# **EU TRADE POLICY AS FOREIGN POLICY**

Does Strategy plus Activity = Strategic Action?

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Prepared for presentation at the 10<sup>th</sup> biennial conference of the European Union Studies Association (EUSA) Montreal, 17-19 May 2007

#### EARLY DRAFT Not for citation

I am grateful to Elizabeth Bomberg and Alasdair Young for comments on an earlier draft, and wish to thank colleagues at the Institute of Governmental Studies at the University of California (Berkeley) for hosting me while work was done on this paper in early 2007.

## Abstract

Is trade policy a surrogate for a non-existent European Union (EU) foreign policy? Is it a central element in a more or less coherent European foreign policy? These questions expose a basic tension between the views of trade purists and foreign policy specialists, both academic and practitioner. For purists, EU foreign policy objectives intrude, as they should not, on trade policy. For foreign policy specialists, trade is the principal European foreign policy tool and what makes it a 'civilian power'. This paper challenges both views as part of an investigation into Europe's capacity for '<u>strategic action</u>' – coordinated action in the pursuit of defined goals – in trade policy, but also more generally. It argues that EU trade policy remains a primary vehicle for the expression of collective European power, but that it is a highly contested, rules-bound, and atomized arena of policy. The EU occasionally acts strategically in trade policy, but rarely across policy sectors. There is little evidence to sustain the arguments that EU trade policy is closely coordinated with the Common Foreign and Security Policy, that it acts as a surrogate for it, or that the EU deploys a 'structural foreign policy'.

Academic interest in the European Union (EU) as a global actor is probably at an all-time high, and for good reason. There is no question that the EU is more active in more areas of external policy, including many beyond its traditional policy space of economic diplomacy, than it ever has been (see Peterson 2008). It is difficult to find any area of foreign policy – itself a growth area in the study of international relations (IR) (Hill 2003) – where the EU does not now play a role.

Second, the rise of a new security agenda engendered by the US-led 'war on terrorism' has acted to obscure upsurges in interest and research over several decades on international political economy in the study of IR. Here, the EU is both a model for other regions and an undisputed international superpower. Above all, it is the EU's power to regulate its huge market of nearly 500 million consumers – nearly 40 per cent more than the United States' – that makes it powerful internationally. The Union is long past the point of having any exclusively 'internal policies', since nearly every move it makes has powerful ripple effects on stakeholders beyond Europe's own borders.

Third, Afghanistan and Iraq have illustrated how a hegemon can win wars and then 'lose the peace' in the new security environment, and meanwhile bolstered the status of 'soft power' has been bolstered as one of the big ideas of our times. One effect is to rekindle interest in the idea of the EU as a 'civilian power'. That is, a Union with an active foreign policy that favours persuasion over coercion, or at least resorts to coercion – when there is no alternative to it – using non-military (especially economic) instruments (Whitman 1998; Obie 2006).

The EU now has a lengthy track record of using economic policy instruments – economic sanctions, development policy, various mechanisms for promoting regional cooperation – to pursue what could only be called foreign policy goals, including security, development, human rights, and environmental protection. Perhaps above all, it has its Common Commercial Policy (CCP), as specified in Article 133 of the Treaty but recently much enhanced (see below).

It is now almost 10 years since Michael Smith (1998) was (at least one of the) first to argue that the EU was capable of <u>strategic action</u>: coordinated activities across different policy sectors in the pursuit of defined foreign policy goals. At the time, not only was the (then) fledgling Common Foreign and Security Policy (CFSP) <u>not</u> the most important

instrument of the EU's foreign policy. The main fount of strategic action was, it was claimed, the Union's ability to wield its economic power.

Since then, the EU has tried to prove its critics, who are frequently American and chide the Union for its international weakness,<sup>1</sup> wrong by agreeing a European Security Strategy (ESS). The ESS is the closest thing the Union has ever had to a foreign policy doctrine. It is vague, aspirational, and self-congratulatory (see Heisbourg 2004; Dannreuther and Peterson 2006). Still, the ESS is seen by its defenders as a statement of how the EU's soft power – including that which flows from its status as a major trade power – can be deployed in the pursuit of strategic objectives (Biscop 2005; Biscop and Drieskens 2006). In short, the EU is plenty active internationally and now has a 'strategy'. Does that add up to a Union capable of strategic action? Is it an effective civilian power? Is trade policy now foreign policy?

It helps, first, to be clear on terminology and views about how trade policy fits into the foreign policy mix. In recent years, EU trade policy has taken on expanded meaning beyond the CCP as specified in its Treaties. It has become as much (or more) about how the Union regulates its own market, as opposed to the traditional paraphernalia of tariffs or quotas (Young and Peterson 2007). Meanwhile, the CCP itself has been considerably enhanced. Consider 'conditionality', or the linking of trade privileges with specific conditions that must be met by 3<sup>rd</sup> countries, which is now a required feature of all EU external agreements. Thus, the Union increasingly ties its own hands and finds it difficult to maintain its traditional disinclination to punish states that violate the terms of their agreements with the EU (see Gillespie and Youngs 2002; Youngs 2004). The expansion of EU trade policy means that it dovetails with the still more expansive notion of 'European foreign policy', a term which features increasingly in the literature as a shorthand term for the full universe of all foreign policy actions undertaken by the EU and its member states (see Hill 2004).

Still, we find very different views about both the actual and preferred nexus trade and foreign policy. Specifically, a basic tension exists between the views of trade purists, be they liberal economists or trade policy-makers, and foreign policy specialists, whether they are diplomats or academics. For purists, EU foreign policy objectives intrude, as they should not, on trade policy, which should be used narrowly to defend European

economic interests. For foreign policy specialists, trade is a principal policy tool through which the EU conducts a 'structural' foreign policy (Keukelaire 2001; 2003; 2004) – which seeks to shape the structure of international society – and allows the Union to act as a 'civilian power', which uses non-military, mostly economic power in pursuit of its foreign policy objectives.

This paper challenges both views as part of an investigation into Europe's capacity for 'strategic action' – coordinated action in the pursuit of defined goals – in trade policy, but also more generally. It argues that EU trade policy remains a primary vehicle for the expression of collective European power, but that it is a highly contested, rules-bound, and atomized arena of policy. The EU occasionally acts strategically in trade policy, but rarely across policy sectors. There is little evidence to sustain the arguments that EU trade policy is closely coordinated with the Common Foreign and Security Policy, or that it acts as a surrogate for it. EU trade policy – not surprisingly – is used above all to defend European economic interests or competitive advantage, as opposed to any grander European vision of the world order that might guide a structural foreign policy. Strategic action is all about <u>coordination</u> of institutions, actors, and policy tools. Even if the EU is getting better at thinking strategically, it still lacks much capacity for coordination of its actions. As such, recent scholarship on European foreign policy – in which constructivism has become a dominant perspective – tends to give the EU rather more credit than it deserves for being a coherent, effective, civilian power.

