather than increase. The EU remains a "regulatory state" (Majone, 1994), which lacks the formal competence and the political capacity to generate growth, employment and solidarity. But this is what the peoples of Europe may expect, particularly since the economic crisis hit. The 'capacity-expectation gap' (Hill, 1993) the EU is facing in governing the Single Market renders it next to impossible for the EU to win back the permissive consensus of its citizens. On the contrary, it fuels the increasing politicization that undermines the EU's input legitimacy.

Contested Europe?

The 'reform circus' has effectively ended the "permissive consensus", which sustained European integration for the first four decades, turning it into what Gary Marks and Liesbet Hooghe have called a "constraining dissent" (Hooghe and Marks, 2008). While not rejecting Europe altogether, people have



become increasingly frustrated with the current form of the European project. The finalité politique of European integration has always been contested. But the French and the Dutch referenda shifted political contestation from elite dominated institutions of representative democracy (parties, interest groups) into the public sphere. This is not the place to discuss the drivers of this politicization (see Hooghe and Marks, 2008; Risse, 2010). If Hooghe and Marks are correct that attitudes towards European integration are shaped by identity issues rather than the left-right cleavage which largely structures the party systems in most EU member states, this has important implications for the democratic legitimacy of the EU. The conflict in public opinion between exclusive nationalism, on the one hand, and national identities that includes allegiance to Europe, on the other hand, has been used primarily by Euroskeptical parties. The result is politicization, which entails a shift from elite-driven interest group politics to mass politics. Mobilizing citizens certainly is an important step towards more democracy in the EU. However, their interests need to be aggregated and represented in the EU policy process. The traditional mass integration parties of the center-left and the center-right cannot politicize the identity-related cleavages for electoral purposes without antagonizing parts of their own core constituencies. As a result, they will shy away from politicizing European integration leaving this issue to the Euroskeptical populists. Thus, the more the finalité politique of European integration becomes politicized in domestic arenas, the more we expect populist parties on the fringes of either the left or the right to pick up the anti-European vote.

However, the current efforts by European elites to put the genie back into the bottle will inevitably fail (see Risse, 2010). In all likelihood, these efforts will result in even more “sleeping giants” (Franklin and Van der Eijk, 2006) waking up in the various member states. If the EU is not capable of addressing its peoples’ most pressing problems, populist parties (on either the right or the left fringes of the political spectrum) will exploit these failures for political purposes. If the mass integration parties in Europe want to regain lost ground in the battle over European integration, they have to live up to politicization. The way to do this and to gain ground in electoral battles would be to politicize Europe along the left/right cleavage: why should we not have public debates on the future of nuclear energy, more or less migration, or the liberalization of public services? The European Parliament does not reach far enough into the national public spheres to launch such debates in the member states. But national parliaments do. Most of them possess comprehensive participatory rights in EU affairs

(Raunio and O’Brennan, 2007). And the Lisbon Treaty expands the role of Member States’ parliaments in EU policy-making. Yet, national parliaments have made only timid use of their EU-related powers both at the domestic and the EU level. Not only do national parliamentarians often lack the capacity to keep track of the EU legislative process. They have little incentives to engage in EU politics as long as their re-election does not depend on how they position themselves towards key EU policies. But policy-makers could foster the salience of EU policies by informing citizens and by debating what is at stake before Brussels decides. If they continue on the de-politicization track, Euroskeptics will take care of European politics on the domestic levels. This will result in more difficult EU decision-making – and further erosion of EU legitimacy. In other words, a vicious cycle is likely, and the Lisbon Treaty can do nothing to prevent it.

To conclude, the Lisbon Treaty has not much to offer to address the legitimacy deficit the EU faces. The bad news is that this will probably have been the last major reform in years to come. It is hard to see how 27 member states and more will be able to agree on any deepening of European integration in the near future. The good news is that the legitimacy problems of the EU mostly reside at the national rather than the EU-level (see Schmidt, 2006). It is the national politicians that have to link EU policies with domestic politics. This does not require any institutional reforms. What is needed is a political culture that does not silence public debates on Europe but focuses them on policy-related questions of what kind of Europe we want.

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Notes

¹Eight member states held (Spain, Luxembourg) or intended to hold (UK, Czech Republic, Denmark, Ireland, Poland, Portugal) referenda on the Constitutional Treaty.

²10 October 2009, Warsaw - Speech by José Manuel Durão Barroso, President of the European Commission, at the Signature Ceremony for the Lisbon Treaty in Poland, http://www.europa-eu-un.org/articles/es/article_9081_es.htm, last access 30 December 2009.

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The Lisbon Treaty and Economic Policy

Michele Chang

When the financial crisis spread to Europe in the fall of 2008, the EU was not in a strong position institutionally to deal with a crisis of any kind. Almost a decade of negotiations and referenda yielded a treaty that did not pass muster with the Irish electorate in June 2008 and left the institutional future of the EU

uncertain. Nevertheless, under the leadership of the French presidency, the EU was able to (eventually) present a (relatively) united front and effectively deal with the crisis in the short-term. Now that the Lisbon Treaty is in force, what difference will it make to economic policy? Is the EU now better equipped to handle future crises or prevent them?

Most agree that having the Lisbon Treaty in place would not have made much of a difference in terms of the handling of the crisis, as it made relatively few changes in the realm of economic policy. Indeed, the purpose of the Lisbon Treaty was broader institutional reform rather than making sweeping changes in economic policy. The Lisbon Treaty instead aimed at revising the functioning of the EU in a way that could better accommodate its expanded membership, striving to give it more coherence internationally and internally. The Lisbon Treaty's reforms relating to economic policy are more organizational and symbolic rather than substantive. Nevertheless they can still have an important impact on the functioning of economic cooperation, depending on how the Member States choose to interpret and implement measures (for a more detailed account of the Lisbon Treaty's changes and implications for economic policy, see Frankal et al, 2007-8).

The European Central Bank was deliberately created as one of the most independent central banks in the world. The Lisbon Treaty lists the ECB among the Community's institutions, a change from the previous situation. There had been concern in some circles that this could somehow impinge on the bank's independence. However over the last decade the ECB has earned its reputation for independence and there are no new provisions in the treaty that weaken its power in this regard.

The Euro Group emerged as a compromise between France and Germany: the former desired a political counterweight to the independent ECB while the latter sought to protect the bank's independence and keep any such group politically weak. The result was this informal institution comprised of the economic and finance ministers of the countries participating in the euro area, a mini-Ecofin with no mandate and no formal powers. Prior to Ecofin meetings the Euro Group discusses issues of common concern and serves as an important forum for exchanging ideas and forging a consensus among members. The Eurogroup receives its first formal mention in the Lisbon Treaty, though decision-making power still rests with Ecofin. In effect, the informality of the group was formalized, and its "meetings shall take place...to discuss questions related to the specific responsibilities they share with regard to the single currency." Moreover the Lisbon Treaty



states that the group's goal is "to promote conditions for stronger economic growth in the European Union and, to that end, to develop ever-closer coordination of economic policies within the euro area" (Protocol on the Euro Group, Treaty of Lisbon). However the Euro Group does not receive any additional policy instruments or resources to help achieve that objective, so it remains up to the Member States to coordinate (or not) their economic policies. The lack of sufficient coordination had already been identified as preventing the euro area from achieving its full potential, something that became painfully obvious in the early stages of the financial crisis in 2008 when governments initially responded with national measures without consulting (or presumably even considering) the impact on other euro area countries.

The Lisbon Treaty contains nothing that would have changed this situation, had it been in force at the time. Economic policy coordination remains a shared competence: for example, the EU sets guidelines for employment policy, and the Council can then coordinate national economic and employment policies. The Lisbon Treaty does allow a vanguard of Member States to move forward on cooperation, broadening the possible extent of enhanced cooperation. A minimum of 9 Member States can cooperate more intensively, permitting the possibility of closer links in economic policy cooperation (including fiscal policy). While it allows for forward momentum, it also raises the possibility of a Europe à la carte that could change the nature of European integration by having countries pick and choose what they want to take part in and undermining solidarity.

Institutionally the treaty recognizes the election of a Euro Group permanent president (with a 2.5 year renewable term, the position holding a two-year term prior to the Lisbon Treaty). Jean-Claude Juncker (Prime Minister and Finance Minister of Luxembourg) has held this position since 2005. The Lisbon Treaty also notes the participation of the Commission and invitation of the ECB to its meetings (which had already been the case). Though it does not have formal decision-making powers, as the euro area expands it could easily become the de facto decision-making body if they were able to come to a common agreement in advance of the Ecofin meetings.

