AMERICAN UNIVERSITY OF ARMENIA

THE NEW ARCHITECTURE OF THE EU CFSP AFTER THE TREATY OF LISBON AND ITS IMPLICATIONS ON THE SOUTH CAUCASUS

A MASTER'S ESSAY SUBMITTED TO

THE FACULTY OF THE GRADUATE SCHOOL OF

POLITICAL SCIENCE AND INTERNATIONAL AFFAIRS

FOR PARTIAL FULFILLMENT OF THE DEGREE OF

MASTER OF ARTS

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AUGUST 2011

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August 2011

ACKNOWLEDGMENTS

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ABSTRACT

By creating a common foreign policy the European Union stands to maximize its influence in international relations, in much the same fashion as it has done with its common economic policies. European integrationists imagine the EU becoming a major global power, "speaking with one voice", substantially increasing its political clout. As a major power, the EU may challenge global actors, trying to stabilize the current world politics and offer a real alternative on the global scene.

However, the EU member states' unwillingness to give up national sovereignty, along with their own individual foreign policy interests, orientations, traditions, and histories, is a hindrance for further development. Achieving global superpower status is most unlikely, but the EU can still make great strides in the area of foreign affairs. Yet the pitfalls of the European Union's Common Foreign and Security Policy (CFSP) are diverse and treacherous.

This master's essay seeks to expand upon the literature discussing the European Union's process of development of foreign policy, clarify the issues preventing the development of meaningful foreign policy; and therefore contribute to the body of knowledge concerning the difficulties that the EU faces in this regard.

Finally, the study will examine the main foreign policy priorities and instruments of the European Union in the region of the South Caucasus, and the specificities and development prospectives of Armenia - EU partnership, as the EU's policy towards the South Caucasus is an example of the inability of its member states to develop a common policy towards the post-Soviet space. The failure of conflict resolution in its neighborhood is also the result of diverging interests between the member states and the EU's limited engagement in its neighborhood.

The analysis has shown that the EU cannot be called a super state, nor it is an intergovernmental body; it has elements of both: supranational and intergovernmental forms, thus, it is a mixture of the two. Moreover, the Treaty of Lisbon does not change a hybrid character of the European Union, and intergovernmental practices will still dominate in the EU foreign policy system.

Thus, progress towards a more efficient and coherent CFSP can only be made by transfer of competences from the member states to the European level.

LIST OF ABBREVIATIONS AND ACRONYMS

CFSP	Common Foreign and Security Policy
CSDP	Common Security and Defence Policy
CJTF	Combined Joint Task Force
DCFTA	Deep and Comprehensive Free Trade Area
EaP	Eastern Partnership
EC	European Community
EEAS	European External Action Service
EIB	European Investment Bank
EIDHR	European Instrument for Democracy and Human Rights
ENP	European Neighborhood Policy
ENPI	European Neighborhood and Partnership Instrument
EPC	European Political Cooperation
ESDP	European Security and Defence Policy
EU	European Union
EUAG	EU Advisory Group
EUSR	EU Special Representative
IGC	Intergovernmental Conference
NATO	North Atlantic Treaty Organization
PCA	Partnership and Cooperation Agreement
PSC	Political and Security Committee
SEA	Single European Act
SITCEN	Joint Situation Center
TEU	Treaty on European Union
TFEU	Treaty on the Functioning of the European Union
UK	United Kingdom
UN	United Nations
USA	United States of America
USSR	Union of Soviet Socialist Republics
WEU	Western European Union

INTRODUCTION

By creating a common foreign policy the European Union stands to maximize its influence in international relations. As a major power, the EU may challenge global actors, trying to stabilize the current world politics and offer a real alternative on the global scene.

This essay will analyze the European Union's foreign policy process; clarify the issues preventing the development of meaningful foreign policy; and therefore contribute to the body of knowledge concerning the difficulties that the EU faces. The essay will also introduce the EU foreign policy prospectives in the South Caucasus region, particularly studying the case of Armenia.

Since its creation the European Union (EU) has truly grown into an economic power of significant proportions. For much of its existence the EU had been a largely introverted community, primarily concerned with fostering ties among its membership rather than making a name for itself in the international arena. Due to the impressive growth in internal trade and the creation of a single market the EU has developed as an economic superpower alongside the United States. However, despite its preeminent economic status, the EU is lacking a strong political presence on the world stage. The EU member states have been largely unable to take common positions on major security issues in the last decade (McCormick 2008).

Arguably, by creating a common foreign policy the EU stands to maximize its international clout and leverage over the globe, in much the same fashion as it has done with its united economic policies. European integrationists, who advocate that the EU should become a global power, see the EU as speaking with one voice, in order to substantially increase its political clout. As a major power, the EU could stand to become a counterbalance to the United States and emerging powers, offering a real alternative on the global scene. However, standing in the way of such pursuits is the EU member states' unwillingness to give up national sovereignty, along

with their individual foreign policy interests, orientations, traditions, and histories. Achieving global superpower status is most unlikely, but the EU can still make great strides in developing a common foreign policy, if it can find some common ground to work upon.

What impact the Common Foreign and Security Policy can have will be tested as new challenges arrive on the international scene to which the EU will have to respond. Can the EU after Lisbon changes form a common foreign policy on the basis of the CFSP? Or will the member states still prevent such advancements in the name of national sovereignty? By examining the CFSP one can learn about the difficulties that get in the way of fostering real European integration, and whether the EU will be able to achieve a presence in the global arena that is both meaningful and effective.

Outline of the Chapters. In addition to the introductory and concluding chapters, this master's essay includes five chapters. *The second chapter* provides an overview of the development of the EU's Common Foreign and Security Policy, and explicates how the foreign policy process worked before the Treaty of Lisbon. It also examines the lessons of failure for the EU in the path on pursuing common foreign and security policy. *The third chapter* includes in depth studies on the institutional architecture under the Treaty of Lisbon in the framework of Common Foreign and Security Policy. It examines the changes in the CFSP both in the internal coordination and in external representation of the Union. *The fourth chapter* examines the two major theories of integration. This chapter examines how previous authors have attempted to explicate the foreign policy process through theories of integration, and discusses which theory can best conceptualize the foreign policy process in this study. *The fifth chapter* studies the role of national priorities within the CFSP/CSDP, particularly in the light of 'the Big Three' – France, Germany, and the United Kingdom. *The final chapter* will explore the main foreign policy

priorities and instruments of the European Union in the region of the South Caucasus, and the specificities and development prospectives of Armenia – EU partnership. It reveals which new instruments the EaP offers as a new stage of the EU-Armenia cooperation, as well as discusses broader political implications of this initiative for the region of the South Caucasus.

RESEARCH QUESTIONS

Our research project is aimed at answering the following research questions:

RQ1 What are the goals EU wants to achieve through the CFSP?

RQ2 Does the new Lisbon 'architecture' guarantee a more effective and successful CFSP? Is Lisbon Treaty more inclined to supranational structure of the CFSP or to intergovernmental one?

RQ3 What is the role of national priorities within the CFSP system: to what extent do 'the Big Three' (France, Germany, and the United Kingdom) dominate the CFSP?

RQ4 What are the main foreign policy priorities and instruments of the European Union in the region of the South Caucasus? What are the peculiarities and development perspectives of Armenia – EU partnership?

METHODOLOGY

The study is based on combined analysis of

- Primary sources - Consultation of official documents (Treaties of the European Union: Maastricht, Amsterdam, Nice, Lisbon),

- Secondary sources - Commentaries on the treaties and scientific literature, including general political reference works; and publications on the specific subject of Lisbon Treaty and external action.

Equally important EU documents on common positions, actions or strategies, reports, declarations, agreements and decisions on the content and meaning for the CFSP will be studied. In addition, scientific literature is analyzed on the development of the European foreign affairs, but also in general of the EU as a global actor. In particular newly established CFSP after the Treaty of Lisbon will be discussed.

The above mentioned developments will be examined within the framework of intergovernmental and supranational theories. Accordingly, an assessment will be made as to what extent the new architecture is to achieve the desired consistency and efficiencies for European foreign policy.

Finally, the study will examine the main foreign policy priorities and instruments of the European Union in the region of the South Caucasus, and the peculiarities and development prospectives of Armenia – EU partnership.

1. THE FOREIGN POLICY PROCESS OF THE EUROPEAN UNION

The Development of the Common Foreign and Security Policy

The 1960s-70s European Political Cooperation (EPC)

The development of EPC foreign policy before the late 1960s was often overshadowed by Europe's reliance on the United States in security matters. With time the EU became involved in developmental assistance, humanitarian aid, and international environmental matters, however, these developments can strictly be classified in the low politics category. High politics issues remained beyond the EC's grasp until The Hague summit in December of 1969. At the summit, the Community foreign ministers recommended the creation of the EPC (European Political Cooperation). This new policy approach enabled member states to "consult on all questions of foreign policy and where possible to undertake common actions on international problems" (Van Oudenaren 2005, 299).

This new foreign policy structure involved the meeting of all foreign ministers every six months to discuss questions of foreign policy, and hopefully to develop common actions. This development in the evolution of foreign policy resulted from a merely political agreement; there would be no pooling of sovereignty at the supranational level. Decisions in this forum did not have a binding force, with little institutional pressure to produce follow-up in the areas of concern taken up by member states. The EPC had varied results in the 1970s with member states issuing joint statements on Cyprus, South Africa, and the Middle East. The EPC also led to a "European reflex"[1] whereby member-state foreign ministers began to look towards each other in

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[1] Van Oudenaren (2005) coins this term to describe the growing trend of member states looking to each other on international issues.

information sharing and decision making. However, the EPC's success only went so far. In their address to major international crises, such as the 1973 Arab-Israeli War, the OPEC oil embargo, and the Soviet invasion of Afghanistan member states did not arrive at a consensus (Van Oudenaren 2005).

In the first decade or so after its inception the EPC had been characterized as "a cycle of hesitant steps to strengthen the framework, followed by periods of increasing frustration at the meager results achieved, culminating in further reluctant reinforcement of the rules and procedures" (Forster and Wallace 2000, 465). Thus, one can see that the EPC was characterized by making verbal declarations and producing no follow-through: divisions on major issues confirmed its relative inconsistency.

