

Europe's Continental Regionalism

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No. 375 / February 2013

Abstract

This paper reviews the multiple forms of European continental regionalism, which takes the overall shape of a complex set of concentric circles, with a substructure of a core group within the EU based on the euro and Schengen areas, and several rings of neighbours outside, including the European Economic Area, the regions of the EU's neighbourhood policy and finally some pan-European organisations. While all world regions have their own unique features, the European case offers some important lessons that should be of interest to other world regions. The first is what appears to be a relatively robust model for single market integration. The second consists of the lessons currently being learned on the hazards on monetary integration without adequate fiscal and political integration. The third lesson is another warning, over the difficulties of anticipating the political dynamics of integration processes once set into motion, often described in Europe as a 'journey to an unknown destination'. The fourth consists of the EU's current efforts to develop a comprehensive neighbourhood policy, which is encountering difficult issues of matching ambitious objectives with incentives of adequate weight. Nevertheless, the policy sees a landscape of positive and constructive relations between the EU and its neighbours, in marked contrast to some ugly conflictual or coercive features seen in the cases of other continental hegemon - the three BRIC states of China, India and Russia, but not the fourth one, Brazil.



This study was prepared in the context of the CEPS-FRIDE project on the EU-Brazil Strategic Partnership, funded by the Gulbenkian Foundation. CEPS Working Documents are intended to give an indication of work being conducted within CEPS' research programmes and to stimulate reactions from other experts in the field. The

views expressed in this paper are those of the author and do not necessarily represent any institution with which he is affiliated.



FUNDAÇÃO
CALOUSTE
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ISBN 978-94-6138-275-7

Available for free downloading from the CEPS website (<http://www.ceps.eu>)

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Michael Emerson*

CEPS Working Document No. 375 / February 2013

Continental regionalism remains an inescapable feature of contemporary international relations. Factors of geography combined with elements of common history and culture make it so. It may be questioned whether the topic now slips into the background given the advance of globalisation, with new communication technologies favouring inter-continental economic integration by cutting the costs of distance dramatically. However the performance of global governance remains unimpressive, and to take just one crucial example, that of trade, regional initiatives are clearly advancing more than global ones. In addition, the rise of multipolarity puts the spotlight on how the leading poles will behave in their regional neighbourhoods. The champions of multipolarity may have the capacity to act as regional hegemon, but this does not yet inform us how these actual or potential hegemon will deploy their power; soft, hard, medium or possibly not at all.

This paper reviews Europe's ongoing experience with its continental regionalism, with a view to unveiling points of comparison with the Americas, and the role of Brazil as the leading regional power in South America, and one of the leaders in Latin America and the Americas as a whole. Brazilians and Europeans may reflect together on how to join in a global conversation on this topic with the world's other continental regions, notably Africa and the several Asias, South, South-East and East, each of which have populations comparable to or greater than Europe or the Americas.

Once upon a time, several decades ago, the European-Latin American version of this topic had a rather simple format. The then European Community (EC) had launched a clear and comprehensive institutional structure for its own integration. This EC was developing its relations with Latin America, and in particular was keen to encourage Mercosur to develop as a regional integration organisation. Experts in European affairs frequented the capitals of Mercosur to explain how the EC worked.

The story at the European end, however, has now also become a good deal more complicated and uncertain as regards its future.

1. The paradigm of concentric circles - Part I (internal)

The term concentric circles is currently being used in both Europe and Latin America. Europe's concentric circles are numerous.

While it is conventional to regard the EU as the centre that has arranged its neighbours in a set of concentric circles, the story has become more complicated within the EU itself. At the level of informal political discourse, there is talk of hard core and two-tier Europes, while at the formal level, the Schengen area and eurozone have permitted opt-outs for some old eurosceptic member states (UK), or made inclusion for new member states dependent on conditions to be met after accession. The method of 'enhanced cooperation' has been written

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into the treaties, allowing for new initiatives to be taken by a substantial number of states, although this has been little used.