In terms of specific policy measures, the Lisbon Treaty offers fine-tuning rather than major changes. The run up to the 2005 reform of the Stability and Growth Pact led many to criticize the voting rules that allowed the Member State that was under consideration for breaking the rules to be able to vote for whether or not they should be subject to a reprimand and eventually a fine. The Lisbon Treaty rectifies this

situation by no longer allowing the Member State to have voting rights in such situations; they are only able to participate in the relevant discussions (Article 126.13)

The Commission acquires a larger role in the coordination of economic policy. Article 99 of the TEC allows the Council, on the basis of a Commission recommendation, to make recommendations to a Member State that is pursuing economic policies that conflict with the broad guidelines of economic policies established by the Council. The updated treaty also allows the Commission to directly address the Member State and issue a warning (Article 121.4).

In addition to these measures that are specifically directed towards economic policy, the Lisbon Treaty's other innovations also have implications. The changes that have received the most attention are the creation of a permanent president of the EU Council and a High Representative for Foreign Affairs and Security Policy. The latter in particular has repercussions for the external representation of the euro, in that another actor now has a claim to the title of "Mr/Ms Euro" in international fora, thus adding to the already impressive array of potential euro area representatives that include the Commissioner for Economic Affairs, the President of the European Central Bank, and the President of the Euro Group.

The move to co-decision as the normal legislative procedure gives the European Parliament more influence in areas critical to economic cooperation, including services, capital mobility, and intellectual property rights. Moreover several measures related to the SGP and the Broad Economic Policy Guidelines grant the EP more decision-making power (such as Article 121.6, which allows for the establishment of "detailed rules" via the ordinary legislative procedure for the multilateral surveillance procedure). This is in keeping with the interest in granting the EP more responsibility and more prestige, thus improving the democratic credentials of the EU more generally.

In summary the Lisbon Treaty offers the EU some fine-tuning when it comes to economic policy. It codifies some things that were already done in practice (such as the Euro Group meetings) and alters some decision-making procedures in ways that make them either more rational (like voting rules in determining excessive deficits) or democratic (the switch to ordinary legislative procedure). More than anything, however, the Lisbon Treaty reveals the reluctance of Member States to further sacrifice their sovereignty when it comes to economic policy-making. While monetary union has been regarded as successful, it falls short of the more optimistic expectations that it would vastly improve economic growth and convergence between



Member States. A decade after the introduction of the euro, Euro Group members already exhibited a striking degree of divergence and unwillingness to coordinate economic policy. The political capital to substantially expand EU powers into areas like economic and fiscal policy did not exist. Even after the financial crisis, the results of attempts at the coordination of financial regulation and supervision have yielded modest results. Despite the catalyst caused by the financial crisis (which did have other effects regarding economic and monetary policy coordination, in particular spurring greater interest in joining the euro area), Member States have not settled on a model that would be viewed as politically suitable for all. The Lisbon Treaty thus contains incremental changes that could allow for greater cooperation in the future, but no major shifts in the short- to medium-term.

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EUSA EU-Latin America Caribbean Interest Section

Between Wishful Thinking and Late Realism *Andrés Malamud*

"Who do I call if I want to call Latin America?" If Henry Kissinger had a point when he allegedly asked for the phone number of Europe, anyone who asked today the same question about Latin America would be twice as perceptive. Moreover, while the European Union has recently increased its participation in the phone book by adding two further numbers, Latin America is still hoping to inaugurate its first one. Indeed, there is no regional organization that brings together all the Latin American countries in exclusivity: the Organization of American States (OAS) includes Canada and the United States, the Ibero-American Community includes Andorra, Portugal and Spain, the Latin American Integration Association (ALADI) includes only twelve of the twenty Latin American States, the Union of South American Nations (UNASUR) reunites ten of them together with Guyana and Surinam, and the processes of sub-regional integration (MERCOSUR, the Andean Community, the Central American Integration System) are even less encompassing as regards membership. One potential exception stands out: the Rio Group, which numbers twenty-three members including all of Latin America and a few countries from the Caribbean. Yet, there is a caveat: this organization does not have a secretariat or permanent body, so if it had a number it could only be a cell phone. So much for Latin America as a regional organization. But so, how could Latin America be an international actor?

Metternich once famously defined Italy as a geographic expression. By that he meant that the putative country lacked unity other than spatial contiguity. In contrast, Latin America is allegedly united by language, history and culture in addition to geography, so it would make sense to expect from it some kind of coherent international action. This is what the European Union may have anticipated when it called for the first EU-LAC summit in Rio de Janeiro in 1999, after which four others followed. However, Latin America is no closer to acquire a phone number today than it was ten years ago – and even less so if the Caribbean is counted into the region. This was clear from the beginning for some observers, but only recently has come home to the EU authorities. Hence, the EU has apparently decided to keep the routine of biannual bi-regional summits, but at the same time it has sped up several processes of negotiation of bilateral part-



nerships with individual Latin American countries. The most “strategic” of these agreements has been signed with the largest state in the region.

In May 2007 the EU recommended to launch a strategic partnership to further deepen its ties with Brazil. The first ever EU-Brazil Summit was held in Lisbon in July 2007, after the strong impulse of the Portuguese presidency of the European Council. This event had two consequences: on the one hand, it conferred Brazil the same status as other emerging world powers the EU had already signed strategic partnership agreements with, i.e. China, India, Russia and South Africa. On the other, it differentiated Brazil from the other Latin American countries and went against the proclaimed EU goals of bloc-to-bloc negotiations. Although the substance of the agreements left outside trade issues, which were to be dealt with directly with Mercosur, “central topics of the new partnership included effective multilateralism, climate change, sustainable energy, the fight against poverty, the Mercosur’s integration process and Latin America’s stability and prosperity.” According to the EU website, “[t]his new relationship places Brazil, the Mercosur region and South America high on the EU’s political map” (http://ec.europa.eu/external_relations/brazil/index_en.htm, retrieved 15/12/2009). However, most of Brazilian neighbors felt that they were left out of the map and that this move will damage regional integration further. The formal document issued by the Commission helps to understand this reaction:

Over the last years, Brazil has become an increasingly significant global player and emerged as a key interlocutor for the EU. However, until recently EU-Brazil dialogue has not been sufficiently exploited and carried out mainly through EU-Mercosur dialogue. Brazil will be the last “BRICS” to meet the EU in a Summit. The time has come to look at Brazil as a strategic partner as well as a major Latin American economic actor and regional leader. The first EU-Brazil Summit, will take place in Lisbon in July 2007, and will mark a turning point in EU-Brazil relations... Its emerging economic and political role brings new responsibilities for Brazil as a global leader. The proposed strategic partnership between Brazil and EU should help Brazil in exercising positive leadership globally and regionally and to engage with the EU in a global, strategic, substantial and open dialogue both bilaterally and in multilateral and regional fora... Over the last few years Brazil has emerged as a champion of the developing world in the UN and at the WTO... Brazil is a vital ally for the EU in addressing these and other challenges in international fora. A quasi-continent in its own right, Brazil’s demographic weight and economic development make it a natural leader in

South America and a key player in Latin America. Brazil is now actively pursuing this role in the Mercosur framework and is at the forefront of the drive to promote the Union of South American Nations (UNASUR)... Positive leadership of Brazil could move forward Mercosur negotiations.¹

Although the EU did certainly not intend to harm its relations with Mercosur, its pompous rhetoric had negative repercussions in the region. By calling Brazil a “regional leader”, “global leader”, “champion of the developing world”, “a quasi-continent in its own right”, and “a natural leader in South America”, it impaired both its own position and the Brazilian stand vis-à-vis other South American countries.

Brazil is definitely a world giant. The fifth country by area and population and the eighth by the economy, it is however the only one of its class. Unlike the other BRICs (Russia, India and China), it does not have – nor aspires to have – nuclear weapons. It enjoys internationally agreed borders and a relatively peaceful historical record since the end of the XIX century. And unlike the Hispanic American countries, it has never split up, its political transitions have been mostly mild – from empire to republic and from dictatorship to democracy alike – and its domestic affairs are processed through negotiation rather than confrontation. The European Union fits twice into its territory and its 200 million people make of it a “monster country”, in George Kennan’s apt phrase. However in spite of its regional preeminence, Brazil has been so far unable to translate its structural and instrumental resources into effective leadership. Its potential followers have not aligned with its main foreign policy goals, such as a permanent seat in the Security Council, the quest for the WTO Director-General chair and its bid for presiding over the Inter-American Development Bank, and some have even challenged its regional influence. By playing the regional card to achieve global ends, Brazil ended up in an unexpected situation: while its regional leadership has grown in paper, it has been weakened in practice. Yet, its global recognition has widened. Today, Brazil is acknowledged as an emergent global actor by the world established powers, as the EU itself has shown. This means that now there is a phone number in Latin America – but it is not Latin America’s. The voice at the end of the line answers in Portuguese, a language foreign to nineteen of the twenty Latin American countries – and even more foreign if the thirteen Caribbean countries are considered. Not that culture or language is a hindrance to regional integration: it has not been so in Europe. By the same token, if it were as decisive an asset, the Arab world would be united today instead of ridden with conflict.



