1. The European Union today: between peace and crisis

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1. WHY THIS BOOK?

The Norwegian Nobel Committee decided to award the Nobel Peace Prize for 2012 to the European Union (EU) in recognition of its contribution, and that of its predecessors in the European Communities,¹ to ‘the advancement of peace and reconciliation, democracy and human rights in Europe’ (The Norwegian Nobel Committee 2012: 1). Thanks in part to its stabilizing role, the EU had ‘helped to transform most of Europe from a continent of war to a continent of peace’, the Committee wrote (ibid.). The decision came in the midst of economic and social turmoil in the EU. Some commentators interpreted it as a way for the Nobel Committee to prop up the EU in a time of crisis, taking the long view of its achievements, rather than focusing on its contemporary difficulties.

This book comes at a time of challenging events in the EU and its neighbourhood, which have ramifications not just for Europe but also for the wider world. The unfolding of the Ukrainian crisis has pitted the EU vision of an Eastern Partnership against that of the Eurasian Economic Community (EurAsEC) and the Eurasian Economic Union (EEU)² whose name and institutional arrangements resemble, if only superficially, those of the EU and its earlier incarnations. Being a member of neither the EU nor these Russian-led regional organizations, Ukraine has been torn between EU and Russian security needs and ambitions. It was the suspension of preparations for the signing of an EU-Ukraine Association Agreement by President Viktor Yanukovich and his government with a view to avoiding detrimental economic reprisals from Russia that originally triggered the pro-European demonstrations of the *Euromaidan*. But although Ukrainian academics could greet the *Euromaidan* as ‘the largest ever pro-European rally in history’ and see the prospect of Ukraine’s economic integration with the EU as a way of expanding the EU market

while keeping Russia's neo-imperialist aspirations at bay (Lutsevych 2013), actual developments have been sorely disappointing. Ukraine has since descended into a spiral of instability, with Russia seizing Crimea and conflict between pro-Russian separatists and Ukrainian security forces in eastern Ukraine escalating. Beyond the sadly usual tragedies of war, this conflict has shockingly led to the downing of Malaysia Airlines flight MH17 with the loss of 298 passengers and crew from 11 countries on board.

The current pro-EU Ukrainian government can find some positives in the signing of an EU-Ukraine Association Agreement on 27 June 2014, which includes a Deep and Comprehensive Free Trade Agreement (DCFTA). The European Parliament (EP) gave its consent to the agreement in September 2014. However, it still needs to be ratified by all EU Member States. It is likely to lead to further Russian economic sanctions towards Ukraine, as association with the EU seems incompatible with membership in Russia's EurAsEc (Petrovic and Klatt 2015, in this volume) and EEU and because Russia views the EU agreement with Ukraine, as well as similar ones with Georgia and Moldova, as encroaching on its security and commercial interests. Because of the different situation of Member States in terms of dependence on Russian oil and gas, of business deals with Russia and of 'enlargement fatigue', EU Member States disagree on whether or not Ukraine should become a member of the EU. This is reflected in the text of the initialled Association Agreement, with the preamble declaring that the 'political and economic integration of Ukraine with the European Union' is contingent upon 'progress in the implementation' of the Agreement 'as well as Ukraine's track record in ensuring respect for common values, and ... in achieving convergence with the EU in political, economic and legal areas' (Association Agreement 2014: 4). The prospect of Ukraine one day joining the EU seems a long way off, notwithstanding the fuzzy language in the Association Agreement and soothing assurances to the contrary by some EU Member States. It is difficult to avoid the conclusion that Ukraine is in a permanent waiting room to EU membership, as are other post-Soviet states in the EU's eastern neighbourhood. But is this EU policy towards its eastern neighbours falling, as it does, short of membership sufficient to stabilize this region? What should we make of the initial intention by France to deliver warships to Russia under a previous deal in the midst of the Ukrainian crisis, even though the delivery was subsequently postponed? Deploing the disunity of the EU in the Ukrainian crisis, the EP asked for the EU to 'speak with one voice to Russia over Ukraine' and for EU Member States to lessen 'the EU's dependence on Russian gas' (European Parliament 2014: 1). At the

