The EU and the interregional diplomacy

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Summary

- Theorizing the phenomenon of interregionalism
- Interregionalism as a tool of FP for the EU
- Some case studies
1. Theorizing interregionalism


- Philippe De Lombaerde, *Del regionalismo latinoamericano a la integración interregional* (2008)


- Doidge, *The EU and Interregionalism* (2011)

- Telò/Facwett/Ponjaert, *Interregionalism and the EU* (2016)

- Baert and all., *Intersecting interregionalism* (2014)
1.1. Interregionalism: how does the literature define the concept?

- Rooted in regionalism:
  - ‘cooperation among neighbouring states on issues of common interests’

- Interregionalism:
  - ‘Situation or process whereby 2 (or more) specified regions interact as regions’

- Very broad definition:
  - concept used as a generic term covering the whole range of formats, which regions have created for interaction
1.2. Large variety of interregional relations

- ‘Pure interregionalism’
- ‘Hybrid or quasi-interregionalism’
- ‘Transregionalism’
‘Pure interregionalism’

‘Interactions between 2 clearly identifiable regional organizations within an institutional framework’:

Examples:

- Mercosur-EU;
- EU-Asean
‘Hybrid or quasi-interregionalism’

‘an organised region (EU) negotiates with a group of countries from another unorganised region’

Example:

In 2016: EU/SADC Group ➔ 6 out of 14 SADC countries:

- Botswana, Lesotho, Mozambique, Namibia, South Africa and Swaziland:
  ➔ *Economic Partnership Agreement* : EPA

- Angola, Congo, Malawi, Mauritius, Seychelles, Tanzania, Zambia and Zimbabwe
‘Transregionalism’

‘interregional relations in which two or more regions are dispersed, have weak actorship and neither region negotiates as a regional organization’:

Example:


- = unique regular official platform for dialogue between the two regions

Projects financed by FEALAC:

- Spanish courses:
- Courses on foreign policy,
- joint research,
- cultural exchange programme,
- Innovation and Dynamic Entrepreneurship
1.3. Differences between old and new interregionalism

- Two main waves of interregionalism:
  - Between the 60s & 70s: ‘old’
  - Since the 90s: ‘new’
Five main differences:

1. First difference
   - old interregionalism associated with the cold war;
   - new interregionalism associated with globalisation:
     - interregional agendas include mutual trade-liberalization programs

2. Second difference
   - old: shaped by bipolarism; new: multipolarism → power distribution

3. Third difference
   - old interregionalism = a sporadic phenomenon;
   - current interregionalism = has become an increasingly common phenomenon

4. Fourth difference:
   - new: larger scope → it tackles more issues

5. Fifth difference:
   - old interregionalism = result of the isolated actions of the EU;
   - To day interregional relations are not anymore the exclusive result of the EU initiative:
     - BUT: EU still a major player
1.4. Interregionalism from the perspective of IR theories

- **Realism:**
  - associates it to alliance formation and balance-of-power operations

- **Liberal institutionalism:**
  - interregional cooperation = a mechanism for managing complex interdependence

- **Constructivism:**
  - supports the constitution of identities

- **Structuralism:**
  - channel of relationship which helps developing, reinforcing and legitimising the dominant world order (‘neoliberal globalisation’).
1.5. Theoretical literature distinguishes 5 major functions performed by interregional forums

- Soft-balancing
- Institution-building
- Rationalizing functions
- Agenda-setting
- Identity-formation
1) **Soft-balancing**

- **Non-military forms of balancing** ➔ realism
- **Interregionalism** = instrument to maintain or create an equilibrium within or vis-à-vis major external players:
  - **Examples:**
    - ➔ ![Asie-Amerique](image1)
    - ➔ ![TEP](image2)
    - ➔ ![FTAA](image3)
2) Institution-building

- It is an **additional institutional layer** within the global governance system:

- It helps **mitigating the anarchical character** of IR:

  - New norms, new institutions:
    - It makes the state behaviour predictable
    - It reduces the likelihood of interstate violence
3) Rationalizing functions

- Global multilateral institutions:
  - overloaded:

- Interregional dialogues & institutions may serve as:
  - ‘clearing houses for decision-making bottlenecks in global multilateral fora’ (Rüland):
4) Agenda-setting

- Closed related to the rationalizing function.

- Interregional forums advance policies or issues that at this point don’t resonate or aren’t addressed in global/multilateral forums.
5) Identity-formation

- Interregional interactions may:
  - stimulate a greater level of regional cohesion:
    - Example:
      - EU-Mercosur negotiations have been an incentive for the Mercosur members:
        - to coordinate positions
        - to act together in external trade negotiations
      - reinforce regionness and regional actoriness
2. Interregionalism

- Interregional relations:
  - a tool of FP for the EU

- EU’s political will:
  - promotion of regionalism & interregional relations

- Actions:
  - technical, institutional & financial support to regional blocs
  - supports common policies and common regional institutions
  - promotes very ambitious interregional relations more than in the past:
    - In the past: interregional cooperation (aid & technical support)
    - Today: they include a wide range of issues:
3 Case studies

- Interregional relations with:
  - Asia ➔ Asean
  - Latin America ➔ Mercosur
3.1. EU/ASEAN relations

i. The ASEAN regional process:

- ASEAN = political & economic organisation
- August 1967:
  - 10 MS: Brunei, Burma (Myanmar), Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand, and Vietnam
- Globalisation:
  - more trade and market-oriented:
    - In 1992: project to create AFTA
- Way of working of D-makers:
  - they address problems in a non-conflictual way:
    - to avoid embarrassment
ii. The EU-ASEAN interregional relations

