

Upgrading the EU's Role as Global Actor

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25 January 2011

Globalisation, the rise of the BRICs and the new multi-polarity have brought fundamental changes to the nature of international diplomacy for all countries of the world, but most of all for the small and medium-sized member states of the European Union. The national foreign services of the 27 member states now exhibit accelerating obsolescence and waste precious resources, since individually they have little or no chance of having any serious impact on many if not most global affairs. The EU as a single actor could have some such impact, if of course it literally can get its act together. The Lisbon Treaty innovations, with the enlarged responsibilities of the High Representative and establishment of the European External Action Service (EEAS) come not a moment too soon. The question now is how to make real use of them.

Many people are understandably saying, after the long travails of the Lisbon Treaty, that it is time for the EU to get into the substance of foreign policy, rather than continuing to negotiate internally over who does what. Certainly the issues are both real and pressing, every month or even week – last month it was Cancún, last week Belarus, this week Tunisia ... next week who knows? But still it is too easy and premature to say that institutional issues are sufficiently resolved to be given a long rest.

Three institutional issues need to be sorted out, if the EU is to become a world-class foreign policy actor over the next decade or two.

The first and immediate issue is to tidy up the loose ends of the Lisbon Treaty, which is not sufficiently precise or explicit on who in some circumstances should represent the EU and negotiate on its behalf – the High Representative, the European Commission, the EU delegations or the rotating Council Presidency. In particular in the many fields of ‘shared competences’ between the EU and its member states, there remains an annoyingly extensive grey area, which provokes competition, tension and even inter-institutional conflict mainly between the Commission and member states in the Council. A current case in point is who should negotiate a new international treaty to control the use of mercury. Much of 2010 was taken up in an inter-institutional scrap over this question. In the end a compromise seems to have been arranged by the Belgian Presidency at the end of last year (which in passing we applaud for its constructive and efficient handling of post-Lisbon issues, despite deplorably nihilistic tactics by some foreign ministries). This scrap meant that last year the EU had initially no agreement as to who should present the EU position at the Stockholm international mercury conference, resulting in embarrassing public in-fighting on the conference floor. Moreover, there are still almost daily reports of many more instances of petty tug-of-war displays in diverse international fora, involving the Commission, the Council and its Presidency and the local EU delegations. This kind of institutional disorder has to stop, through some kind of institutional understanding or *entente*.

This Commentary is a collective effort by a group of EU policy analysts based at research institutes in Brussels and Leuven. Michael Emerson & Piotr Maciej Kaczyński are at CEPS, Rosa Balfour is at the European Policy Centre (EPC), Jan Wouters & Tim Corthaut are at the Leuven Centre for Global Governance Studies, University of Leuven, and Thomas Renard is at Egmont – The Royal Institute for International Relations. This Commentary summarizes their new book *Upgrading the EU's Role as Global Actor – Institutions, Law and the Restructuring of European Diplomacy* (available at www.ceps.eu).

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Neither European public opinion nor the EU's partners in the world have any patience for this bickering, and Europe only loses from it.

The second and much bigger issue is the status of the EU in multilateral organisations, including the UN system, the IMF and World Bank, and many other bodies or procedures that execute multilateral treaties. The member states are in general full 'members' of these organisations, whereas the EU's status is often just 'observer', only sometimes a 'member' or full contracting party, and sometimes completely absent even when its legal competences are involved. The UN system has invented the category of 'regional integration organisation', which some but far from all of its bodies have agreed to use to justify the presence of the EU. There is now a large collection of institutions in which the EU's status is not adjusted to the level of the real competences which its member states have delegated to it. In one important case, the UN General Assembly, the Lisbon Treaty has even had the unintended effect of setting the EU back. (Lisbon gives either Van Rompuy, Ashton or the Head of the EU Delegation – according to level of the meeting – the task of representing the EU, but the rules of procedure say the EU now can only speak as observer *after* the 192 member states have taken the floor, whereas before the rotating Presidency member state could intervene in a timely manner.) A proposal to rectify this situation has been made, but it failed to pass at first discussion in the Assembly and needs now to be re-submitted. But there are many other anomalies. The eurozone should have a single seat at the IMF Executive Board, and the EU should surely at least be observer on the World Bank Executive Board. Many other cases are behind the times, including several sectoral organisations such as for maritime and air transport where the EU's extensive internal market law sits alongside international law, and often actually leads the latter's development. But all this is a huge agenda, as the EU has already been party of one kind or another to 249 multilateral treaties. It is an agenda for a decade or two, but which needs to be engaged resolutely and with diplomatic skill without delay, and with the full backing of the member states (again at times deplorably lacking).

The third issue is the restructuring of European diplomacy. The 27 member states have 3,164 diplomatic missions, employing 93,912 staff (of which 55,441 are full diplomats, which is about twice as many as the US), costing €7,539 million (these figures exclude aid administration and operational expenditures). By comparison, the EU starts its new foreign service with 136 delegations, 3,720 staff (or 1,643 excluding local agents), costing €476 million. The three largest diplomatic corps in the EU, those of Germany, France and the UK have each around 12,000 staff. The member states spend on average about €15 per capita on their diplomatic corps; the new EEAS costs €1 per capita. At the functional level one can envisage a gradual transfer of some functions to the EEAS to cut gross duplication or to achieve more effective impact. The functions could concern political and economic reporting, consular services including the issue of visas for Schengen states, humanitarian and crisis management operations, and also more economical co-locating mini national embassies within the EU delegations. The fundamental change, however, is in the nature of the new global diplomacy, which is increasingly a matter of global regulatory activity (trade, financial markets, transport, energy, environment etc.), and these are within the European Commission's competences rather than the High Representative. For these functions, the delegations in major capitals will have to have sectoral specialists, since the subject matter cannot be competently handled by generalist diplomats, and certainly not 27 times over in the member state embassies. Meanwhile many small bilateral missions in small partner states, including within the EU, can be cut back. Sweden here leads the way although without having a budget crisis to confront, closing its embassies in Slovakia, Slovenia, Luxembourg and even Belgium (where it co-locates an ambassador in its EU mission), and also in several important countries on other continents.

In this context, the declared intention of the member states to set the budget for the EEAS alone 'towards budget neutrality' is the work of small-minded bookkeepers in alliance with those in foreign ministries who want to keep the status quo (a 10% increase in the EEAS budget would amount to 0.03% of the EU budget). 'Budget neutrality' would mean strangling the EEAS at birth, while also missing a chance to achieve real budget savings by combining a steady but moderate growth of the EEAS with a slimming down of national foreign services in an integrated restructuring operation. The present authors have worked out quantified restructuring scenarios for adapting European diplomacy to the new global multipolarity, together with detailed reviews and recommendations also for the other two topics summarised here, in a new book just published.¹ We warn that failure to act along these lines will result in an increasingly irrelevant, obsolete and wasteful European diplomacy.

¹ *Upgrading the EU's Role as Global Actor – Institutions law and the restructuring of European Diplomacy*, Michael Emerson, Rosa Balfour, Tim Corthaut, Jan Wouters, Piotr Maciej Kaczyński & Thomas Renard, CEPS, January 2011.