end of July 2014, EU governments did eventually agree to impose far-reaching economic sanctions on Moscow. Russian state-owned banks were prevented from accessing EU capital markets. EU leaders also agreed to embargo any future arms deals with Russia, although this did not cover the previously agreed sale of French Mistral helicopter carrier ships. But this agreement only came after the international outrage over the shooting down of the Malaysia Airlines plane and Moscow's lack of cooperation in assisting with the investigation (Borger et al. 2014). In a sign of the willingness of the EU to compromise, the EU Trade Commissioner and the Ukrainian Foreign Minister negotiated a deal with Russia's Minister for Economic Development to defer the full implementation of the EU-Ukraine Association Agreement until the end of 2015. The aim is to allay Russian concerns about cheap EU goods flooding the Russian market via Ukraine and to assuage Ukrainian fears of Russian trade restrictions, in hopes of lessening tensions in Ukraine (Waldron 2014: 1).

While EU officials tend to lament the lack of coverage of the EU in European national and international news, the Ukrainian crisis did catapult Ukraine and the EU to centre stage in the media. But the EU has taken centre stage in the last four years for other reasons as well. Even though there have been signs that some EU countries are on a slow path towards recovery, the effects of the multifaceted European economic crisis, sparked for its part by the Global Financial Crisis, have been felt far beyond the EU. They have been the object of frequent commentaries not only in the EU but also much further afield. In India, for example, the European financial crisis has been perceived as a 'major crisis' as the EU is its 'biggest trading partner' (EUEAPP 2010, political 'elite' respondent). Although there were initially hopes in India that the euro could act as an 'alternative global currency' to the dollar, the EU crisis was diagnosed as having been caused by rapid EU expansion and by overestimating the coherence of its economic policy when the European Monetary Union was introduced (EUEAPP 2010, civil society 'elite' and media 'elite' respondents; Winand et al. 2015). From a Chinese perspective, the EU, with its need for Chinese support to help solve its debt crises, 'looked weak even in the one realm that constituted it as a global actor: the economy' (Martínez Arranz and Wacker 2015, in this volume).

The 2014 EP elections, which saw a surge of support for Euro-sceptic parties of the radical left, the moderate and radical right as well as the centre of the political spectrum, triggered a flurry of observations on the part of key EU strategic partners. US commentators voiced fears that the election results might impact negatively on EU coordination in foreign policy – which was much needed to craft a coherent response to

Russian expansionism in Ukraine – as well as on the prospects for the conclusion of a Transatlantic Trade and Investment Partnership. The fissiparous tendencies evidenced by the EP elections were also seen as potential obstacles to further steps towards EU economic and monetary union, with potential contagion risks for the US (Dempsey 2014; Sparding 2014).

Less newsworthy, perhaps because good news is too often no news, are the quiet achievements of the EU. These changes have been wrought through a patient step-by-step process and through a series of treaties, crises and treaty revisions involving a wide range of actors at the national, regional or international levels. They include mechanisms agreed upon as a response to the EU economic crisis. The European Systemic Risk Board, a ‘banking union’ with a Single Supervisory Mechanism, a Single Resolution Mechanism and a Single Resolution Fund, as well as a European Stability Mechanism, are all cases in point (see Mayes 2015, in this volume).

This volume looks at both the good and the bad news. It does so by adopting a resolutely contemporary approach to political, legal, economic, social and cultural developments in the EU. Experts in their field, including both academics and practitioners, provide in-depth accounts of key issues facing the EU today. Many do so by grounding their analysis in historical developments that have led to the current situation. This allows for a deeper understanding of recent developments, such as the Lisbon Treaty, the latest reform of the controversial Common Agricultural Policy (CAP), and challenges in the fields of monetary and fiscal policy, human rights, social policy, and environmental and energy policies.

This book also looks beyond internal developments in the EU to encompass its external dimension in trade, security and in specific regions such as the EU Eastern neighbourhood, Russia, North America, the Asia-Pacific and Oceania. The book’s focus on EU internal developments, EU global engagement and their interplay, will make it a useful tool for academics, students, researchers, business practitioners, public servants and journalists from the EU and from regions outside the EU. As Europeans living in Australia, the editors have designed this volume with an eye to the particular needs of a non-European target audience seeking to understand the EU, particularly in the Asia-Pacific and Oceania. We have sought to provide a balance between internal issues of the EU, such as the process of European integration and its implications for Member States and European society, and external issues, such as the EU’s relationship with significant world regions and its contribution to finding solutions to major social, economic or political challenges at the global level.