The 1980s: The Single European Act

The failures of the previous decade brought to a series of reforms in the 1980s. The foreign ministers recognized the general inefficiency of the EPC, and believed that it needed to better anticipate problems on the international scene. They also began to push the EPC in a direction to address security issues of the community[2]. Such conclusions led to some development in the Single European Act (SEA) in 1986. SEA is perhaps better known for its introduction of the single market, but it also marked the establishment of the EPC on a treaty basis. This action bound member states by a legal agreement, rather than being a simple political commitment to consult on foreign policy and to produce common actions. However, it did not bring foreign policy decision making to the EU institutions, but merely further involved the states in an atmosphere of international cooperation (Van Oudenaren 2005).

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[2] A tentative first step, as the member-states did not wish to upset their partnership with NATO, but proceeded under the belief that Europe needed to become more responsible for its own security.

The second major development brought forth by the SEA was the reinvigoration of the Western European Union (WEU), as its members felt that even though it had lain mostly dormant for decades the WEU could be useful once again as a forum in which to discuss security issues. The WEU is a defence treaty which came into being as a result of the 1948 Treaty of Brussels. It was created post WWII in an effort to promote economic growth in Western Europe, protect its members from policies of aggression, and to promote the integration of European countries. Since NATO has no structural ties to the EU it was also thought that European countries should have a defense arrangement of their own, in addition to that of the Atlantic alliance, so that it could be responsible for elements of its own defense. As tensions between the US and the USSR were still of high intensity during the 1980s, matters concerning European defence were at the forefront of concern among European countries. WEU members felt that strengthening Europe's defence by way of their organization could only help to promote defence cooperation among European nations in addition to their responsibilities with NATO. In 1987 the WEU Ministerial Council adopted a new set of guidelines for the organization. In the preamble to their newly adopted platform the WEU emphasized its "commitment to build a European union in accordance with the Single European Act, which we all signed as members of the European Community. We are convinced that the construction of an integrated Europe will remain incomplete as long as it does not include security and defence" (WEU 1987). In conjunction with the WEU's new focus SEA provided that meetings between foreign and defence ministers were to be held every six months to work on such issues as arms control, transatlantic relations, and European armament cooperation (Van Oudenaren 2005).

The 1990s: The Common Foreign and Security Policy

Despite the improvements made with the reforms of the 1980s, member states remained dissatisfied with the level of cooperation within the European Community. Furthermore, their inability to produce meaningful foreign policy was becoming starkly clear as they were unable to participate in the sweeping changes occurring with the onset of the post-Communist era. At that time, France favoured large scale reforms that would allow the community to act independently from the United States, but the United Kingdom was not in favour of any development that would risk upsetting relations with the US. With such concerns in mind, the member states negotiated the *Maastricht treaty* to improve the foreign policy process. Abolishing EPC, the Maastricht treaty created the Common Foreign and Security Policy (CFSP). The CFSP was formulated to address five general objectives for the Union: "safeguarding the common values and interests of the Union; strengthening its security; preserving peace and strengthening international security in accordance with the principles of the UN Charter; promoting international cooperation; and developing and consolidating democracy and the rule of law and respect for human rights and fundamental freedoms" (Van Oudenaren 2005, 302).

With the creation of this second "pillar" of the EU[3], decision making was still done on an intergovernmental level; however innovations allowed EU institutions to have a role in it as well. Under the CFSP the Commission now had the right to make recommendations on foreign policy, however, actions were ultimately to be decided upon by *consensus* in the Council of Ministers. External representation for the Union fell upon the presidency country, backed up by the troika

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[3] The Maastricht treaty established three policy 'pillars' (sectors, each with different decision making rules) for the European Union: The European Community, Common Foreign and Security Policy, and Justice and Home Affairs. The second and third pillars of the EU are markedly different from the first, which is concerned with economic, social and environmental policies, as they are concerned with areas under the umbrella of national sovereignty and are therefore largely characterized by intergovernmental cooperation.

system retained from the EPC[4]. These changes increased the legal commitment by the member states, as they were expected "to consult others on matters of mutual interest and to ensure that national policies were in conformity with common positions of the Union"[5] (Van Oudenaren 2005, 302).

On the issues regarding security and defence, the Maastricht treaty included a stipulation that the CFSP would work towards eventually framing a common defence policy for the Union. The vague and general wording of the stipulation was deliberate as it was unknown when such developments would occur. Again talks concentrated on what linkages the WEU should have with the EU. Full integration within the EU was controversial as member states argued whether the WEU should "develop into an alternative defence organization to NATO, or whether the object was to construct a more effective European pillar of the Atlantic alliance" (Forster and Wallace 2000, 472).

It was decided that the WEU should be developed in order to both strengthen the European pillar within NATO as well as allowing European nations to create a security arrangement that they could conduct on their own accord outside of the Atlantic alliance. Full integration was ultimately decided against, and instead decisions were made to upgrade the WEU's operational capabilities, including the creation of a planning cell and a European armaments agency, and establishing military units to be administered by the WEU. The WEU was to do so in order to carry out EU actions that involved defence implications. In order to meet the demands of the new CFSP, the WEU was to establish a "planning cell, work towards the creation of a European armaments agency, establishment or designation of military units answerable to the WEU, and

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[4] The troika system included the current presidency country, the previous holder of the presidency, and the upcoming one. All three would represent the Union together externally so as to increase the clout of the CFSP.

[5] They were also to coordinate their positions in international forums like the UN and others.

possible establishment of a European Security and Defence Academy" (Van Oudenaren 2005, 302).

Later in June of 1992, the WEU's Council of Ministers' further clarified the WEU's role as the defence component of the EU, meant to coordinate its activities with both the EU and NATO. This declaration, formulated by the WEU Council of Ministers in Petersberg Germany, also ensured that the WEU would make itself available for such missions as peacekeeping, rescue operations, and humanitarian relief missions, as part of the WEU's new defence capabilities[6] (Van Oudenaren 2005, 303).

The next developmental stage of the CFSP came with the reforms made to *the Treaty of Amsterdam*. The Maastricht treaty had left many areas of the CFSP poorly defined and the member states recognized the need to renegotiate certain aspects contained in the second pillar. New calls to reform the CFSP came in 1996, as the Union had been unable to handle the crisis in the Balkans on its own. The EU did not have the command or control structures needed to intervene in the crisis, and its failure to do much of anything demonstrated the CFSP's weaknesses. During the time of crisis "the West Europeans had instinctively looked to the USA to provide leadership, while the US administration had firmly signaled that the West Europeans should take responsibility" (Forster and Wallace 2000, 477). Their inability to take such responsibility clearly demonstrated how far Europe would have to go to take care of itself. Above all, it was recognized that the operational capabilities of the CFSP had proven to be inadequate and needed reform. Discussions at the following intergovernmental conference (IGC) included a proposal to fully integrate the WEU into the CFSP and the idea to introduce a post in

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[6] These tasks became to be known as the 'Petersberg tasks', areas to which Europe would take full responsibility for, without the help of the United States.

which a single individual would stand to represent EU foreign policy externally (Van Oudenaren 2005, 303).

In response to the general sense that the CFSP needed serious bolstering the Treaty of Amsterdam introduced several new organizational reforms while strengthening older ones. The Treaty of Amsterdam gave new powers to EU institutions. The European Council was given the responsibility for deciding upon *common strategies* in areas where the member states have expressed important common interests. The Council was also given a new responsibility for deciding upon the framing of a common defence policy which member states would be required to adopt in accordance with their constitutional requirements, as well as establishing policy guidelines for the WEU. To complement these developments, all member states agreed to participate in military actions taken on by the EU and the WEU[7] (Van Oudenaren 2005, 304).

Another significant reform included the introduction of abstentions to EU foreign policy decision making in an effort to prevent the blocking of proposed actions. This new development retained the need for unanimity in the Council of Ministers for voting on proposed actions, but it allowed member states to abstain on a decision that they chose without blocking the measure from being passed. Furthermore, "a state that abstains can declare that it is not required to apply the decision – which might entail, for example, supplying troops or equipment to a particular military mission – but it must recognize the Union's commitment to the decision and is obliged, "in a spirit of mutual solidarity," to refrain from steps that conflict with or impede action by the Union" (Van Oudenaren 2005, 303).

The third significant development was the creation of *the High Representative* for the CFSP. This new post was established to address concerns that the CFSP needed a single

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[7] Such military actions were to include humanitarian and rescue missions, peacekeeping, and crisis management. The EU and the WEU remained separate, however, as member states such as Britain and others, who themselves were not members of the WEU, opposed the merger.

authoritative voice to represent EU foreign policy. In June 1999, member-state governments selected Javier Solana to become the CFSP's first High Representative[8]. In a complementary measure, the treaty also abolished the old troika system and replaced it with a new one. The new troika consisted of the High Representative, the Council President, and the Commission President (Forster and Wallace 2000).

The outcomes of the Amsterdam reforms have been mixed. The treaty did, indeed, raise the profile of EU foreign policy, particularly with regard to Solana who became an effective spokesman for the CFSP, but other developments fell short. Despite the establishment of the High Representative, member states still employed their own external representation (in this case the High Representative along with the foreign minister of the country that holds the presidency, and the EU commissioner for external policy). Furthermore, "the provisions on enhanced cooperation were never invoked, as member states seemed to prefer least-common-dominator decision making among themselves to decisive action by smaller groups" (Van Oudenaren 2005, 305).

Post-Amsterdam Developments

Since the Treaty of Amsterdam in 1999, Europe has become more confronted with the need to take on further responsibility for its own defence. With the United States taking on more responsibilities in any other region than Europe, efforts needed to be made to seriously bolster European forces. However, since the WWII period, Europe's lack of initiative in security and defence matters had left the continent heavily reliant upon the US, and unorganized in respect to its own capabilities. By gaining access to US assets via NATO, Europe could temporarily fill the

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[8] At that time Javier Solana had been the Secretary General of NATO. With the post of High Representative he also became the new Secretary-General of the Council of Ministers.

gap in its defence capabilities. This approach would "take pressure off US forces more urgently needed elsewhere, and would allow EU forces, pending their professionalisation and modernisation, to take over peace-keeping missions in areas such as the Balkans where the US had no identifiable interests: the drive to force European militaries to take responsibility for their own back yard" (Howorth 2005, 184). Therefore, in order to better carry out the responsibilities the WEU had taken on with the Maastricht Treaty, the EU had arranged the 'Berlin Plus' arrangement back in 1996. 'Berlin Plus' allowed the EU to borrow US assets, NATO operational planning capabilities, and NATO command options in order to carry out EU-led operations[9] (Howorth 2005).