# 1. Trade policy as foreign policy

Perhaps the leading exponent of the purist view that EU trade policy acts (undesirably) as a surrogate for European foreign policy is Patrick Messerlin. A liberal economist rather than a foreign policy specialist, Messerlin makes the argument most explicitly in a 400 plus page tome entitled <u>Measuring the Costs of Protection in Europe</u>, one in a series of studies of the costs of protection a variety of countries and regions in the world (Messerlin 2001). Messerlin's study is thorough and diligently researched, even if it employs rather controversial methods to come up with the conclusion that protectionism costs Europe something like the annual economic output of Spain.<sup>2</sup>

Yet, the EU's protective shield can be bargained away, according to this account, for strategic advantage. Messerlin (2001: 197-248) devotes a long section of his study to the (at the time) nearly 100 preferential trade agreements (PTAs; sometimes called FTAs for free trade agreements) the European Union had negotiated with third states or other regional organizations. He argues that the Union uses trade policy as an instrument of its collective power and essentially as a surrogate for foreign policy 'because the EU has no other way (foreign policy or army) to express its political views' (Messerlin 2001: 1).

More specifically, Messerlin's argument seems to be that 'the EU's penchant for PTAs can be understood within the context of a power struggle between the US and EU for leadership in the multilateral system' (Van Den Hoven 2004: 222). At first glance, the claim seems curious given that the US had (again, at the time) agreed only three regional PTAs. Still, the claim is clear: the EU uses one of the only potent policy weapons it has to try to isolate the US, specifically by trading access to the European market for political support from developing countries. More generally, '[i]ts high political content has made E[U] trade policy an obvious substitute for foreign policy, to an extent unseen in other industrial countries' (see Messerlin 2001:4).

Interestingly, one recent account makes a diametrically opposite argument. That is: the Union entirely <u>fails</u> to use its economic power at the service of its foreign policy agenda, which has been sold out as Europe has acquiesced to American hegemony (Cafruny and Ryner 2003). This account recalls a barely remembered 1980s debate about whether the creation of the single market would harm non-EU producers, and laments that if there was ever a 'Fortress Europe' agenda to challenge American supremacy, 'the project is now in ruin...the EU...is being subordinated into a much larger neoliberal, transnational, structural, and institutional ensemble under American leadership' (Cafruny and Ryner 2003: vii). According to this view, 'EU states lack the commitment required to fulfill their nominal ambitions, even in the European space itself, to a security order underpinned by cosmopolitan human rights norms and international law' (Cafruny 2003: 96).

Such polar opposite readings might make our heads spin. Alternatively, they might induce us to seek evidence across the EU's institutional and policy systems to help us navigate the debate. Specifically, we might examine the content of the EU's trade

policy and see if we can substantiate claims that it is used in the service of Europe's geopolitical ambitions or strategic vision of foreign policy. What is the evidence that trade policy is used as foreign policy?

One hard, undeniable fact is that the EU is a world leader in preferential trade agreements. It has 'notified' considerably more PTAs to the World Trade Organization (WTO) than any other WTO member. Whether or not such hyperactivity constitutes 'strategic action' (see section 2 below), in harmony with the CFSP or not, there is plenty of EU trade policy activity on which to base a judgement.

It is also clear that the European Commission, whose position within the CCP is stronger than it is in any other area of external policy, sees PTAs as instruments that should be used strategically (see Baldwin 2006). The evidence is on display in, say, the Commission's contribution to the 2006 debate on the place of trade policy in the EU's wider 'growth and jobs strategy', a designated touchstone for all EU policies under the Commission President of José Manuel Barroso. The Commission's working document on <u>Global Europe: Competing in the World</u> notes that the EU's development and 'neighbourhood' policies – the latter designed to promote stability and growth in states on the EU's borders - (see Dannreuther 2004) have been well-served by PTAs. Yet, somewhat bizarrely, it also asserts that the EU's 'main trade interests....are less well served'. The message appears to be: we should continue to use trade policy as foreign policy, but we need to use trade policy more as <u>trade policy</u>:

We should continue to factor other issues and the wider role of trade policy in EU external relations into bilateral trade developments. But in order for trade policy to help create jobs and drive growth, economic factors must play a primary role in the choice of future FTAs.<sup>3</sup>

Impressionistically, the statement hints at a classic inter-Commission turf battle, with part of the Commission – logically, DG Trade – using the 'jobs and growth' mantra to shoo other parts (DG Development? Relex? Enlargement?) off their policy patch. We might consider it <u>prime facie</u> evidence of the use of EU trade policy as foreign policy. Moreover, there are other reasons to think that the EU may be becoming more single-minded and strategic in trade policy. Take, for example, the way in which its older member states rallied around tough positions in negotiations with the new EU states that joined in the 2004-7 enlargements. As part of those negotiations, various new members – including Hungary and Slovenia - sought special treatment or transition periods to accommodate their dependence on trade with former Soviet bloc states. But the Union refused to grant special concessions, and thus the new 10 (eventually 12) were essentially obliged to withdraw entirely with any bilateral agreements not in conformity with EU trade legislation (Van Den Hoven 2004: 215)

The EU's capacity for strategic action may recently have expanded as a consequence of European trade policy becoming broadly, more pro-liberalisation in an enlarged Union. The upshot is that the EU may be more willing than before to bargain away its protective shield for geopolitical gain. Here, the early behaviour of the 10 states that joined in 2004 (the jury is still out on Bulgaria and Romania) led to suggestions that enlargement made the Union more prone to measures to open its markets, especially for industrial imports, perhaps because the new 10 all had been subject to the vagaries of the EU's anti-trade defences in the past (see Van Den Hoven 2004: 216).

Relatedly, it might be hypothesised that the Commission has been empowered by enlargement generally, but more specifically in trade policy. The CCP may be harder for trade ministers to control in a Union of 25/7, and the Commission's 'first mover' advantage may be enhanced. Traditionally, the Commission has usually been viewed as more pro-liberalization than the median intergovernmental position on the Council, perhaps not least because a broadly liberal stance is most compatible with EU trade policy activism. The Commission may now have more allies who share its liberal agenda in an EU-27.

Finally, we can look to the EU's ultimate statement of how strategy and action should intersect: the 2003 European Security Strategy.<sup>4</sup> A much-remarked upon final section of the document (just before its conclusion) speaks of the need for the EU to develop a 'strategic culture' and become 'more active, more coherent, and more capable'. It urges that the EU must be more active in pursuing its 'strategic objectives', and use all instruments available, including trade policy. Specifically referring to the EU's goal of

developing its capacity for 'crisis management', the EU's 'diplomatic efforts, development, trade and environmental policies, should follow the same agenda. In a crisis there is no substitute for unity of command'.

Leaving aside 'crises' (when trade policy surely has low utility), the question of whether the EU has the 'unity of command' needed to pursue strategic action using trade policy remains an open one. But the question is not the classic 'who speaks for Europe' question (see Allen 1998; Meunier and Nicolaïdis 1999). Since trade policy is such a 'big' and relatively self-contained policy area, the question is: who coordinates it with a wider European foreign policy agenda? We need to answer this question <u>first</u> and before we can answer the more primordial question of whether the EU is capable of strategic use of trade policy in the service of its wider foreign policy agenda.