2. THE STRUCTURE OF THIS VOLUME

The first part of the book consists of three chapters that analyse the current institutional framework of the EU from both a political and legal perspective and the innovations introduced as a response to the multi-faceted EU economic crisis. Chapters 2 and 3 explore the Lisbon Treaty and the process of legal integration within the EU, respectively. Chapter 4 examines the nature of the EU banking, financial and sovereign debt crises and how the EU sought to address them with various mechanisms and a flexible approach to integration (Mayes 2015, in this volume).

The second part deals with important internal and external policy areas in the EU, from its ever-controversial Common Agricultural Policy to the EU's position as the pre-eminent global trading power, through to its highly-developed environmental policy and its revitalized energy policy. This part also considers the areas of social policy and human rights protection in the EU, which reveal some of the internal contradictions of the EU project.

Finally, the third part is devoted to the global engagement of the EU in specific regions and countries. The first three chapters analyse the EU's relations with its post-communist neighbours and its key partner regions: North America and the Asia-Pacific. The last two chapters are devoted to EU-China and EU-Australia relations, respectively.

By way of introduction, we now turn to some of the key themes of the book.

3. THE EU CONUNDRUM

3.1 Peace through Enlargement and Networks?

There is no denying that the process of European integration has contributed to the reconciliation of France and Germany and to the advancement of democracy, human rights and prosperity in the region. The successive waves of EU enlargements have played a significant role in expanding the zone of stability beyond the original six members of the European Communities to a much wider European area, now encompassing 28 members. As former European Commissioner Chris Patten noted, EU enlargement to Central and Eastern Europe played a key role in fostering open markets and democracy there. Enlargement was thus perhaps 'the most successful foreign policy pursued by Europe' (Patten 2005: 152). Equally significant were the accessions of Greece, Spain and Portugal to the European Communities in the 1980s, which helped

bolster democracy and increased prosperity in those countries. Enlargement has also had important implications for the world beyond Europe. For example, when the United Kingdom (UK) joined the European Communities in 1973, many Commonwealth countries found their trade prospects with their former metropole significantly affected. To fight back successfully, these Commonwealth countries progressively adapted their negotiating tactics to the decision-making process of the European Communities while seeking to broaden their trade options beyond the UK to other European and non-European markets. If we take another example, through much of the Cold War, the United States (US) encouraged European integration both for its role in stabilizing Europe economically and politically, and for its potential to attract Russian satellites towards the West. At the same time, the US sought to contain the European Communities within an Atlantic framework to ensure that their policies remained closely aligned with those of the US. When the US backed British accession to the European Communities, it was in the hope that British membership would strengthen democracy in Europe, prevent rifts in the Atlantic Alliance between the UK and the European Communities, bind the Federal Republic of Germany further to the West and to help advocate American policies in Europe. While trade conflicts and disputes over foreign policy frequently marred transatlantic relations during the Cold War and thereafter, the US has recognized the important role of European integration, together with the expansion of the North Atlantic Treaty Organization (NATO), in spreading the community of market democracies towards the East (Winand 2009; Winand and Philippart 2001).

In addition to accepting new members, the EU has also sought to spread its vision of economic cooperation and its norms of democratic culture by spawning stabilizing networks in its neighbourhood. The European Neighbourhood Policy, which was designed to stabilize the EU's neighbourhood by exporting prosperity and EU values through closer economic and political cooperation, has not been a complete success, however. Nor have the innovations introduced by the Eastern Partnership had the success hoped for in promoting prosperity, democracy, respect for human rights and the rule of law in Ukraine, Belarus, Moldova, Georgia, Armenia and Azerbaijan. Russian economic and political interests in the region, as well as disunity among EU Member States, which has led to partnership, but not membership, being offered, have made efforts to stabilize the EU's Eastern neighbours very difficult indeed (Petrovic and Klatt 2015, in this volume).

But EU networks of influence extend well beyond its neighbourhood and continue to expand. The EU has a formidable presence in world trade

with its vast internal market of more than 500 million consumers and remains the world's largest importer and exporter. This gives it considerable clout in international negotiations. In trade policy, the bilateral and regional preferential agreements 'have allowed the EU to export its own model of economic and legal integration' via 'an impressive global network' (Devuyst 2015, in this volume). Since the 1960s, this network has progressively expanded to African, Caribbean and Pacific countries, Southern Mediterranean countries, Central and Eastern Europe, Latin America, the Western Balkan countries, Oceania and Asia. At the time of writing, the EU is engaged in negotiations with the US, Canada, India, Malaysia, Vietnam and Japan, and has recently initialled the text of a comprehensive free trade agreement with Singapore (Devuyst 2015, in this volume).