By way of the Combined Joint Task Force (CJTF) NATO is indirectly linked to the EU through the WEU. CJTF was a plan established in 1994 to allow the WEU to utilize NATO resources in areas that are outside the bounds of NATO involvement (Smith 2002). This arrangement paved the way for the development of the European Security and Defence Policy (ESDP). However, the 'Berlin Plus' agreement, while successful in filling the EU's capability gap, remained unsatisfactory, as the WEU was seen as not having the political responsibility and clout needed for military operations. These inadequacies led to the idea that Europe should build up its own autonomous forces to be deployed in missions where the US did not want to be a part of. The European force would help to alleviate dependence on the US, through such arrangements as the 'Berlin Plus'. Therefore, at the historic Anglo-French summit in St. Malo, Prime Minister Tony Blair and President Jacques Chirac agreed that the EU should develop an independent defence force that could respond to international crises (Smith 2002). This measure proposed in December of 1998 between two member states, who would rarely agree on defence matters, signaled a new opportunity for European defence. Eventually established in 1999, the

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[9] The agreement enabled the EU to take action in such areas as regional crisis management, and conflict prevention missions.

ESDP became an integral part of the larger CFSP. The ESDP consisted of two key components: the Petersberg tasks and plans for a Rapid Reaction Force[10] (McCormick 2004).

The EDSP has been a significant development for the EU, allowing it to make meaningful contributions to European security and defense. The EU has been involved in many foreign missions through the auspices of the EDSP, such as a military and police operation in Bosnia and Herzegovina, a rule of law mission in Kosovo, a monitoring mission in Georgia, military and police missions in Macedonia, as well as several humanitarian missions in the Middle East and in Africa (Council of the European Union 2011). This ability, to take responsibility for security threats within Europe without the aid from foreign governments, is an important accomplishment in the development of a collective foreign policy.

EU FOREIGN POLICY PROCESS BEFORE THE TREATY OF LISBON

The Common Foreign and Security Policy (CFSP), the second pillar of the EU, operated to address all questions related mainly to the security and foreign policy of the Union. Through the CFSP the EU could "make its voice heard on the international stage, express its position on armed conflicts, human rights and any other subject linked to the fundamental principles and common values which form the basis of the European Union and which it is committed to defend" (Council of the European Union 2002, 4). Within the organizational framework of the CFSP, member states could take actions in the areas they have decided they possess a common interest. Such actions were carried out through the auspices of the ESDP by virtue of the Rapid Reaction Force, and through implementation of member states' national foreign policies.

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[10] The Rapid Reaction Force is a European military force designed to be able to respond to crises within Europe before they become full-scale wars. The establishment of the force was done in response from criticisms that Europeans were not equipped to handle their own emergencies, and were to heavily reliant on NATO. The Rapid Reaction Force was partly operational by December 2002 and went on its first mission, a peacekeeping operation in Macedonia, in March of 2003.

Decision-making within the CFSP was an intergovernmental process, whereby decisions were made by majority voting in the European Council. The European Council is composed of heads-of-state and government, who only meet twice a year except for occasional special sessions. Day-to-day decision-making in the Council is formulated by the Council of Ministers on behalf of governments. In the Council of Ministers, Ministers vote on specific issues of foreign policy, and although majority voting is in place, consensus to pass measures is required. However, with the Amsterdam reforms, constructive abstention is in place by which member states may abstain from a decision without blocking the measure entirely. Before being brought to the Council of Ministers, issues of foreign policy were discussed and negotiated in the General Affairs Council, made up of member-states' foreign ministers (Smith 2002). Once sent to the Council of Ministers, the EU has three organizational tools at its disposal with which to take action in the field of foreign policy. These tools are common strategies, joint actions, and common positions, which have been discussed earlier. Other actors in the formulation of foreign policy include the Presidency of the Council and the High Representative.

The Presidency of the Council heads up both the European Council and the Council of Ministers for a six month term. Member states take turns holding the presidency, which is based on a rotational schedule. The presidency is assisted through the troika system to represent the Union. In matters of foreign policy the job of the presidency is to organize and prepare meetings and to work to achieve consensus among the member states on issues of foreign policy (Smith 2002). The presidency was also responsible for representing the "Union in CFSP matters, notably by conducting political dialogue with the third countries on behalf of the Union" (Council of the European Union 2002, 12).

The High Representative worked to assist the Council by aiding in the formulation and implementation of political decisions. The High Representative also acts, like the Presidency, to represent the Union on CFSP matters, and conducts dialogues with the third countries/parties. As well, the Policy Unit, a policy planning and early warning unit, falls under the High Representative's responsibility. The Policy Unit is made up of staff from the Council Secretariat, member states, the Commission, and the WEU. The Policy Unit's principal tasks are:

1. monitoring and analyzing developments in areas relevant to the CFSP;

2. providing assessments of the Union's interests and identifying areas where CFSP could focus in the future;

3. providing timely assessments and early warning of events or situations which may have significant repercussions, including potential political crises;

4. producing, at the request of either the Council or the Presidency or on its own initiative, argued policy-option papers to be presented under the responsibility of the Presidency as a contribution to policy formulation in the Council (Council of the European Union 2002).

The Commission also has a role in the formation of foreign policy. It plays an important role in the areas of trade, aid, and multilateral diplomacy. However, when it comes to such things as security and defence the Commission plays a much smaller role, even though the Maastricht Treaty did give the Commission the right to suggest foreign policy initiatives and policies (Smith 2002). In 2006 the Commission had 118 delegations located around the world, which allowed it to have an impact in the area of foreign policy. These delegations cooperated, in the area of the CFSP, to assist memberstate diplomatic representatives in ensuring that CFSP decisions were properly carried out. As for the EU Parliament, its role in the foreign policy process is a minimal one. The Council and the Commission were required to consult the Parliament on issues of foreign policy, and the presidency was required to deliver Union foreign policy reports to the

sessions of the Parliament. Parliament is allowed to scrutinize foreign policy to the extent of putting questions to the presidency at the monthly sessions held in Strasbourg. Parliament may also draw up reports on foreign policy for the Union, and meets with the presidency and the Council of Ministers four times a year to discuss matters of foreign policy (Smith 2002).

LESSONS OF FAILURE

Starting with just six member states in 1958 and now being 27, the European Union has been a significant force behind the unification of a historically war-torn continent under a peaceful, legally binding democratic covenant. It has encouraged democratic and free-market economic reforms in Greece, Portugal, and Spain (all of which were formerly under authoritarian rule) and in the former communist nations of central and eastern Europe. In the Balkans and in Turkey, the prospect of EU membership has spurred economic and political reforms and promoted democratic values. Meanwhile, the EU has established a single market free of barriers, a common monetary policy (including a common currency for most member states), a zone of passport-free travel (excluding the United Kingdom and Ireland), and a significant body of common laws. For member states to have transferred so much sovereign power to the EU's central institutions is a breakthrough. However, foreign policy has always been the vulnerable element of the EU's integration project. As was previously discussed, member states began coordinating their foreign policies in the 1970s through an informal process known as the European Political Cooperation, which the Maastricht Treaty later formalized into a distinct intergovernmental decision-making process. Even then, however, the impact of EU foreign policy remained limited. Despite issuing countless declarations and "common positions" setting out official recommendations, the EU was usually unable to shape world events. Its role was

largely confined to responding to crises, rather than preventing them or marshaling EU resources proactively to achieve defined objectives (Gardner and Eizenstat 2010).

This harsh reality was highlighted during the breakup of Yugoslavia in 1991-92, the Bosnian war of 1992-95, and the U.S. invasion of Iraq in 2003.When hostilities broke out in Yugoslavia, Foreign Minister Jacques Poos of Luxembourg - which then held the rotating presidency of the Council of the European Community - famously declared that it was the hour of Europe, not the hour of the Americans. Poos was wrong: the EC's efforts to mediate an end to the crisis failed; Germany's threat to recognize Croatia and Slovenia forced the EC to do so in the name of unity, against the preferences of most member states; and the ensuing bloodshed ultimately required U.S.-led political and military intervention in Bosnia and, later in Kosovo (Gardner et al. 2010).

The Bosnia disaster highlighted that in some crises it would be impossible to paper over member states' profoundly divergent interests. It also demonstrated that flawed institutions and decision-making arrangements - coupled with the inability to back up policy with military means - left the EU largely unable to influence world events (Gardner et al. 2010). Although EU leaders recognized that some divergent interests would not be able to be overcome because they were rooted in differing historical experiences, they resolved to improve the EU's capacity to act effectively when consensus was possible.

In case of Iraq war, the deep divisions among member states reinforced concerns that flaws in the EU's structure hampered its ability to exert power. One problem was that Solana's post coexisted with the post of European commissioner for external relations, which handled the European Commission's relations with the world (except for trade), including overseeing diplomatic delegations in non-EU countries. Solana had political clout as the member states'

representative but had a limited budget, mandate, and staff; the commissioner for external relations had a significant budget and staff but only spoke for the European Commission. Their overlapping responsibilities and occasional lack of coordination resulted in non-effective uses of scarce resources. Meanwhile, the EU was still represented abroad by a slightly amended but equally unwieldy troika: the High Representative for EU Common Foreign and Security Policy, the Commissioner for External Relations, and the Foreign Minister of whichever country held the Council of the European Union presidency. It took the Lisbon Treaty to end that arrangement (Gardner et al. 2010).

2. THE INSTITUTIONAL ARCHITECTURE UNDER THE TREATY OF LISBON

On December 1, 2009, the Treaty of Lisbon entered into force across the 27 member states of the European Union. The treaty introduced reforms in EU institutions, making the organization more accountable to voters and enhancing its ability to address European and global challenges (Gardner et al. 2010).

When signing the Treaty of Nice the member states of the European Union were already aware of the remaining shortcomings of the agreed set-up. In the 2001 Laeken Declaration on the Future of the European Union, they addressed, inter alia, the issues of institutional efficiency and "how to develop the Union into a stabilising factor and a model in the new, multipolar world" (European Council 2001, 21). Consequently, the 2004 Constitutional Treaty offered substantially rewritten provisions on the external action of the Union in order to strengthen the effectiveness and visibility of the Union's action in the international arena. The successor text to the Constitutional Treaty[11], the Lisbon Treaty, is based upon the text of the Constitutional Treaty and likewise amended the Nice Treaty, particularly in the field of external action. In its "General Provisions on the Union's External Action", the Lisbon Treaty stresses that the Union "shall promote multilateral solutions to common problems" (TEU Art. 21.1).

