The Role of European Union in Global Governance

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Abstract—Despite all the wide research and literature on the subject, changing and challenging times often present themselves with new objectives, fluid politics, and everlasting point of views. Much is said about the subject and the trend nowadays is watching every European Union (EU) intervention as a form of neo-colonialism or a form of establishing new markets.

The paper will try to establish a perspective on EU influences, policies and impacts analyzed from multidimensional point of view, not limiting itself on a narrow external dimension, focusing on a broader understanding of it diverse contribution to global governance and peace keeping.

Tending to be critical, this paper tends to fall out of extremes, neither holding a Eurocentric position, nor falling for cheap critic to the whole failures and impact of EU policies. The ambition is to show EU as a contributing factor while keeping in mind its nature as a multi layered actor and with not necessarily coinciding interests among its member states.

Keywords—European Union, global governance, globalization, normative power.

I. INTRODUCTION

Since the mid-1980s, the process of European integration has produced dramatic policy changes in the Member-States of the European Union. The EU has gone way beyond any other set of supranational trade associations in opening up its members to the economic pressures of globalization even as it has protected against them through convergence in monetary policy and coordinated liberalization in industrial policy. Moreover, it has done this through a vast array of rules and rulings that go way beyond any other international or regional economic authority with regard to the institutional adjustments demanded of its member-states. In addition, it has been driven by ideas related to a common political project for economic liberalization which have been much more compelling than those of any other regional grouping of countries in the world, and which have served as a complement to the liberalizing ideas related to globalization.

II. EU AND IMMIGRATION

Migrants from Africa and the Middle East, buffeted by war and abetted by ruthless smugglers, have been crossing the Mediterranean in increasing numbers in unseaworthy boats. Many never make it.

Efforts to forge a common immigration policy across Europe have been held back by divergent national approaches conditioned by geography, culture, and history. The debate over how to proceed has in some ways also broken down along regional lines, with southern nations, led by Italy and including Greece and Spain, demanding more money and more action from the richer and more powerful nations, led by Germany.

The objective of the migration policy is to effectively regulate the entry, stay, and integration of third-country nationals in the member states. At the same time, all of these states are signatories to the 1951 Geneva Convention and to the 1967 Protocol on Refugees and they should bear in mind the significance of avoiding coercion, in order to foster trust between asylum seekers and refugees and the authorities, and to ensure that fundamental rights are respected, protected and promoted. And the question is, to what extent do these commitments in relation to asylum dovetail with each Member State’s sovereign right to decide who gets to enter and to settle on its territory?

The existing mechanism for border controls is based on common regulations and on solidarity mechanisms [12]. Yet border controls suffer from a lack of solidarity among Member States which threatens the free movement of people. And, they sometimes make it more difficult for individuals to have access to asylum procedures [4].

The Common European Asylum System (CEAS) adopted in June 2013 is designed to offer both effective and fair treatment to asylum seekers and a high level of protection. In organizing solidarity among Member States, primarily via the European Asylum Support Office [24], it also seeks to spread its message throughout the world. Yet the CEAS is not as fair, as solidarity-based or as exemplary as it aspires to be, primarily on account of interferences of border controls. A lot has to be done in ensuring that the acquis standards are met in order to guarantee effective access to procedures and adequate treatment for asylum seekers and protection for those entitled to it.

All EU institutions and mechanisms, and EU itself, must continue engaging beyond its borders and strengthen cooperation with its global partners in the fight against smugglers and traffickers, in addressing root causes, and to promote modalities of legal migration that foster circular growth and development in the countries of origin and destination [7].

By the turn of the century, economic immigration was ongoing due to the shortage of workers in those industries where labour was poorly paid, tough, and impossible to relocate [13]. Moreover, family reunification and the right of asylum became two preferred modes of entry into the Community area since EU legislation permits Member States to have more generous reunification rules [3]. The collapse of the Soviet area, followed by the implosion of the former Yugoslavia in 1990-1991 led to an influx of some 4.6 million immigrants into the Community. In 1992, Germany recorded 438,000 applications for asylum. In order to reduce inequality

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in the EU countries’ relative powers of attraction, based in particular on differences in reception conditions for asylum seekers, Germany managed to ensure that the Treaty of Maastricht in 1992 included the Communitisation of visa policy and the introduction, in the third intergovernmental pillar, of a policy governing asylum and other aspects of border control and of the struggle against illegal immigration [2].