The EU has been relatively late to acknowledge the importance of Asia, the growing market opportunities it offered and its increasing political weight in world affairs. Only in the mid-1990s did the EU see the need for a new Asia strategy, which would reinforce its economic presence in the region while protecting its security interests, including interests in nuclear non-proliferation (European Commission 1994). By 2001, the European Commission had called for an overall 'Strategic Framework for Enhanced Partnerships' between Europe and Asia in the first decade of the twenty-first century to reinforce 'the EU's political and economic presence across the region ... to a level commensurate with the growing global weight of an enlarged EU' (European Commission 2001: 3). By this time, Asia had become the EU's third largest regional trading partner. The 2003 *European Security Strategy*, drafted by High Representative Javier Solana, referred explicitly to the need for the EU 'to develop strategic partnerships, with Japan, China, Canada and India', beyond the already existing ties with the US and Russia (Solana 2003: 14). Today, the recently created European External Action Service (EEAS) has kept the focus on Japan, China and India as the EU's three strategic partners in Asia (Chaban et al. 2015, in this volume). At the same time, the EU has continued to develop relations with regional frameworks such as the Association of Southeast Asian Nations (ASEAN) and the South Asian Association for Regional Cooperation (SAARC) as well as trans-regional frameworks such as the Asia-Europe Meeting (ASEM). This testifies to the growing economic, political and strategic importance of Asia to the EU.

The EU has also deepened its relations with Australia and New Zealand, with the aim of fostering regional cooperation in the Pacific, promoting international trade, addressing security threats such as terrorism, engaging in cooperative aid operations and getting to grips with

global challenges such as energy security, climate change and environmental protection. In 2010, Australia and New Zealand joined the ranks of the members of ASEM, where they can interact with EU and ASEAN Member States, as well as with China, South Korea, Japan, India, Pakistan, Mongolia and Russia. Australia's expertise in key countries in the Asia-Pacific such as Japan, China, India and Indonesia and its historical ties with Europe place it in a unique position to act as a bridge between the Asia-Pacific region and the EU in the ASEM and in other frameworks such as the Pacific Islands Forum (Stats 2015, in this volume). The launch of the European Union-Australia Partnership Framework in 2008, while falling short of treaty status and lacking a dedicated budget, may nonetheless be seen as a sign of the importance of the relationship for both partners. Negotiations for a treaty-level Framework Agreement, which had the support of both former Australian Prime Minister Julia Gillard and former President of the European Commission José Manuel Barroso, have now stalled under the new Australian government led by Tony Abbott. The major stumbling block appears to be the human rights clause, which is a key feature of the EU normative agenda that irks the Australian government (Gartrell 2014; Stats 2015, in this volume).

Overall, despite setbacks in EU ambitions for more in-depth agreements with some of its international partners, the EU network is expanding, both at Europe's borders and well beyond. This brings to mind the words of one of the masterminds behind the creation of the first European Community, the European Coal and Steel Community, Jean Monnet, who described the European unification process as a 'ferment of change' in international relations. Its revolutionary but peaceful action was not to be confined to Europe. For him and his collaborators, European integration was not about fostering the emergence of a European nationalism, or the creation of a new great power, but rather about promoting 'a method for introducing change in Europe and consequently in the world'. 'European unity', Monnet wrote, 'is not a blueprint, it is not a theory, it is a process that has already begun, of bringing peoples and nations together to adapt themselves jointly to changing circumstances' (Monnet 1963: 210–211). Monnet's method was about fostering peaceful change in Europe and in the world through pragmatic, step-by-step action. It involved the creation of common institutions, common policies in Europe and beyond, which would then bring about a sense of common responsibilities and objectives. It also meant building a regional community based on the rule of law, not a stagnant corpus of laws but one that would be continually adapted to new circumstances. It entailed gradually cultivating in European countries a sense of their global responsibilities. Monnet also intended to foster equal partnerships

between Europe and the US, as well as with other partners on the world stage (Winand 2001). But is the vision of Jean Monnet still valid in the twenty-first century?