The hard core proposition has been aired for many years as a vague idea by those wishing the EU to advance to a fuller federal structure, with the presumption that the core group would be based on the original six member states, to be later joined by other member states to re-establish the unity of the EU in due course. However this idea has stumbled with the division of inclinations between the open federalists (Germany, Belgium and Italy), versus France which keeps a distance from the federal idea, while the Netherlands has been turning increasingly eurosceptic. France and the Netherlands notably tarnished their hard core reputations with negative referendum results over the Constitutional Treaty in 2005, but later acquiesced in the repackaging of most of its content in the Treaty of Lisbon, which was then again put into doubt by Ireland which had to vote three times before ratifying successfully.

All of the foregoing was part of the political landscape before the current eurozone crisis, but now these issues of who should be the centre or hard core, and with what political and institutional content, have been dramatically intensified. The brutal logic of financial markets has made Germany the undisputed hard core of the eurozone, and exposed further fault lines between eurozone states. The role of the Franco-German pair as joint hard core, as in the days when their leaders acted as if twins on the European stage has faded: Adenauer-De Gaulle, Schmidt-Giscard d'Estaing and Kohl-Mitterrand, followed less convincingly of late by Schroeder-Chirac and Merkel-Sarkozy, and now with more explicit differences between Merkel and Hollande. But the new divisions have two cross-cutting aspects, financial and political. Financially Germany is joined by the Netherlands, Finland and Austria as hard-line paymasters of the eurozone, whereas almost all of the 'Club Med' have become bail-out recipients (Greece, Portugal, Cyprus, together with Ireland) or likely recipients (Spain and Italy). This has led to an ominous rift in the psychological-sociological stereotypes depicted in the popular media between that of the north characterised as morally superior, thrifty and hard-working versus the lazy, corrupt, siesta-loving, early retirement-loving and deficit-loving south. These stereotypes are further mirrored in the media of the south by images of diktat from Berlin, with the burning of German flags in the streets of Athens. These populist images are only half-truths if not outright lies, with the Irish and Spanish financial crises having been caused by mismanagement by the banks, including those of the north and their supervisors of the finances of the real estate sector. But they still have become important psycho-political realities, as warned by Mario Monti, the Italian prime minister who defines himself as a 'very German' economist. These popular stereotypes are reinforced by the long-standing fault lines in economic policy thinking between 'monetarists' and 'economists', or currently between 'austerity' versus 'growth', or since everyone favours growth and stability together, on how growth is to be boosted.

At the political level, the debate rages on how the manifest systemic defects of the eurozone are to be mended. At the level of short hand, the argument now is that a sustainable economic and monetary union needs not only what the EU already has, namely a single market and common currency with a central bank, but also a banking union, a fiscal union and a political union. In essence the banking union would see a centralised bank regulatory and deposit insurance system, the fiscal union would involve some combination of central powers over budgets, mutualisation of public debts and a larger common budget, while political union would see some further steps towards federalisation. If these steps are taken, the fundamental structure of the EU will be reshaped, not excluding the possibility of secession by the UK, which might then join one of the external circles, although the present government's preference is to negotiate the repatriation of various EU competences (i.e. more opt-outs) while remaining 'in' rather than 'out'.

2. The paradigm of concentric circles – Part II (external)

Given the huge amount of political energies currently being consumed by these internal dramas, it might be supposed that little is left over for the complex set of external concentric circles seen in the EU's external and neighbourhood policies. While the internal will surely affect the external in due course, for the time being foreign ministers continue to go about their business with their concentric circles as if as usual.

First come the almost-member states, namely the three external members of the European Economic Area (EEA) – Norway, Iceland and Liechtenstein – and as a special case Switzerland, which is almost an EEA member. These are states that have accepted the application of huge amounts of EU market law in exchange for their businesses and peoples being treated as if full members for the four freedoms of movement (goods, services, capital, people). These are states that wanted complete economic integration but could not accept the apparent loss of political sovereignty by acceding to the EU (although Iceland has now changed its mind, seeking full accession). So elaborate parallel structures have been created to manage the EEA, including a special court of justice to rule on disputes. All these states have now also joined the Schengen area, which makes them in this respect more integrated than some EU member states.

Second come the micro-states of the neighbourhood (Andorra, Monaco, San Marino, the Vatican), which are not big enough to warrant either EU or EEA membership, but are even more dependent on the EU economically, and are all part of the eurozone and Schengen areas as well as largely part of the single market. Most of these micro-states, together with the Channel Islands and Isle of Man, have developed important offshore financial markets, traditionally as tax havens, but are now increasingly constrained to accept the reach of EU financial and fiscal rules. There are points of comparison with the micro-states of the Caribbean here.

