Is European Inter Regionalism a Relevant Approach for the World or Just for Europe?

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Is European Inter Regionalism a Relevant Approach for the World or Just for Europe?

Rita Giacalone*  

Introduction  

Most of the literature on inter regionalism seems to accept that, as a region, the European Union (EU) stimulates interregional cooperation in such a way that it may be responsible for adding a new category of relevant actors to world politics. This development is usually viewed by academics, mostly Europeans, positively, as a situation born from the affirmation of a European “soft power” vis-à-vis other alternatives of world order. Additionally, it is often assumed that the successful integration model of the EU is responsible for creating the conditions for emulation in other regional integration projects elsewhere, and implicitly that it could be the cornerstone of future world order.

This paper explores this argument in order to provide a more accurate reading of European actions in the international landscape. Our starting point is the fact that the characteristics of the power that a nation state, or a group of nations such as the EU, exercises can be extrapolated from its internal make-up but should not be divorced from its actual behavior in the international arena. So far the behavior of the EU in that arena has been patterned along traditional lines of behavior of aspiring powers within historical settings dominated by a nation who faces problems in maintaining its hegemony. Thus, we argue that most of the literature on European “soft power” exceptionality is based on a reading of the EU internal make-up that is not paying attention to its actual behavior in the international arena.

We accept that internal factors weigh on the foreign policy decisions made by a nation state or a group of nations, but also that the feeling of exceptionality – that a nation or group can develop because of its internal make-up – does not necessarily “spill over” to its international relations. So, we are going to test the proposition that, in order to protect its exceptionality, a nation state or group of nations applies different mechanisms to its international dealings, but those mechanisms are not different from the ones employed in similar international situations by nation states whose internal make-ups differ. In other words, the participation of a group of nations in the world order does not translate into a different behavior than that of previously isolated nation states, exemplified by the realist proposition that nation states and groups of nations still “value survival above all else.” And, in the case of the EU, this implies the survival of an internal make-up that has been successful for its members. As a consequence, interregionalism can be seen as a European centered approach aimed at defending the permanence of the gains achieved by means of regional integration, but with little relevance in the medium and long term for a more democratic or more meaningful world order for developing nations.

This paper contends that hegemony and emulation are just two faces of the power exercised by an actor within the international system. When a nation or group of nations has enough power to do so, it imposes its hegemony. When it does not have enough power, especially

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enough power to compete with an existing hegemon\(^1\) -- or it is unwilling to do so-- it would tend to emphasize other elements (its value system, for example) as an emulation horizon for other nations. Both behaviors translate into active foreign policies toward the rest of the world, and activism in foreign policy almost always is born out of the need to defend itself. In the case of the EU, its behavior towards Eastern European countries is that of a hegemon, according to the definition of hegemony in “Theorizing Regional Integration and Inter-Regional Relations” (2006) -- the EU establishes the goals, monitors the course of action, and supports the instruments required to carry out the undertakings agreed upon.\(^3\) However, beyond Eastern Europe and Turkey, the EU lacks the power to impose its hegemony and is limited to resorting to an alleged “soft power” deal --i.e., inter regionalism.

In the first section of this paper, we provide historical examples of the U.S., a nation state which has employed both hegemony and emulation as defense mechanisms at different stages in its history. This will demonstrate that, though much is made out of the European Union emulation, it is a mechanism to assert economic and political power that has been used before by individual nation states. And, in the second section, we discuss aspects of EU foreign policy towards developing nations that, when taken together, suggest that the adding of new relevant actors to world order by way of inter regionalism may help create a new balance of power under European tutelage, but this balance will not necessarily lead to a more democratic or lasting world order.

I. Hegemony and Emulation throughout History

Classic examples of the same nation exercising power by means of emulation and hegemony can be seen in the history of the U.S. participation in the international system in three moments -- the beginning of the nineteenth century with the Monroe Doctrine (emulation); World War I, when the behavior of the U.S. exemplifies the transition from emulation to hegemony; and the middle of the twentieth century, World War II and afterwards (hegemony).

In spite of the declaration of U.S. President James Monroe in 1823, that the U.S. intended to protect the newly independent states of Latin American against the imposition of any European power, during the remainder of that century, Great Britain became the de facto economic and political hegemon among those states. And, it was only when the British and French governments attempted to prevent the union of Texas with the U.S. in the middle 1840’s, that the principles of Monroe’s declaration were again invoked, in a clear demonstration that the U.S. was not powerful enough to impose its terms on the whole Western Hemisphere but was ready to have them respected in nearby regions (Burns, 1990: 170-172).

Another example can be seen during the Civil War between the Northern and Southern states of the United States, when European governments took the opportunity to reassert their political power in Latin America. Spain re-annexed the Dominican Republic and regained the Chinchas Islands, after a war against Peru and Chile; France, under Napoleon III, intervened in Mexico and proclaimed a Hapsburg as king of that nation. But, with the American civil war settled in favor of the industrialized Northern states, and the U.S. reunited by its expansion across the continent toward the Pacific, European powers had to retreat leaving the U.S. free to start its expansion towards the Caribbean and Central America by the end of the nineteenth century.

It is useful to review some of the arguments presented as justifications for U.S. behavior at that time, because they seem quite close to some of the arguments that European analysts apply to inter regionalism and EU foreign policy towards developing countries. For example, Senator

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\(^1\) The ability of the EU to unilaterally control conflict in its periphery is affected mainly by lack of military means, without associating itself with the U.S. through the North Atlantic Treaty Organization (NATO), and by lack of a unitary political voice on this matter. The Yugoslav crisis provided a clear example of these weaknesses (Barahona de Brito, 2001: 150-154).