3.2 Crisis and Incrementalism

Today, the EU is slowly recovering from a deep economic, institutional and political crisis. President of the European Council Herman Van Rompuy made a realistic appraisal of the EU crisis when he noted in 2012 that:

all recognize now that the crisis is not only the sum of the problems of individual countries, but also of deficiencies in the architecture of the Economic and Monetary Union as a whole. We Europeans have given ourselves a common currency without the means to defend it. We relied mainly on rules without the means and tools to enforce them, or to manage a crisis. We dramatically deepened our economic and financial interdependence but without drawing all the political consequences (Van Rompuy 2012c: 3).

The crisis of the euro, the very high levels of sovereign debt in some Member States, slow growth, and high unemployment have all fuelled pessimism as to the future of the EU and even as to its very survival in its present form. Has the EU crisis not spread instability in Europe and in the world instead of exerting a stabilizing influence, wonder some analysts? Even though the EU has been criticized for its slow response, the Union has succeeded in crafting new mechanisms that effectively tackle some of the shortcomings brought to light by the crisis.

But how do EU citizens view EU efforts to tackle the crisis? How much of a say do they have in these reforms? How democratic is the EU? If we look for solutions to remedy current EU deficiencies, what are the options? Should the EU opt for the grand design of a European federation? Is the Monnet method of small, incremental steps preferable? What has been the impact of the financial crisis on EU decision-making? Several authors in this book tackle these challenging questions.

Normann Witzleb argues that the low voter turnout at elections exemplifies the ‘chasm between the EU and its citizens’ (Witzleb 2015, in this volume). There has indeed been a steady decline in turnout to elections, from 62 per cent in 1979 to just 43 per cent in the 2009 and 2014 elections. This is in spite of efforts to increase the participation of EU citizens in the elections. European-level political groups proposed the innovation of appointing ‘lead candidates’ (*Spitzenkandidaten*) for the post of President of the European Commission, as well as televised debates between these candidates (Hobolt 2014). ‘This time it’s different’

proclaimed the EP, promising voters that the EP would ‘elect the head of Europe’s executive, based on [their] wishes’ (European Parliament 2013: 1). The EP did succeed in imposing Jean-Claude Juncker, lead candidate of its largest political group, as President of the Commission. But this was only after considerable debate among EU Member States and against the opposition of the British and Hungarian governments (Hobolt 2014). Some analysts have argued that the Euro-sceptic vote in the 2014 EP elections will have few consequences for EU policy-making. As the EP still hosts a comfortable majority of pro-integrationist political parties and few Commission appointments are likely to be affected by the vote, there is little to worry about. Yet it remains to be seen how these parties, which won 212 seats (out of 751) and were elected in 23 of the 28 Member States, will react to their marginalization from the EU decision-making process (Treib 2014).

As for the European Commission, even though it lost some power with the increased role of the Foreign Affairs Council and on specific issues such as the financial crisis (Levrat 2015, in this volume), the 2006 Comitology reform³ and the Lisbon Treaty would seem to have further reinforced its power in relation to implementation measures. These measures are mostly hidden from the view of EU citizens, however (Guéguen 2011).

While extolling the merits of the Lisbon Treaty, Nicolas Levrat in Chapter 2 points to the impact of the 2008 Global Financial Crisis, and the sovereign debt crisis of the Eurozone, which followed in its wake, on the process leading to treaty modifications in the EU. The pressure of financial markets is now compelling the EU to contemplate reforms that would no longer leave the last word on some Treaty revisions solely to the competence of EU Member States but would see important revisions adopted as ‘minor treaty changes ... or without Treaty modification’ (Levrat 2015, in this volume). This is a far cry from the provisions of the Lisbon Treaty, which called for a democratization of the EU decision-making process (*ibid.*). In Chapter 3, Normann Witzleb also points to the fact that EU institutions are too remote from EU citizens, with decision-making processes being ‘more opaque than in most Member States’. He describes ‘legal integration [as] one of the essential mechanisms for attaining the political aspiration of the European Union, of creating an ever-closer union among the peoples of Europe’ (Witzleb 2015, in this volume). He illustrates his point with the example of consumer protection laws, showing that it is a complex undertaking to balance the benefits of legal harmonization with the values of cultural, economic, social and legal diversity that continue to characterize the EU. In Chapter 4, David Mayes acknowledges that ‘in many respects the EU has done remarkably

well' with its response to its recent monetary and budgetary crises, yet also points to an ongoing imbalance between fiscal and monetary policies in the EU. This stems in part from different visions in the Union on how far to go in European integration, with most of the EU not ready for a political union. Should this imbalance not be better addressed, there is a danger of further crises. This would undermine the support of citizens for the EU, with the potential unravelling of some of the mechanisms agreed upon to tackle the recent economic crisis (Mayes 2015, in this volume).