Third come the accession candidates. This is where the EU's regionalism is unique by comparison with the other continental regions, in having an explicit integration process for the accession of some of its neighbours, in principle any that are democratic, but realities are more discriminating (a point to which we return). The accession process amounts to the most extensive and intrusive exercise in political conditionality anywhere in the world. The candidate state has to submit to negotiations over 35 so-called 'chapters' that cover every sector of EU law, policies, and political norms, with the need not only to legislate conformity with the legendary 30,000 pages of EU law, but also to demonstrate their capacity to implement it.¹ This method was worked out to manage the accession of the Central and East European states, with conditionality designed to ensure that the post-communist regimes were truly transformed in line with Western democratic standards. Some recently acceding member states, namely Bulgaria and Romania, were considered borderline cases, and so remained subject to special monitoring arrangements after accession.

The ongoing accession process seems not (yet?) to be affected by the eurozone crisis. In the major case of Turkey, the accession negotiations were already at an impasse, while Iceland has recently and rapidly advanced as accession candidate.

The full inclusion of the whole of the Balkans remains the political dogma. Croatia is now scheduled to accede in July 2013. The other Balkan states are at various stages of the pre-accession process, and may be viewed as the fourth circle - Macedonia, Montenegro, Albania, Serbia, Bosnia, and with Kosovo bringing up the tail given its still unresolved status.

¹ For a more detailed account, see M. Emerson, "Just Good Friends? The European Union's Multiple Neighbourhood Policies", *The International Spectator*, Vol. 46, No. 4, December 2011.

However in all these cases, the same 35-chapter structure of the accession negotiation process is followed in drawing up Stabilisation and Association Agreements. These are accompanied by the same regular reports by the Commission grading degrees of progress in accordance with EU law and standards, but with longer time horizons anticipated for full compliance. Financial assistance to the pre-accession Balkan states is substantial, somewhere between the member states and the official ‘neighbourhood’ states, to which we now turn.

The fifth circle is that of the officially named European Neighbourhood Policy (ENP). The ENP is divided between east and south. To the east, six European former Soviet states, excluding Russia, are grouped also under the Eastern Partnership regional programme (from west to east: Belarus, Ukraine, Moldova, Georgia, Armenia, Azerbaijan). To the south are the 10 Mediterranean states, which share with the EU the Barcelona Process and Union for the Mediterranean (from west to east: Morocco, Algeria, Tunisia, Libya, Egypt, Jordan, Israel, Palestinian Territories, Lebanon, Syria).

The historical narrative leading to today’s ENP tells us much about how the EU develops its policies. The accession of Spain and Portugal of 1986 was the first trigger, the new member states wanting to develop relations with their south Mediterranean neighbours. This led in 1995 to the Barcelona Process, which became a comprehensive regional-multilateral framework for political and economic relations with the 10 south Mediterranean states, leading also to a set of Association Agreements and Free Trade Agreements with most of them. Meanwhile, in 1991, the collapse of the Soviet Union led to the negotiation of a Partnership and Cooperation Agreement (PCA) with Russia, which established a template used for further PCAs with all other former Soviet states, including those in Central Asia. Next, when the EU was on the verge of completing the accession of Central and Eastern Europe in the early 2000s, the concern became to avoid neglecting the ‘new neighbours’, leading to proposals for a ‘neighbourhood policy’ initially to target Belarus, Ukraine and Moldova. This led to a chain reaction, first with the addition of the three south Caucasus states, and then also to the South Mediterranean neighbours via the argument from the southern EU member states that any new advantage offered to the eastern neighbours should be extended also to the south. This led to a confusing overlay of the ENP on top of the Barcelona Process, which only Brussels cognoscenti really understand.