- **Relations** ➔ early 1970s:
  - Informal dialogue between ASEAN Ministers and the Commission started in 1972 ➔ two main purposes:
    - Support regionalism
    - Greater market access for ASEAN’s exports commodities via the GSP

- **Reasons** of the rapprochement:
  - **EEC aim** ➔ help counteracting Soviet influence:
    - Europe supported authoritarian regimes ➔ allies of the West
  - **ASEAN aim**:  
    - ➔ diversify relations
    - ➔ reinforce autonomy in relation to superpowers & Japan

- **1980**: Cooperation Agreement
  - institutionalized relations
  - emphasis on trade, cooperation and development aid ➔ no politics

- In spite of that: ASEAN at the bottom of EEC external priorities:  
  - ➔ behind ACP, Mediterranean, …
iii. EU/ASEAN in the Post-Cold War

- Between 1970s and 1980s, there was nothing controversial.

- But, after the C.W.:
  - Euro-Asian dialogue became politicized.
  - EU ➔ greater promoter of human rights world-wide.
  - EU-ASEAN relations affected by:
    - Burma:
    - East-Timor:
    - Values: area of contention:
iv. A new stage in the interregional relationship

In spite of that, EU made the choice to keep developing its relationship with ASEAN

Two reasons for that:

**Economic reasons:**

- ASEAN became important market:
  - 4 new countries
  - AFTA (600 million people)
  - ASEAN important market for European companies

**Political reasons:**

- 9/11:
- Burma:
  - political reforms + General elections
v. The importance of regionalism and the EU’s support to the regional process of ASEAN

- EU adopted 3 main (financial) projects to reinforce & boost ASEAN regional project
  - APRIS I: 2003-2005
  - APRIS II: 2006-2009
  - ARISE: 2013-2016

- Provided assistance on:
  - Technical regulations, standardization, accreditation and conformity assessment principles in line with European and WTO policies
  - The project ARISE supports the establishment of the ASEAN Community

- The current budget: 2014 – 2020:
  - ASEAN secretariat
vi. Reasons explaining the EU support

- Important to consolidate ASEAN’s trade negotiation capacity to reach an interregional FTA

- Strategically speaking:
  - EU wish: to be considered as an external promoter of regional integration:
    - legitimacy as an international actor
3.2. EU-Mercosur interregionalism

- Mercosur: key interlocutor for the EU in LA

- Relationships date back to 1990s:
  - 1991: Mercosur delegation to Brussels
  - 1992: Inter-institutional cooperation agreement with Mercosur MS
    - Political dialogue
    - Cooperation
    - Economic talks
    = multidimensional
  - 1999:
    - Mandate to the Commission: ---) Negotiate Interregional FTA

- EU’s support to Mercosur
  - Technical, financial and institutional support
  - Mercosur institutions created with EU Aid
    - Legal personality
    - Permanent appeals court
    - Parlasur
    - Economic and social forum
    - Secretariat
    = 50 million €
Regular and institutionalised contacts with Mercosur at various levels

- Inter
  - ministerial
  - diplomatic
  - administrative
  - parliamentarian

Strategy intended:
- to support internal cohesion of Mercosur and
- to encourage Mercosur MS to speak with one voice in international talks
Reasons of the special relationship with Mercosur

- **Economic reasons:**
  - Mercosur considered as 'emerging market'
  - Mercosur offered economies of scale to EU companies

- **Perceptions:**
  - Mercosur viewed in Brussels as a similar project to that of the EU
  - Important to support Mercosur

- **Strategic reasons:**
  - EU: by supporting regional cohesion of Mercosur, it would succeed to export its regional integration model:
    - to build its international identity as an 'external federator' for regionalism
    - to increase its visibility and legitimacy as an international actor
  - Interregionalism:
    - opportunity to soft balance US strategy for the Americas
How has EU-Mercosur relationship evolved these last years?

- EU-Mercosur trade negotiations ➔ stalled during years
- But in June 2019 ➔ EU-Mercosur Association agreement reached
- Several factors:
  - The deadlock in WTO talks
  - The diffusion of power and the rise of new powers
    (increasing presence of China in LA)
  - The ‘America first’ approach of the Trump administration
  - The trade war and the return of protectionist policies
Content of the trade agreement

- It removes duties

- It covers all trade issues:
  - Agriculture,
  - Industrial goods,
  - Services and investments
  - Intellectual property right
  - Geographical indications
  - Government procurement
  - ...

- It also covers:
  - food safety, animal and plant health ➔ ‘precautionary principle’
  - Environmental protection and labour conditions ➔ committed to implement the Paris Agreement on Climate Change
Huge transatlantic marketplace:
- 770 millions people
- GDP = 20.000 billion €

The concessions made by both parties are very important:
- Geographical indications:
  - CETA ?
  - EU-Mercosur ?
- The tariff cuts are 4 times higher than those concluded by the 2017 agreement between the EU & Japan.
Who wins who loses?

**Winners:**
- Europe
- South American economies

**Losers:**
- EU ➔ very sensitive issues:
  - agriculture
- Mercosur ➔ also very sensitive issues
  - car industry & small and medium industrial enterprises
Many steps to come and obstacles to overcome

- Concerning the steps:
  - legal revision
  - Translation
  - Signature
  - Ratification by
  - The implementation of the entire agreement
    - 15 years
Obstacles to overcome

- Civil society:
- EU agricultural lobby
- EP: greens = fourth political force
- Countries:
  - France, Ireland, Poland, Belgium …