The second part of the book explores the current situation in specific fields. Chapter 5 by Christilla Roederer-Rynning provides a critical perspective on the EU Common Agricultural Policy (CAP) and its several mutations. The first agricultural reform largely resulted from international pressure to liberalize trade in food and farm products (Roederer-Rynning 2015, in this volume). By contrast, the second reform of the CAP, ushered in by the Lisbon Treaty, meant a much larger role for the EP, which has now been given 'full decisional power side-by-side with the Council of Ministers' in agriculture (*ibid.*). Christilla Roederer-Rynning sees this as introducing 'another layer of complexity' in the European agricultural regime 'alongside, and in interaction with, increased globalization' (*ibid.*). This, she argues, may lead to 'greater tensions between EU and global norms and ... to "co-indecision" in agricultural affairs' (*ibid.*; see also Greer and Hind 2011).

The Nobel Committee has singled out the advancement of human rights as one of the key contributions of the EU in Europe. In Chapter 6, Heli Askola assesses the EU's record on human rights in more detail. Within the framework of the Council of Europe, the European Court of Human Rights in Strasbourg has been considered by some analysts as 'the world's most successful system of international law for the protection of human rights' (Janis et al. 2008: 3) even though its 'ever-growing and overwhelming caseload' (*ibid.*) undermines its effectiveness. The EU does not have general competence in the field of human rights but has created protections that are separate from, but interlinked with, those of the Council of Europe. The Charter of Fundamental Rights of the European Union (2000) has been legally binding since the entry into force of the Lisbon Treaty. While human rights are thus 'comparatively well-protected in contemporary Europe', the growing attention of the EU to human rights adds to the complexity of the legal landscape in Europe with 'extra layers of legal regulation' (Askola 2015, in this volume). There also remain significant gaps in human rights protection in the EU, particularly for the rights of migrants (*ibid.*).

Janine Goetschy argues in Chapter 7 on social policy that, although it is not 'a cohesive or comprehensive system', the EU social policy field

does now comprise several elements of what could be considered a 'European Social Model'. This includes the 'social values and principles enshrined in the Charter of Fundamental Rights integrated into the Lisbon Treaty', directives, EU collective agreements and various institutional procedures such as the Open Method of Coordination (Goetschy 2015, in this volume). Tension exists, however, between the EU objectives of economic liberalization and of 'rebalancing economic integration with social/employment integration' (ibid.). This is particularly the case in the context of the economic crisis, which now subjects the European social model to acute pressure, as Member States and EU institutions strive to find adequate means to reduce public deficits and stimulate economic growth. Equally worrying is the tendency for recent EU economic reforms to lead to 'a more centralized EU governance pattern, which raises serious questions as to their democratic legitimacy' (ibid.).

If we now turn to EU trade policy, we find that the EU is 'an undisputed commercial colossus' (Devuyst 2015, in this volume). Yet as Youri Devuyst demonstrates in Chapter 8 on the EU trade policy, this colossus is hampered by a cumbersome decision-making process that is the result of a decades-long battle between EU Member States and the European Commission on which specific policy areas should be included under the common commercial policy (ibid.). In security and defence, the EU finds it difficult to speak with one voice. The EU has no unified stance towards the US, for example.

In the environmental field, as Alfonso Martínez Arranz describes in Chapter 9, the EU has been very proactive in proposing the integration of environmental concerns 'not only across national borders but across policy areas'. Unfortunately, just like other regions of the world, the EU has found it extremely hard to address the key question of altering the current growth-based economic model to ensure durable environmental protection (Martínez Arranz 2015, in this volume). At the international level, the EU had been seen to wrestle leadership in environmental issues from the US, notably thanks to European actions in climate change policy. However, the strength of this leadership was put into question by what Van Rompuy called the 'incredible disaster' of the 2009 United Nations Climate Change Conference in Copenhagen (Foucart and Le Bars 2010). Disagreements 'about the merits of ecological modernisation' (Wurzel and Connelly 2011a: 223) made it difficult at the time for the EU to project a unified stance on the international stage. The EU's 'over-reliance on "soft power"' also seemed 'insufficient to persuade powerful countries (such as the US and China) to accept the EU's preference' (Wurzel and Connelly 2011b: 286).