The working method of the ENP launched in 2005 for both east and south was based on a set of bilateral Action Plans, designed by the European Commission and bearing a strong resemblance to most of the 35 chapters of the accession process, even though membership prospects were excluded – hence the unofficial ‘enlargement-light’ expression. When the Commission had to make up its mind what to do, it extrapolated its own internal working method and toolkit of norms, laws and instruments, without clearly marking out how far this EU *acquis* should be diluted or selectively applied to the neighbours. On the contrary, the doctrine was that the most advanced neighbours should be invited to adopt the maximum amount of the *acquis*: “everything but the institutions” was an expression used by Romano Prodi when he was President of the Commission. The ENP launch also coincided in its timing, and was encouraged by the outbreak of the ‘colour revolutions’ in eastern Europe, Rose in Georgia and Orange in Ukraine.

The next round in the EU’s north-south dialectics began when Nicholas Sarkozy became President of France in 2007, immediately announcing his intention to overtake the politically disappointing Barcelona Process and ENP with a new Union of the Mediterranean (UfM) that would bring together only the Mediterranean states of the EU and the south. This wild initiative, obviously not well thought through, hit a brick wall in Berlin, which was not ready to relinquish the EU’s Mediterranean policy to the southern member states. The proposal was quickly repackaged to become a further layer to the EU’s Mediterranean policy, leaving

many observers rather mystified how it related to the Barcelona Process and ENP. Technically its specificity is to promote major regional projects, with the aid of a secretariat in Barcelona, and a summit process initially jointly presided over by north and south in the persons of the then President Sarkozy and the then President Mubarak. Sarkozy's political idea here was that this would be welcomed as a new equality in the relationship, notwithstanding Mubarak's repressively undemocratic regime (we come to the end of Mubarak and the Arab uprising in a moment).

However the next move was when the north returned in 2009 to the battle to keep the north-south balance unimpaired, with Poland and Sweden launching the Eastern Partnership as a fresh overlay on top of the eastern branch of the ENP. The substance behind this was not much apparent beyond a wish to do 'more', and so the Commission was instructed to find some ideas to put behind this. Poland and Sweden would like Ukraine to be offered a membership perspective, but this is a non-starter for some other member states. The rationale found by the Commission was to complement the bilateralism of the ENP Action Plans with a regional-multilateral dimension, which was duly called the Eastern Partnership. This fitted in a rather tortured logic with what had already emerged for the Mediterranean, since the Barcelona Process, re-baptised 'Barcelona Process - Union for the Mediterranean', is essentially regional-multilateral, whereas the ENP is essentially bilateral.

The latest round in neighbourhood dynamics is the Arab uprising starting in Tunisia and Egypt in early 2011. At the time of writing it is unclear where this indisputable turning point in Arab history is leading, with a wide array of conceivable regime scenarios - real democracy, modest democratic evolution, revolutionary chaos, failed state, military regime, renewed authoritarianism, Islamic state, etc. What is clear is that it has shaken up thinking in the EU about its neighbourhood policy. The former complicity of the EU, and especially Mediterranean member states such as France, Italy and Spain, with the former authoritarian regimes of North Africa in the supposed interests of security and stability has been completely discredited along with the EU's disregard in practice for the democratic values supposed to be underlying the ENP. The Commission and High Representative hurried into completing a review of the ENP, giving renewed emphasis to what they now call 'deep democracy'.

The core economic objective of the ENP is to negotiate 'deep and comprehensive free trade agreements' (DCFTAs), for which negotiations have been concluded with Ukraine, but signature has been delayed because of the EU's discontent with the politics of President Yanukovic, and in particular the imprisonment of his political rival, Yulia Timoshenko. DCFTA negotiations have been also now started with Moldova, Armenia and Georgia, but only after these countries had satisfied a heavy set of pre-conditions from the Commission's trade policy department. These pre-conditions have been criticised for demanding too onerous a degree of compliance with EU internal market regulations for these neighbouring states which are not granted membership perspectives.²

In response to the Arab uprising, there is a new stress on democracy, conditionality and increased financial assistance from the EU, the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD). The open question is whether this can have real impact on the tumultuous political dynamics of these states. On its own, the EU has incentives of limited magnitudes to offer alongside the enormity of the political struggles going on in the Arab states. It is not alone, however, and there is the obvious case for coherent and mutually reinforcing actions by the EU, US, World Bank and IMF together.

² P. Messerlin et al., *An Appraisal of the EU's Trade Policy towards its Eastern Neighbours: The Case of Georgia*, CEPS Paperback, CEPS, Brussels, 2011.