The CFSP of the European Union under the Lisbon Treaty

For the Common Foreign and Security Policy, the Lisbon Treaty introduced major institutional innovations, which are expected to have a great impact on the Union's ability to perform in multilateral contexts. In this respect, three areas of reform are especially relevant for the internal coordination and the external representation of the Union: a) High Representative of

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[11] In 2005, the Constitutional Treaty was rejected by two negative referenda in France and in the Netherlands respectively.

the Union for Foreign Affairs and Security Policy and the European External Action Service, b) the permanent President of the European Council, and c) the decision-making procedures in the CFSP (Reiners 2010).

The Lisbon Treaty created the post of high representative of the union for foreign affairs and security policy, who serves a five year term as EU foreign minister and is supported by a large corps of diplomats. This new high representative, who also serves as a vice president of the European Commission, carries out policies determined by the member states. The treaty establishes, for example, that the new high representative speaks for the EU's Common Foreign and Security Policy in international forums and organizations, which the troika used to do. The new high representative's main tools are as follows: a budget estimated at 4 billion eurosand, the European External Action Service, a team of 3,000 diplomats stationed in 130 delegations in countries and international organizations worldwide. These delegations represent the entire EU, not just the European Commission, as past delegations did (Gardner et al. 2010). This means that these delegations (rather than the embassy of the country holding the rotating Council of the European Union presidency) represent the EU in non-EU countries on all matters of foreign policy.

The Lisbon Treaty partly ends the inefficient system of six-monthly rotations in the leadership of the Council of the European Union by providing that the high representative shall chair and craft the agenda for all monthly Council of the European Union meetings on foreign affairs. However, the old system lives on to some extent because the relevant minister from the country holding the rotating presidency will continue to chair and craft the agenda for meetings on general affairs - which include some affairs having international significance, such as EU enlargement, humanitarian aid, climate change, energy security, and economic and monetary

policy. The high representative might therefore have difficulty ensuring that all strands of the EU's foreign policy are consistent (Gardner et al. 2010).

Internal coordination. All the above mentioned three innovations[12] modify the structure for the internal coordination of the Union. First, the High Representative of the Union for Foreign Affairs and Security Policy (TEU Art. 18) represents – together with the full-time President of the European Council – the most prominent institutional novelty of the Lisbon Treaty in the area of CFSP. As outlined above the incumbent Catherine Ashton has been provided with a "double hat", meaning that she is institutionally rooted both within the Council and within the Commission structure. As she is given the task to "conduct the Union's common foreign and security policy" (TEU Art. 18.2), it can be expected that the new office will shape significantly the agenda and the priorities of the CFSP and Common Security and Defence Policy (CSDP)[13] (Reiners 2010).

Crucially, the new High Representative now chairs the Foreign Affairs Council, for which, in turn, the rotating presidency was disestablished. Given her parallel position as a Vice-President of the Commission, Ashton has to promote a consensus, which takes into account (a) the different political interests of the member states and (b) the different resorts of the Commission and the respective networks beneath (Wessels and Bopp 2008). Furthermore, she shares the right of initiative with the member states, a task she can also fulfill "with the Commission's support" in matters of the Common Foreign and Security Policy (TEU Art. 30.1). Structurally, compared to other policy fields where the Commission is provided with a sole right

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[12] Which are a) High Representative of the Union for Foreign Affairs and Security Policy and the European External Action Service, b) the permanent President of the European Council, and c) the decision-making procedures in the CFSP,

[13] The Lisbon Treaty substitutes the established term of "European Security and Defence Policy (ESDP)" for the term "Common Security and Defence Policy (CSDP)".

of initiative, particularly in accordance with the ordinary legislative procedure (TFEU Art. 294), foreign and security policy is less centralised. Thus, these rather decentralised structures represent an obstacle for formulating and negotiating a coherent position on behalf of the EU (Reiners 2010).

Furthermore, the High Representative shall ensure the implementation of the decisions taken in the field of CFSP (TEU Art. 27.1). In this context, there is a certain overlapping of competences with the intergovernmental Political and Security Committee, which shall "monitor the implementation of agreed policies, without prejudice to the powers of the High Representative" (TEU Art. 38). This unclear division of competences could be partly outweighed due to the fact that it has been planned to appoint a representative of the High Representative as chairperson of the Political and Security Committee.[14] In any case, the ongoing intense discussions on how to actually connect this pivotal institution for the Common Foreign and Security Policy with the new External Action Service led by Ashton illustrate the salience of the coordination issue in this policy field (Reiners 2010).

As the European Parliament has to give a vote of consent to the entire Commission and since the President of the Commission can request the withdrawal of single Commissioners,[15] the High Representative is responsible to three bodies at the same time: the Commission, the Council and (to a lesser extent) to the Parliament. This mix of loyalties is expected to be difficult to balance, leading analysts to the conclusion that the High Representative needs the characteristics of a "superhuman gymnast" (European Policy Centre (EPC) 2007, 20). Arguably,

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[14] See Declaration No. 9 on Article 9 C (9) of the Treaty on European Union concerning the European Council decision on the exercise of the Presidency of the Council.

[15] In contrast to the former Treaty, the President of the Commission will not even need the "approval of the College of Commissioners" anymore for this step (the new Art. 17(6) TEU and the former Art. 217(4) TEC).

this configuration of many central and differentiated functions constitutes a veritable risk of work overload.

Bearing in mind this institutional set-up, the coordination tasks of the High Representative for action within multilateral arrangements appear likewise challenging. She is responsible for the coordination of actions of the member states in international organisations and at international conferences as well as for the implementation of cooperation with other international organisations such as the UN and the Council of Europe. Moreover, as outlined before, the High Representative is also responsible for the Union delegations in third countries and at international organisations. Presumably, the Union delegations will become a part of the European External Action Service (EEAS) functioning as a kind of 'foreign ministry' in the broadest sense. As the External Action Service will work in cooperation with the national diplomatic services, its set-up will also be crucial for the functioning of the internal coordination processes for CFSP. However, given the job profile of the High Representative, she will have only limited own resources, at least compared to her colleagues in the Council and in the Commission, and will, thus, to a large extent, be dependent on the power of persuasion within both institutions (Lieb and Maurer 2010).

The position of a full-time President of the European Council represents the second major institutional innovation, which is of major importance for the internal coordination processes in the CFSP framework. As the Treaty of Lisbon specifies, the President is elected by qualified majority for 2½ years (renewable once) and shall "ensure the preparation and continuity of the work of the European Council in co-operation with the President of the Commission, and on the basis of the work of the General Affairs Council" (TEU Art. 15.6). Thus, his main task is to promote consensus among the heads of state and government and to ensure member states'

compliance. In 2009, Herman Van Rompuy was elected as the first President of the European Council. Having been just as unknown (and inexperienced) in the field of foreign and security policy as Catherine Ashton, it can be expected that at least at the beginning, they will rather moderate then steer EU internal coordination processes (Lieb et al. 2010).

Regarding decision-making procedures, the third major area of reform, the Lisbon Treaty did not reach a breakthrough in terms of establishing more efficient decision-making procedures in the CFSP context: *unanimity* remains the standard for decision-making in this policy field (TEU Art. 24.1, 31.1), including the possibility of constructive abstention. As it belongs to the tasks of the Council to "frame" the CFSP and to "take the decisions necessary for defining and implementing it" (TEU Art. 26.2), the Council needs to take decisions unanimously on operational action by the Union "where the international situation requires" (TEU Art. 28.1). In turn, member states "shall commit" to these decisions "in the positions they adopt and in the conduct of their activity" (TEU Art. 28.2).

Similar to the Nice Treaty, exceptions and thus decisions to be taken with qualified majority refer only to few issues and procedures, which can be characterized as subordinate or second-order decisions.[16] In terms of efficiency, small progress is however made as a new provision allows a decision under qualified majority voting of the Council for the set-up of a 'start-up fund' in order to establish rapid access to the Union budget in cases of "urgent financing of initiatives" (TEU Art. 41.3). Additionally, a new aspect is that the list of exceptions from the unanimity rule can be extended by a unanimous decision of the European Council

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[16] Article 31(2) TEU specifies that the Council of the EU can take decisions with qualified majority (a) if these are based on a previous (unanimous) decision of the European Council, (b) "when adopting a decision defining a Union action or position, on a proposal which the High Representative of the Union for Foreign Affairs and Security Policy has presented following a specific request from the European Council, made on [the Council's] initiative or that of the High Representative", (c) "when adopting any decision implementing a decision defining a Union action or position" and (d) when appointing EU Special Representatives.

("Passerelle clause", TEU Art. 31.3). Yet, as a last option for protection of national interests, member states may – in cases where qualified majority is applied – use an 'emergency brake' if the issue touches "vital and stated reasons of national policy" (TEU Art. 31.2). In these cases, the vote will be suspended and the High Representative has the task to act as a mediator, in order to find a solution. If she fails, the Council can decide on the basis of qualified majority voting to bring the issue to the European Council as arbitrator, thereby strengthening the role of the European Council as a (final) decision-making body (Reiners 2010).

External Representation. The first two areas of reform, namely the changes with regard to (a) the High Representative of the Union and the European External Action Service, as well as (b) the President of the European Council, are also crucial for the external representation of the Union in matters of the Common Foreign and Security Policy.

As indicated before, the post of the High Representative has been set up to "ensure the consistency of the Union's external action" (TEU Art. 18.4) by providing the Union with a "single voice" and "face" (Wessels et al. 2008, 19). Article 27 of the new Treaty declares that "the High Representative shall represent the Union for matters relating to the common foreign and security policy. [He/she] shall conduct political dialogue with the third parties on the Union's behalf and shall express the Union's position in international organisations and at international conferences" (TEU Art. 27.2). Additionally, she is granted the right to represent the Union's position on a specific topic in the UN Security Council given that the Union has defined a position on one of the topics on the agenda and that she is requested to do so by the member states represented in the United Nations Security Council (TEU Art. 34.2). This important legal innovation reflects the current de facto practice. In this context, the precise role of the External Action Service and the Union delegation will be an important factor for the external

representation, as Article 221 foresees that "Union delegations in third countries and at international organisations shall represent the Union" (TFEU Art. 221).

As for the external representation role of the European Council President, a conflict between the new full time position and the High Representative can be expected. Thus, the new Treaty states that "at his level and in that capacity, [the President of the European Council shall] ensure the external representation of the Union on issues concerning its common foreign and security policy, without prejudice to the powers of the High Representative" (TEU Art. 156). The formulation "without prejudice to" indicates that potential role conflicts are being recognised by the masters of the treaties but their resolution has been shifted to daily practice.