In the energy field, Lisbon introduced a common EU energy policy, with shared competence between the EU and its Member States and with a clear recognition of the essential links between energy and the environment (Cantley-Smith 2011). The EU has made some progress in integration and harmonization within the internal energy market. Yet Evan Thompson argues in Chapter 10 that the divergent interests and policy stances of Member States intent on protecting their sovereignty on energy issues with foreign and security implications have largely hampered efforts of the European Commission to foster a unified EU stance in EU external energy policy (Thompson 2015, in this volume).

In Chapter 11, Milenko Petrovic and Malgorzata Klatt argue that the limitations of the EU partnership with its post-communist neighbours, which lack a real prospect of membership, stem from the diverging priorities and interests of EU Member States *vis-à-vis* these neighbours and Russia. Rémy Davison shows in Chapter 12 how divisions among EU partners undermine the credibility of the EU's Common Foreign and Security Policy and threaten to jeopardize NATO's ability to act coherently. While Germany chose to act at odds with its EU and NATO partners in its abstention on the United Nations Security Council resolution on Libya, European dependence on Russian energy and investments in Russia translated into the marked reluctance of Paris, London and Berlin to severely penalize Russia during the Ukrainian crisis (Davison 2015, in this volume).

Perceptions of EU relations with the Asia-Pacific region, which have increasingly appeared on the EU's external affairs agenda as one of its key priorities, are the topic of Chapter 13. Natalia Chaban, Martin Holland and Lai Suet-Yi maintain that the EU's Asian partners value their relationship with Europe. Yet in China, India, Singapore, Thailand, Malaysia and the Philippines the EU is perceived mainly as an economic global power, and not so much as a diplomatic, normative, military or development actor. Perceptions vary from country to country and do not always match the way the EU perceives itself. For example, although the EU sees itself as 'the world's leading development player' (Chaban et al. 2015, in this volume), the elites of China and Malaysia appear to see things differently, even though these countries benefit substantially from EU development aid. The EU potential to become a global power on the international stage is seen by Asian elites as being all too frequently undermined by the conflicting views of its Member States and supra-national actors (*ibid.*). Particularly from a Chinese perspective, the complexity of EU-level decision-making and the lack of sufficient EU competences for it to become a fully-fledged international actor, have meant that Beijing has tended to cooperate directly with EU Member

States in parallel to its relations with the European institutions. In the 2013 solar cell trade dispute, as Alfonso Martínez Arranz and Gudrun Wacker show in Chapter 14, the Chinese government, the Commission and different groups of Member States were at loggerheads, with much misunderstanding displayed by all sides (Martínez Arranz and Wacker 2015, in this volume). A recent study reveals similar observations in India, where the EU is seen as lacking coherence in its foreign policy, with Member States contradicting one another on key issues such as the Middle East and working at cross-purposes to the EU Delegation in Delhi (Winand et al. 2015). Similar concerns exist in Australia, as Katrina Stats explores in Chapter 15. Both the Australian public and its political and business elites tend to have a limited understanding of the EU and its importance for Australia, and ‘think of it in terms of its constituent parts (particularly the UK) rather than as a single cohesive actor’ (Stats 2015, in this volume).

3.3 Resilient EU

The internal and external challenges facing the EU are many. Although the current crisis in the EU is perhaps one of the most severe it has ever weathered, European integration has already successfully overcome several crises during its existence. The French rejection of the European Defense Community Treaty in 1954 was one such crisis, which many analysts thought would bring the integration project to an early end. When the ‘empty chair crisis’ raged in 1965, Belgian Foreign Minister Paul-Henri Spaak expressed ‘grave concern’ that the European Economic Community ‘might break up’ (Brussels to Department of State 1965). Closer to our time, when the 2004 Treaty Establishing a Constitution for Europe was rejected by two of the founding members of the European Communities, France and the Netherlands, many thought that this might sound the death knell of the entire European integration process. Yet by 2009, the Lisbon Treaty entered into force. The new treaty salvaged most of the substance of the Constitutional Treaty and kept 93 per cent of its wording (Dony 2008; Levrat 2015, in this volume). Whatever one may make of claims of duplicity levelled at the framers of the Lisbon Treaty who incorporated so much of the previous failed Constitutional treaty in the new accord, it has to be admitted that there are some commendable features in this newest addition to the EU’s constitutional architecture. The Lisbon Treaty may not have ended the need for treaty revisions as its masterminds had intended but it did considerably simplify and clarify the complex institutional setting of the EU. Under the new regime the EP has taken its place as a co-legislator with the Council of the European Union,