\(^3\) “Conditioned inclusion” is not different from hegemony because nations aspiring to join the EU lack the power to mold those conditions according to their own needs or interests. For them it is a “take it or leave it” situation, and not taking it is out of the question when other neighboring nations are doing so.
Albert J. Beveridge claimed at the end of the nineteenth century that “God has marked the American people as His chosen nation to finally lead to the regeneration of the world […] We are trustees of the world’s progress, guardians of its righteous peace.” And, after the swift U.S. military victory against Spain in 1898, one American journalist characterized the move as “the imperialism of liberty” (both quoted in Burns, 1990: 173). In summation, the Western Hemisphere under American hegemony would be the reign of progress, liberty, and peace, creating a new regional order. This is rather similar to the situation that some European analysts seem to expect today from inter-regionalism, though the latter aspires to develop a world order. The main difference rests with the philosophies behind the ideas of the U.S. then and of the EU today. In the first case, Spencer’s positivism and Darwin’s philosophy were the overall accepted creed. Now faith is put into the intrinsic values of civil society’s efforts regarding human rights, the environment, and poverty alleviation, on the basis of a post global philosophy.

A decade later, a quote from Woodrow Wilson’s “The Making of a Nation” adequately shows the transition from emulation to hegemony, though the American president was wholly unaware of this: “It required statesmanship of no mean sort to bring us to our present growth and lusty strength. It will require leadership of a much higher order to teach us the triumphs of cooperation, the self-possession and calm choices of maturity” (quoted in Baker, 1931: 1). To make this evident, we need only to translate “leadership” into “power.” By that time, the Spanish War of 1898 had already proven that the U.S. had moved from emulation to hegemony, albeit within a reduced regional framework, the Caribbean. World War I would push it reluctantly into a larger landscape and World War II would finally turn it into a world hegemon, militarily, politically, and economically.

A look at the U.S. presidential campaign of 1912 shows that of the three key issues (tariff, trusts, and immigration) two had closely associated international implications; one (the tariff) with the fight against “special interests” in the domestic sphere, and the other (immigration), with the overseas situation that was pushing immigrants out of Europe and into the U.S. And the attitude of Woodrow Wilson, the winner in the electoral contest, towards the international system can be considered ambivalent because he favored both the lowering of trade barriers and escalating restrictions to immigration. The common principle behind these issues, however, was the restoration of fair competition in the American economy and politics, as tariffs were assumed to favor price control by American monopolies, and immigrants were easily manipulated by political party machines. In this way, aspects of domestic, not international, politics determined the importance of the campaign issues.

In fact, it has been claimed that Wilson did not start thinking about foreign affairs until after his election to office in November 1912, and the issues that first attracted his attention were relations with Russia and China. In both cases, Wilson favored any agreement “which looks towards giving the people” of those countries “the liberty for which they have so long been yearning and preparing themselves” (Baker, 1931: 417-418). Also the appointment as Secretary of State of William J. Bryan -- “an evangelist, a reformer, rather than a statesman” (Baker, 1931: 440), who had no experience or knowledge whatsoever about diplomacy or foreign affairs -- demonstrates the American government’s reluctance to engage its power in the outside world by anything different than emulation.

The behavior of the U.S., England, and France during the formation of the League of Nations provides another example. During the Peace Conference at Versailles (1918) two political views clashed – the so called historic current, a continuation of the premises of the Vienna Congress (1814), with its emphasis on the rights of the winning nations to impose peace on their terms, assumed mainly by England and France, and the American or “moral” current, based on President Wilson’s Fourteen Points. At that moment, the champion of democracy was the U.S. government, which wanted to establish an association of free nations, all of them with equal rights, in “emulation” of the basic principles upon which its domestic society was based. When those principles were not accepted, the U.S. did not enter the League of Nations. Other attempts at democratizing this league, such as the proposal of Argentina, Canada, and others, to admit all sovereign states, regardless of their role in World War I, establishing an International
Court of Justice, and limiting armaments, were rejected or postponed without discussion by the European governments (Llairo & Siepe, 1997: 87-88, 98). This demonstrates that, at that time, England and France were willing to continue playing their traditional roles as colonial powers (hegemons), and the U.S. was not yet prepared to challenge it – outside its closer area of influence, the Caribbean and Central America -- by any other means that offering an emulation alternative based on ideas (“soft-power”).

The above situation vividly contrasts with the picture presented by the secret wartime correspondence between U.S. President Franklin D. Roosevelt and British Prime Minister Winston Churchill in the 1940s. When looking at how the military, political and diplomatic affairs were addressed at that time, it is clear that the aftermath of World War II would be “disturbingly different” from the previous postwar era, and the difference rests on the fact that the U.S. would assume its role as a world hegemon. Emulation did not vanish; however, as it was assumed that the imposition of military, political, and economic power was a precondition for defending the maintenance of the principles of democracy and freedom at home. Soon the Cold War would emphasize their defense throughout all the “free world.” The American government embodied its value system into the Atlantic Charter (1941), a set of principles including self-determination. This would be applied after the war not only to “liberated Europe” but also to the nations of Africa and Asia, a fact that at that time provoked Churchill’s objections⁴ (Loewenheim, Langley, and Jones, 1975: 54).