#### 2. Who coordinates for Europe?

It is many years ago now that Peter Ludlow (1992) argued that politics in the EU system were played out mostly in the form of inter- and intra-institutional competition. The point applies acutely to external policy. As such, it is astonishing that the great unanswered question of European foreign policy – who is in charge? – seemed to have been answered a few years ago by the Constitutional Treaty. It is now easy to forget how long the debate about giving the EU's partners one, Kissinger-esque 'phone number to call' went on, and how many twists and turns it took. What is perhaps most remarkable is how once audacious proposals ended up being embraced after Europe's excruciating divisions over Iraq. Consider the Commission's (2002) proposal under the Presidency of Romano Prodi that 'the centre of gravity for policy initiative in the CFSP should lie with the Commission' (Dassù and Missiroli 2002: 83). What only years before would have been an outrageous suggestion was essentially embraced in the provisions of the 2004 Constitutional Treaty for a new EU Minister of Foreign Affairs (MFA). Not only would the MFA be a Vice-President of the Commission as well as chair of the Council of Foreign Ministers. A new, integrated External Action Service, combining EU and national officials, staffing what would start to look like real 'EU embassies', would work under their authority.

The EU will probably get its Minister of Foreign Affairs some day. But until the question is resolved of what to do with the Constitutional Treaty, following its 2005 rejection in referenda held in France and the Netherlands, the Union will need to get by with its existing, confusing formula whereby it is represented externally by a 'troika'. It consists of the External Relations Commissioner, the High Representative for the CFSP, and the Foreign Minister of the state holding the Council's rotating Presidency.

Note that the troika does <u>not</u> include the Commissioner for External Trade. Note also that there is no suggestion that the MFA would have prerogative over EU trade policy. These results are unsurprising in view of how 'big', complex, and challenging to manage is the EU's trade policy portfolio, which governs access to a market of nearly 500 million. Trade policy is also highly self-contained and rarefied policy realm, not least because the competence that is delegated to the EU in trade policy is unusually 'hard': article 133 gives it exclusive authority (over cross-border trade in goods and services), decision-making is by qualified majority voting (QMV), and the European Parliament has virtually no formal power.<sup>5</sup> The EU Trade Commissioner is thus massively more powerful, relative to his or her colleagues in the College of Commissioners, than are trade ministers within national governments. Presiding over the levers of access to the massive EU market makes the Trade Commissioner very powerful more generally, probably more powerful than all but a handful of the EU's diverse collection of Prime Ministers.

The trauma of Iraq may have convinced the equivalent of a winning coalition in the Convention on the Future of Europe and, then, the intergovernmental conference (IGC) that 'finalised' the Constitutional Treaty, to give the MFA strong prerogatives to speak for the EU in foreign policy. But the Prodi Commission's (early) suggestion that a single senior Commissioner – who would later morph into the MFA – would take on the merged and regrouped competencies of the present external relations, aid, <u>and</u> trade Commissioners was always a proposal too far (see Dassù and Missiroli 2002: 83).

The point is that if EU trade policy is deployed as a tool of foreign policy, it must be – and will be far into the future - via the coordination of the separate activities and administrations of multiple different Commissioners. This is to say nothing of the Council, or national foreign and trade ministries, or the European Council, which incidentally the Constitutional Treaty endows with a permanent President who, according to Nuttall (2005: 109) 'will find that his/her appearances on the international stage constitute the only rewarding political activity, and that there is competition with the Foreign Minister [MFA] for the leading role'. Even the European Parliament, with its new (as of the current parliament) Committee on International Trade (INTA), has become more engaged. In short, even if the Constitutional Treaty were ratified tomorrow, the problems of coherence and consistency in European foreign policy would by no means disappear.

What about the suggestion, introduced earlier, that the EU acts with sufficient coherence and consistency to use preferential trade agreements (PTA) to express its 'political views'? When (and if) this happens, are the EU's political views themselves coherent, consistent, and single-minded? A first point to note is that the EU's hyperactivity on the PTA front has varied over time. A second is that just because it has agreed a large number of PTAs does not necessarily mean that it has used the lure of preferential trade agreements strategically. In the 1990s, a period of peak activity, it was widely-agreed that the Commission pursued PTAs mostly haphazardly, with individual Commissioners using such agreements to make themselves – and therefore the EU – seem active and effective in specific geographical regions (see Peterson and Bomberg 1999: 143-6).

Since then, the pace has fallen off in the agreement of new PTAs with third states. The EU <u>has</u> embraced more complex, region-to-region agreements, involving trade as well as a rich variety of other EU policy instruments, with other regional organizations such as ASEAN and Mercosur. Yet, it has relatively little to show for these efforts, other than a desire – which can look half-hearted when it conflicts with other objectives – to replicate European-style of regional cooperation in other parts of the word (see Smith, K. E. 2003). Here, we might see potential, at least, for strategic action in the pursuit of an agreed policy objective: promoting regionalism. But the objective itself seems to be of a second order variety. Achieving it involves very complex negotiations which the Commission has difficulty leading or coordinating.

Perhaps impasse as a common feature of the EU's region-to-region negotiations is a fleeting phenomenon, particularly in light of two anticipated changes arising from

enlargement (and noted in section 1). First, the EU-27 is, on balance, more liberal and thus willing to go to greater lengths to secure market-opening deals with other regions and states. Second, the Commission is, on balance, empowered by enlargement and, logically, better able to use trade policy strategically.

In fact, neither of these changes seems to have materialized in any clear-cut or consistent way. Rather than changing the political balance between liberalizers and protectionists on the Council, enlargement seems to have resulted in little change to the status quo. As fervently pro-market as some of the (especially northern) new member states are, the new 800 pound gorilla in the room when a proposal to liberalize is tabled is frequently Poland. An important factor in determining Poland's stance in the first years after its accession was the EU's failure, from a Polish point of view, to stand up to Russia in a dispute which saw it block a variety of Polish agricultural imports.<sup>6</sup> More generally, as one insider put it, 'the [new] 12 map on quite well to the [old] 15. Sure, you have Estonia, but you also have Poland'.<sup>7</sup>

The argument that the Commission has been empowered in trade policy by enlargement is also hard to sustain. For one thing, even reliably liberal, established, smaller EU member states have at times aggressively opposed proposals to liberalise that risked short-term economic pain in exchange for long-term gain: the Netherlands was cited in this regard by several EU officials who expressed surprise at its repeated shows of trade policy conservatism after the 2005 Dutch referendum on the Constitutional Treaty and before the 2007 Dutch general election. For another, there was at least anecdotal evidence of large EU member states responding to enlargement by caucusing and coordinating more frequently with like-minded others: France with other 'club Med' states, the UK with northern liberal states, Germany with states that supported its own agenda on particular dossiers, and so on. It was difficult for the Commission to win policy arguments when any of these coalitions showed capacity for collective action in support of a position that differed from the Commission's.

More generally, there was a widely-shared sense within the Commission's services that the Barroso Commission was more a follower than a leader in policy terms, including on trade policy. The initiative of the 2007 Germany Presidency to strike a deal with the United States (US) on the reduction of non-tariff barriers to trade was one

example. Here, the Council Presidency was arguably usurping a core competency of the Commission. Yet, the only tangible outcome of this initiative (at the time of writing), the US-EU Open Skies deal, had been pursued by the Commission as a top priority for years. It was piloted to a successful conclusion by the Commission, with the EU clearly giving away more than it got in the negotiations, but only (in all likelihood) because a Council Presidency linked it to one of its own policy priorities. Here, we find what looks very much like strategic action, with Germany under Angela Merkl making repair of the EU's partnership with the US a priority of its 2007 Council Presidency. Who coordinates? In this case, it appears to be a particularly powerful Council Presidency.