The EU regards the Obama administration as a congenial partner at the level of doctrine, and the EU is working closely with the international financial institutions (IFIs) in any case in its neighbourhood.

3. The competing hegemons

The EU invited Russia to join in the ENP, but it refused to be grouped with the EU's other 'neighbours' among the former Soviet states, which are the target of its own continental regionalism. Russia as a global power with G8 and BRIC membership, has been willing to have a Strategic Partnership 'of equals' with the EU. There is no hegemon-periphery relationship at the geo-political level here. On the contrary, this becomes a tale of two competing hegemons in the same continent, diluted however with an overlay of pan-European organisations.

The EU-Russia relationship has been struggling for 20 years to find a comfortable equilibrium point, without really succeeding, but without disastrous conflict either. The two parties are totally different animals geo-politically: the EU is a complex, horizontal, normative civilian power structure devoid of military strength, while Russia under Putin has seen the restoration of a 'verticality of power' with its huge territorial Eurasian space, UN Security Council status, nuclear hardware and energy resources as its claim to great power status. The EU tries to draw Russia into its usual packages of norms and standards, ranging from the political to the technical. One Russia political discourse, especially Putin's, is that it does not need to import anybody else's norms, since Russia as a great power has its own. Yet the realities are more complex, with the manifest pressures within Russia for more democracy and a better rule of law. Medvedev, when President, pushed a 'modernisation' agenda both domestically and for relations with the EU, following Russia's long history of aspirations towards its European identity. There is glaring contradiction in contemporary Russian politics between the ruling elite's hunger for restored geo-political power and the increasing demands of society for a 'normal European life' and their disinterest in geo-politics.

Putin, however, now re-elected President, has announced priority for building up his pet project of a Eurasian Union, which does not yet exist, but for which a start has been made with a customs union into which Russia has so far drawn only Belarus and Kazakhstan, with ambitions for deepening with a single market and widening with further members. The project mimics various features of the EU, creating a 'Commission' with 'Commissioners', who are tasked with developing the enterprise. The unanswered question is whether this project can progress where the Commonwealth of Independent States (CIS) failed. The major target is to draw Ukraine into the customs union and thence into the Eurasian Union, which Ukraine has so far rejected, since it would mean scrapping the DCFTA agreement with the EU and its broader European aspirations, and implies outright strategic competition over the same overlapping neighbourhood. Russia is willing to put serious money into the project, having already bailed out Belarus and made some significant loans to Ukraine. It woos Moldova, trying to factor into the process its hold over Transnistria, although Moldova currently prioritises its EU relationship. The three South Caucasus states reject the Eurasian Union offer, so its enlargement prospects focus on Kyrgyzstan and Tajikistan, the two smallest and weakest states of central Asia. Russia hardly advances any normative basis for its neighbourhood policy beyond lip service to political non-interference, while in practice engaging intermittently in, or threatening coercive acts towards its neighbours, the most extreme example having been the war with Georgia in 2008. In August 2012 there emerged quite precise information on how the 2008 invasion of Georgia had been planned in advance,

and how Putin's 'decisiveness' had been for a few days blocked by Medvedev's 'indecisiveness'.

Central Asia sees another theatre of overlapping neighbourhood policies, with Russia having made a concordat with China over their joint leadership of the Shanghai Cooperation Organisation (SCO), which is a loose framework legitimising China's hugely expansive economic role in Central Asia, with major transport and other infrastructure developments supported from the Asian Development Bank. China clearly won the competition with Russia over the development of Turkmenistan's gas exports, constructing an overland pipeline crossing other Central Asian states. On the other hand the consensus between China and Russia on the normative doctrine of political non-interference flies very well with Central Asia's autocracies, in clear contradiction with the EU's Central Asian 'strategy' that gives prominence to human rights.