To “address the deeper causes of migrant flows”, such as poor governance or the absence of economic prospects, the Task Force calls for a boost to development aid for the migrants’ countries of origin and transit. Since the European Council of 2005, the European Union has in fact been attempting to develop a “global approach to migration and mobility” based on a triple win hope:

1) Meeting the needs of the European labor market;
2) Allowing migrants to enjoy a more stable status;
3) Offering support for the development of their countries of origin [2], [9].

Mobility partnerships constitute the political framework for this global approach. Since 2010, a European immigration portal has provided information regarding the needs of the European labor market. A number of directives (students, highly skilled personnel, seasonal workers) aim to guarantee migrant rights (the recognition of diplomas, support for circular migration) [15]. For the period stretching from 2014 to 2020, aid in the field of migration will be supported by 344 million € coming from the Development Cooperation Instrument (DCI) [8]. And lastly, there are measures in support of migrant transfer.

The next decade will see a significant decline in the working-age population and labor force in European countries.

A. Benefits

Discussions concerning the ageing workforce are often phrased in terms of a replacement problem, with smaller youth cohorts entering the workforce as large baby-boom cohorts retire. The Organization for Economic Co-operation and Development (OECD) has recently estimated the “net impact” of immigration on public finances. In fact, on the one hand, immigrants have, on average, a more favorable age-structure which results in a more favorable picture for health or pensions expenditures, leading to a positive impact on public finances (i.e. the taxes they pay are larger than the services their receive). On the other hand, the same age-structure of immigrants results in higher expenditures on education – due to the fact that they have more school-age children – and lower estimated payments of indirect tax due to lower disposable income. All in all, as well as accounting for estimated expenditure on active labor market policy, the overall fiscal impact in terms of GDP is positive for most of EU countries analyzed. The case of Germany and France is particularly interesting, as the age-distribution of immigrants is much more unfavorable: therefore, the share of immigrants receiving pensions is particularly large, resulting in a negative estimated net fiscal impact [23].

European immigrants who arrived in the UK since 2000 have contributed more than £20bn to UK public finances between 2001 and 2011. Moreover, they have endowed the country with productive human capital that would have cost the UK £6.8bn in spending on education [16].

Over the period from 2001 to 2011, European immigrants from the EU-15 countries contributed 64% more in taxes than they received in benefits. Immigrants from the Central and East European “accession” countries (the ‘A10’) contributed 12% more than they received [16]. However, despite a generally positive impact of immigration in most of EU countries, in many of them there is widespread public concern over immigrants’ use of the welfare system.

III. EU AND ECONOMICS

Although the EU is highly competitive and continuously improves its goods and services, the quality of the work force as well as of its political processes and regulations, the competitors are not idle. Not only the U.S., but also the BRIC countries (Brazil, Russia, India, and China) are serious competitors in contest for headquarters. The EU must therefore develop further in order to be able to succeed in a competitive international environment in the short as well as in the long run. However, the EU has not yet taken a clear-cut decision about its long term perspective.

The emergence of the EU as an active participant in the international scene is widely recognized while its success, credibility, legitimacy, and leadership remain contested and have generated heated debates among scholars and politicians alike.