**Development Policy, the Treaty of Lisbon and the
EU's role in the International Arena**

Maurizio Carbone

The key issue is that the person answering phone calls from abroad does so in Portuguese not just because she is Brazilian, but because she is a Brazilian official. Latin America does not only lack a phone number: it also misses a regional bureaucracy and a budget, not to speak of such intangible elements as a flag, an anthem or a people.

The EU-LAC summits are not a bad idea: these kind of fora function as a meeting point for political learning, best practices diffusion, confidence building and public communication. Still, it should be kept in mind that this is a “one vis-à-vis none” (or, at best, many) relation and not a bi-regional arena. If the EU ever thought of performing the role of an external federator in Latin America, it had better think it over again. By picking some countries as strategic partners, it showed realism but spoiled its dream of cloning itself across the Atlantic.

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Notes

¹(Communication from the Commission to the Council and the European Parliament. Towards an EU-Brazil Strategic Partnership (COM(2007) 281), Brussels, 30 May 2007: http://ec.europa.eu/external_relations/brazil/docs/com07_281_en.pdf, retrieved 15/12/2009).

Introduction

Development policy in the European Union (EU) has gone under a number of substantial transformations since the early 2000s. This new era involves both the European Community (EC) programme – which has become more efficient and poverty-oriented at the cost of reduced partnership and ownership – and the attempt to ‘federalise’ the policies of the Member States – hence the adoption of the European Consensus on Development and the ambitious agenda on aid effectiveness.¹ In this paper, I argue that with the beginning of the new century, the EU has used development policy as part of its wider external relations agenda, in the attempt to find a role in the international arena and establish itself as a global power. By contrast, between the 1950s and the 1990s, EU development policy was conceived (and also studied) as an interaction between a donor and a recipient (or a group of recipients). This old approach, exemplified by the progressive Lomé Convention, gave the EU a distinctive place, but in the international development discourse. Its most celebrated features, though this applies only to EC development policy, were: a genuine partnership, a ‘contractual approach’ to structural adjustments, the insertion of a human rights clause in all development programmes. The Treaty of Lisbon broadly confirms the recent trends, with a more coherent yet more ‘politically’ driven EU external action. Development policy has in theory been strengthened, but the interpretation and implementation of the new provisions – particularly the potential subordination of development to foreign policy objectives – has raised concerns among practitioners.

EC development policy: more Europe, less partnership?

Traditionally, analysts of EU development policy provide assessments of the relations between the EC and different development regions. Of course, the relations with the African, Caribbean and Pacific (ACP) group have found a privileged space in scholarly analyses, while other developing areas have generally been less studied. The attempt I have made in my work is to take a longitudinal approach, identifying some distinct phases in the evolution of development policy since the Treaty of Rome (see Carbone, 2007).



In a first phase (from the late 1950s to the mid-1980s), EC development policy was limited in both geographical and policy scopes, but was very progressive. The Lomé Convention, at least in its first decade, was considered a 'high water mark' for developing countries, not only for the generous aid and trade packages, but also because decisions were taken together by the EU and the ACP group, with the support of joint institutions. Relations with other developing regions during this period were minimal, though in the early 1970s the EU launched a Generalised System of Preferences (GSP) to give trade preferences to non-ACP developing countries. Between the late 1980s and the late 1990s, EC development policy broadened both in terms of geographical and policy scopes. Following the Treaty of Maastricht and the first steps towards a common foreign and security policy (CFSP), the EU sought to become an influential global actor. Its increased involvement in all regions of the developing world, however, meant that ACP countries (especially those in Africa) became relatively less important. At the same time, the EU complied with the existing international consensus, mainly following trends established by the Bretton Woods Institutions and the WTO. In line with the dominant Washington consensus, economic (first) and political (later) conditions were attached to the disbursement of aid. Moreover, the non-reciprocal trade regime with the ACP came under pressure because it was considered incompatible with WTO rules. In this decade, in sum, development policy started to be seen within the overall EU external agenda, though a well defined vision (not to mention identity) had yet not developed (Arts and Dickson, 2004; Söderbaum and Stålgren).

Since the early 2000s the EU has entered a completely new stage. Its programme has become more poverty-oriented and more efficient, but at the same time it has incorporated new concerns reflecting its own interests, most notably in the areas of trade, security and migration. The Cotonou Agreement, signed in June 2000, introduced a number of fundamental changes to the Lomé acquis. On the one hand, it changed the aid and trade regimes. Aid allocation was made conditional not only on needs but also on performance through a system of rolling programming on the basis of jointly agreed country strategy papers (CSPs). New free trade agreements, the so-called economic partnership agreements (EPAs), were meant to replace the previous preferential trade regime by January 2008 – though by the agreed deadline only the Caribbean and Pacific region managed to sign interim agreements. On the other hand, the political dimension of the EU-ACP relations was significantly strengthened: new issues such as security,

arms trade, migration and, following the first revision in 2005, the fight against terrorism and the proliferation of weapons of mass destruction entered the EU development discourse. Similar trends towards a securitisation of development – of course the 9/11 events did play a role – have been experienced in the Mediterranean as well as in Central and South-East Asia. More significantly, empirical evidence coming from the negotiations of the 2002-2007 and 2008-2013 CSPs and of the EPAs show that the EU is very preoccupied with improving its development image and pursuing a coherent external policy, rather than addressing the Millennium Development Goals (MDGs) and increasing ownership. In the case of the CSPs, the EU has concentrated on delivering aid fast and on coordinating with the Member States – this is laudable, but the cost has been the failure to successfully engage with recipients and address local needs. In the case of the EPAs, DG Trade, which has acted as the leading actor in the negotiations, has emphasized trade liberalization to the detriment of the development aspect of trade. Unsurprisingly, various African leaders have publicly complained that their views had not been taken into consideration and the EU had attempted to impose its economic development models on what should have been its 'partners'.

Towards full aid integration?

Development policy in the EU, though analysts often tend to make this mistake, does not involve only the programme managed at the EC level. A number of efforts have been made to foster coordination and complementarity between the policies managed by the European Commission and those managed by the Member States. These efforts started with the negotiations of the Treaty of Rome, when the proposal for a 'common' development policy was taken into account (similarly to what was decided for trade and agriculture). The full communitization of aid did not happen, and the then six Member States simply transferred some money to the supranational level. Aid integration did not appear in the EU policy agenda in the following three decades, mostly due to disagreements among the various Member States, including resistance coming from national aid bureaucracies. The Treaty of Maastricht (1993) was meant to represent a watershed in that it institutionalised the principles of complementarity and coordination, as well as coherence (the so-called 3Cs), but the rhetoric did not match the reality. Limited progress, if any, was made on these issues up to the early 2000s, due to the territorial and ideological clashes within the European Commission and the weak constituency of development vis-à-vis other policies in the Member States (Holland, 2002).



Some unexpected changes occurred at the beginning of the 2000s. The joint commitment to boost foreign aid – made by all Member States first in March 2002 and then in May 2005 – were complemented by an ambitious agenda on aid effectiveness, with the aim to deliver aid better and faster (Orbie, 2008). In this sense, it should be pointed out how discussions on aid coordination in the EU context, contrary to what is generally believed, played an instrumental role in the road towards the 2005 Paris Declaration on Aid Effectiveness. Probably the most renowned achievement of these years is the European Consensus on Development (2005), which for the time ever provided a policy platform setting out common objectives and principles of development cooperation for the whole EU. The European Consensus on Development stressed the EU seeks to promote a number of general norms – those identified by Manners in his work on normative power Europe, including effective multilateralism – as well other development related norms – such as participation, political dialogue, partnership and ownership. A last minute decision to exclude from the initial proposal made by the European Commission a common implementing framework – because of the resistance of the United Kingdom and the Nordic countries – reappeared two years later in the form of a Code of Conduct on Complementarity and Division of Labour. This called on Member States to concentrate their activities in a limited number of countries and to focus activities on no more than three sectors per developing country. All these decisions, most importantly, had to be agreed in dialogue with their EU peers. With all these initiatives, the EU acting as a single development actor was certainly attempting to promote aid effectiveness – by avoiding overlapping between 27+1 aid programmes – but at the same time was trying to strengthen its profile in international politics. The targets, though not mentioned in official papers, were the US and the World Bank, whose development paradigms were dominating in international fora.