Nevertheless, when attempts are made to use trade policy as foreign policy, the Commission usually holds enough cards at least to act as a veto player. In fact, the Commission is treated as the equivalent of a 'government' in many treatments of EU trade policy, whether the focus is specifically on transatlantic trade relations (Petersmann 2001; Pollack and Shaffer 2001) or more general (Meunier 2005; Young 2007). If the EU is to use trade policy strategically as an element of foreign policy, it must coordinate its activities across distinct institutions, policy sectors, actors, and even Commission portfolios. Some of the most convincing treatments of European foreign policy insist on the special importance of institutions (Smith 2001; Smith, M. E. 2003; 2004), particularly as forums that facilitate the socialization of national and EU officials to the Union's common cause(s) in specific areas of policy. The question is whether they also facilitate coordination <u>between</u> EU external policies, such as those for trade and the Common Foreign and Security Policy. The section that follows considers this question.

## 3. Institutions matter: stovepipes of excellence?

The question of who coordinates for Europe in external policy inevitably overlaps with questions about how well the EU's external policy institutions work, and particularly how well they work together. It is perhaps ironic that the EU has developed such high ambitions in the policy area – foreign policy – where its institutions are widely held to be weakest. Yet, it is also plausible to argue, as does the originator of the concept 'strategic action', that the CCP is central to European foreign policy and that institutions – which

matter enormously in European foreign policy – are an important reason why (see Smith, M. 2004)

Specifically, what has become a formidable European institution in its own right the Community method of decision-making, featuring QMV – applies to the CCP but not to most other areas of EU external policy. Of course, extending QMV remains a matter of live debate.<sup>8</sup> Again, it is easy to forget how ripe it seemed for extension before the Constitutional Treaty's popular rejection in 2005. One of the most respected intellectuals amongst all EU practitioners, the Trade Commissioner Pascal Lamy, personally campaigned in 2002 for the extension of the Community method not only to all areas of trade policy (it does not apply 'cleanly' to all areas; see Messerlin 2001: 14), but to foreign policy as well. This injunction often met with resistance, but was always couched in terms that suggested that trade policy was foreign policy, and vice versa. For Lamy, trade policy was 'not a stand-alone policy, it contributes to the achievement of the Union's overall objectives...[such as] to promote sustainable development, or to respect and promote cultural diversity'.<sup>9</sup> Pointedly, Lamy reminded his audiences of the precise wording of the American counterpart of the European Security Strategy: the 2002 US National Security Strategy. 'The only place in that document where reference is made to the "European Union" is on trade. For the rest, Europe, be it Old, New or "à point", simply does not exist'.<sup>10</sup>

In the months just before and after the Iraq war began, a large majority of member states – including Germany, France, and the UK – signaled a willingness to accept more majority voting in foreign policy. Subsequent backtracking, especially by Paris and London, led to proposals to make different types of foreign policy proposals subject to different voting rules: any proposal from the new Minister of Foreign Affairs would be approved by some kind of 'super majority' under QMV while proposals from member states would require unanimous approval (see CER 2003: 4). However, all such proposals fell by the wayside in the Convention and the IGC. It is hard to imagine them being revived anytime soon. The CFSP is likely to be made by unanimity – when it is 'made' at all – far into the future.

In contrast, at least the 'shadow' of QMV hangs over EU trade policy. No major trade agreement has ever been agreed without something approaching unanimity in the

Council (enlargement may cause the EU to break this pattern). Nevertheless, there is at least the potential to override the protests of one or more member states, even large ones, to agree trade deals that serve wider foreign policy interests. A prime example is the so-called 'Everything But Arms' (EBA) agreement offered to the world's 49 least developed countries in 2001, giving them ostensibly unrestricted access to the EU's market for all products except arms (see section 4 below). Apparently a textbook example of the strategic use of EU trade policy, EBA was agreed over the objections of France with a French Trade Commissioner, Lamy, piloting the deal to conclusion.

Alternatively, there is capacity within EU trade policy for construction of the classic European 'package deal' to buy off one or more reluctant states, as an alternative to out-voting them. One tactic is to find a way to channel some kind of EU side payment to a state that stands to be particularly disadvantaged by a proposed trade agreement. The offer of EU subsidies for Portugal's textiles industry in exchange for its acceptance of the Uruguay Round agreement is a frequently-cited example (see Devuyst 1995). Here, along with the case of EBA, we find at least anecdotal evidence of the Community method facilitating action that might be seen as serving some higher European foreign policy purpose.

At the more mundane level of day-to-day policy, evidence of strategic action is considerably scarcer, or at least more ambiguous. Usually, the Union seems motivated mainly by defense of its economic advantage or interests. The EU's activity is far more rules-bound than in other areas of foreign policy, since trade policy at this level is powerfully shaped by law and economics, as opposed to politics and power. In a sense, EU member states do appear to act 'strategically' insofar as they go to lengths not to question each other's trade complaints. There is considerable log-rolling by EU member states both in the use of the Union's trade defense mechanisms – its anti-dumping and countervailing duties provisions for fighting off import surges – and especially in the bringing of cases before the WTO. In the case of anti-dumping, the EU has launched more investigations each year since 2003 and has emerged as the undisputed world leader in this area even as the global rate of anti-dumping investigations has fallen to all-time lows.<sup>11</sup> As for WTO cases, EU member states rarely oppose proposals to litigate that are

tabled by their counterparts, perhaps on the logic that they may need support for litigating their own complaints in future rounds of bargaining.

However, Young (2007) argues convincingly that the Commission is an effective gatekeeper, and that it tends towards caution in initiating WTO litigation.<sup>12</sup> It is rare to find the EU initiating complaints in response to trade deficits or as a form of retaliation. Here, it might be said that the EU appears to engage in strategic <u>in</u>action: it keeps disputes out of the WTO if it fears that resorting to litigation risks damaging its broader political relationships.

While EU trade policy is always negotiated and usually a product of compromise, the Commission's institutional position is, again, strong and its autonomy considerable. Here as elsewhere, the institutions that have grown up 'around' other areas of EU external policy competence are (for the most part) rigidly demarcated and self-contained. Start with the High Representative, who is also the Council's Secretary-General and has built up a formidable administration to defend the Council's prerogative over the CFSP. The Commission retains little more than 'invited guest' status within the CFSP. Yet, it has its own administration – DG Relex – for external relations, as well as separate directorates for trade, aid and development, and enlargement/neighbourhood policy. It is difficult for non-EU specialists to fathom just how deeply-engrained is functional specialization or how ferocious is turf-battling is between different Brussels administrations (Lewis 2000; Howorth 2001; Egeberg 2005; Smith et al. 2007). That the loyalties of functional administrations are often stronger to their own, narrowly-defined external policy sector than even to their EU institution, let alone whatever foreign policy aspirations on which 27 European states can agree, is hardly conducive to coherence and consistency in foreign policy (Nuttall 2005).

Even leaving aside the Constitutional Treaty's proposed reforms, numerous institutional fixes have been attempted to facilitate exchange and coordination between different external policy administrations and agents. Within the Commission itself, both the Santer and Barroso Commissions convened sub-groups of external policy Commissioners (for external relations, trade, aid, enlargement). Yet, there is little evidence that they have functioned as more than forums for information-sharing (see Peterson 2006).