Throughout the history of European integration, there has been a discussion about the right level of coordination and harmonization and the creation of centralized institutions. So far, this evolution was a one-way street towards an ever closer Union. Internal market, competition law, customs union and trade policy have formed the core of economic policy from the beginning on. European industry is indeed challenged by some growing structural comparative disadvantages. They go beyond the traditional story of high labour costs - partly offset by higher productivity through skills and innovation, and partly taken into account in various off-shoring and outsourcing moves, benefitting a high income population with cheap import products. With the recent gravity shift to the BRIC states, new structural risks appeared relating to the availability and cost of raw materials and in particular to energy prices. Microeconomic analysis not only explains overall challenges to EU competitiveness but can also contribute to a deeper understanding of disparities between Member States. A look at the development over time of the current account balance shows that disparities reached a maximum in 2007, just before the collapse of the financial system. These disparities were already a signal for diverging structural economic developments relating to the competitiveness of the local industries [10], [18]. Likewise, with Europe, its leaders are terrified by the demographic dwarfing of the continent that will shortly ensue and are profoundly unsure of its own global role especially when
Britain, its most international and globally connected member, is its most recalcitrant. The internal dangers in Europe are blinding people to the emergent dangers in its own near abroad. The Arab spring has left a legacy that looks unlikely to turn to summer since it could well seed fractured states and fundamentalist cantons along Europe’s southern border. In short, Europe and Britain must find an accommodation. However, Britain is not the 25 Phillip Blond Visions for Economic Policy Coordination in Europe only country that Europe must seek to broker a new settlement with. There are many. Nobody is happy with the current arrangements for Switzerland, Norway or Turkey, the EU is utterly confused as to how to approach Ukraine or Belarus. Plus given the internal troubles it is also clear nobody will be in a rush to join the Euro any time soon and even though leaders may not want to countenance it, the current currency union may break up, or centralize around a far smaller number of states. Therefore, it cannot be the case that one has to accept the Euro or leave the EU [11].

The problems in the EU and the euro area following the economic and financial crisis were quickly recognized and well addressed (at different rates) at the political level. The response at the European level resulted in a new set of rules on enhanced economic governance, which distinguish partly between euro area and non-euro area Member States.

The recent economic crisis revealed many of the weaknesses of the current European economic policy, not least at the level of its fiscal policy, monetary policy, industrial policy, and social policy, and its inability to address problems related to inequality. Part of the reason for this failure of economic policy, springs from shortcomings at the level of economic theory [17]. While classical political economy studied the activities of production, distribution, and consumption, the topic of distribution was abandoned in neoclassical mainstream economics, making its economic theory inappropriate for addressing the implications of inequality. Inequality led to a tendency for the reduction of consumption, since income inequality means that less income is given to those who have a higher marginal propensity to consume, as Keynes and Kalecki noted long ago. This tendency for a reduction in consumption was compensated by the financial sector, through credit for consumption and investment, and through speculative activities that generated higher asset prices [14]. The reason why the financial crisis quickly became a major economic crisis springs from the fact that the financial system was central for the compensation of the effects of inequality in effective demand.

IV. EU AND POLITICS

The European Neighbourhood Policy (ENP) was created as an outcome of the 2004 enlargement of the European Union. Uniting a large part of the continent created the inevitable though largely unintended consequence of difference between those in and those out, even if states were neighbouring [25]. There is a deep irony embedded in the ENP as it currently stands. For while the EU Member States have to date invested remarkably little political will or interest in the policy, Russia was willing to go to war over it – within the guise of the Eastern Partnership. While the 2008 conflict between Russia and Georgia was the first signal of this fact, it was the annexation of the Crimea and the subsequent conflict in the Donbas that fully reflected it.

Since it was not an issue in the Arab revolutions, the EU was not forced into any significant political decisions in their wake – a fact that has allowed for the shallow and largely ineffective response to them. Indeed, the intervening four years have shown the ENP in the southern neighborhood to be largely hollow, other than for the matter of migrants, which is now taking on a political dimension. However, once again the political debate is about how migrants affect the EU, and not about the problem as a whole or as it affects the southern neighborhood, or indeed, about how it relates to the ENP. But this situation is unsustainable – for both the EU and the neighborhood [25], [26].

Seeking to play a more active role in global affairs, the EU has developed a Common Foreign and Security Policy (CFSP) and a Common Security and Defense Policy (CSDP). On many foreign policy and security issues, the 27 EU Member States exert a powerful collective influence. On the other hand, some critics assert that on the whole the EU remains an economic power only, and that its foreign and security policies have little global impact. Some of the shortcomings in the EU’s external policies stem from the inherent difficulties of reaching a complete consensus among the Member State governments. Moreover, past institutional arrangements have often failed to coordinate the EU’s full range of resources.