Even at the moment that the U.S. entered the war after Pearl Harbor (1941), the Declaration by the United Nations became another statement of the main political principles to be established after the war. If this time they became acceptable to Britain and the other European members of the alliance, it was because they “no longer possessed sufficient power to defend themselves against aggression without American support” (Loewenheim, Langley, and Jones, 1975: 64), an implicit recognition that they needed U.S. military strength in order to survive the threats posed by the Axis, and later on, by the Soviet Union. At the same time, at the end of the year 1944, Roosevelt informed the Russians that “the U.S. government stands unequivocally for a strong, free, independent, and democratic Poland” (Loewenheim, Langley, and Jones, 1975: 68). Thus the U.S. power was simultaneously showing its two faces: military hegemony and political emulation of its value system. Economic issues, except for the relaxation of British imperial preferences, were hardly mentioned in the Roosevelt-Churchill correspondence, perhaps because by that time American economic supremacy was taken for granted by both.

In fact, Ruggie (1998: 863) also claims that “America’s [U.S.’s] choice of the specific features of the postwar institutional framework – be in the United Nations, indivisible security commitments in NATO, or nondiscriminatory norms in trade and monetary relations – cannot be rendered merely in terms of marginal utility but also reflected America’s sense of self as a nation.” According to this quotation, then U.S. “identity” was at least partially responsible for the way in which the international order was shaped after the war. This argument is quite similar to that made by some European analysts when they claim that the EU favors cooperation and negotiation, over exploitation and imposition, because of the “identity” it has developed within European integration.

It is interesting to observe that in some quotations from European authors who are discussing the present day EU position, if we change the present to the past tense and substitute “EU” for “U.S.,” their interpretations can be adequately applied to previous stages of U.S. foreign policy. An example would be the following: “The EU largely reinforces a particular subset of the dominant values that characterize current order. The EU not only does so internally but also seeks to actively export its preferred values of order, albeit in a non-violent and fairly consensual manner. Because of its unique nature, the EU carries with it some minor seeds of change compared to current order in

⁴ At that time, the British government was not prepared to relax the imperial preference system or to grant autonomy to India (Loewenheim, Langley, and Jonas, 1975: 59), both supported by the U.S. Further on other political disagreements developed between the two allies regarding the American opposition to the re-installation in power of the Greek monarch, supported by the U.K.
world politics…” (Van Veen, 2006: 4). Again, a strong similarity between the two cases is provided by the feeling of the “uniqueness” of the international actor.

Additionally, another interesting exercise is to apply to inter-regionalism the concept of “collective intentionality” developed by Searle (quoted in Ruggie, 1998: 869-870). According to that author, ideas are beliefs held by individuals, but when those beliefs assume an intersubjective quality (i.e. when a group of individuals can express those beliefs beginning with the phrase “we intend”), the belief may end up establishing actual behaviors in international relations outside the realm of sovereign states and into other sovereign states’ realms. This may assume the shape of humanitarian intervention, or the defense of human rights or the environment, but only the power of the collectivity (state or group of nations) ready to defend those beliefs may impose its will outside its limits and even create “a shared narrative about the conditions that had made the regimes necessary” (Ruggie, 1998: 870). So the answer to the question “when can states impose their identity on others?” has remained the same along history: when those states have enough power to do so and are also willing to exercise it. Thus, the U.S. after World War I had enough power but its government was unprepared to impose it on Europe. After the end of World War II, the U.S. was powerful and ready, and both factors ended up redesigning the political, military, and economic international relations of the world.

What the EU is trying to do now, under the name of “emulation,” is trying to diffuse its cultural norms to developing countries. These norms may be different from those of previous stages of European history, or show different changes in emphasis upon time, but they are always presented as “standards of what it means to be a modern state” (Ruggie, 1998: 864). Already in the eighteen and nineteenth century, European states had individually engaged into this practice when “England claimed to bear the white man’s burden, and France spoke of her mission civilisatrice…” (Waltz, 1979; 200, quoted in Ruggie, 1998: 865). The argument of the existence of a “soft power” in the EU is based on its unwillingness to impose itself worldwide, by other means than by emulation. But this unwillingness may be expression of the fact that it does not have enough power to do so. And, partially this lack of power emanates from the internal make-up of the EU because negotiation and consensus building inside the Union prevents it from acting swiftly abroad, and obviously from imposing and maintaining its unitary will on other nations or groups of nations by means of coercion.

At the same time, if creating a new world order based on identity (ideas, beliefs, value system, etc.) proved ephemeral in the case of the order created by European imperialism at the end of the nineteenth century and by the U.S. after World War II, why should it be more permanent if the EU succeeds in creating a new world order now? The expectation seems to be that emulation will provide the cement that would make this new world order more acceptable to developing nations, but this assumption needs to be contrasted with the actual behavior of the EU in its relations with developing countries.

II. Limits and Possibilities of EU International Behavior vis-à-vis Developing Countries

Van Veen (2006), who supports the notion that the EU is exercising “soft power” in its foreign relations, accepts that “the EU’s contribution to order has mainly been assessed by analyzing linkages between its nature as international actor and order. The actual polices of the EU, their intent and impact, has hardly been considered. This is a missing element, which is required for a full assessment of how the EU contributes to order.” Obviously, our purpose here is not to carry on this assessment, but we think that without it, little can actually be said about the reality of the “soft power” argument. Therefore, we are sketchily presenting some examples of EU foreign policy behavior in the international arena.