More generally, can we find evidence of coordination between trade policy and the CFSP, despite the Commission's position of relative strength in the former and weakness in the latter? And do the difficulties of agreeing a CFSP by unanimity in a EU of 27 create stronger pressures for using trade policy as foreign policy? One senior DG Trade official termed the latter proposition:

Way too theoretical. Where does the increased pressure come from, and on whom would it fall? Are trade ministers under pressure from foreign ministers to do trade deals as there is no CFSP? Does [High Representative for the CFSP Javier] Solana, gnashing his teeth in frustration, call up [Trade Commissioner Peter] Mandelson and tell him to get on with an FTA with Korea? I don't think so...Does our FTA with India show evidence of the EU's soft power strategic assertiveness <u>vis-à-vis</u> a US-Pakistan axis? Seems a reach.<sup>13</sup>

For his part, a US diplomat with abundant experience of Brussels policy-making quipped:

I think the EU's foreign policy bureaucracies have a lot in common with some of our more insular, independent regulatory agencies back in Washington. They're certainly competent in their defined areas of expertise but have very, very narrow views of the world. It is like foreign policy made by a dozen Bundesbanks. Stovepipes of excellence.<sup>14</sup>

# 4. Strategic action: policy examples

Our analysis thus far suggests that Lamy's claim that EU trade policy does not 'stand alone' and that it serves, potentially at least, the Union's 'overall objectives' cannot be dismissed out of hand. There is no question that, with sufficient unity of command and clarity of purpose, trade policy can be used by the EU either to coerce or reward, and with considerable impact even on its most powerful international interlocutors. More specifically, three sources of ammunition in the form of specific policy examples are on offer to those who wish to portray trade policy as foreign policy. The first is economic sanctions policy. The recent case of Iran, which the Union moved to punish for failing to curtail its nuclear development programme, is an illustrative case in point. The EU, acting primarily through its most powerful member states (the 'EU-3': France, Germany and the UK), has been at the forefront of nuclear diplomacy with Iran, in a case where considerable strategic action appears to have been coordinated between policy areas and levels of government (Sauer 2007).

Notably, however, the EU has ratcheted up economic pressure on Iran reluctantly and only under sustained pressure from the US. Washington persistently grumbles, regardless of the political flavour of its current administration, about how slow and weak the Union's economic sanctions tend to be. In the specific case of Iran, the Bush administration has made no secret of its displeasure with European companies (especially French ones) that continue to work under large contracts in Iran.<sup>15</sup> There is no doubt that the EU has been slow to implement UN-approved sanctions, often citing the lack of legal tools its governments have to act against Iranian companies.<sup>16</sup>

Of course, Iran is only one example, and an unusually politicized one, of the use of EU sanctions. It is possible to cite other examples, including recent ones such the withdrawal of trade privileges from Berlarus to protest its labour standards,<sup>17</sup> where slapping economic sanctions on a miscreant trading partner has had to hurt. Yet, there is now a considerable literature that casts doubt on the efficacy of economic sanctions generally (Baldwin 1985; Elliott et al. 1990; Haas and O'Sullivan 2000). Strangely, there seems to have been little systematic evaluation of the impact or efficacy of EU sanctions policy, as well as a tendency for European foreign policy specialists to assume (rather uncritically) that sanctions are an effective tool of the EU's 'carrot and stickism' (see Manners 2002: 245)

A second policy example where trade policy seems to have yielded strategic action is 'Everything But Arms'. EBA's effects still await rigorous investigation more than 5 years after it was agreed, with one analysis done for the Commission noting that 'only a small number of studies have relied on original measures and satisfactory data' (Gallezot and Bureau 2005: 7). But it was always clear that EBA would not be without problems and that it would probably divert as much trade as it created. An early analysis noted that EBA threatened to work at cross-purposes with the EU's stated goals of promoting regional cooperation and ensuring reciprocity in its trade relations (since it unilaterally abrogated existing agreements) (see Page and Hewitt 2002).

The Commission study noted above suggests that EBA has had an impact thus far in only a few economic sectors (such as sugar) and that its benefits for poor countries are likely to be eroded over time (see Gallezot and Bureau 2005). The same analysis broadly concurs with the view that EBA was driven by 'essentially political, not developmental, motives' (Page and Hewitt 2002: 91). Specifically, EBA seems an act of symbolic politics designed to counter the dissatisfaction of the world's poorest countries with the multilateral system as well as, possibly, a deliberate spur to an overdue effort to overhaul the Europe's own (internal) sugar regime. Strategic action perhaps, but with apparently mixed motives and ambiguous results.

A third and obvious example of trade policy as foreign policy is the Balkans. It is where the EU has acted most strategically, coherently, and even heroically in foreign policy, undertaking several of its most challenging political/military missions (see Giegerich and Wallace 2004). Using trade policy, the Union has (<u>inter alia</u>) abolished tariff ceilings for nearly all Balkan products in its Stability and Association agreements with states in the region. It also has offered powerful incentives to encourage regional economic cooperation in the Balkans, as well as strong support for the WTO memberships of Albania, Croatia, Macedonia, and others in the regions. Lamy boasted that the EU's actions had 'demonstrate[d] that multilateral and regional policies can and do work in reasonable harmony – as well as indicating that in the area of trade policy, the EU is ready and willing to act with speed and dexterity'.<sup>18</sup>

Yet, as in the case of EBA, it is not churlish to note devil in the details of the EU's offers of market access in the Balkans. The designated 'rules of origin' in these (and other) EU trade agreements often restrict access to Europe's market to the point where they end up being considerably less generous than they appear in headline terms (see Panagariya 2002; Brenton and Manchin 2003). Of course, any disparity between intent and impact does not, by itself, lead to the conclusion that EU trade agreements are not used for ostensibly political purposes – given their somewhat dubious economic effects, we might draw quite the opposite conclusion.<sup>19</sup> But the disparity does cast doubt

on the claim that trade policy is <u>effective</u> as a tool in the service of wider foreign policy objectives.

#### 5. A test case: effective multilateralism?

Thus far, we have scoured the EU's institutional and policy landscape for evidence to sustain or debunk the contention that the Union is capable of strategic action: more specifically, that it uses trade policy as an instrument of foreign policy. Another way to test the proposition is to examine a case where the EU has an agreed, stated foreign policy goal, and to gauge whether the Union pursues it actively and strategically, including, when it can, by resort to its trade policy.

One testable candidate is the goal of 'an international order based on <u>effective</u> <u>multilateralism</u>'. It is designated as one of the EU's (three) 'strategic objectives' in the 2003 European Security Strategy, alongside promoting 'stability and good governance in [the EU's] immediate neighbourhood' and confronting 'threats, new and old'. While never really defining effective multilateralism, the ESS implies that it requires 'a stronger international society, well functioning international institutions and a rule-based international order'. The classic academic definition of multilateralism is Ruggie's (1992: 571):

Multilateralism is an institutional form which coordinates relations among three or more states on the basis of 'generalized' principles of conduct – that is, principles which specify appropriate conduct for a class of actions, without regard to the particularistic interests of the parties or the strategic exigencies that may exist in any specific occurrence.

Those who advocate multilateralism as a norm 'consider it necessary to exercise power within the framework of rules, the basic point is that they believe in a rule-based system not a might-based system' (Kaldor 2004: 192).