The Common Foreign and Security Policy is based on unanimous consensus among the Member States. CFSP is a mechanism for adopting common principles and guidelines on political and security issues, committing to common diplomatic approaches, and undertaking joint actions. Many analysts argue that Europe’s relevance in world affairs increasingly depends on its ability to speak and act as one [1].

The European Union’s foreign policy is an ongoing puzzle. The membership of the enlarging European Union has set itself ever more ambitious goals in the field of foreign policy-making, yet at the same time, each member state continues to guard its ability to conduct an independent foreign policy. As far as the EU’s ambitions are concerned, foreign policy cooperation led to coordination, and coordination in turn gave way to the aspiration of developing a common foreign policy. Concern over foreign policy was the precursor to endeavors to cooperate in matters of security and eventually defense policy. And the desire to maintain the national veto over decision-making within the “second pillar” of the Common Foreign and Security Policy (CFSP) gave way to the acceptance that, at least in some agreed areas, detailed policies – joint actions and common positions – would be determined by qualified majority vote [5].

How can we describe, explain, and foresee the development of a process that was originally conceived and constructed as being strictly intergovernmental and yet which now aspires to the creation of a “common defense”? Moreover, in what
spatial context is this occurring—is it a policy emerging from amidst the cooperation of distinct national agents or should it be viewed as a policy deriving from an emerging single polity? In addition, that aspect of EU foreign policy that is defined as CFSP is unique in terms of its process and nature. Thus a large part of what passes for European foreign policy is about the way in which information is gathered, analyzed and shared, the way in which Member State representatives interact and debate issues amongst themselves and, finally, the ways in which language is used to give effect to the conclusions of those deliberations.

In the early twenty-first century, the EU is making massive leaps to expand both geographically and sectorally. The accession of ten new Member States in 2004 is accompanied by moves forward on a new constitutional treaty which in parts codifies previous practice in the Union, but also pushes the boundaries of integration forward. The EU’s management of foreign policy has been one of the key issues in this constitutional debate. It is not only because the negotiations in the Constitutional Convention coincided with the EU’s very public display of disunity before and during the 2003 Iraq war, and thus the need for a more effective handling of foreign policy issues was apparent to many, whether supporters or critics of the war. But foreign policy would have featured in the constitutional debate in any case because of the intrinsic significance of this particular policy area to the constitutional foundations of the European polity [19], [20]. The compromises that have been proposed – the creation of the posts of EU President and an EU “foreign minister” to represent the Union externally, the dual competence of Commission and Council in this area and the tentative moves towards the greater use of qualified majority voting in this area – are a further development of the trajectory that has taken CFSP from Maastricht through Amsterdam and Nice. In addition, constitutional debate and institutional change will certainly not end here, given the way in which the global context continues to challenge the EU to manage its foreign affairs effectively without neglecting the sensitivities of national governments and the wider public in the Member States [21].

EU foreign policy is in a process of constant evolution, and the recent period is testimony to the fact that this evolution can be both rapid and cumbersome. The scholarly challenge in the face of this evolution is to be able to rethink the models and approaches used to analyze it. The various contributions to this volume offer ways of re-thinking European foreign policy from a number of different perspectives, but based on the shared concern of seeking to study the underlying dynamics and subtleties of this process. Collectively they reveal the multi-faceted and changing nature of foreign policy-making in the European Union today.

Even with the new changes introduced by Lisbon Treaty the road toward enhancing effectiveness and coherence of EU in the area of CFSP and CSDP (as an integral part of CSFP) is still long and should pass through an intensive dialogue between Member States [22].

V. CONCLUSION

Cooperation on migration issues labeled as “European” has developed on a quadruple track:

- The bilateral cooperation of individual Member States with partner countries (e.g. bilateral agreements on readmission or on migration management);
- Multilateral cooperation of an intergovernmental character between several Member States and chosen partner countries (e.g. Regional Consultative Processes like the Budapest Process);
- EU-level cooperation between the EU and partner countries (e.g. technical and political cooperation in the context of Enlargement or short-stay visa facilitation for specific categories of persons);
- The EU and its Member States on one side and the partner country on the other (e.g. mobility partnerships) [6].