But development policy is not only about public money transferred from the North to the South. Several policies that have a direct impact on developing countries can be made coherent with foreign aid to promote the interests and needs of the developing countries. In light with these views, in 2005 the European Commission launched an ambitious programme on policy coherence for development (PCD), eventually endorsed by the Council. When this agenda was launched, it was celebrated as a major achievement for the EU, succeeding where other international organisations had failed (Carbone, 2009). However, various reports, including two produced by the European Commission itself in 2007 and 2009, have shown that despite the

increased number of policy mechanisms difficulties encountered at the national level often spill over to the EU level and are sometimes self-reinforcing. Of course, making policies coherent is not an easy task for several reasons, the most important of which is the fact that the policy-making process is compartmentalised, involving various policy sub-systems, each with its own logic reflecting different interests, perceptions and values – not to mention the complex EU institutional structure. Nevertheless, while the intentions were good, the interviews I have conducted with policy makers in Brussels seem to suggest that the PCD agenda was embraced by the development community in anticipation of failures in the coordination of foreign aid, thus (temporarily) shifting responsibilities from development to other policy areas.

All these issue lead to an interesting debate, that is the extent to which the EU is a leader or a follower in international development. I argue that since the beginning of the 2000s the European Union, particularly when it has been able to act as a single development actor, has significantly shaped the pace of international development. In fact, the decisions to boost aid volumes, the efforts towards better aid coordination, the bold commitments on policy coherence for development, show that the EU may have imported these ideas from somewhere else, but by making clear choices it has considerably conditioned the behaviour of other international actors. The test of the EU's loft ambitious – not only on PCD, but also on the implementation of the Code of Conduct – have so far produced mixed results, but the level of the changes introduced over the past few years has been sensational, so it may take some time to change well established practises.

The implications of Lisbon

The entry into force of the Treaty of Lisbon in December 2009 has brought a number of significant changes to the EU's external relations, including development policy. At a more general level, in addition to the new President of the European Council, which will ensure continuity of policy priorities beyond presidencies, the creation of the new post of High Representative (HR) for Foreign Affairs and Security Policy (FASP) and the European External Action Service (EEAS) will reinforce the overall consistency of the EU's action in the international arena. The double-hat HR – in fact Catherine Ashton chairs the new Foreign Affairs Council and at the same time is the Vice-President of the European Commission – should improve coherence between the intergovernmental FASP and the supranational external relations. In fulfilling her mandate, she should receive support from the EAAS,



made up of officials coming from the Member States, the Council Secretariat, and the European Commission, which will also provide staff for the EU Delegations in third countries. Development policy becomes one of the EU's areas of external actions and for the first time development and the eradication of poverty are mentioned among the EU's overall objectives in its external action.

At a more specific level, the Treaty of Lisbon, whilst confirming most of the existing provisions in a separate section devoted solely to development policy, introduces some important changes. First, it sets out that fighting poverty is the central goal of the EU's development policy: "Union development cooperation policy shall have as its primary objective the reduction and, in the long term, the eradication of poverty". This represents a significant change from the past, which mentioned 'sustainable development', 'smooth and gradual integration into the world economy' and 'the campaign against world poverty' as key objectives. Second, the notion of policy coherence for development remains practically unchanged: this implies that PCD applies to both external and internal policies. Third, the principles of complementarity and coordination have been strengthened. While previously EC development policy had to complement national development policies, now the two aspects of EU development policy 'complement and reinforce each other'. The European Commission still remains in charge of promoting coordination (Koebe, 2008).

The new institutional framework and the vagueness of some provisions have generated mixed feelings among practitioners. On the one hand, some have pointed that development cooperation has certainly been strengthened by the Lisbon Treaty. Keeping it under a separate section has been perceived as a significant achievement. Further deconcentration, with new responsibilities delegated to the Delegations, will have a positive effect on the implementation of programmes – though the heads of the development cooperation sections may need to fight for relevance and resources. On the other hand, some have warned against a potential sidelining of development, with funding being instrumentalised to pursue foreign policy objectives. Another fear concerns the weight of the development Commissioner vis-à-vis the High Representative. In the new Barroso Commission, interestingly, the post of development Commissioner – now separated from humanitarian aid – has been assigned to the Latvian Andris Piebalgs, who comes from a Member State with relatively little experience on development cooperation. Finally, some have raised concerns about the impact of the extended competence that the European Commission has acquired on trade policy, particularly

in light of its bullying practices in the negotiations of the EPAs.²

Conclusion

The changes of the 2000s have had an impact on the nature of EU development policy, the role of the EU in the international arena, and the international development agenda. First, significant emphasis has been placed on efficiency and coherence in external relations over participation and ownership, thus altering the nature of the relations between the EU and the developing world. Moreover, the conclusion and implementation of the Cotonou Agreement show that policy space for developing countries has been considerably reduced. Second, the will to project a 'European vision of development' through the European Consensus on Development and the new agenda on aid effectiveness is not only an attempt to make aid work better but is consistent with the EU's overall agenda in external relations, that is to establish itself as a global power. Third, changes made in the EU have remarkable implications for international development more broadly. In fact, not only is the EU the largest aid donor in the world, but also a number of policies that have a direct impact on developing countries (e.g. trade, agriculture, fisheries) are negotiated and decided in Brussels. With the policy coherence for development agenda, the EU has so far achieved less than it had expected, and not only because of the boycott of the non-development communities at the national level.

It should be by now clear the real added value of EU development policy – a number of scholars and practitioners had questioned this – is not linked to its 'global presence', but to its role in the promotion of policy coherence for development and aid coordination among the Member States and the European Commission. In this sense, since the early 2000s, Member States have manifested a change of attitude and seem now better prepared to act in a more coordinated fashion. More generally, the past decade has shown that development policy offers a significant example of the role that EU aspires to play in the international arena. The Lisbon Treaty represents an important step forward for development cooperation by making poverty eradication the central aim of development policy and strengthening the principles of policy coherence and requiring that Member States' and EC development policies complement and reinforce each other. However, the space for an autonomous development policy in the new institutional settings may be at risk, with a further potential politicisation of development cooperation and instrumentalisation of development funds for foreign policy objectives.

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Notes

¹For the sake of clarity, the term ‘EC aid’ or ‘European Community Aid’ refers only to the programme managed by the European Commission, thus excluding bilateral aid from individual Member States. The term ‘EU aid’ includes both EC aid and the bilateral aid managed and disbursed by the 27 Member States

²It should be also noted that any reference ACP, in place since the Treaty of Maastricht, has been removed from the Treaty of Lisbon. The ‘Declaration on the European Development Fund’, stipulating that the EDF should be outside the EU budget, has also disappeared. This however does not mean that Member States will now support the ‘budgetization’ of the EFD, as requested by the European Parliament and, more recently, the European Commission.

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EUSA EU Public Opinion and Participation Interest Section

Ireland votes ‘No’, then ‘Yes’, once more: The Lisbon Treaty Referenda *Maurits van der Veen*

On October 2, 2009, Irish voters approved the Lisbon Treaty in their country’s second referendum on the Lisbon Treaty. Turnout was 59.00%, with 67.13% in favor, compared to 32.87% against. In approving the Treaty, Irish voters gained the unique distinction of having twice first rejected and subsequently approved the same European integration treaty in successive referenda. They did so first with the Nice Treaty in 2001 and 2002, and now with the Lisbon Treaty in 2008 and 2009. This raises two important questions: could this second referendum crisis have been prevented, and was the final outcome ever in doubt? Or, to put it differently: How much did the two referendum campaigns matter? In this article, I will suggest that the answer is: not too much, and certainly less than most accounts imply.