the upper chamber made up of Ministers from Member States. The European Council has also become an institution in its own right. The reformed position of the 'High Representative of the Union for Foreign Affairs and Security Policy' and the newly created EEAS carefully 'blend intergovernmental and supranational features' (Levrat 2015, in this volume). Despite the initial difficulties in setting up this service and critiques about the low visibility of the High Representative, this could lead to more coherence in EU external relations, all the more so since the EU now clearly possesses legal personality. In the United Nations this change in legal status has already resulted in an enhanced observer status for the EU with the UN General Assembly (Levrat 2015, in this volume).

Notwithstanding the achievements of the Lisbon Treaty, the EU is still not sufficiently democratic and efficient and needs to reform further in light of its latest economic, financial and social crises. Yet, in May 2012 European Council President Herman Van Rompuy told a Copenhagen audience that he considered that attempts in certain quarters to revisit the 'European Union's institutional set-up' to 'address the legitimacy questions triggered by the crisis' were 'off the mark' (Van Rompuy 2012a: 5). 'We need to get our economies going again, we do not need years of institutional navel-gazing', he said (*ibid.*). About two weeks later, when Van Rompuy spoke at Chatham House in London on the role of 'Europe on the World Stage', he commented that '[a]ccess to our common market, the world's largest, is a much sought-after prize' but also acknowledged that '[f]rom our side, trade with the rest of the world is a key engine for growth' (Van Rompuy 2012b: 6). Notwithstanding his avowed lack of interest in further institutional reform, Van Rompuy called for a banking union, a fiscal union and an economic union, coupled with a deeper political union 'to ensure that these measures are underpinned by strengthened democratic legitimacy and accountability' (Van Rompuy 2012c: 5). President of the Commission José Manuel Barroso appeared to echo this when he told the EP that the EU needed to create a banking union and a fiscal union. But he then went further than Van Rompuy in calling for a 'federation of nation states. Not a superstate' (Barroso 2012: 11). The 'new Treaty' needed for this would require a 'broad debate all over Europe' because, in his view, '[t]he times of European integration by implicit consent of citizens are over' (*ibid.*: 12).

Clearly, the Lisbon Treaty will not be the final word on the EU's institutional architecture or its competences. Seeking to address mounting internal and external challenges, European leaders and analysts are under continuous pressure to make the Union fit for the future. While some call for sweeping plans such as a federation, others call for reforms through a

patient step-by-step process. Herman Van Rompuy said that the choice was not between 'either breaking-up or turning instantly into a federation'. The EU would 'overcome the crisis not through revolution, but through reform and evolution' (Van Rompuy 2012c: 5). Likewise, German Chancellor Angela Merkel called for the completion of economic, monetary and political union 'step-by-step' (cited in Sprakes and Trotman 2011: 1). This takes time, flexibility and pragmatism. Monnet's incremental method of peaceful change might not be so outdated after all. For him, progress towards European economic and political union required that means be constantly re-evaluated to match the political and economic circumstances of the time. New circumstances dictate that more attention be paid to giving European citizens more of a sense of ownership of the EU project. This is a time for Europeans to once again reinvent their future. One can only hope that they will remember that at the very root of the European integration project was a desire for peace. A desire for peace that did not just come from Europeans but also from other nations that sought to ensure that a European conflict would not once again cause devastation and human suffering in Europe and the world.

NOTES

1. The European Coal and Steel Community founded in 1952, the European Economic Community founded in 1957 and the European Atomic Energy Community (commonly known as Euratom) also founded in 1957. The two former were formally replaced by the European Union in 2010 after a period of co-existence, see Chapter 2 for further information.
2. The EEU was established by a treaty signed by Russia, Belarus and Kazakhstan on 29 May 2014 and is due to enter into force on 1 January 2015 (Vitkine 2014: 1).
3. EU Member States control the implementing measures of EU law the European Commission proposes by committees where every member state is represented. These 'Comitology' committees provide opinions, which are 'more or less binding depending on the particular procedure specified in the legal act implemented', Comitology register, European Commission, <http://ec.europa.eu/transparency/regcomitology/index.cfm?do=implementing.home#2> (accessed 6 August 2014).

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