The challenges of this cooperation patterns lie exactly in its complexity and the difficulty of managing policy at the EU level. Regardless of the ambitious proposals for the Global Approach to Migration, the EU has found it difficult to enhance its migration agenda with elements that really matter for the partner countries, as these are mostly in the hands of the EU Member States. Even if there is a real interest to go beyond the security approach, something that seems to have been true since the early 2000s, not many Member States are actually ready to pursue active migration policies – especially in the times of financial crisis. Moreover, international events, as the “Arab uprising” of 2011, can shift priorities overnight and get EU level cooperation on migration back to where it was 20 years ago, at the moment of the fall of the Communist Block.

The mixture of interests and various geographical and thematic priorities are difficult to build upon. The synergies and pooling of resources, underlined as main added value of the Global Approach to Migration apparently can only materialize in as much as the bilateral relations of Member States do not prevail. A comprehensive approach at the EU level is in fact ‘Europe à la carte’ and cannot be fully controlled, nor even planned for at the supranational level. However, when an agreement exists as to the principles, EU cooperation will be able to flourish and prove the concept of EU concerted action. Alas, this happens rarely in the case of external relations.

The weak position of the EU as an international actor has had a direct impact on its cooperation on migration. In many cases, it is still the Member States and their bilateral relations that can move the cooperation forward (especially in the case of old colonial ties). The rare instance when the EU is perceived as an important player worth cooperating with has taken place in the context of Enlargement and EU integration: in this case, the partner countries enter cooperation with clear objective in mind and can understand the role of supranational level. In all other cases ‘EU’ means the few old Member States who are seen as the real negotiating powers.

We are not in a new historical period in terms of international migratory pressures. While the current crisis tends to slow down migration flows, it is reasonable to assume
that migratory pressures will continue to be part of the contemporary world. Other contributing factors include:

1. The persistence of notable inequalities in salaries between countries;
2. The disparity between the demographic dynamic developed world (with stable and increasingly ageing populations) and that of the developing world (which has a more dynamic demographic); and
3. Lifestyles and consumption styles of the developed world are easily and quickly spread to the developing world, making migration an attractive option, along with the fall in the costs of displacement and international transportation. In sum, migration will continue because we live in an increasingly interdependent, but highly unequal, world.

The position of the European Union today is not ambiguous. On one hand, it is a community of states with a high degree of social responsibility and that also continuously identifies new instruments for stimulating development, not only of its members as a whole but also for several of its regions in particular. On the other hand, it is a collection of economies with various degrees of economic development and various capacities for future growth, but also of with a variety of conceptual views about how to achieve important goals, which have been defined in a jointly adopted document Europa 2020 [27]. How to navigate the global crisis, how to make the EU economic area in general more competitive, how to encourage new investment, and how to respond to a series of challenges for sustainable development: from environmental protection to demographic trends and the relations of the working and the supported populations - are open questions that the EU must address.

The European economy is trapped in a dark corner, where the surplus is canalized into the balance sheets of commercial banks rather than to the real economy. This constitutes a liquidity trap situation with risks of deflation. The EU institutions’ handling of the crisis lack empirical support and have amplified the problem. Real convergence of Member States continues to be sacrificed to nominal convergence targets.

In this paper, going against the grain of measures taken thus far, we propose policies aiming at full employment in the European economy, a green economy, and a real convergence of regions and Member States. Because there is no risk of inflation, quite the contrary, these policies can be put in place by the European Investment Bank (EIB) and financed by the European Central Bank (ECB) (with greater effect than the current Quantitative Easing (QE)) and by Eurobonds, without imposing an additional burden on European taxpayers. Of course, the Eurozone needs to present itself as a team facing the financial markets, with the ECB keeping acting as a lender of last resort. In addition, there should be a point where the rate of growth is bigger than the interest rate and debt is reduced.

REFERENCES