In her recent book about EU referenda, *Europe in Question*, Sara Hobolt develops a spatial voting model which highlights the significance not only of the text to be voted on, but also of the reversion point associated with a failed referendum. Voters may choose differently on the same treaty if their beliefs about the implications of rejecting that treaty change, even when the treaty text itself remains unchanged (2009). Hobolt’s study of the Irish referenda on the Nice Treaty suggests that a poorly run ‘Yes’ campaign combined with an active ‘No’ campaign generated considerable uncertainty among voters which, she argues, reduced the perceived utility of the Treaty. At the same time, voters believed that a ‘No’ vote would have few consequences. As a result, the rejection of the Treaty in 2001 — and the low referendum turnout — is not surprising. In 2002, a more active ‘Yes’ campaign — and one which placed far greater emphasis on the consequences of a ‘No’ — prior to the second referendum appears to have been the main cause of a changed outcome (2009, pp. 188-195).

Analysts have told similar stories regarding the Lisbon Treaty referenda. Much has been made in the media of the lackluster quality of the “Yes” campaign leading up to the first referendum, especially when compared to a highly energetic “No” campaign, which saw the rise to prominence of Declan Ganley’s *Libertas* organization. (O’Brennan, 2009). Moreover, a general sense of disillusionment with Irish party politics undoubtedly made voters less likely to accept the cues offered by the political elite (more than 90%



of the members of Parliament supported the Treaty) and more likely to believe some of the misinformation spread by various 'No' groups: that Ireland's neutrality was at risk, education and healthcare would be privatized, etc. (Chari, 2008). As had been the case with the Nice Treaty referenda, the run-up to the second referendum saw a more energized 'Yes' campaign, a less united 'No' campaign — without the involvement of Ganley until three weeks before the end — and a far greater emphasis on the negative consequences of a 'No' for Ireland (de Bréadún, 2009).

Such an account suggests that campaign dynamics were decisive: the crisis could have been avoided through better campaigning the first time around, and the final result changed only because a better campaign was mounted the second time. Upon closer inspection, however, the campaigns appear less crucial. Instead, changing economic circumstances drove both outcomes. As Noel Whelan wrote in the Irish Times after the second referendum:

No one should be fooled that this is reflective of an upsurge in Irish love for Europe or enthusiasm for the treaty. This swing was all about the changed economic context. If, out of hubris, the Irish electorate felt they had the luxury of voting No to the treaty in June 2008, they have now out of economic desperation decided this time they had no option but to vote Yes." (Whelan, 2009)

In the next section, I argue that "the luxury of voting No" mischaracterizes the first referendum result. In fact, even the first referendum outcome was shaped by the looming economic crisis.

The 2008 Referendum: Clinging to the Present¹

The turnout for both Lisbon referenda was well above the levels one would expect if the Lisbon crisis were largely a replay of the Nice crisis. Both Treaties were quite complex, and in both cases voters complained about the lack of clear information regarding the contents of the Treaty. Hobolt's model predicts that uncertainty about the contents of the Treaty is likely to increase the 'No' vote as well as reduce turnout. Data from the first Nice Treaty support these predictions (2009, pp. 188-195). Turnout for both Lisbon referenda however, was measurably higher than that for the two Nice referenda: 53.1% (Lisbon I) and 59.0% (Lisbon II) vs. 34.8% (Nice I) and 49.5% (Nice II). Unless uncertainty about the Treaty suddenly affected vote choice much more than turnout, which seems unlikely, this suggests that lack of information about the Treaty was less of a factor in the failed first referendum than some accounts have argued.

In fact, opinions about the EU overall were less

of a factor than one might expect. The Irish public is strongly supportive of European integration in general. In the post-referendum Flash EB, 87% of all respondents supported Ireland's membership in the EU. Not surprisingly, the figure for 'Yes' voters was higher (98%) than that for 'No' voters (80%); nevertheless, it is clear that the vote choice of the latter was not driven by a strong euro-skepticism. Moreover, the survey indicated that both camps largely agreed on the implications of Ireland's 'No' vote for the EU and for Ireland's membership therein: only 13% of 'No' voters and 10% of 'Yes' voters felt that the 'No' vote meant Ireland was on its way out of the EU, and both groups were about evenly divided on the statement that "the NO vote will block a more federal Europe".

However, the two camps did differ considerably in their perception of the reversion point. Three quarters (76%) of 'No' voters believed that the outcome would "allow the Irish government to renegotiate exceptions for Ireland", whereas only 38% of 'Yes' voters believed the same. In addition, 59% of 'No' voters believed that the present (i.e. pre-Lisbon) Treaty would be maintained after the failed referendum, whereas just 39% of 'Yes' voters thought this likely. 'No' voters were also much more likely to believe that Ireland's position in the EU would be strengthened as a result of the referendum outcome (39% versus 18%) and, conversely, much less likely to believe that Ireland's position would be weakened (24% versus 64%).

This confidence among 'No' voters that renegotiation was feasible, and would result in a better outcome for their country, is familiar from the failed French and Dutch referenda on the Constitutional Treaty three years earlier. At the time, 66% of Dutch citizens (71% of 'No' voters and 55% of 'Yes' voters) agreed that the failed referendum would allow for a renegotiation "in order to better defend the interests of the Netherlands," and 59% of French citizens (80% of 'No' voters and 27% of 'Yes' voters) believed the same regarding the interests of France.² Those campaigning against the Lisbon Treaty in Ireland almost universally argued that the Treaty was essentially identical to the Constitutional Treaty. Since negotiating the Lisbon Treaty had nevertheless been rather difficult, the belief among Irish 'No' voters that another renegotiation was both feasible and likely to result in a meaningful improvement for Ireland suggests a willful ignorance on their part.

In fact, as one observer noted after the first Lisbon Treaty referendum, "the result speaks... of a desperate desire for things to continue as they have been" (O'Toole, 2008). This desire appears to have been driven less by concerns about the implications of the Lisbon Treaty for the future development of the



EU — on which, as we have seen, ‘Yes’ and ‘No’ voters did not differ much — than by fears about the state of the Irish economy. Undoubtedly the ‘No’ campaign, in playing up some of these fears, had an impact. But uncertainty about the future, amidst a gathering global economic storm, may well have sufficed to doom the first referendum from the start. Turnout figures support this supposition: if voters were simply uncertain about the implications of the Treaty, turnout would likely have been low, as noted earlier. The high turnout, combined with the high proportion of ‘No’ voters who claim to believe in a successful renegotiation, indicates a desire for things not to change, in a global context where change for the worse loomed on the horizon. Irish ‘No’ voters were clinging to the present, perhaps even desperately so.

The 2009 Referendum: Looking for a Safe Haven

By the time the second referendum campaign began, one year after the first referendum, the global economic crisis had hit in earnest, with Ireland one of the most affected countries. The change was already brewing at the time of the first referendum; the Irish stock index (ISEQ), for example, began to trend down in May 2008. By July, a month after the referendum, the government projected a massive budget shortfall, and in August, unemployment rose to the highest level in a decade (“An Emergency Budget — It’s Time for Leadership, Not Politics,” 2008). By January, it had risen further to the highest monthly level since record-keeping began in 1967. At the same time, the European Union looked even more important than it previously had. Irish voters had only to examine Iceland’s experiences in the Fall of 2008 to realize that things might well have been worse outside the embrace of the EU (and the euro). This was all the information they needed, and rendered the campaign almost moot.

Indeed, turnout jumped far less between the first and second referendum than it had between the two Nice Treaty referenda (from 53.1 to 59.0, and from 34.8 to 49.5, respectively). This already indicates that the second campaign did not make as much of a difference as it had in the case of the Nice Treaty. Moreover, whereas the media coverage of the Nice II campaign had been far more extensive than that for Nice I, the coverage for Lisbon II was less salient than that for the first Lisbon referendum.³ Also telling is the point in time at which most citizens decided their vote. About 70% of those surveyed after October 2nd had made up their minds by the start of the second campaign. A year earlier, in contrast, the same proportion of survey respondents had not decided on their final vote until the last few weeks of the referendum campaign.

Survey respondents — especially those who

voted ‘No’ — did complain about insufficient information after both referenda. Here too, however, the pattern is suggestive. Three possible answers captured different aspects of the problem: respondents could state that they felt insufficiently informed/aware of 1) the issues at stake, 2) the content of the treaty, and/or 3) the issues raised by the referendum. As one might expect, an additional year of media coverage, plus a full second campaign, reduced the frequency with which respondents offered each of these answers. However, the decline for the first and third answers was considerably greater (down 12.8 and 13.4 percentage points respectively) than that for the second (down just 5 percentage points). The issues at stake had become much clearer, even if the Treaty itself remained opaque. In other words, changed perceptions of the reversion point were key, not increased information about the Treaty.