To conclude, from the European Community's inception more than 50 years ago, defense, foreign, and security policy has been a controversial and contested policy area.

In regard to the *internal coordination,* since the times of the European Political Cooperation, the need for and the lack of more internal coordination always figured high on the agenda. Both under the Nice and under the Lisbon Treaty, unanimous decision-making procedures prevail in the area of CFSP. Unanimity represents a major obstacle in terms of *finalizing* internal coordination processes in order to be able to act consistently within multilateral frameworks. Reservations of the EU member states to 'be coordinated' – i.e. to give up freedom to act internationally and to commit themselves to common EU positions – are reflected in the Treaties' various opt-out clauses and emergency brakes. Nevertheless, the establishment of the double-hatted High Representative of the Union for Foreign Affairs and Security Policy, as foreseen by the Lisbon Treaty, might in any case facilitate cross-pillar coordination processes. Thus, the linking of the Community structures with those of the Council, illustrated also by the joint setup of the External Action Service, appears to be a qualitative step

towards more effective multilateral EU action. In sum, the Lisbon provisions seem to increase the level of internal coordination to the extent possible under the condition of unanimity – provided that the incumbent (and his or her deputies) will be able to manage the inherent workload of the post (Reiners 2010).

In sum, the new institutional set-up provides for improved internal coordination for the EU's action in multilateral frameworks[17]. At the same time, the new External Action Service (together with the Union delegations) offers the opportunity for a better coordination in both fields. The external representation of the Union, in turn, remains fragmented[18]. Nevertheless, again in both fields the external representation could benefit from the structural linking in the framework of the new External Action Service (Reiners 2010). However, it is worth mentioning that the distinction between internal coordination and external representation is not always easy to draw, since both factors are naturally strongly interconnected.

In sum, European foreign, defense, and security policies have been a mixed bag of successes and failures. The notable successes have come institutionally with the provisions of the failed Constitutional Treaty being enshrined in the Lisbon Treaty. The High Representative, the European External Action Service and the European Defence Agency are all positive institutional developments aimed at stabilizing and developing the EU's foreign and defence policies. The development of bilateral relationships and coordination across police forces and intelligence agencies has been positive in as much as an informal Europeanization is developing in this areas. Greater levels of cooperation between member states will come with greater exposure to collective foreign policy responses and through a shared foreign policy vision, which itself can only come through greater levels of dialogue (Dover 2009). "The ultimate effectiveness

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[17] The CFSP will mostly benefit from the new office of the High Representative.

[18] The CFSP will be dominated by the High Representative and the permanent President of the European Council.

of the treaty will depend on whether politicians and voters in the member states embrace integration or focus on maintaining their own national prerogatives" (Gardner et al. 2010, 106).

The Lisbon Treaty provides for new political balances between the different institutions, but it is no substitute for political will. Whether the new political balances result in a substantive change depends mainly on the political decision-makers of the European Union.

3. THEORETICAL FRAMEWORK

Theories of European integration are to explain the integration process of the European Union. Integration theories were and are the theoretical wing of the EU studies. The emergence and development of the institutions of economic integration in Western Europe after the Second World War provided a valuable site for both the application of existing theories and the development of new perspectives. The clutch of theoretical accounts that emerged in the 1950s and 1960s offered rival narratives of *how* and *why* regimes of supranational governance developed and how closer cooperation in relatively narrow, technical, economic spheres of life could generate wider political integration among countries (Rosamond 2000).

Supranationalism and intergovernmentalism have been the two theories developed along the history of the EU integration influencing the process.

Supranationalism. Supranationalism is a method of decision-making in multi-national political communities, wherein power is transferred or delegated to an authority by governments of member states. Supranationalists view the EU's institutions as actors, not dependent variables: the Commission, Court, and Parliament undertake actions that affect the direction of European integration (Kiljunen 2004).

Neil Nugent (2006) defined Supranationalism as a system which involves states working with one another in a manner that "does not allow them to retain complete control over developments, that is, states may be obliged to do things against their preferences and their will because they do not have the power to stop decisions. Supranationalism, thus, takes inter-state relation beyond cooperation into integration, and involves some loss of national sovereignty" (Nugent 2006, 28).

Supranationalism calls for the surrender of more and more sovereign power from the member states to the national institutions of the European Union eventually forming a federal state much like the United States. This theory was originally supported by the founders of the European Coal and Steel Community, though they realized that it would take many years to achieve the final goal. Schumann recognized that a United Europe could only occur when the nations had given up their economic independence followed by political, military, and social policy independence. Even in the earliest years of the Community, the founders called for European Political Community and a European Defense Community. Though these ideas did not pan out at the time, the community had continued to head in that direction. Although decisions and directives may be handed down from the institutions of the EU, the member states still do have the final say in whether or not to carry out the policies as the European Union decision makers would have like, and whether or not to carry the policy out at all (Crawford 2001).

Intergovernmentalism. Intergovernmentalism provides a conceptual explanation of the European integration process. In this account, intergovernmentalism is characterized by its state-centrism. In other words, "intergovernmentalism privileges the role of (nation) states within European integration" (Cini 2009, 87). It is limited to policy areas that do not touch on fundamental issues of national sovereignty, and argues that "European integration is driven by the interests and actions of nation states" (Cini 2009, 87).

The theory is centered on the view that nation states are the key actors in international affairs and the key political relations between states are channeled primarily via national governments. According to intergovernmentalism, not only are the member states deemed to be the most important actors by far, they also manage to involve themselves in European

integration without ceding sovereignty. This implies that states remain very much in control of the process. Accordingly, European cooperation implies at most "a pooling or sharing of sovereignty", as opposed to "a transfer of sovereignty from the national to the supranational level" (Cini 2009, 89).

Central to the understanding of this theory is the belief that cooperation among national governments is possible, but it only occurs when it is in their interest to do so. Moreover, when integration no longer suits their needs, national governments can in fact halt or reverse the process. Therefore, the EU is rather an institution of comprehensive cooperation that brakes and starts whenever the national sovereign governments choose to do so.

In his book entitled "The Choice for Europe" Andrew Moravcsik discounts the theory of supranationalism and constructs his own theory of liberal intergovernmentalism. Moravcsik identifies the failure of supranationalism as having been proven by facts as "European integration had not expanded steadily but by stops and starts… It had not generated uniformly stronger centralized institutions but a curious hybrid still heavily dependent on unanimous consensus among governments" (Moravcsik 2003, 250).

Supranationalism, according to Moravcsik, is too ambitious in scope; it is too vague to generate predictions for empirical evaluation. Moravcsik stipulates that integration moves ahead when three factors converge: that of commercial advantage, bargaining power of important governments, and incentives for further integration commitments. Without these, governments have no reason to contribute to a process that threatens their sovereignty. Instead, Moravcsik contends that "governments transfer sovereignty to international institutions where potential joint gains are large, but efforts to secure compliance by foreign governments through decentralized or domestic means are likely to be ineffective" (Moravcsik 2003, 248).

To sum up, intergovernmentalists believe that sovereignty rests with the EU's member states, although it may be in states' interests to share/pool sovereignty and to delegate it to European-level institutions.

Explanatory approach "Capability-Expectations Gap" (HILL, 1993)

In 1993, Christopher Hill published an influential article on what he called Europe's 'capability–expectations gap'. In it, he analysed the international role of the European Community (EC) and identified a gap between what it had been talked up to do and what the EC was actually able to deliver. Hill saw the capability–expectations gap as having three primary components, namely, the ability to agree, resource availability, and the instruments at the EC's disposal. Hill argued that if the gap is to be closed, the notion of a European foreign policy must be grounded in demonstrated behaviour rather than potential and aspirations. For this, the EU will require credible capabilities. It is not sufficient to simply amass the power tools: the political unit must also possess the institutions to mobilize them and the decision-making mechanisms to command them (Hill 1993).

The alternative, of course, is to simply lower expectations. Over time, Hill's analysis has inspired a great many scholars making 'the capability–expectations gap' a staple of European Studies, a sub-discipline of International Relations.

Asle Toje, a Norwegian foreign policy scholar and commentator, has taken Hill's idea and contributed to the development of the "Consensus-Expectations Gap" approach. His argument is the following: the European Union today possesses the necessary capabilities and institutions, but still finds itself unable to deliver the foreign policies expected owing to a lack of decision-making procedures capable of overcoming dissent. The 'consensus–expectations gap',

in other words, is a gap between what the member-states are expected to agree on and what they are actually able to consent to. The humanitarian crisis in the Sudanese province of Darfur (2003–08) provides an example of the effects of Europe's lack of cohesiveness, the capacity to make assertive collective decisions and stick to them (Toje 2008).

Toje finds out that in the absence of defined policy objectives, European leaders lapsed into incrementalism, constructive ambiguity, bureaucratic politics and declaration-chasing as modes of foreign policymaking. He complements the concept of consensus with "group-dynamic normative win-win games"[19], and compares the past experiences of foreign policy cooperation between EU member states, which were stamped to a certain degree by a zero sums-mentality[20] (Toje 2008), which makes it clear why EU member states cannot fulfill their expectations

The CFSP was determined by the principle of unanimity before the Lisbon Treaty. The reason, according to Toje, was that the nation states wanted to retain their sovereignty at all costs. As an example he cites the following comparison: "While most member-states would like to carry the weight of 27 states when pursuing their own foreign policy goals, the thought of having foreign policy objectives defined by 26 other states is generally less appealing" (Toje 2008, 120).

Altogether after examining Hill's, as well as Toje's approaches, we can conclude that the actual performance of the Union has always exceeded in the foreign policy matters, and the main reason for this is that the CFSP is characterized by the same principles - intergovernmentalism and consensus.

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[19] In case of a win-win situation, several parties in spite of different interests come for a solution from which all involved parties can pull a use (Binmore 2007).

[20] In game theory, a zero-sum game is a situation in which a participant's gain or loss is exactly balanced by the losses or gains of the other participant(s). If the total gains of the participants are added up, and the total losses are subtracted, they will sum to zero (Binmore 2007).

4. NATIONAL INTERESTS OF THE BIG THREE – FRANCE, GERMANY, AND THE UNITED KINGDOM

This chapter will examine the role of national priorities within the CFSP/CSDP, particularly in the light of 'the Big Three' – France, Germany, and the United Kingdom. Why these ones in particular, because cooperation between these three countries assumes a special importance: when united they wield a formidable influence on the rest of Europe; when they disagree, this affects Europe as well.