The importance of trade policy in pursuing effective multilateralism is highlighted repeatedly in the ESS. For example, the WTO appears first on a list of 'key institutions in the international system' (even before the United Nations) in the Strategy's section on 'strengthening the international order'. The WTO is then singled out (along with the International Criminal Court) as an international institution in which the EU has 'an interest in further developing'. The ESS also underlines the need to strengthen international society by enhancing the 'quality of governments that are its foundation', specifically via a reform agenda that focuses on 'spreading good governance, dealing with corruption and abuse of power, establishing the rule of law and protecting human rights'. In this context, 'trade' (and development) 'policies can be powerful tools in promoting reform...conditionality and targeted trade measures should be an important element in a European Union security strategy'.

If our test case is effective multilateralism, we may in effect be investigating a more general question that has preoccupied students of Europe's international role: does the European Union operate a 'structural foreign policy' (Keukelaire 2001; 2003; 2004)? In other words, does the EU, Brussels-based component of European foreign policy consist mostly of international action 'which aims at influencing in an enduring and sustainable way the relatively permanent frameworks within which states relate to each other, relate to people, or relate to corporate enterprises or other actors, through the influence of the choice of the game as well as the rules of the game' (Lucarelli 2004: 7)? If this formulation seems vague, Teló (2001: 264) may shed light by arguing that the EU pursues a structural foreign policy insofar as it seeks to affect:

particularly the economic and social structures of partners (states, regions, economic actors, international organizations, etc.), it is implemented through pacific and original means (diplomatic relations, agreements, sanctions, and so on), and its scope is not conjunctural but rather in the middle and long range.

By this view, what distinguishes a structural foreign policy is, first, its télos: it seeks to shape how foreign partners are 'structured', both internally and in terms of how they relate to one another (presumably by encouraging them to embrace 'relatively permanent', EU-style cooperation). Second, it relies on the distinctive policy tools of a civilian power, including (presumably) trade policy. Third, the timeframe is distinctive: operating a structural foreign policy means playing a long, patient game. A structural

foreign policy is not 'conjunctural', or determined by a particular, fleeting state of international affairs. As Nuttall (2005: 110) observes, those who advocate this view perceive:

...a genuine difference between two different kinds of foreign policy, pillar two being closer to classic diplomacy while pillar one contain[s] a new type of foreign policy, distinctive to the EU and based on longer term, especially economic relationships.

A Europe that meets the demanding standards of a structural foreign policy might seem too good to be true. However, we might recall that one of the classics in the study of foreign policy, Arnold Wolfers' (1965) <u>Discord and Collaboration</u>, argued that all states had two kinds of external objectives: possession goals, which sought some kind of material gain such as wealth or territory; and milieu goals, or non-material objectives such as stronger international law, universal of human rights, or effective multilateralism.<sup>20</sup> The claim that the EU operates a structural foreign policy might, effectively, be one about how milieu goals are privileged over possession goals in a way that is rare, if not unique, in foreign policy. Or, it might be part of a larger claim about division of labour in European foreign policy, which is by definition a composite policy. Specifically: national foreign policies still exist in Europe and they might handle possession goals, such as security (assuming that it is a 'material' goal), especially as expressed via NATO, or the possession goals of 'classic diplomacy' via the CFSP. The EU is left, via pillar I, to pursue milieu goals as a civilian power with a structural foreign policy (at the risk of overloading one sentence with foreign policy buzzwords).<sup>21</sup>

Here, our investigation of the EU's contribution to effective multilateralism runs into problems. One is that, put simply, trade policy is more suited to the pursuit of possession than milieu goals. Trade policy (broadly defined) may be and <u>has been</u> used at the service of what we might define as structural policy: the primordial acts of European integration, including 'freeing' the single market, signing up to the Uruguay Round, or even forming the EEC itself, were about trading some degree of short-term economic pain, by opening national markets to non-domestic competition, for the longterm gains that flow from structured economic cooperation, with rules and institutions to

enforce it. But using trade policy in this way requires a form of enlightened statesmanship. In its absence, trade policy is mostly about is about defending economic interests and exploiting competitive advantages.

A second problem is that our knowledge of the EU's contribution to multilateralism – 'effective' or otherwise – remains primitive. A major part of the problem is that the EU does so much across so many different policy sectors in so many institutional configurations that might strengthen (or weaken) multilateralism that determining whether or not it is succeeding at achieving this 'strategic objective' is somewhere between difficult (because of a lack of existing research) to impossible (see Peterson et al. 2007). Moreover, it is unclear – both theoretically and practically – whether the EU's commitment to promoting regionalism beyond Europe is compatible with the objective of effective multilateralism, to nod only briefly in the direction of a debate that has raged around EU trade policy for years (Bhagwati 1992; Winters 1996; Thomas and Magloire 2000; Lamy 2002).

Here, particularly if we believe that strategic action is motivated by competitive dynamics, we might note that in a global 'market for ideas' (see McCormick 2006), regional cooperation is an idea to which the United States offers only tepid support (Smith, K. E. 2003; Beeson 2006b; 2006a), if not outright opposition, in contrast to Europe. Does the EU now tend to embrace any goal that differentiates it from the Americans? A separate but related question arises of whether the Union has <u>also</u> embraced effective multilateralism as a goal because it distinguishes it from the great, unmentioned, unilateralist, American hegemon. For their part, many American critics of the EU would argue that a multilateral international order obscures, conveniently, the EU's lack of leadership, decisiveness or capacity for proactive foreign policy action. Advocates of an EU that uses its trade policy as foreign policy might well view a stronger multilateral order as one which, <u>inconveniently</u>, fetters the Union's ability to use access to its market as a level of international power, since it logically subjects trade policy to even more and stronger rules.

Given all the analytical 'noise' surrounding our chosen case study, it is perhaps revealing that there is no single, obviously most important academic work on the EU's contribution to multilateralism. Meunier and Nicolaïdis' (2005; 2006) reflections on the

EU as trade power explores in some depth the questions of whether the Union's regionto-region relations with (say) ASEAN or the EuroMed is compatible with multilateralism, or whether its neighbourhood policy signals a shift in the direction of state-specific agreements, which might be considered the antithesis of multilateralism. What comes out of their work most clearly is that the Union is very much a <u>conflicted</u> trade power, which routinely seems to pursue multiple, sometimes mutually incompatible, objectives.

Meanwhile, Tsoukalis' (2005: 236) extensive work on EU economic policy, always worth careful study, leads him to the blunt conclusion that 'for many years, the EC/EU has been one of the worst, if not the worst, offenders against the principle of multilateralism in international trade because of the large number of preferential agreements signed with other, mostly developing countries', even if it has done so 'because of old habits and sometimes in an absent-minded fashion'. Again, much of this 'absent-mindedness' seems to arise from pursuing multiple, incompatible policy objectives. But it also arises from 'old habits': the EU's commitment to promoting regional cooperation has been undermined – most clearly in the case of Mercosur – by price support for European agriculture.