Finally, we can turn to the reasons voters gave for their choices. Compared to the first referendum, fewer ‘Yes’ voters saw the Treaty as serving the best interest of Ireland (56.9% in 2008, 44% in 2009), and the proportion that considered it important to keep Ireland fully engaged in Europe remained more or less the same (16.3% in 2008, 15.4% in 2009). If a better campaign had produced more clarity about the Treaty and thus produced a ‘Yes’ vote, as many accounts argue, we would expect those figures to look rather different. On the other hand, the proportion of respondents who believed a ‘Yes’ vote would help the Irish economy more than doubled from 14.9% to 38.1%. Once more, the changed fortunes of the Irish economy appear to have been decisive.

A similar pattern emerges among those who changed their vote from a ‘No’ in the first referendum to a ‘Yes’ in the second. Few of these voters expressed changed opinions on whether the Treaty was good or bad for Ireland, whether the EU had been good for Ireland, or whether the Treaty was good for the EU. However, fully a quarter of them indicated that helping the Irish economy in this recession was a factor.⁴ As the official survey report concludes: “protecting Ireland’s national economic interest was the main reason why citizens changed their votes in favor of the Treaty” (Gallup Organization, 2009, p. 20).

None of this is intended to suggest that the referendum campaigns were irrelevant. As noted, fewer respondents complained about a lack of information after the second referendum. Moreover, voters had strong opinions about which campaign they found more convincing: in 2008, 67% of voters felt the ‘No’ campaign was more convincing, compared to just 15% for the ‘Yes’ campaign. In 2009 the figures were almost exactly reversed: 18% and 67%, respectively.



(Of course, this need not imply that either campaign changed anybody's mind.) My central point is that the referendum campaigns appear to have had less of an impact than most accounts suggest. This raises some intriguing issues for the study of EU referenda more generally. The raw data of the October 2009 post-referendum Flash EB remain under embargo, but it will be worth analyzing the responses in more detail once they become available. The logical starting point is the model presented in Hobolt's excellent *Europe in Question*; as I have tried to suggest here, however, some additions or modifications may be necessary.

Maurits van der Veen, University of Georgia

Notes

¹Unless otherwise noted, survey results in the remainder of this article are drawn from the two post-referendum Flash Eurobarometer surveys: nr. 245 in June 2008 (Gallup Organization, 2008) and nr. 284 in October 2009 (Gallup Organization, 2009).

²Data from Flash EB 172 and 171, respectively.

³To give one very simple statistic: the search term "Lisbon Treaty" produces 813 hits in the archive of Irish Times for the three months prior to the first referendum, whereas it produces 693 hits (15% fewer) for the three months prior to the second referendum. The pattern for "Nice Treaty" in 2001 and 2002 is the opposite: the three months prior to the second referendum saw nearly 75% more hits (589 compared to 338).

⁴In fact, the official survey report claims the figure is as high as 46% (Gallup Organization, 2009, p. 20), and the analogous figure for those who changed from not voting to voting 'Yes' 40%. However, these data appear to be at odds with the tables later in the report (2009, pp. 65-66).

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Teaching EU History *George J. Sheridan, Jr.*

Introducing students to the European Union is a challenging enterprise. This I have learned in teaching a course at the University of Oregon in the European Studies program, designed for a student body with little or no background in the European Union. The course, titled “European Union History,” takes an historical approach to the topic, reflecting my own trajectory of expertise that began with the teaching of European economic history and, since the early 1990s, has focused on contemporary Europe. The reflections in the present essay convey some of the main impressions derived from this experience. Admittedly, these observations will apply more closely to a pedagogy having generalist aims than fostering disciplinary expertise.

The challenges of the enterprise are mainly two. The first shares with the teaching of any new subject, regardless of discipline and topic, the necessity to generate rather quickly a knowledge and understanding of basic frameworks, information, and concepts without which discussion of large issues, significant relationships, and broader interpretations is limited at best. For the study of the European Union, this means a basic literacy of the terminology, the conceptual handles, the historical landmarks, and the institutional frameworks of European integration. The historical elements require, additionally, conveying an acquaintance with historical actors, events, and contexts entirely or largely unfamiliar to most students. Transmitting this kind of elementary factual knowledge is a challenge in all history teaching, and teachers of history must learn the art of doing so with an eye to both the essential (that is, the art of avoiding cumbersome detail and overwrought explanation) and the nuanced (that is, judicious insertion of detail and refinement of explanation to curve an account that might initially come across as linear).

There is a second type of challenge in teaching European integration history that distinguishes this teaching from that of most other historical topics. This is keeping the subject interesting, engaging students’ attention and interest while communicating a basic knowledge of the subject area. The challenge is augmented by the hard-to-deny fact that, apart from certain dramatic events in EC/EU history that lend themselves to arresting narrative, many of the important

features of the EC/EU story are either inherently uninteresting to relate or require laborious and tedious preliminary background. Interest in such topics rises, it is true, as one becomes more EC/EU literate, and as the capacity for conceptualization and analysis become progressively possible. At that point ideas and arguments can “trump” the potentially deadening effect of institutional facts and policy details. But this requires a rather high order of learning discipline and deferred satisfaction that are not readily encountered among young (and many not so young) learners today. The challenge here concerns less the choice of content, for the latter is to a large extent given by the subject, than finding a way to involve the student in the generation of that content. This calls for a participatory type of learning that ideally models, to whatever degree is practical, the experience of encountering issues within the EU itself.

Literacy and Knowledge: Constructing the EU Historically

The task of building a foundation of knowledge of EU fundamentals breaks down into three main steps in EU literacy: landmark treaties, major policy initiatives, and EU institutions. In a course having a primarily historical orientation, these objects are the main constituents of the developing story of European integration since the end of World War II. To the extent possible, the essential contours and provisions of each object, and the complexity surrounding each one’s origins, architecture, and interpretation, are made part of that story, or are at least elaborated parallel to the telling of the historical account in which the object was a main consideration. This means including a certain density of presentation and explanation of high priority topics, beyond that required by the basic historical narrative, with the aim of providing a more concentrated policy focus later in the course. Integrated with such exposition of specific topics are certain self-contained historical narratives that have interest apart from this latter goal. Such narratives introduce key actors and events, include discussion of relevant context for explanation of particular actions and occurrences, and, in some instances, exhibit drama.

The framework that I have employed for undertaking this task is largely chronological. The following topics are treated in order: origins of European integration (1945-1952), origins and creation of the European Common Market from the European Coal and Steel Community (ECSC) to the European Economic Community (EEC) (1952-1958), the early Common Market and the de Gaulle era (1958-1969), the period of Eurosclerosis (early 1970s – mid 1980s), the Single European Act (early Delors presidency to around



1988), origins and the creation of the European Union (1988-1993), and the evolution of the European Union since 1993. Within this chronological framework each of the landmark treaties is presented as the particular outcome of an historical process of issues, actors, and events, and also with attention to the major provisions of each treaty. The treaties are the familiar ones: the Treaty of Paris establishing the ECSC (1951), the Treaties of Rome creating the EEC and Euratom (1957), the Single European Act (1986), the Treaty on European Union (TEU) creating the European Union (1992), and the text that began in the Convention on the Future of Europe and ended as the Lisbon Treaty (2007). The policy initiatives that lend themselves to most extended discussion in this overview are the customs union and the Common Agricultural Policy (CAP), the internal market, the single currency as the key robust provision of the Treaty on European Union, and enlargement as both part of a long-term process of building European community since the early 1970s and as a major transformative initiative following the Treaty on European Union. (Another possibility, which I have not used but which seems promising to draw students in, would be any of the several transatlantic trade dispute cases from the 1963 chicken war to GMOs, steel, and so on). Two initiatives associated with failures of integration are included in this account: the European Defense Community of the early 1950s, and the European Constitution defeated in two national referendums in 2005. One landmark achievement affecting subsequent progress towards an internal market is given attention as a major initiative, even though this was not a policy action in the same sense as the others. This is the ruling of the European Court of Justice on the Cassis de Dijon case (1979), establishing the principle of mutual recognition.