The fact that the CSDP reflects the convergence of the national interests of the Big Three is widely reflected in the events like the Saint Malo declaration, where the national interests of France and UK ultimately converged and led to the joint declaration for a more autonomous EU military Capability, or CSDP as a means to serve French and UK interests of stability and development in their former colonial regions of Africa (Page 2011).

In order to understand how the national interests of the Big Three can come to the forefront in CSDP, it is important to review three points. First, the structure of the EU governing institutions, specifically The Council of the European Union, and how CSDP missions are agreed on. The second point to consider is how CSDP missions come before The Council of Ministers for a vote. Finally, that the EU is a supranational institution in some areas and an intergovernmental one in others, which means Member States' national interests, can influence decisions in the Council of Ministers (Page 2011).

"The Council of Ministers is the forum in which national government ministers meet to make decisions on EU law and policy. It is the primary champion of national interests and one of the most powerful of the EU institutions[21]" (McCormick 2008, 133). Furthermore, security and defense is not a part of the "'Community domain - i.e., areas of action where the member states

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[21] The term Council of Ministers can be used interchangeably with The Council of the European Union.

have decided to pool their sovereignty and delegate decision-making powers to the EU institutions" (EUROPA 2011). Instead security and defense fall under the realm of "intergovernmental cooperation" where the national representatives debate, challenge and compromise, in order to agree on a policy. In addition, all CSDP missions are agreed upon by a unanimous vote; therefore, every Member State has an opportunity to present its interests in the Council of Ministers.

Also important to understand in the process of CSDP mission selection is how a mission makes it to the Council of Ministers. There are three ways a mission can end up in front of the Council of Ministers for a vote. First, a mission can be recommended by a Member State. The Member State recommends to the Council that the EU plan and execute a CSDP mission in support of a particular crisis. The Political and Security Committee (PSC), the body responsible for making CFSP recommendation to the Council of Ministers, will, with the approval of the Council of Ministers, go through three phases of planning to define the respective mission. The Council of Ministers in the Foreign Affairs Council configuration will then vote on the mission for approval or disapproval (Page 2011).

The second means by which a mission can end up in front of the Council of Ministers is by a request from an outside state or international organization like the UN. The mission is again defined by the PSC and voted on by the Council. The third means by which a CSDP mission can end up in front of the Council of Minister for a vote is in an emergency, where the Joint Situation Center (SITCEN), the EU organization tasked with sharing intelligence among Member States and providing early warning reports in the event of a crisis, advises the PSC of a crisis. The PSC will then make a recommendation to the Council of Ministers for a mission to resolve the crisis (Page 2011). The process by which a CSDP mission is voted on and the process by which a

CSDP mission is defined are important to understand in framing the national interest argument surrounding CSDP.

The national interest argument surrounding the emergence of ESDP and now CSDP can be traced back to the Saint Malo declaration. Citing the declaration by two of the most powerful military countries in the EU was an act to serve their own national interests. Some argue that ESDP was a means for the British to have a more significant role in the EU. "As one of the two biggest defense spenders in the Union and acknowledged even by the French as its most accomplished military power, UK hit upon ESDP as an issue where it could lead, pursuing both prestige and power in the EU" (Posen 2004, 13).

The St. Malo Declaration by France and the UK represents a convergence of national interests. British interests are served by exerting influence in a policy area where they are comfortable, which is security and defense. The UK also favors greater defense and security cooperation, in order to show the United States, that the Europeans are capable of making a greater contribution to European defense. The UK is not, however, in support of a European Army or any attempt by the EU to rival NATO. The Conservative Party was very skeptical of integration in the military realm so much that their skepticism led to an outright rejection of the entire integration process. The Labour Party on the other hand "was not inhibited by concerns that adding a competency in security to the EU would contribute to its development as an organization that threatens national decision-making autonomy" (Rathbun 2004, 155). With the election of the Labour Party shortly before the St. Malo summit the doors were open to join the UK's interests with France's in ESDP.

Much like the UK, France's national interests are served through CSDP by having greater influence in the EU in areas that are important to France namely CSDP. CSDP represents a

means for the French to lobby Europeans to pursue French policies. That by supporting CSDP France could use the EU to rival the United States.

In an attempt not to be left behind after the Saint Malo summit, some argue that Germany chose to support ESDP as a means to incorporate European military forces to serve greater European integration. That by integrating EU military force the EU could foster greater legitimacy in their missions (Page 2011). The convergence of the Big Three in support of ESDP serves a ground to argue that CSDP is a means for a Member State, especially the Big Three, to exert influence in order to protect their national interests.

National interests more specifically can be categorized as economic interests of the Member States; political interests of the Member States both domestic and international; as well as Member States' security for their borders and their citizens. Therefore, the argument would suppose that voting in the Council of Ministers on CSDP mission in some function serves one of the categorized interests above (Page 2011). Those decisions within the Council of Ministers are somehow influenced solely by the Big Three in an attempt to serve their interests.

For example, Gorm Rye Olsen, a leading author on EU involvement in Africa argues, in his *International Peace Keeping* article titled, *"The EU and Military Conflict Management in Africa: For the Good of Africa or Europe,"* that "development of a military conflict management policy has been and still is motivated by European concerns and European interests. Only secondly is it motivated by concerns for Africa" (Olsen 2009, 245). More specifically, "Because CFSP/ESDP conflict management is guided by the principle of intergovernmentalism, some member states, particularly France, exert significant influence on the EU's conflict management policy in Africa" (Olsen 2009, 245). Olsen goes on to argue that France's national interests in Africa stem from its colonial history. He makes this same distinction for the UK as well. He

claims that both Member States share a sense of accountability to promote stability and development in Africa, as a result of their early colonial ambitions on the continent. Olsen makes the argument that both France and the UK have remained interested in Africa to ensure stability and to encourage development. Furthermore, Olsen hypothesizes "that the EU is a means for former colonial powers to re-engage in Africa and use the EU as an instrument for taking care of their specific national concerns" (Olsen 2009, 250). In other words the CSDP represents a means for Member States to engage in multilateral crisis management missions to serve their own national interests.

In sum, Member States support CSDP missions, because the missions serve the national interests of the Member States, specifically the interests of the Big Three.

5. THE EUROPEAN UNION AND THE SOUTH CAUCASUS

As a global player, the EU promotes its standards, values and interests through the use of various instruments, ranging from the Common Foreign and Security Policy assistance and trade to the external dimension of the EU's internal policies.

The South Caucasus has become the EU's immediate neighborhood after the last enlargement; therefore, the EU cannot afford to become complacent with regard to the South Caucasus, taking into consideration that the region is unstable, unpredictable, mired in a complex matrix of regional and local conflicts. Tensions between Georgia and Russia, international uncertainty over the status of breakaway territories South Ossetia and Abkhazia, and the ongoing conflict between Armenia and Azerbaijan over Nagorno Karabakh all have international repercussions. Thus, the EU cannot be complacent as the conflict there would affect Europe as well.

Increased EU interest. The South Caucasus earlier attracted relatively little EU interest, but this is no longer the case. Since 2003, the EU has a Special Representative for the region. Since 2004, the three countries are included in the European Neighbourhood Policy (ENP, the eastern aspect of which is since 2009 further developed through the Eastern Partnership, EaP). EU aid has been increased and the European Investment Bank has received a mandate to extend loans in the region. In the wake of the August 2008 war in Georgia, the EU significantly broadened and deepened its engagement in this country (Sourander 2010).

There are several reasons for the growth of the EU's engagement over the last decade. Through its enlargements, it got closer to the South Caucasus geographically and gained new members with greater interests in this region. With the Rose Revolution in Georgia in 2003-2004, new prospects for the spread of democracy and economic reforms suddenly appeared.

Soon after, when Russia interrupted energy supplies to Ukraine and Georgia, quite possibly for political reasons, the EU was gripped by a new sense of urgency to limit its own dependency on Russian energy. Attention was quickly turned to the oil and gas resources in the Caspian basin and the transit possibilities in the South Caucasus. The EU's new energy interest in the region gave it an additional reason to feel concerned about the unresolved conflicts there, on top of the reasons mentioned in the European Security Strategy to regard regional conflicts as a key threat. At the same time, some EU Member States have been reluctant to let the EU get deeply involved in security matters in the South Caucasus, not least because of links to Russia (Sourander 2010).

Instruments. A Partnership and Cooperation Agreement (PCA) with each of the countries of the South Caucasus entered into force on 1 July 1999. Negotiation directives for association agreements that should replace the PCAs were already in the beginning of 2010 under preparation.

The PCAs with the South Caucasian countries are similar to those concluded with other states which emerged in Eastern Europe and Central Asia with the dissolution of the Soviet Union in 1991. They provide for trade liberalisation, economic cooperation and collaboration in various other areas, including prevention of crime and illegal migration. Joint bodies, including a Cooperation Council at ministerial level and a Parliamentary Cooperation Committee, ensure a regular political dialogue. The implementation of the agreement is supported also by committees bringing senior officials and experts together (Sourander 2010).

The preamble of each agreement recognizes that support for the independence, sovereignty, and territorial integrity of the respective country will contribute to the safeguarding of peace and stability in Europe.

As mentioned above, the South Caucasus countries are covered by the European Neighborhood Policy (ENP) and the Eastern Partnership (EaP). The main element of the ENP is Action Plans. For each of the countries in the South Caucasus, such a plan was adopted in November 2006. The European Commission prepares annual progress reports, the most recent of which were published in April 2009.

The ENP is supported by the EU aid, mainly through the European Neighbourhood and Partnership Instrument (ENPI). Democracy and respect for human rights are promoted through the European Instrument for Democracy and Human Rights (EIDHR). The Instrument for Stability (IfS) is also used. Macro-financial assistance to Armenia and Georgia is being prepared and the European Investment Bank (EIB) can extend loans to the South Caucasus countries.

From European Neighborhood Policy to Eastern Partnership: The EU and Armenia

The relationship of Armenia with the European Union has passed through several stages. The first significant step in this regard was the signing of Partnership and Cooperation Agreement (PCA) on April 22 of 1996 in Luxemburg, which entered into force on 1 July of 1999. The signing of this agreement marked a new era of EU-Armenia relations, since it reflected the desire of both sides to establish closer relations and legal basis for a strong and comprehensive political and economic partnership. Moreover, PCA had marked also a new stage in the country's efforts towards democratic consolidation and transition to market economy, since the treaty aims inter alia to encourage and assist implementation of reforms necessary for recovery and sustainable development.