We start from the premise that “actorness” is a characteristic of the power exercised by a nation or group of nations, which has to be assessed from two perspectives. The first is from the

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5 Regarding lack of willingness to employ power (coercion) in foreign policy dealings, this may be linked to unresolved internal issues, perception of this as unnecessary, lack of support by domestic public opinion, or others, but certainly this aspect has not received enough attention and cannot be wholly ascribed to the internal make-up of the EU.
perspective of the origin of power (internal make-up of government, domestic public opinion, national/regional interests and objectives). The second from the perspective of those upon whom that actorness impinges, i.e., the receiving end. In the first case, “actorness” manifests itself in political discourse and foreign policy objectives (“actorness” is here a dependent factor of internal make-up). In the second case, the manifestation of “actorness” is the actual behavior of that actor in the international arena (and here “actorness” can be seen as an independent factor). When analysts discuss the possibility of EU’s inter regionalism creating a new world order, they are considering it as an independent factor in the world. They, however, justify it with concepts derived from its internal make up. We will attempt here to incorporate the second factor in this interpretation.

In this section we discuss, first, EU’s foreign behavior towards developing nations in order to show that this is permeated with the notion of power, both economic and political, which limits the possibilities of inter regionalism. And, secondly, we call attention to aspects that signal that the new world order created by means of inter regionalism will not necessarily be more democratic or more permanent. Discussion will center in three aspects: 1) the protection of European agriculture subsidies in the World Trade Organization (WTO); 2) the importance of European economic interests in the negotiation of association agreements with Mercosur (Southern Common Market, Argentina, Brazil, Paraguay, and Uruguay) and CAN (Andean Community, Bolivia, Colombia, Ecuador, Perú, and Venezuela6); and 3) the imposition of European domestic legislation on international regimes.

a) The European Union in the World Trade Organization

Regarding the launching of a new round of multilateral trade negotiations in the WTO, the EU position slightly diverged from that of the U.S. – while the latter preferred to limit the agenda to certain topics. The former favored a much more inclusive agenda that would incorporate aspects of reality unthinkable some years ago, such as electronic commerce, environment concerns, and so on. But overall for European governments the round was seen “as an important means to improve the European economy, to foster economic growth and sustainable development, and to ensure the successful management of globalization” (Paemen, 2000: 53). However, most of the negotiation process in the Doha Round has been slowed down by the EU position on agriculture.

Josling (2000: 92-93) summarizes the situation as follows: “…though the economic case for pushing ahead with further trade liberalization is clear-cut and the technical aspects of the negotiations are well understood, the political context in which the talks are to take place is becoming more complex.” And a considerable part of this complexity is linked to the EU, where France “blocked a reform package already agreed on by the ministers of agriculture in March 1999.” In WTO negotiations, it is clear that both the perspectives of the EU and developing nations are openly divergent. For the second group of nations, in general terms, trade rules for agricultural products, which make up a good portion of their exports, should be brought into line with those for non-agricultural products. Thus, their objective in negotiations is mainly to improve their market access, especially to the largest and richest consumer markets, such as the EU.

But the expectation of developing nations about the scope of WTO changes in the present round of negotiations clashes with the European unwillingness to depart with its high agricultural subsidies.7 The European Common Agricultural Policy (CAP), created in 1957, is considered the paramount example of the special treatment granted to its agricultural sector as it has the obvious intention of isolating farmers from foreign competition through a system of price support. The program, in fact, was so successful that later on production quotas and incentives to take land out of production have to be incorporated into CAP, justifying

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6 Until April 2006.
7 Hertel et al. (2001) have estimated that a 40% reduction in agricultural tariffs and export subsidies will increase global real income by some USD 60 billion per year, with important positive consequences in South and Southeast Asia, but with general gains for all developing nations, which export agricultural goods.
developing nations’ argument that “the exceptional has become the norm within international trade in agricultural products” (for more detail, see Jank & Jales, 2005).

There have been two unwelcome consequences of the program for developing nations -- first, they cannot enter the European market with their agricultural products, and, secondly, high subsidies have turned uncompetitive European food producers into net exporters. Developing nations now face their competition in other markets, and in addition there is an overall lowering of international food prices (Hoekman & Kostecki, 2001: 212-214). In order to deflect attention “from the liberalization of market access as it begins to impinge on sensitive domestic interests, and in part because it faces internal pressures to broaden the agricultural agenda in this way,” the EU has begun to actively support a perspective that favors issues related to the environmental and food safety impacts of modern agriculture (genetically modified crops, etc.) (Josling, 2000: 96). This amplifies the clash with the interests of developing nations that are net food exporters.8

Though much has been made about the EU position being a negotiating card to force the U.S. to lower their domestic support measures for farmers, it is a fact that U.S. overall subsidies represent a lesser proportion of their agricultural production (CEPAL, 2006). More payments by the U.S. have been separated from considerations about output (Hoekman & Kostecki, 2001: 216), and even without subsidies most of American agriculture would remain competitive. The situation of the EU, however, is the opposite. To compound matters, another problem that developing nations face in their dealings with the EU relate to trade preferences, as different groups of those countries face each other in opposing fields regarding quantitative restrictions to trade. The best known example, of course, is the dispute between the banana-exporting nations of Central and South America against the Asian-Caribbean-Pacific (ACP) nations benefiting from the Lomé/Cotonou Convention (Josling, 2000: 112-114).

