

The EU and the interregional diplomacy

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2nd year MA, in Foreign Policy, International Relations and Crisis Management

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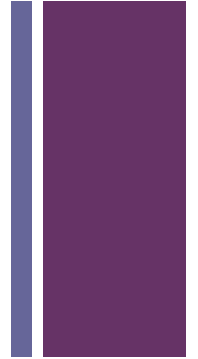
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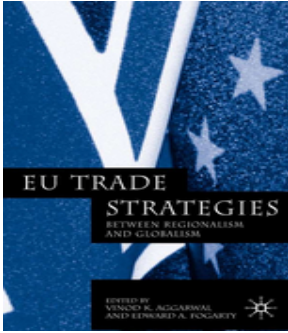
+ Summary

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

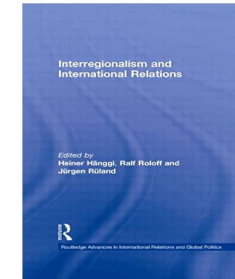


1. Theorizing interregionalism

- Aggarwal/Fogarty, *EU Trade Strategy. Between regionalism and globalism* (2004)



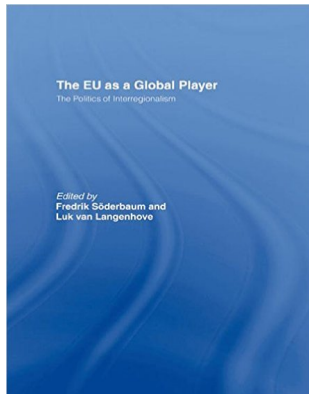
- Hänggi, Rüländ, Roloff, *Interregionalism and IR* (2005)



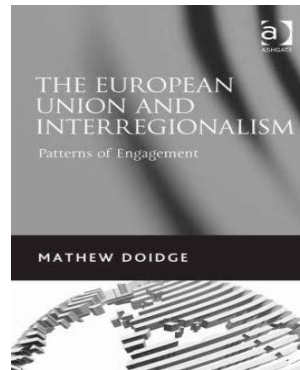
- Philippe De Lombaerde, *Del regionalismo latinoamericano a la integración interregional* (2008)



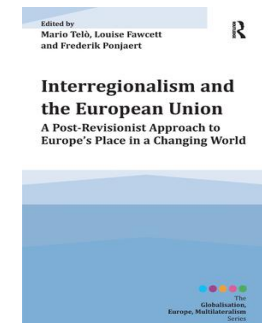
Soderbaum/Van Langenhove, *The EU as global player* (2006)



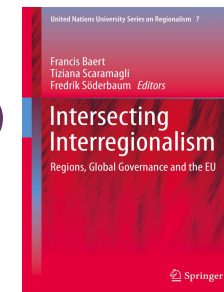
- Doidge, *The EU and Interregionalism* (2011)



- 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’

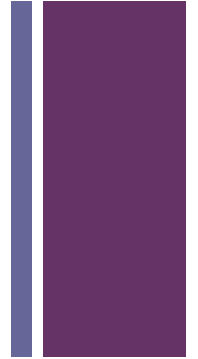
■ Very broad definition:

- → 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:

- FEALAC: Forum for East Asia-Latin America Cooperation (1999)
- = 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

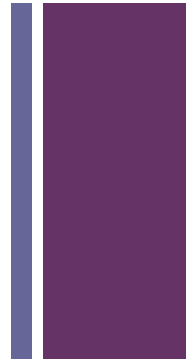
- old interregionalism = a sporadic phenomenon ;
- current interregionalism = has become an increasingly common phenomenon

■ 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:



response to



**Asia-Pacific
Economic Cooperation**



TEP



response to

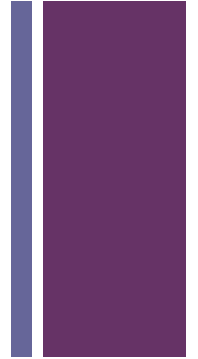


response to



+ 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 :

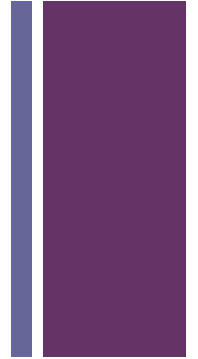
- overloaded:

- Interregional dialogues & institutions may

- serve as:

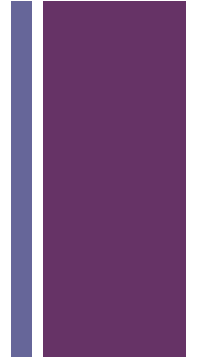
- ‘clearing houses for decision-making bottlenecks

- in global multilateral fora’ (Rüland):



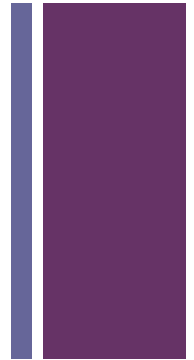
+ 4) Agenda-setting

- 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



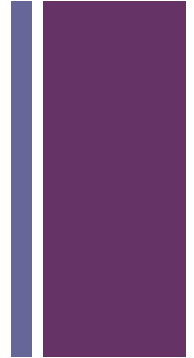
+ 5) Identity-formation

- 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 actorness

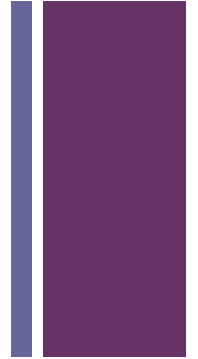


+ 2. Interregionalism

- 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:

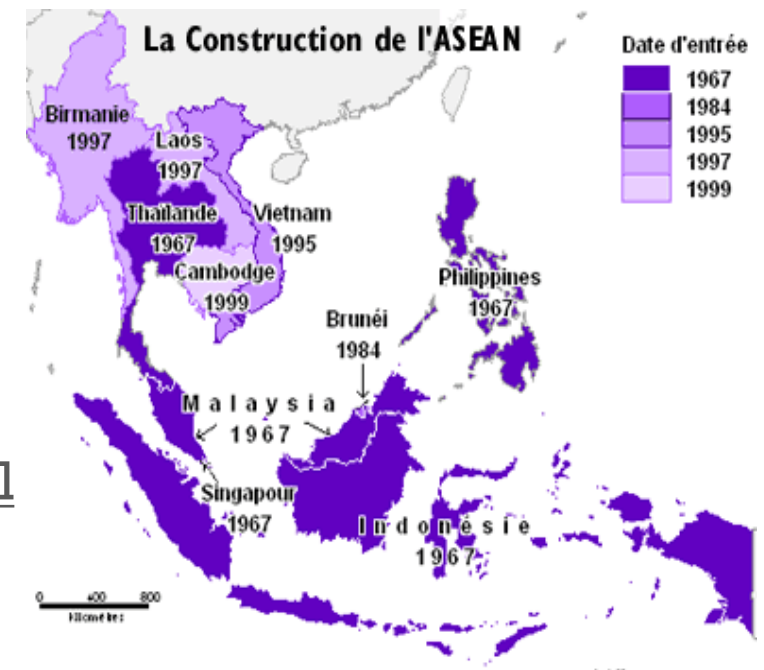
■ Asia → Asean

■ 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

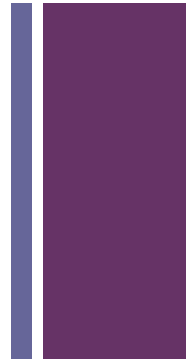


+ ii. The EU-ASEAN interregional relations

- 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
 - 1995: EU-Mercosur Interregional Framework Agreement (EUMIFA):
 - Political dialogue
 - Cooperation
 - Economic talks
- 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

} = 50% total FDI
= 40% total Trade

■ 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

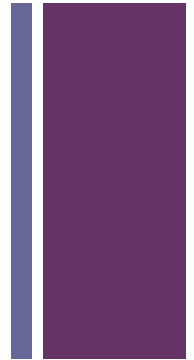
+ How has EU-Mercosur relationship evolved these last years?

- 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.



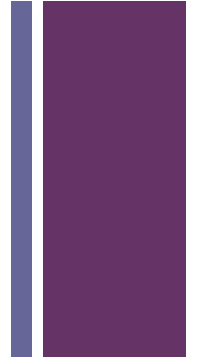
+ Who wins who loses?

■ 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

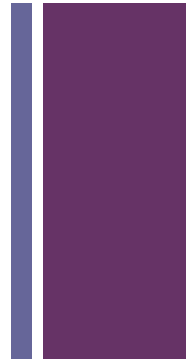
- Translation

- 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 ...