In essence, the PCA laid down a suitable legal framework for political dialogue, to support the efforts made by the country to strengthen its democratic institutions, to accompany transition

to a market economy and to encourage trade and investment. The PCA also aims to provide a basis for cooperation in the legislative, economic, social, financial, scientific, civil, technological and cultural fields. The general principles of the PCA concern respect for democracy, the principles of international law and human rights. Therefore, the PCA was the first step towards the establishment of bilateral political dialogue with the European Union and Armenia. The treaty allows for strengthening links between the parties and facilitates the convergence of their positions on international issues of mutual concern. The PCA is concluded for the initial period of ten years and is automatically renewed on a yearly basis unless one of the parties objects (Partnership and Cooperation Agreement 1996).

The next step was the launch of the European Neighborhood Policy (ENP), which was developed in 2003, after the fifth enlargement of the European Union to the countries of Central and Eastern Europe. Before the conclusion of the enlargement process, the European Union started considering the impact of this enlargement on the neighboring countries of Eastern Europe. The objective of this initiative was to avoid "the emergence of new dividing lines between the enlarged EU and its neighbors and instead strengthening the prosperity, stability and security of all concerned" (Communication from the Commission 2004).

ENP offers closer cooperation in many policy areas, improved political dialogue, and a limited rise in financial assistance from the Union. At the operational level, ENP introduced 'action plans' for all cooperating countries as reform programs based on the adoption of certain EU regulations and EU basic values. It should be noticed that the ENP remains distinct from the process of enlargement although it does not prejudge, for European neighbors, how their relationship with the EU may develop in future (Communication from the Commission 2004).

The proposal for a new initiative, i.e. Eastern Partnership (EaP), came originally from the Polish and Swedish Governments, which submitted a paper to the June 2008 European Council. It is important to consider this new initiative within the framework of developments unfolding by that time in Eastern Europe. The first signal was 2008 gas crisis, when EU member-states were cut out of gas supplies because of the Russian-Ukraine dispute. As it was noted by the European Commissioner for the External Relations and European Neighborhood Policy Benita Ferrero-Waldner:

> When Russia cut gas supplies to Ukraine in January, EU households suffered. The EU found its quality of life directly affected not just as a result of its own energy supplies, but by the political and commercial landscape in its eastern neighborhood. There could be no more telling example to demonstrate that the EU's interests – of all its Member States alike - are tightly bound up with developments in the countries on its eastern border (Ferrero-Waldner 2009, 1).

Thus, this case demonstrated how the EU's interests can be affected by developments in the countries on its eastern borders. Indeed, the last enlargement of the EU has brought its borders closer to the former communist states of Eastern Europe and the Southern Caucasus. In turn, these states have become more clear in their European aspirations and due to the reforms undertaken within the framework of ENP became "politically and economically closer to the EU" (Communication from the Commission 2008, 2). Therefore, the idea of having stable democracies in the EU's neighborhood became an urgent necessity, underlining once again the increased interrelation of states and societies in today's globalized world.

The understanding of new challenges brought by globalization was highlighted as early as in the European Security Strategy, adopted in 2003 (far before the completion of the EU's fifth enlargement wave). The strategy emphasized the importance of multilateral system "in a world of global threats, global markets and global media" (European Security Strategy 2003, 10).

Moreover, while the Strategy designated "the development of a stronger international society, well functioning international institutions and a rule-based international order" simply as an "objective", the Commission's Communication paper for EaP emphasized now that "stability, better governance and economic development at … Eastern borders" is considered to be of "vital interest" for the European Union (Communication from the Commission 2008, 2).

Another event, which accelerated design of new eastern initiative, was the conflict between Georgia and Russia in August 2008 with its broad political ramifications. While the EaP initiative received the backing of the European Council, the presentation of the proposal by the Commission was scheduled for spring 2009 meeting. However, the conflict in Georgia pushed the Union into asking the Commission to report much earlier. This led to the presentation of the Commission's proposals for the Eastern Partnership at the beginning of December 2008.

It should be recalled though, that the Southern Caucasus was in the focus of the EU's attention even far before the developments stated above. The already referred Security Strategy in its chapter titled "Building Security in our Neighborhood" mentioned that "we need to extend the benefits of economic and political cooperation to our neighbors in the East while tackling political problems there. We should now take a stronger and more active interest in the problems of the Southern Caucasus, which will in due course also be a neighboring region" (European Security Strategy 2003, 9). In this context, the EaP can be considered to have more concrete security implications, of creating stable, secure and predictable neighborhood on the EU's Eastern flank.

However, the EU's involvement in the Southern Caucasus has been not yet sufficient enough for consolidating statehood or successfully carrying out wide range of reforms necessary. Moreover, Russia and the US – with their opposing geopolitical agendas – have been so far

perceived as relatively strong players in the regions. The European Union, on the contrary, has been perceived as a weak one. As Coppieters mentions, the EU did not elaborate a clear strategy towards this region and one can trace a discrepancy in the EU's policies "that are responding to the challenge of states unable to reform themselves, on the one hand, and the EU policies that are responding to the challenges of weak and failing states threatening European stability on the other" (Coppieters 2004, 6). The author continues that if the former approach induces to partially withdraw from the "socializing strategy", the latter one prompts to deeper involvement. Therefore, the "eastern vector" of EU's foreign policy is marked now by more active political and economic engagement in its Eastern Neighborhood.

The Eastern Partnership aimed to deepen integration between the EU and the six countries of Eastern Europe (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine). This new "ambitious partnership" (as it is defined in the Communication paper) brings relationship between the EU and these states on qualitatively new and higher level, emphasizing a new step beyond cooperation offered within the frameworks of PCA and ENP. The main goal of the Eastern Partnership is to create the necessary conditions to accelerate political association and to deepen economic integration between the European Union and interested partner countries (Communication from the Commission 2008).

The 'Eastern Partnership' will operate on both bilateral and multilateral dimensions. The European Commission puts forward concrete ideas for enhancing the EU's relationship with the EaP member countries. On bilateral level, this will lead to the signing of new Association Agreements which suggest deeper and more comprehensive political and economic integration with the EU. It is envisaged that negotiations of Association Agreement for Armenia started in 2010. On multilateral level, the initiative will attempt to create a common arena for the EaP

member states to coordinate their policies towards each other and to foster a political dialog and economic cooperation.

However, there is no doubt that for the Commission, the Eastern Partnership represents "a specific Eastern dimension within the European neighborhood Policy" (Communication from the Commission 2008, 1). Indeed, the European Council in June 2008 asked the Commission for a proposal which respects "the character of the ENP as a single and coherent policy framework". In the same vein, the December European Council conclusions emphasize that the Eastern Partnership will bring about a significant strengthening of EU policy with regard to the Eastern partners of the European Neighborhood Policy.

Eastern Partnership: Regional Projections

This section attempts firstly to identify the overall impact of the Eastern Partnership on Armenia, and secondly, to make projections in the context of broader regional implications.

At present Armenia actively cooperates within the EaP framework, showing clear intention to benefit mostly from the expanded opportunities offered by this policy. In these efforts a central part can be assigned to the activity of the EU Advisory Group (EUAG) that covers a whole scope of key governmental institutions. EUAG facilitates reforms in strategic directions essential not only for the EU-Armenia cooperation but, most importantly, for the further sustainable development of Armenia into a more democratic state with efficiently operating open market economy. These directions embrace good governance, including anti-corruption measures, public administration reforms, fiscal, tax, customs policies, and human rights. Hence, provided concentration of the Armenian government on the factual implementation of adopted reforms, both the enhanced financial and technical support of the EU may seriously support country's sustainable development, and consequently, strengthen its regional positions and make

the country a reliable and predictable partner of the EU in the region of the Southern Caucasus (EUAG 2011).

Yet a decade ago this region occupied rather marginal position in the EU's foreign policy agenda (Lynch 2003). Today it attracts more attention due to certain reasons. These include political and economic elements, both having implications of ensuring the EU's security. As a reason of the successive enlargement process, the EU's borders have become closer to its Eastern neighborhood. Therefore, having stability, prosperity and good governance on this flank is being considered today among urgent priorities of the EU's foreign policy making. Furthermore, deeper cooperation would have clear implications for the economic constituent of the EU's interest in the region, namely ensuring energy security of the EU as well as, in the long-term, creating inexpensive import area, which would contribute to the EU's own competitiveness in the global market.

For Armenia, the signing of an agreement on Deep and Comprehensive Free Trade Area (DCFTA) would contribute to the tackling of inner challenges of its economy. As both experts and politicians recall frequently to what extend the closed borders impede overall development of the Armenian economy, however, the inner challenges - such as corruption, weak competition, and poor governance - undoubtedly hinder the economic growth no less, than the closed borders. Hence, the exporting capacities of the country are hampered not only due to the border blockade and ensuing prolonged transportation routes and increased transit costs, but also by the relatively low competitiveness of Armenian products and imperfect legal, regulatory framework (EUAG 2011). Therefore, the introduction of the EU's standards and regulations as a direct output of DCFTA can, in the mid- to long-term perspective, contribute to the improvement of exporting potential of Armenia.

The new, enhanced level of political dialogue, envisaged by Association Agreements can create opportunities for Armenia to attract more attention of the EU decision makers to the urgent issues facing the country. The EaP proposes increased involvement of civil society in multilateral political dialog. This is definitely another great opportunity for Armenia, since its civil society actors, through deeper cooperation with major European think tanks, can bring key issues of both Armenia's and the EU's sides, to key decision-making structures on both sides of the cooperation.

The above-mentioned considerations relate mostly to the bilateral format of cooperation. Even though the multilateral component of the EaP is called to promote deeper regional cooperation among the EaP states, this part of the EaP will fall behind the bilateral relations of each EaP state with the EU.

Currently there are several factors that will slow down regional cooperation, namely weak trade relations in the region, and, most importantly, acute political disagreement among regional actors. In case of Armenia it is the frozen conflict in Nagorno Karabakh, over which the negotiations have been already lasting for fifteen years. Currently, there is no explicit intention from the EU side to be involved directly in the mediation process as a separate legal entity (in present, the EU is represented by France in the OSCE Minsk group) (EUAG 2011). The EU's contribution to the conflict resolution issues in the Southern Caucasus will be rather indirect, through providing a common platform, where the sides of the conflict can find common edges, and through dialog, pursuing common economic interests, can become more tolerant and ready to find solutions for common problems.

This reflects an approach to the regional integration as a preventive method to warfare, which is in fact the model of the EU itself, when the post-war Europe of the 1950's decided to

use integration, through promoting common economic interests as a solution to possible future wars (Eilstrup-Sangiovanni and Verdier 2005).