Regarding these issues, Van Veen (2006) has asserted that:

“The EU strongly supports the WTO regime and has conducted countless bilateral regional and country trade agreements that, in line with WTO standards, seek to combine open and fair trade with preferential market access (articles XXIV of GATT and V of GATS). But it is not clear that this strategy is based on considerations other than maximizing the prosperity of the Union itself. For example the EU’s agricultural policy has widely been criticized as very protectionist... In fact, this policy hinders wealth generation through the export of agricultural surplus by third states, which is one of the strategies that allow developing countries to industrialize. Of course, agriculture is only part of EU trading policy and exceptions to its high tariffs exist (e.g. for tropical produce and Least Developed Countries). Nevertheless, EU agricultural policy combined with its apparent lack of intent to trade prosperity for security makes the case for this potential EU contribution to order somewhat unlikely.”

b) The EU’s Interests in the Negotiation of Association Agreements with CAN and Mercosur

Since the 1970’s, the Andean nations are part of the Generalized Preferential Systems (GPS) allowed by the GATT. This was developed in order to provide export alternatives to drugs for these countries. This non reciprocal program can be altered, and terminated by the EU because it is not considered a right of the receiving countries. In this sense, since its creation in 1990, the program changed from yearly decisions regarding admitted Andean goods to a four-year term. Each of these periods is followed by a revision unilaterally made by the EU. In the beginning it only involved lowering of tariffs for industrial goods, but since the mid 1990s it has included some agriculture goods too (ICE, 1995: 5-7). Also, among the provisions the GPS incorporated in 1995, inputs from the EU began to be considered as inputs originating in Andean countries,

8 Especially when the French Agriculture Minister calls them “predators” bent on “destroying a part of European agriculture,” quoted in La Nación (Buenos Aires), March 5, 2007.
in order to calculate norms of origin. This way the constitution of joint ventures between Andean and European companies was promoted, in which the latter provide inputs for goods to be exported to Europe (ICE, 1995: 24).

In July 2005, the 1995 GPS was substituted by the GPS+ (Plus), after the WTO declared illegal the previous trade preferential scheme. Since then, in order to continue receiving its benefits, Andean nations should ratify and comply with some 27 international conventions regarding diverse aspects of labor, sustainable development, and governance (Grisanti, 2005: 2-13). This has created an additional element of conditionality, not necessarily related to trade and economic or technical matters, criticized by different authors. But these criticisms have not affected Andean governments’ interest in an agreement with the EU, because until the Doha Round of the WTO ends, they will need to secure preferential trade access to Europe for their goods, and also make this access more permanent than under the existing GPS. This is due to the fact that the EU “modulation system” penalizes developing nations’ exports with high added value (from 6.9 to 21% from the bottom up in the EU, compared to 1.4 to 12% in the U.S., and 8 to 18% in Japan) more than the U.S. or Japan (Rosales, 2005: 141).

In the III EU-Latin America-Caribbean Summit in Guadalajara (May 2004), the EU, under pressure by Peru and Colombia, accepted to start a joint process of evaluation of CAN in order to decide the beginning of negotiations of an association agreement. This would include political dialogue, trade and cooperation, between the two groups. Probably the fact that the two Andean countries had already opened negotiations to establish bilateral trade agreements with the U.S. influenced the European decision, as observation has demonstrated that the EU reactivates negotiations, and gets closer to Latin America, whenever it perceives its economic interests in that region threatened by the U.S. (Ruiz Caro, 2004).

Until the meeting in Guadalajara, only an Agreement on Political Dialogue and Cooperation between the two groups had been signed in December 2003 (see text in CELARE, 2004: 85-128). The joint evaluation was approved by the Mixed Commission EU-CAN in January 2005 in Brussels, including three aspects: 1) the state of the custom union; 2) free trade in goods and services within CAN; and 3) the state of integration institutions. Andean governments delegated in the CAN Secretariat their participation in the process. The last evaluation meeting took place in December 2005. After that, the Venezuelan government first postponed the meeting to present the final document, and then suspended it, until in Brussels (April 19 & 20, 2006) Venezuela officially disapproved the document and announced its exit from CAN. Finally in May 2006, at the IV EU-Latin America-Caribbean Summit in Vienna, the document was approved by the rest of the negotiators, and the following month the remaining members of CAN (Bolivia, Colombia, Ecuador, and Peru) gave priority to negotiations of a trade and cooperation agreement with Europe.

Negotiations for a free trade agreement between Mercosur and the EU sprang from the signing of the Inter-Regional Framework Agreement of 1995 between the two groups. By that year the EU had replaced the U.S. as the largest trading partner of Mercosur and also as its main source of foreign capital. Mercosur had become the most important Latin American partner for the EU. Between 1995 and 1998, European exports to Mercosur grew by 22.5%, more than its exports to Mexico or Chile (Estevadeordal y Krivonos, 2000: 2, 4). Accordingly, the negotiation follows the pattern detected by the UNCTAD (2003), i.e. that a developed nation or group of nations will attempt to negotiate a free trade agreement with a developing nation or group of nations, when its trade and investment interests in them make their protection by means of a formal government-to-government instrument desirable.

Actual negotiations aimed at gradually liberalizing bilateral trade in all sectors between Mercosur and the EU began in November 1999, when the parties agreed on a program to establish three negotiating groups on trade in goods, trade in services, intellectual property rights and investment, and government procurement, competition policy and dispute settlement, respectively. Their work was expected to be completed by the year 2005, and be accompanied by the reform of the European Common Agricultural Policy, without which liberalization of

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9 See the following section in this paper.
trade between Mercosur and the EU made little sense, given the importance of agricultural exports (mainly food) for the first group of nations (Estevadeordal & Krivonos, 2000: 3).