Introducing the institutional dimension of integration presents special opportunities as well as challenges in approaching integration as an historical process. The main opportunity lies in introducing institutions as tentative—experimental and contested—enterprises in each historical phase of the developing architecture of integration. Historically rendered, these are presented as subject to question and to repeated revision in the course of the Community/Union's moving towards ever more differentiated and "higher" levels of integration. This approach to institutions avoids a tendency to regard these as in some sense relatively fixed and full blown instruments of policy making and policy implementation. The historical approach thus readily communicates to students both the centrality and the malleability of the institutions of European integration. The challenge resides in articulating the complexity and ambiguity of the institutional picture,

which brings the teacher back to the difficulty of introducing any new historical topic, only here magnified; namely, how much institutional detail and explanation to provide at any given point in the historical account. The institutional dimension also offers the occasion, and in some instances the necessity, to engage larger theoretical issues with regard to European integration, such as federalism and supra-nationality. In one sense the task is simplified by associating certain major institutional creations and revisions with particular landmark treaties. For example, both the treaty creating the ECSC (Paris) and the treaty creating the European Common Market (Rome) lend themselves readily to overall presentations of the institutional framework of European integration, including the respective powers and membership of each institution and salient principles associated with the institutional framework adopted for each Community, such as the supranational bias of the ECSC. Another kind of opportunity is provided by discussion of certain landmark developments, such as the Cassis de Dijon decision as an occasion for elaborating on the role of the European Court of Justice as furthering integration through case law. Initiatives such as Community "summitry" in the early 1970s and the first direct elections of a European Parliament in 1979 serve respectively to introduce an additional institution of long-term importance, the European Council, and to elaborate on the challenge of fostering popular sovereignty in the Community and, eventually, in the Union. Both of these latter occurrences fit into a narrative dominated by the theme of "Eurosclerosis," as examples of efforts to transcend institutional immobilism and as exceptions to an otherwise prevalent Euro-pessimism.

An historical approach offers certain occasions where an engaging and multi-layered account of issues and events facilitates the introduction and analysis of institutional and policy topics. In these instances a kind of "high drama" associated with particular moments of transition or crisis sweetens the otherwise mundane task of cultivating EU literacy. I have found three such occasions especially fruitful for such purpose. One is the account of the origins of European integration in the immediate postwar years, culminating in the Schuman Declaration and the creation of the ECSC. The second concerns the "empty chair" crisis of the mid-1960s. The third addresses the renewal of integration commencing around the mid-1980s with the resolution of the budget crisis and the agreement to form an internal market by means of a case-by-case approach focusing on elimination of non-tariff barriers. The drama of renewal accelerates with the negotiation, the signing, and the turbulent ratification of the Maastricht Treaty in the early 1990s. Each of these



provides material for a richly contextualized narrative with key roles for imposing personalities, along with the opportunity to introduce or elaborate on major institutions or policies of broad significance for European Union affairs.

The origins narrative provides especially fertile ground for contextualizing and assimilating three different yet convergent strands of postwar European history: an economic and business history of reconstruction, a classic foreign policy history centered on the perennial “German question” sharpened by the French national interest, and an international history of Cold War origins and imperatives, in which American and German interests come together in the creation of a politically democratic and economically liberal West German federal state. The personalities involved in this drama are of the most engaging and even colorful kind: the French spirits manufacturer and war purchasing agent Jean Monnet, the ascetic and devout Lorrainer Robert Schuman, and the conservative Rhinelander Konrad Adenauer. The climax of the drama is nothing less than the initial modeling of a unique approach to building European community; namely, to quote one of the actors (Monnet 1978, p. 316), “the building of a new Europe through the concrete achievement of a supranational regime within a limited but controlling area of economic effort.”

The story of the “empty chair” crisis brings to center stage two other strong personalities whose clash of temperament and European vision generates a drama of near Shakespearean dimensions. Commission President Walter Hallstein and French President Charles de Gaulle articulate the deep, unresolved, and subsequently re-emerging, contest between the aspiration towards a supranational Europe, led by the Commission, and the reality of a member-state-dominated “Europe of the Fatherlands,” represented by the unanimously-governed Council of Ministers. While involving these fundamental issues of European governance, the clash brings to the fore key policy matters—the budget, CAP, the customs union—and highlights the significance of one the Community’s best proven formulas for success—prior agreement on and adherence to timelines. Vigorous personalities—Margaret Thatcher, François Mitterrand, Helmut Kohl—also take center stage in the rapid march from European Community to European Union, circa 1984 to 1993, but here in a drama, to pursue the analogy, of a “comedy” of “ever closer union” rather than the immobiliste “tragedy” of 1966. Each personality represents a critical phase or turning point in their respective national political histories, but positioned differently along the ideological spectrum. With the deft urging of a fourth personality, the “European” Jacques

Delors, and a pro-liberal international economic environment, these nonetheless find common cause in a bold new vision for a united Europe, despite their otherwise incompatible ideological vintages. The fall of the Berlin Wall and the re-unification of Germany heighten the drama, which concludes with the most ambitious sovereignty-abdicating agreement to date, the decision to adopt a single European currency and to subscribe to common macroeconomic policies to make that currency work. In these narratives there is no need to embellish or even to simplify policy details or issues of fundamental principle to maintain student interest. The scenarios are sufficiently engaging and intellectually absorbing to make the acquisition of EU literacy a delightful task.

Engaging the Individual Student: Learning by Doing

The appeal of intrinsically interesting narrative with arresting drama and flashy personality can only go so far as a way of “widening” and “deepening” students’ familiarity with EU issues and processes. The challenge of engaging student interest can be addressed more systematically. Ironically it is the abundance of EU documentary sources, the reading of most of which is a dreary prospect, which facilitates this undertaking. The approach I adopted for the “European Union History” course combines the historian’s fascination with “the sources” (meaning primary sources) with the policy-maker’s focus on concrete problems and practical solutions. I do this in two ways. Beginning at about the mid-point of the course, I divide the remainder into three weekly modules. These are devoted respectively to economic policy, social policy, and external relations. Each module has two components. One consists of my presentation of core topics in each policy area—big-picture bullet points, in effect. These include major theories as well as specific policies addressing core issues in the policy area. The approach is thematic and analytical rather than historical. The second component consists of student presentations of their individual research on particular policy topics in the relevant area, and interaction with other students in a small group forum to share the results of their research and to identify convergent themes. The research is undertaken as part of the independent project work for the course, and has certain mandated requirements in terms of use of original EC or EU sources. Students generate their own topics and undertake the research in a variety of source collections, such as the Bulletin of the European Union, the General Report on the Activities of the European Union, and specialized publications such as Eurobarometer. Priority is placed on research in these original sources,



with a very limited topical focus, rather than on investigating and analyzing policy issues through secondary sources. Each student thus becomes knowledgeable about that precise topic in her or his group, referencing the same materials as those generated and consulted by EU policy-makers themselves. The result, I have found, is a level of student engagement far beyond that generated by “book learning” alone. Especially impressive have been instances of creative searching and locating unanticipated documentation, and the enthusiastic contribution to student discussion that ensues.

Undertaking this kind of research requires a prior introduction to the sources themselves and, especially, to methods of using these for the kind of tasks students are asked to perform. Ideally this would involve a parallel workshop, or special sessions, taking place in the first half of the course centered on the actual processes by which EU documents are generated and published. The outcome of such a workshop would be a familiarity with the structure of the main sources and communicating certain tips and tools for searching these sources. Especially important is an understanding of EU legislation and of the respective roles of the three institutions primarily involved in law-making in the European Union: the European Commission, the European Parliament, and the Council of the European Union (the Council of Ministers). Through what is essentially a hands-on process that will culminate in an individual case study, students learn by doing the complex functioning of these three core institutions.

The individual student’s research task is aided in the course by a specially-designed course website that serves simultaneously as an elaborate syllabus, as an introduction to and overview of sources, and especially as a user-friendly window with links to online documentation, reference, and external websites that students can use in their independent research. In addition to ready access to EU documents in the Bulletin and General Report, for example, the website home page provides “Quick Links” to the EUROPA website, to the official website of the European Commission, to the A to Z Index of European Union Websites provided through the website of the European Commission Delegation to the United States, and to the University of Pittsburgh library’s EU reference and subject guides. Part of the class time in the initial weeks of the course is devoted to a “tour” of these sites, especially the very elaborate EUROPA website.

Instruction in EU documents and their corresponding legislative antecedents, and the building of a website custom-designed for the purposes of this course, benefited from a unique collaboration between

me and two units of the university library. These were the Government Documents department, the head of which had expertise in European Union materials, and the university’s Center for Educational Technologies, which built the website. Through Government Documents, students had access to a wealth of source materials, both historical and contemporary, and with the guidance of its head, special instruction in accessing these materials. He walked students through the law-making process in the EU, so that, in searching for documents on specific topics, students understood how these had been generated and thus were able to locate and make use of relevant subject indexes and search engines. The construction of the website involved extensive dialogue between me, librarians, site designers and technicians, in which the priorities of content were balanced with both aesthetic and “user-friendly” considerations. In the years following the initial construction, our Center for Educational Technologies built additional features into the website. These included “factoids” of interest in the history of European integration, as well as a variety of interactive features for instructional, reference, and research purposes. Among the latter were maps; comparative graphs of indices such as exports, government expenditures, immigration, per capita GDP and the like; EU institutions; and regions and regional policy. The most ambitious interactive feature built into the website is an EU timeline. The timeline enables students to access, for each year since 1945, prominent EU events (such as the Schuman Plan or the Empty Chair crisis), world events, and EU personalities, and for each such item, a brief overview, visual images or video clips, links to online sites for accessing additional information or documents, a brief subject bibliography, and cross references to related timeline items.