Arguably, the Common Agricultural Policy (CAP) makes a mockery of the EU's commitment to effective multilateralism more generally. It is plausible to view the Union's refusal to give sufficient ground on the CAP as the single most important factor in the failure of the Doha round of world trade talks to be completed and realize its 'development agenda'. Of course, the EU has multiple policy instruments to advance a development agenda. Yet, in terms of actual impact in the global trading system, the EU's investment in (say) trade facilitation – its policy of giving aid to developing countries to become more effective participants in the WTO – is minimal compared to the pathologies of the CAP.<sup>22</sup> This picture is sobering if we accept that recent moves such as trade facilitation designed to legitimate the WTO, itself universally considered one of the most important vestiges of multilateralism, are unlikely to work in the future (see Smythe and Smith 2006).

Moreover, the suggestion that an enlarged EU might be more prone to strategic trade policy action gets little succor from the new politics of CAP reform. The newest 12 member states must sit out 10 year transition periods before they become full members of

the CAP, several reforms of which have been proactively delayed until they benefit fully from it. More generally, the new 12 have weak incentives to agree to any reform of the CAP before the end of their transition periods, especially as they produce mostly the same agricultural products as the EU-15 (Van Den Hoven 2004: 217). It has long been thought that the CAP is likely to turn Hungary, Bulgaria and Romania into agricultural protectionists because they will be able to increase their own productive capacity using CAP subsidies (Johnson and Rollo 2001).

More generally, the costs for the new 12 to adopt EU agricultural health and safety standards will be high. For example, it may cost Poland as much as 4-8 per cent of its GNP for the next 20 years to implement all EU environmental directives. The question thus arises of whether an effect of enlargement will be the erosion of the Union's position on the 'precautionary principle', which has been a lodestone of its trade policy for years.<sup>23</sup> Defense of the principle would seem to reflect precisely the sort of ethic that a structural foreign policy would seek to embed in the policies of states beyond Europe. However, there appear to be new, practical obstacles to strategic action along these lines, as well as moves to advance the cause of effective multilateralism more generally, that arise from enlargement. There also appears to be no shortage of old, longstanding obstacles.

## Conclusion

We have considered the argument that trade policy acts as a surrogate for an EU foreign policy, as well as the compatible (but more nuanced and optimistic) view that EU trade policy serves the wider purposes of a structural foreign policy. Advocates of both views tend to view the Union as having the capacity to engage in strategic action. The EU's main external policies, and well as the institutions and actors that are purveyors of them, have been scrutinized with a view to gauging whether and how often trade policy is effectively foreign policy. We have considered specific cases where the EU appears to have used trade policy strategically. The Union's aspirations for effective multilateralism have been presented as a test case of how trade policy is used, and how effectively, in the service of broader foreign policy goals. We have seen that it is far clearer who speaks for Europe in trade policy than it is in foreign policy more generally, and will remain so unless and until the EU gets is Minister of Foreign Affairs. The system of external policy institutions that has grown up in Brussels over time has been revealed to be highly compartmentalized with weak horizontal links between policy-makers and administrations responsible for specific policies. We have seen that trade policy is a conflicted but still highly atomized and rules-bound area, and that even here the EU seems to pursue numerous, not obviously compatible objectives. The case of effective multilateralism appears to expose the EU's generally weak capacity for strategic action, or at least its inability to avoid undermining such action, although the fairness of this test might be queried. What cannot be queried is that Solana's recent statement to the European Parliament, during which he was forced to deny suggestions that 'the EU in fact has no common foreign policy', says something rather gloomy about how much the CFSP has developed since it was created 15 years ago.<sup>24</sup>

Of the alternative views we have considered, the one that claims trade policy acts as a <u>surrogate</u> for foreign policy seems easiest to dismiss. There is little evidence to sustain the argument that trade policy is used strategically by the EU to counter US hegemony. Nor is there much to support Messerlin's (2001) claim that trade policy is an instrument of compensation for the Union's failure to develop the usual accouterments of a great power ('a foreign policy or army'). The suggestion that the Union uses trade policy to 'pursue milieu goals as a civilian power with a structural foreign policy' seems based on a series of very heroic assumptions about the EU's capacity for long-term thinking and collective action.

However, the simpler claim that trade policy gives the EU <u>capacity</u> for strategic action, at least potentially, is difficult to deny. In part, this conclusion arises from the EU's recent attempts – such as they are – to think strategically, as reflected in the European Security Strategy, the Open Skies agreement, European diplomacy (including economic diplomacy) towards Iran, the Balkans, least-developed countries, and so on. It would not be unfair to note that the EU, compared to most other major players in international politics, still is not very good at thinking strategically (see European Commission 2005: 14-15). But it is getting better at it.

Ultimately, the analysis in this paper leads us to two conclusions, one empirical and one theoretical. The first, empirical conclusion is that EU trade policy seems to be used primarily and most often to uphold European economic interests, which may be narrow and short-term in nature. There is little reason to think it is used primarily or very often in the service of a broader, vision-inspired, European perspective on how the international world should look. It is worth recalling that trade policy involves the application of international law to individual cases in a way that is rare in the practice of foreign policy more generally. Broad visions, principles, and aspirations obviously inform trade policy judgments, particularly decisions about whether to litigate or not (see Young 2007). But it would be surprising if those who seek to argue that the EU effectively operates a structural foreign policy would be satisfied to argue that the Union's apparent capacity for strategic inaction validates their thesis.

A second, theoretical conclusion probably should be offered with a dollop of humility. Nevertheless, the early  $21^{st}$  century has seen the emergence of some accepted wisdoms amongst European foreign policy scholars that seem to be both too gallant and (mostly) unchallenged. There is now – as there never been has as clearly before (see Peterson 2008) – a single, leading theoretical perspective on European foreign policy, and it is social constructivism.<sup>25</sup> We need not go as far as Glarbo (1999: 636) – at least not using language as strong as his<sup>26</sup> – in observing that constructivism can seem 'to be a rather vacuous, if not a downright tautological term, that can be adapted to fit almost any pre-given theory or empirical phenomenon'. We should be cautious about suggesting that it is particularly dangerous in the hands of European foreign policy specialists since 'constructivism supplies dubious and controversially optimistic conclusions' about how effective Europe is as a single, global actor (Glarbo 1999: 638).

Yet, when we ask whether EU trade policy is used (effectively) as foreign policy, whether the Union is capable of strategic action, or if it operates a 'structural' policy, the answer too often seems to be in the affirmative simply because a European foreign policy is under 'construction'. Meanwhile, constructivists do not shirk from barbed critiques of other theoretical perspectives along the lines of 'theories of integration usually provide monocausal explanations. They cannot therefore be considered as general theories but rather as ideological models...[that] contribute to shaping the reality of integration rather

than explaning it' (Bauer and Remacle 2004: 114). Surely, however, the burden of proof falls on those who argue that the EU is more effective, as opposed to simply more active in foreign policy, and even more on those who claim that EU trade policy as a tool of strategic action in a coherent, effective, 'structural' foreign policy.

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<sup>&</sup>lt;sup>1</sup> Just one illustrative example of how the EU's most forthright and caustic critics are often Americans: the former US Undersecretary for Arms Control in the Bush administration's Pentagon (and proposed, but rejected, US Ambassador to the United Nations), John Bolton (2007), asserted that during the crisis that followed Iran's seizure of British marines and sailors near the Iraq border, 'the European Union contributed their usual level of determination: precious little'. The classic American statement on the EU's international weakness is now, of course, (Kagan 2003).