However, since the year 2000, negotiations have been delayed and negatively affected by the fact that Mercosur has competitive advantages in the sectors most protected by the EU. The key obstacle is the different European treatment of industrial and agricultural products, because the first group of products gets faster access than the second one. Thus, negotiation seems to follow the “modulation system” of the GPS previously developed by the EU under the GATT/WTO, in which rates are calculated differently for lists according to their sensitivity, with most agricultural goods found in the “very sensitive” list (Estevadeordal & Krivonos, 2000: 6). Tariff negotiations between Mercosur and the EU are also characterized by asymmetry. Though Mercosur tariffs are higher than the latter’s and it seems that this group would need to make much more concessions that it would receive, Estvadeordal and Krivonos (2000: 9) point out that, given the size of the European market vis-à-vis Mercosur, a 1% tariff reduction in the EU would mean considerably more than a 1 % reduction in Mercosur.

Another complication of the association agreements is that negotiation and ratification in trade-related areas is a national, rather than supranational, responsibility within the EU, creating in fact a plurilateral negotiation with the Community and its member countries (Devlin, 2000: 10). In this field, as in those related to security, it is clear that the UE has not been able to develop pan European interests and strategies, to substitute national ones. Messner (2007: 3) considers this aspect one of the most important weaknesses of European efforts to exercise influence in the world, together with the closed character of its economy, and the bad image projected both by its agriculture subsidies and its immigration policy.

A closer look at the political economy aspects of the relationship between the EU and Latin America (Rosales, 2005: 127-145) in recent years also shows its close links with the domestic economic situation of Europe. This is especially true since the recent appreciation of the Euro has slowed down its exports of manufactured goods, with negative effects on investment and employment. This internal situation is making the EU push the brakes upon its ongoing trade negotiations with developing nations. However, European interests in establishing trade links with a market of the size of Mercosur still remain important, and strong German investments in Sao Paulo (Brazil) are leading the way in this effort, though CAN does not share this priority (“La decision de Venezuela…” April 24, 2006). An additional argument regarding the weight of economic considerations in European association agreements can be seen in the two agreements already signed by the EU with two other Latin American nations, Mexico and Chile. In both the trade component of the agreement occupies the largest part of the final document and it is structured in very detailed chapters, attesting to its importance for both parts.10

c) The EU Imposition of International Regimes

The EU promotion of international regimes, mainly in the fields of labor relations, democracy, human rights, and protection of the environment, though well intended and supported by high moral arguments, has provided another important arena for clashes in its relations with developing nations. The EU’s attempt to impose universal jurisdiction11 for European standards of behavior, beyond notions of humanitarian intervention and transnational defense of human rights, is limited by the notion of national territoriality. European conditionality transcends the limits because it affects economic, political, and social norms of developing nations, disregarding both culture and pre-existing conditions. Barahona de Brito (2001: 134, 136) asserts that resistance to accept universal jurisdiction can not be minimized as a manifestation of reactionary actors or of pragmatic governments, interested in reaping the benefits of globalization without sharing in its costs. It should also be understood as recognition of the fact that the existence of uneven power relationships in the international system is limiting the application of sanctions only to weak (i.e., developing) nations. Thus, conditionality in the EU

10 As an example, see Blanc Altemir, 2005: 88-89.
11 According to Barahona de Brito, 2001, this means that international institutions can intervene to sanction a nation state or group of nations for not fulfilling the expected standards imposed on them by stronger nations.
association agreements signed has been accepted out of necessity and not out of conviction (Barahona de Brito, 2001: 149).

Another argument that may lead to clashes between the EU and developing nations is the fact that the universal character of democracy and other human rights has different meanings outside Europe. So, there is confusion between a principle that pretends to be universal and the way in which it is construed by non Europeans, for the promotion of European values, beliefs, and standards implies that alternative interpretations need to be put aside or even destroyed (Mappa, 1996: 43). And this destruction goes hand in hand with the possibility of suspending “in whole or in part” a European program of cooperation with a developing nation, if the latter does not fulfill the expectations of the European concept. Article 5 of the Lomé Convention IV even establishes that cooperation may also be suspended by lack of “good management of public affairs” in the receiving nation (Mappa, 1996: 47). This has led Mappa (1996: 51-52) to support the notion that the EU, under the name of democracy and good governance, is imposing “a complex system of domination and management of the non Western world” and that the European project is inherently antidemocratic. For this author, the starting point of the project is an idealized vision of the EU state sustained not only by its politicians but also by some of its analysts. This should make us aware of the danger of adding to it an idealized vision of EU interregionalism, as well.

From a more sympathetic posture, Dupret (1996) also accepts that conditionality fosters more, not less, dependence in developing nations, and that EU’s representatives have sometimes recognized this fact. As an example, he quotes a declaration made to the European Parliament in 1993 in which a member of the European Commission stated that the EU would be able “to model North-South relations in the 1990s” (Dupret, 1996: 94). The quotation clearly delimits the scope of conditionality – it is applicable to developing nations and not to be used in relations with other more powerful nations. This may be linked to the fact that some of the threats to domestic security and governance in Europe derive from processes in developing countries. These include illegal migration and drugs trafficking, and thus justify the application of measures to control them in the countries of origin (Pachón, 2004: 101). But, at the same time, economic sanctions (limitations to enter European markets and to receive investments and cooperation aid) when democracy and human and labor rights are not respected are selectively applied by the EU, as the case of China demonstrates (Matlary, 2002).