Course Textbooks and Other Teaching Resources

In addition to the content accessed through the website, the course uses as its main text Desmond Dinan (2005). This has the advantage of extensive treatment of each EU institution and of each major policy area, in addition to providing a comprehensive historical overview. The text is ideally suited to the course’s joint historical/narrative and thematic approach, and to the priority given to the aim of developing institutional and policy “literacy” among students. In addition, a rich collection of documents pertaining to the formative years of European integration (Wells 2007), that includes a concise narrative of events of this period, is being used in this year’s course. The course has also made use of various free publications of the Office for Official Publications of the European Communities, on topics such as environmental policy, language issues,



public opinion surveys, and regional policy. Especially valuable has been Klaus-Dieter Borchardt (2000) on Community law institutions and procedures, currently available online through EUROPA.

The course has served, finally, as a forum for guest lectures and videoconferences with distinguished EU officials, facilitated through our university's affiliation with the European Union Center at the University of Washington. On one occasion, the course was enriched by a two-week visiting professorship of a distinguished European scholar of integration, Staffan Zetterholm, Jean Monnet Professor in European Political Integration at Aalborg University. Each year "European Union History" has thus welcomed a variety of enrichment opportunities providing personal contacts and horizons of expertise on contemporary European Union affairs that contribute handsomely to the student learning experience.

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Book Reviews

Menon, Anand. *Europe: The State of the Union*. London: Atlantic, 2008

Anand Menon's latest book is not, nor is it intended to be, an academic text breaking new theoretical ground. Instead, *Europe: The State of the Union* is a highly readable, accessible- and at times even witty- look at the development of the European Union with a distinct point of view.

In Menon's assessment, the EU plays an important role for the national leaders of the member states who can shift responsibility to the EU for necessary but potentially unpopular decisions. At the same time, those same national leaders can score political points in the domestic arena by attacking in public the policies that they privately push for at the EU level. This tension between doing what is necessary for the member states of the EU to prosper in the current international environment and doing what is necessary to win re-election is a consistent driver of events, or what Menon terms, "the paradox of integration". The EU is thus both a necessary and effective tool of the member states, but one that they are reluctant to let stray off the leash held by the national governments.

Europe: The State of the Union is divided into sections whose headings ("Europe for the Exasperated", "Fragile Union") give some indication of Menon's realistic, some might say jaded, view of what the EU is and does. Beginning with a summary of the history of the EU, Menon tells the story of how it evolved from something as ostensibly limited as the European Coal and Steel Community, making it clear that the seeds for the EU were contained within the ECSC. He then moves on to a more detailed explanation of how the common market works in theory and practice, the progress of the EU in taking on new challenges that

fall in the sensitive realm of Justice and Home Affairs, and the development of a Common Foreign and Security Policy. Menon weaves a basic concept throughout the work: the EU is, and is likely to remain, a collection of nation states that recognize the value of integration, but whose leaders will consistently push their national agenda as well as personal political interests at every opportunity.

The core strength of the book is that it provides a lucid overview of what the EU is and what it does, but more importantly why it exists in its current form and where it might be going. This is a significant achievement in and of itself that should be of particular value to citizens of EU member states. Menon manages to strip away the jargon and simplify the structures of the EU in a manner that makes the subject- and its importance- easily accessible to non-specialists.

One negative point is the surprising lack of reference to the transatlantic relationship. Not only do the United States and the EU maintain the single largest trading relationship in the world, they are also bound together on security issues because most member states are also members of NATO. That security relationship was also an important factor in resolving the security dilemma that allowed the space for the antecedents to the EU to develop. A bit more discussion of this relationship, particularly in the section on the evolving role for the EU in foreign and security policy, would have made for a more complete discussion.

This, however, is a relatively minor complaint. *Europe: The State of the Union* fills a needed gap in the popular literature on the EU and gives non-specialists a clear-eyed explanation of the EU without being slavishly pro-EU or Euro-skeptic.

Zachary Selden

Chang Michele. *Monetary Integration in the European Union*. New York: Palgrave Macmillan, 2009.

Monetary Integration in the European Union provides a comprehensive overview of the creation and evolution of the Economic and Monetary Union (EMU), its institutions and policies of economic coordination, as well as the EMU's significance for political integration in the European Union (EU). This volume is logically divided into four sections, based on the questions that are primarily addressed by the chapters in each section. Chapters two and three provide an overview of the history of monetary integration, focusing on the political and economic reasons behind the particular nature of the EMU. The next three chapters present the institutions that shape decision-making

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in the monetary union, especially the European Central Bank, and the policies of economic coordination, through the Stability and Growth Pact and the Lisbon Strategy. Chapters seven and eight look at the EMU from outside of the Eurozone, considering the impact of opt-outs and the slow adoption of the single currency by the new member states, as well as discussing the international importance of the Euro in comparison with the dollar as a major reserve currency around the world. The last chapter provides a balance sheet of the Euro-zone, and the conclusion presents Chang's argument for a closer cooperation and coordination among member states and supranational actors regarding economic policies.

Each chapter in *Monetary Integration* is structured similarly, starting with a description of historical processes, theories, institutions, or policies, and then moving to discuss the role of ideas, interests and institutions in shaping the outcomes presented at the beginning of the chapter. In theoretical section of each chapter, Chang focuses on summarizing scholarly works by economists and political scientists, adding her own analysis where appropriate. Among the ideas, interests and institutions that are discussed in multiple contexts are the theory of optimum currency areas, the 'sound money' paradigm, German leadership as well as desire of other member states to balance the dominant role of German-type policies, the conflicting interests of large and small member states, as well as political business cycles.

The main conclusions of *Monetary Integration* are as follows. (1) Political factors clearly shaped the development and the nature of monetary integration despite the existence of strong technocratic reasons for the establishment of the EMU. (2) Neither of the three objectives of monetary integration, increased political cooperation, economic growth and greater international influence, are fully achieved and the EMU is at least partly responsible for its lack of success. (3) Important economic decisions continue to be made at the member state level without coordination with EU institutions or other member states, and at the same time (4) member states continue to diverge regarding their preferred policy objectives.

Chang concludes that the creation of the monetary union is on balance a success but argues that faced with significant challenges in the future, the EMU needs to overcome its legitimacy problems especially if it hopes for a stronger international role. Chang shows that the process of monetary integration in the European Union also suffers from the democratic deficit attributed to the rest of the EU. Specifically, the legitimacy of the EMU depends on its ability to achieve economic growth, although there is no

agreement among the member states regarding which policies and institutions are best in producing this economic outcome. At the same time, the decision-making structure of the EMU does not clearly attribute accountability between actors, which has led to inconsistent policies with less than favorable economic outcomes. Overcoming these challenges requires strong leadership and the cooperation of the domestic and supranational actors involved in monetary integration. While Chang presents a very strong argument for the need to reform the decision-making and accountability mechanisms in the EMU, she is less forceful in delineating the institutional configurations that are necessary for the successful completion of the monetary integration project. But perhaps discussing such a solution warrants a separate book.

I found *Monetary Integration* to be very readable and engaging with Chang's elaborate description of events, institutions and policies and a masterful discussion of conflicting arguments and viewpoints. The structure of each chapter, historical overview or description, followed by analysis through the perspectives of ideological, interest-based, and institutional explanations, facilitates a comparison between arguments and policies. While summaries of existing arguments could at times be overwhelming for a reader unfamiliar with theories of economic integration, the index at the end of the book is very helpful in clarifying the sometimes-overwhelming array of acronyms that accompanies the study of the EU in general.

Having taught EU monetary integration for a number of years, using ever-changing amalgamations of book chapters and journal articles, I was especially pleased to 'discover' Chang's book. It contains, in a manageable volume, all the necessary components of a comprehensive overview of EU economic integration: history and ideological underpinnings, institutions, and policies and their consequences. I did not hesitate to assign *Monetary Integration* to my class this semester.

Petia Kostadinova

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