The structure of the multilateral part of the EaP clearly shows the intention of the EU to foster deeper regional cooperation by this attaching to the EaP dimension of the interregional cooperation, namely between the EU and its Eastern neighborhood. This dimension of the EU's foreign policy-making represents the EU's image on the global stage as a "normative power", as defined by Manners (2002). While discussing different approaches to the impact of the EU as a global actor, Warleigh-Lack (2009) considers whether the EU can exercise real influence by its foreign policy-making without having military capacity, and, therefore, without having a possibility to enforce favorable for the EU decisions by threat of force. For this purpose the EU exercises what Warleigh-Lack called "ethical foreign policy", which gained to the EU:

> Enormous influence in world affairs by employing such tools as a generous development policy, conditionality in its aid agreements and policy over access to its internal market to promote reform of other's policies and structures, and playing a key role in the development of more multi-lateral, rule-bound world (Warleigh-Lack 2009, 81).

In general, it can be suggested that though the embedding of the EU in the Southern Caucasus will increase the number of actors in the region, overall it might have a stabilizing effect. Unlike other actors (namely Russia and the USA), whose interactions with regional states include somehow a military element (expressed either as a direct military presence or cooperation within multilateral military structure), the EU in its foreign policy making acts predominantly as a civilian power which pursues its interests through political and economic conditionalities (Warleigh-Lack 2009). It does not mean to say that the EU in this case acts solely as a "normative" power, since it admits cooperation with the states, some of which are explicitly of a non-democratic nature.

To conclude, the new policy initiative of the European Union indicates outlining change in the balance of power in the region of the South Caucasus. The growing interests of the EU in the region have been marked more explicitly, presuming reassessment of its policies towards the former soviet states of Eastern Europe, and application of more coherent strategy to the region. This presupposes more active involvement of the EU, both in terms of increased funds and technical support. For Armenia, this means creation of favorable environment for the pursuance of its own sustainable development and subsequent strengthening of its regional position.

However, the existing security threats in the South Caucasus are likely to remain on the international agenda in 2011. The EU should upgrade its involvement in the South Caucasus to provide positive input into the region's security dynamics to conflict mediation and settlement.

CONCLUSION

The post-Lisbon European Union can finally establish itself as a serious player in a multipolar world order. It has the potential to develop a foreign policy combining political, economic, and military elements. But will Brussels make the most of Lisbon? In the end, it is still the member states that call the shots on foreign policy.

The European Union has entered a new phase of its development. The Lisbon Treaty enables the Union to take an important step forward in closer cooperation and greater integration. Yet the pitfalls of the European Union's CFSP are diverse and treacherous. First of all, many members are still unwilling to give up powers in foreign and defense policy in favor of consensual decision-making. Furthermore, there is friction between the EU Council and the European Commission. The Council, which is responsible for the CFSP and, thus, for crisis management, wants to act quickly, but has limited funds at its disposal. By contrast, the Commission has a large budget, but a longer time frame to agree on economic promotion, neighborhood policy, and foreign aid (Riecke 2010). So far, attempts to coordinate between the two have not gone smoothly.

Moreover, the president of the European Council - Van Rompuy, and High Representative - Ashton are not big-name foreign policy celebrities, and their work consists mainly of internal coordination. The fact that they are largely unknown in Europe suggests that EU heads of state and government do not want strong leaders to usurp their policymaking authority. Indeed, true power still resides with the member states, not with the Brussels administration. One role of the President and High Representative is to be the face of the CFSP in the wider world. But European Commission President Jose-Manuel Barroso will play a similar role. If all three compete in foreign policy, they will merely demonstrate that the European Union's "checks and

balances" impede joint action abroad. However, at least a structure exists that is capable of action, one in which the organizational barriers are easier to overcome. This has gained importance since the European Union now seeks to coordinate its diverse crisis management resources more effectively - that is, to use political, economic, military, police, and foreign aid instruments to ensure long-term stability in regions (Riecke 2010). However, when crises occur, other states in the European Union will still first look to Great Britain, France, and Germany, given that, when building consensus in foreign policy, these countries wield greater weight than do the new EU officials.

In addition to the treaty reform process, there have been other developments relevant to EU foreign policy. The European Neighborhood Policy (ENP) has now been relaunched as "ENP Plus," including individual action plans for neighboring states and a great deal more money. Nevertheless, this process has not changed the fact that the European Union has dragged its feet on meeting the neighboring states' most important demands - market access, visa-free travel and, for some, preparations for accession. Efforts to give neighborhood policy a greater regional focus, as reflected in the Mediterranean Union, the Black Sea Cooperation, and the Eastern Partnership, have, in most cases, fallen short of expectations (Riecke 2010). For the European Union's neighbors, regional integration is less attractive than direct participation in the European market.

Moreover, the Council revised the highly praised European Security Strategy (ESS) and expanded it to include, among other issues, energy security. The 2003 paper calls for a "strategic culture" of intervention, including the possibility of "robust" engagement. In fact, the European Union is part of more than 20 operations abroad involving military and police units. However, the ESS has not been able to develop a proactive policy that allows the Union to act as a leading

stabilizing force in regions deemed strategically important. Although European observers, conflict managers, troops, and border guards serve in the Western Balkans, the Caucasus, and the Middle East, Brussels - proud of its "soft power" - has not been able to apply much pressure on the most important actors in these crisis regions and has little influence when crises escalate (Riecke 2010).

Efficiency Is Not the EU's Main Problem. The question remains: Is the European Union a global player? Erhard Busek wrote, "The EU is present whenever there is smoke, but cannot extinguish the fire."[22] Global influence is certainly an ambition of the CFSP. With operations in Afghanistan, Aceh, and Congo, the European Union has long been involved in conflicts outside its borders. The EU battle groups are meant to be deployable up to 6,000 kilometers away from Brussels (Riecke 2010). Nevertheless, the farther the theater of operations is from European headquarters, the more difficult it is to win support for a resolute foreign policy. An obvious additional criterion for an operation is whether the crisis region lies in a former colonial power's "sphere of responsibility." This focus on neighboring spheres of interest is legitimate. After all, the European Union is present on various levels in the international arena, like through the UN.

What is concerning to who holds the reins in the CFSP, the Lisbon Treaty has not answered this question. Of course, the new leading officials play a more important role in planning the Council meetings devoted to foreign policy. However, the greatest impetus is once again coming from member states. A general discussion is underway in the European Union on whether the Big Three automatically form a kind of directors' board - and how this can be prevented.

More EU Needed in the Neighborhood. The president and the high representative will have their hands full trying to resolve the existing conflicts in the CFSP. At the same time, they will

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[22] Busek, Erhard. (2009) Too Little, Too Late. Europe Needs Better Crisis Management, Korber Policy Paper No. 7

need to fight for a forward-looking EU foreign policy. To this end, it makes sense for the European Union to initially concentrate on neighboring regions, where European interests are directly affected and where important contributions can be made in addressing international issues. This type of policy is already highly developed in the Balkans, combining military presence, economic, and political stabilization, and efforts to introduce states to the European Union. However, the European Union must exert a more powerful, proactive influence on crisis development in other neighboring regions in order to gain credibility as a global player. The European Union can only succeed if its large and medium-sized members push ahead with such a policy.

EU's policy towards the South Caucasus is an example of the inability of its member states to develop a common policy towards the post-Soviet space. The failure of conflict resolution in its neighborhood is also the result of diverging interests between the member states and EU's limited engagement in its neighborhood. The South Caucasus fuels internal European disputes on how one should develop a policy towards Russia, and its post-Soviet neighbors. Furthermore, an ideologically charged debate on diversification of energy supply has unfolded in the Europe-Caspian discourse, without tangible results.

In the Southern Caucasus, the European Union should move from the role of observer to that of a stabilizing force. Although the ESS calls for vigilance in this region, the European Union has been scared off by a potential conflict with Russia. The trick is to win influence in the region without drawing Russia into a confrontation. It must provide more and strategic support for business development and political reform. The EU should manage not to react to, but to shape the events in international arena.

At the moment, the European Union is not an authentic global power. Indeed, most of its members do not want it to be. Brussels will try to expand its global influence over time, but hardly fast enough to be able to compete with China or the United States. Yet action is urgently needed: the Union should step up its efforts in the wider neighborhood, and quickly. Success here would have a global impact. It could also raise the consciousness in the EU states that their security depends on a strong European foreign policy.

Nevertheless we must be clear about one thing: Time and tide wait for no man, and it seems highly unlikely that the foreign policy challenges facing the EU wait for it to finish pondering its institutional future.

The analysis has shown that the EU cannot be called a super state, nor is it an intergovernmental body; it has elements of both: supranational and intergovernmental forms, thus, it is a mixture of the two. Moreover, the Treaty of Lisbon does not change a hybrid character of the European Union, and intergovernmental practices will still dominate in the EU foreign policy system. Thus, the ultimate effectiveness of the Lisbon Treaty and the EU in general will depend on whether politicians and voters in the member states embrace integration or focus instead on maintaining their own national prerogatives.

If European leaders fail to make full use of the Lisbon Treaty's potential, they will consign Europe to the sidelines of world events, with the United States and emerging giants such as Brazil, China, and India overshadowing it.

The Lisbon Treaty may not compensate for strongly divergent views or a lack of political will among the EU's member states. But it will promote coherence and effectiveness when consensus is possible. Its welcome and significant effects will prove to be evolutionary, not revolutionary.

Further research is needed in the area of European identity formation to understand how and under what conditions it could grow and prosper. As Hartmut Mayer explains:

> The European project has lost some popular appeal among European citizens. Growing dissatisfaction with European integration, general enlargement fatigue, a culture of blaming Brussels for shortcomings in national politics and a desire to search for a European identity that integrates national roots and distinguishes Europe from "others" is a common feature in all European countries. Against this background, there is a serious need for political leadership in Brussels and in the various national capitals to explain why Europe is more needed than ever and why it remains relevant for ordinary citizens in the globalizing world (Mayer 2008, 11).

Understanding how an overarching European identity is being fostered, and in what ways it is or is not taking hold, can give a clearer picture on what is needed to promote a more unified front in the international arena.

Progress towards a more efficient and coherent CFSP can only be made by transfer of competences from the member states to the European level. Moreover, until a strong leadership emerges to inspire both national governments and their people to act as one at the supranational level, member states will revert back to the familiar framework of the national in times of international crisis, and largely sidestep the EU.

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