Halperin (2006) has explored as well the problem created by the juridical effects of conditioning agreements to concepts of innocuity, quality, and food security, which are alien to developing nations. These standards of developed nations, justified under different names, such as “consumers’ rights,” “environmental services,” and so on, can be grouped under the general term of “welfare rights” of European citizens. This implies de facto discrimination against productive systems localized in developing nations, and contributes to maintain, and/or widen, the gap between them and the developed world. Moreover, these concepts constitute an extra territorial expansion of European law across the world.

Accordingly, among the most important elements determining the failure of EU conditionality to be accepted in developing nations, beyond the discursive level, are the following: 1) that this conditionality is not applied by Europe to more powerful international actors, making evident a two-faced behavior in its international dealings, linked to the different power perceived in the different interlocutors; 2) that the concept of “universal jurisdiction” clashes with territorial principles still important to developing nations; 3) that concepts such as democracy do have more than one meaning in the world; and 4) that part of the conditions imposed are not linked with the welfare of developing nations but the “welfare rights” of Europeans.

Regarding this last point, it is worth stressing that inter regionalism in European foreign policy can be perceived as originating from the need of the EU to defend from outside challenges. Mario Telo (2001: 261-262) has aptly described this when he claims that: “...the European Union is a specific set of supranational institutions, a process of system interaction, a
“social mega-network, a normative area, and at least partly governed by European law and common rules. It includes relatively binding human rights protection, and inspiring concentric organization... A consistent set of common values ... is surviving globalization [in the EU] more than elsewhere. [...] However, such a socio-economic model is seriously challenged: it is currently facing a double erosion, both from inside (unemployment, and huge demographic change) and from outside (competitiveness, immigration flows and so on). [...] Even in defending the past achievements, Europe has to be more proactive within the international arena.”

In summary, the empirical record of EU foreign policy towards developing nations does not support the notion that a new world order on the basis of interregionalism will end up establishing a more democratic world system. “One of the most telling elements that disproves [sic] the “soft power” argument regarding EU influence in world order is provided by European behavior within the WTO. There the EU is pitted against a whole array of developing nations along the question of the end of its internal subsidies for agriculture” (Rudd, 2003). Another element is the association agreements negotiated with groups of developing nations, such as CAN and Mercosur, in which under political and social discourse the political economy needs of the EU remain the determining factors.

An additional proof against the so called “soft power” argument of the EU in its relations with developing nations is the question of the international “regimes” being pushed in order “to assert the pretended “high moral” grounds of its position vis-à-vis that of the U.S.” In general, these regimes end up imposing European domestic regulations on the world, even when they clash with the development options of less powerful nations or groups of nations. The EU is exercising hard power in such a way that it leaves aside the democratic and cooperative character of its “actorness,” assumed by analysts from looking at its characteristics as a dependent factor.

III. Conclusions:

The EU was already an economic power during most of the 1990s. Also, during that decade it succeeded in building some domestic political support for its international “actorness” – by means of the Treaty of Maastricht and the constitutional foundation of the union. Upon these two pillars it deepened and expanded its foreign policy of cooperation and political dialogue in order to incorporate trade in goods and services and investment in association agreements with developing nations or groups of nations. The diverse political, economic and other conditions imposed on developing nations in these agreements can not be considered the result of “soft power” (emulation), even if the EU does not apply military coercion. This is especially true when, at the same time, the EU has a different behavior when it deals with other Triad members and stronger economic partners, such as China.

It is not our purpose here to discuss European reasons but it is clear that the EU’s actual behavior in the international arena suggests that it may not want to securitize issues if by doing so it runs the risk of open confrontation with the US. Whether or not this is the result of its internal make-up, which limits its capacity to build domestic consensus on security issues and affects its response to crisis situations, or if its unwillingness has other roots, is not our subject. But, for whatever reason, the EU employs its power on issues on which it is not difficult to reach internal consensus and the possibility of an open conflict with the US is minimal. Main examples are economics and international regimes on the environment, labor, and other aspects, included in association agreements with developing nations.

On economic and international regimes issues regarding developing nations the EU employs a very active foreign policy that is defensive on two counts: 1) the active promotion of its business interests by means of association agreements with developing nations is necessary

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13 Though official statements by the European Commission underline “the liberal and idealist underpinnings of the EU” in its dealings with other regions, Soderbaum, Stulgren and Van Langenhove (2006: 125) have found out that the goals of strengthening European power and of defending its interests in international affairs have started to appear more frequently in the justification of foreign policy decisions.
in order to maintain economic growth that ensures present levels of employment at home, and investments and markets abroad; and 2) international regimes are necessary in order to sustain “welfare rights” of its citizens (environmental, and other, standards) at home. On both, the EU applies power in its relations with regional groupings of developing nations, under the guise of conditioning its cooperation and political support, to the opening of their markets to European investments, goods, and services, and the acceptance of diverse international regimes. The fact that this European power can be equated neither with hegemony nor with emulation, shows the existence of a loophole in the theorizing about inter regionalism.

If our starting point in this paper was that hegemony and emulation are two faces of the same coin within a nation’s behavior in the world arena, we should add that the behavior of the EU resembles a spectrum with hegemony at one end and emulation at the other. Both behaviors can coexist in its foreign policy, together with many other ones in between (such as inter regionalism), and they are exercised according to European needs and capacities vis-à-vis other nation states or groups of nations. By emphasizing world order, the EU may be fostering inter regionalism. This, however, seems disproportionately divorced from European behavior in international relations. Some theoretical analysts, by placing too much emphasis in inter regionalism, limit theoretical research concerning alternative mechanisms for achieving world order.