<sup>&</sup>lt;sup>2</sup> See for example the review of Messerlin's study by Robert Feenstra in <u>World Trade Review</u>, 1 (2): 228-30. Feenstra notes that Messerlin's study calculates the costs of protection to European consumers without allowing for offsetting benefits to European firms or governments (through increased revenues from tariffs), an approach that Feenstra describes as 'unconventional' (p.229).

<sup>&</sup>lt;sup>3</sup> This quote and previous one from the Commission staff working document, <u>Annex to the</u>

Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions - Global Europe: Competing in the World - a

<u>Contribution to the EU's Growth and Jobs Strategy</u>, SEC(2006) EN 1230, Brussels, 4 October 2006, p.16. <sup>4</sup> The full text of the ESS is available at <u>http://www.iss-eu.org/solana/solanae.pdf</u> and as an appendix in Dannreuther and Peterson (2006).

<sup>5</sup> This point was impressed upon me sometime in the distant past by Alan Dashwood, one of the top European lawyers of his generation. It is also prominently highlighted by Messerlin (2001: 6-7).

<sup>6</sup> See Andrew Beatty, 'Kypriano seeks to end ban on Polish meat', <u>European Voice</u>, 11 January 2007, available at: <u>http://www.europeanvoice.com/archive/article.asp?id=27067</u>; Euractiuv.com, 'EU-25 backs Poland in beef row with Russia', 18 December 2006, available at:

http://www.europeanvoice.com/archive/article.asp?id=27067; (both accessed 23 April 2007).

<sup>7</sup> Personal correspondence with official in DG Trade, 28 March 2007.

<sup>8</sup> To illustrate the point, QMV was a major discussion point in a recent interview with Tony Blair on the fate of the Constitutional Treaty. See Dana Spinant, 'Blair to clinch deal on Constitution before quitting', <u>European Voice</u>, 19 April 2007, available at: <u>http://www.europeanvoice.com/current/article.asp?id=27890</u> (accessed 23 April 2007).

<sup>9</sup> 'The Convention and trade policy: concrete steps to enhance the EU's international profile', speech delivered in Brussels, 5 February 2003 (available at:

http://ec.europa.eu/archives/commission\_1999\_2004/lamy/speeches\_articles/spla146\_en.htm; accessed 15 April 2007). See also 'What Europe for this world?', speech delivered to the Grandes Conférences Catholiques, Brussels, 24 March 2003 ( available from:

http://ec.europa.eu/archives/commission\_1999\_2004/lamy/speeches\_articles/spla163\_en.htm; accessed 15 April 2007) and various other of Lamy's 2003 speeches available at:

http://ec.europa.eu/archives/commission 1999 2004/lamy/speeches articles/indexpldat en.htm#2003. <sup>10</sup> 'The Convention and trade policy' (see note 10).

<sup>11</sup> See Euractiv.com, 'EU tops world anti-dumping charts', 11 April 2007, available at:

http://euractiv.com/en/trade/eu-tops-world-anti-dumping-charts/article-163079 (accessed 23 April 2007). <sup>12</sup> Changes in voting rules governing anti-dumping (making it easier to launch investigations) were agreed as the price of France's support for the Uruguay Round agreement in the early 1990s make it more difficult

for the Commission to 'gatekeep' in this area. <sup>13</sup> Personal correspondence with DG Trade official, 28 March 2007.

<sup>14</sup> Interview, US Mission to the European Union, 5 July 2006.

<sup>15</sup> For a view that closely reflects that of the Bush administration, see the leading article ('op ed') entitled 'Tehran's triumph: Europe and the UN bless Iran's march towards nuclear weapons', <u>Wall Street Journal</u>, 1 December 2004 (available at <u>http://www.opinionjournal.com/editorial/feature.html?id=110005965</u>; accessed 21 April 2007).

<sup>16</sup> See for example Steven Mufson, 'US cautions Europeans to avoid oil, gas deals with Iran', <u>Washington</u> <u>Post</u>, 1 February 2007, p.A12; Steven R. Weisman, 'EU agrees to widen economic sanctions against Iran', <u>International Herald Tribune</u>, 12 February 2007, available from:

http://www.iht.com/articles/2007/02/13/africa/web.0213sanctions.php (accessed 17 April 2007).

<sup>17</sup> Details at <u>http://trade.ec.europa.eu/doclib/docs/2006/december/tradoc\_131985.pdf</u> (accessed 21 April 2007).

<sup>18</sup> See Lamy's speech 'Europe in the international economic system' to the Hellenic Foundation for European and Foreign Policy, 3 October 2002, available at: <u>http://www.eliamep.gr/eliamep/files/lnb\_2002-10-03.pdf</u> (accessed 18 April 2007).
 <sup>19</sup> Messerlin (2001: 4) goes as far as to claim that 'all these agreements have had almost no economic

<sup>19</sup> Messerlin (2001: 4) goes as far as to claim that 'all these agreements have had almost no economic impact on the E[U]'.

<sup>20</sup> There are, of course, problems with all such sharp dichotomies in the social sciences, including this one: is security, for example, a material or non-material goal (Keohane 2000)?

<sup>21</sup> In fact, Manners (2006) argues (somewhat reluctantly) that the EU is capable of this tricky balancing act. It can remain what he calls a 'normative power' so long as its military ambitions do not take it beyond the crossroads specified in the European Security Strategy, which prescribes meeting new security threats with a 'mixture of instruments' including military ones and (for example) using military force to 'restore

order...in failed states'. The problem is that Manners sees the EU as 'militarizing' beyond the limits set for itself in the ESS.

<sup>22</sup> For a complete (at the time) list of all EU trade facilitation activities, see WTO Negotiating Group on Trade Facilitation, 'Communication from the European Communities: Technical Assistance and Support for Capacity Building', TN/TF/W/37, 29 April 2005 (available from

http://trade.ec.europa.eu/doclib/docs/2005/may/tradoc\_123447.pdf; accessed 17 April 2007).

<sup>23</sup> The precautionary principle is not defined in the Treaty or any other EU instrument and is mentioned only once in the (EC) Treaty's title on environmental policy. The European Environment Agency's website (http://glossary.eea.europa.eu/EEAGlossary/P/precautionary\_principle; accessed 17 April 2007) defines it as the '(1) Principle adopted by the UN Conference on the Environment and Development (1992) that in order to protect the environment, a precautionary approach should be widely applied, meaning that where there are threats of serious or irreversible damage to the environment, lack of full scientific certainty should not be used as a reason for postponing cost-effective measures to prevent environmental degradation. (2) The precautionary principle permits a lower level of proof of harm to be used in policymaking whenever the consequences of waiting for higher levels of proof may be very costly and/or irreversible'.

<sup>24</sup> See 'Solana: "CFSP must be compatible with EU strategy", <u>Euractiv.com</u>, 30 March 2007, available at: <u>http://euractiv.com/en/security/solana-cfsp-compatible-eu-strategy/article-162907</u> (accessed 10 May 2007).
<sup>25</sup> Note that there is good evidence to suggest that constructivism is <u>not</u> the leading theory of the rest of

what the EU does; that mantle has been earned by institutionalism (Cowles and Curtis 2004).

<sup>26</sup> Glarbo (2001: 636) is actually far more sympathetic to constructivism than it appears from the selected quotations offered here, and in fact seeks to develop 'a truly theoretical constructivism' in the article cited (Glarbo 2001).