Another starting point for looking at the capacity of inter regionalism to generate world order are the so many and different goals analysts seem to expect from it – to provide equilibrium to world order by counterbalancing unipolar power, to develop new regional organizations and to “deepen” existing ones, to create a new framework organization by remodeling the United Nations, to provide rationality to relations among nation states, to facilitate the development of joint or cooperative agendas among diverse regional actors, and to help develop regional identities, to name just a few of them. We will not discuss these goals here but we want to pinpoint just an example to establish the limits of the concept: the first objective – providing equilibrium to world order by means of counterbalancing unipolar power – is entirely linked to intra-Triad rivalries and aspirations, some of them very far away from the needs and aspirations of developing nations.

In this sense, groups of developing nations organized as regions continue lacking not only the capability to exert pressure on the international scene, but most of the time also the willingness to do so. Neither regionalisms nor global orders are better than their constituting parts – meaning than their expected results are dependent on the power configuration of member nations and on the relationships they build with one another. Whenever a regional group is formed by weak nations, they would end up replicating that situation on their outside dealings (Barahona de Brito, 2001: 156). This shows that an alliance of weak nations does not necessarily create new strength but may be equated with a larger weakness. So far then, except for the EU, there is no evidence that “the region has more political grunt and therefore a greater capacity and predisposition to assert its political identity than the individual nation-state” (Rudd, 2003). This is reinforced by Hanggi, who states that the regions able to achieve “actorness” are those controlled by a hegemon, and that regionalisms “are structured by the way they relate to the outside world.”

Whenever developing nations are forced to act in the international arena in support of the needs and interests of a Triad power (such as the U.S. and the EU) they may be reinforcing the feeling that they are merely considered pawns of their global business and political interests, and there is little hope that this will help develop a more democratic or even lasting world order for developing nations. As studies by Robles (quoted in Rueland, 2002) have suggested, development aid by the EU for ASEAN regional projects seems to have contributed little to

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14 Telo (2001: 264) claims, however, that the EU can be successful “only when and if deep structural trends exist within the partner region limiting anarchy among states”. Thus, “proactive policies need a favorable objective context” (Telo, 2001: 265).

15 Especially when Javier Solana (2007) claims that “an increased European presence in the world is helping us to solve our Achilles’ heel, i.e. our inability to transform into political influence the large amounts of money expended throughout the years”.

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regional identity building. In addition, an unintended impact of this aid was the fact that Asian countries have countered European conditionality with the strengthening of their own values, forcing the EU to negotiate with them from a more pragmatic perspective.

Wendt (1992) also argues that, although anarchy prevails internationally as a systemic condition, its effects are not exogenous but depend on how the actors confronted with it perceive their world. Under identical conditions of anarchy, actors in world politics would engage in ‘self’ and ‘other’ identification on the basis of knowledge, culture, ideas, and interaction. This process helps create different “cultures of anarchy” with implications for world order but, according to Wendt, states, or groups/systems of states, can move from one culture of anarchy into another as changes of ideas and beliefs cause changes in interests and perception. So far, however, this concept may be applied to the European experience after World War II, when regional integration changed inter-state rivalry into cooperation and shared economic and political goals, plus establishing the basis of the present world order, but it ignores the rest of the world. In fact, if developing nations are subjected to change their own culture of anarchy into the one supported by the EU, by means of the imposition of international regimes that they do not regard as priorities, little satisfaction with the new balance of power can be expected, albeit in the short run. Sooner or later their still unheeded priorities and culture of anarchy could resurface to alter world order, and next time nations or groups of nations from the developed world, including the EU, will not be necessarily seen as partners in cooperation but as a new and negative establishment whose power they will need to confront.

A final comment on the question of world order can be made based on Van Veen (2006: 10), who has recognized that because “interconnectedness and interdependence grow unevenly throughout the world, interests in and demands for order diverge increasingly. States that are highly connected and interdependent have more interest in creating and maintaining order. It is evident that such states, mainly industrialized Western states, will attempt to push for an order resembling a global management system that is tailored to their particular situation. Less “globalized” states may more feasibly seek to reduce or (ab)use interconnection or Interdependence.” So, it is not clear that a new world order of the type advocated by the EU, or any other Triad power, will fit the needs of developing nations.

In conclusion, the EU model that has inspired interregionalism derives from a reading of European domestic gains, achieved by means of negotiation and consensus building with emphasis on social elements, but as Rudd (2003) adequately points out there is no coherent foreign policy initiative to apply similar reforms outside the EU. Leon Brittan, European Commissioner for External Affairs, stated in 1997 that “the central virtue of the EU is that of a diplomatic force multiplier, capable of exercising greater influence than individual member states over the future of the global economic order” (quoted in Rudd, 2003). Thus, the EU provides Europeans with “negotiating leverage with the U.S. in shaping the emerging international order in a manner which maximizes European interests. What that order might be, and how it might differ from the current one, appears to be an open question” (Rudd, 2003). Within this picture, interregionalism may be characterized as an Euro-centric perspective relevant for defending the gains achieved by Europe through integration, but not necessarily useful for helping establish a more democratic and lasting world order for developing nations.

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16 For example, the EU concern with protection of the Amazon forest collides with the development views of the Brazilian government.
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