4. Pan-European multilateralism

There are three significant institutions reflecting the long-standing and persistent case for an all-inclusive 'one Europe', which of course is the antithesis to the competing neighbourhood policies of the EU and Russia. The oldest is the Council of Europe, founded in 1948, whose core functions are the codification and protection of human rights enforced by the European Court of Human Rights, and broader and looser democracy promotion activity. Upon the collapse of the Soviet empire in 1989-91, all of the European states of the former Soviet bloc acceded. The second is the Organisation for Security and Cooperation in Europe (OSCE), whose core function has been the codification of security norms in the basic principles of the Helsinki Founding Act of 1975, which from the beginning included all of Europe and the United States, and with the collapse of the Soviet Union was expanded to include all the newly independent states including the five Central Asians. The third is the European Bank for Reconstruction and Development (EBRD), founded in 1994 in order to help establish sound private-sector governance in the former communist states of the Soviet bloc.

The key point about all three is that they define and embody the norms of modern Europe – respectively in the political, security and economic domains. From the EU's standpoint, they are unambiguously reinforcing its objectives for the wider European space. From Russia's standpoint they are all about the tensions and ambiguities in its present political and economic condition, fitting well with the views of Russia's modernisers, but running into conflict with conservative and authoritarian forces. In these circumstances the three organisations could hardly become very powerful, yet their effectiveness differ. The OSCE has been sidelined by Russia, and is reduced to token activity, or frustrated attempts at conflict resolution. The EBRD has found a respected niche role in all post-communist states in helping insert sound corporate governance into the projects its funds. At the European Court of Human Rights more cases are brought against Russia than any other member state, yet Russia has respected its rulings and not walked out, and the role of the Court is important for Russian human rights activists.

The human rights field makes for an interesting comparison between Europe and the Americas – i.e. between on the one hand the European Convention for Human Rights and its Court under the aegis of the Council of Europe, and on the other hand the Inter-American Convention for Human Rights and its Court under the aegis of the Organisation of American States (OAS). While the two Conventions and Courts have much in common, the major difference is that the United States as regional hegemon has undermined the Inter-American Convention and Court by refusing to ratify the Convention and accept the jurisdiction of the Court for its own affairs. The EU member states on the other hand are fully bound by the European Convention and Court, and now after the Lisbon Treaty the EU itself, as regional

hegemon, has acceded to the Convention for its own policies and accepts the jurisdiction of the Court. As a result it is not so surprising that the Inter-American Convention and Court are subject to serious attempts by left-oriented Latin American states led by Venezuela (the 'Alba' countries) to undermine their functions, and Brazil has contested a Court ruling to the point of withdrawing in 2011 and not replacing its ambassador to the OAS.

To complete this already complex landscape we should not forget NATO as the main pillar of the trans-Atlantic alliance, also located in Brussels, and whose European membership has enlarged alongside that of the EU. And there is the Organisation for Economic Cooperation and Development (OECD), born out of the post-war Marshall Plan, originally as the Organisation for European Economic Cooperation (OEEC), but which has gradually metamorphosed from an essentially European project into a global club of the world's advanced economies.

5. Conclusions - The relevance of European experiences and lessons learned

Prompted by the euro crisis, the declining weight of the EU in the world economy and rising euroscepticism, one frequently hears comments these days about the demise of the European model or its irrelevance for other continents. Taking a different view, one can identify several features of the European experience (rather than any single model) of recent decades that amount to a pertinent set of lessons that other world regions may usefully take note of.

The first experience has been that of market integration for the four freedoms - goods, services, labour and capital, completed under the single market programme that advanced decisively in 1992, and now still advances an increasingly wide and complex process of regulatory integration. The lesson that the EU learned several decades ago is that deep market integration requires a strong institutional and legal structure - legislature, executive and court of justice. Overall the EU's experience here is looking like a quite robust model. It is particularly beneficial for economies that develop deep intra-industry trade and investment integration. It is therefore quite plausible that the ASEAN countries are now replicating much of this model in their 2015 ASEAN Economic Community project. By contrast, South America has divided between the Mercosur and more Pacific-oriented Andean states.

The second experience of the EU has been that of adding the monetary union to the single market. The economic logic of this sequencing is also robust. As market integration deepens the costs of exchange rate uncertainty and instability increase. But the creators of the euro took the big risk of doing this with just an excellent, independent, 'federal' central bank. The monetary supervisory regime and above all the public finance system were left in a largely pre-federal state, relying on the member states to respect common budget rules while retaining their essential sovereignty over the budgetary instruments. The current euro crisis has shown that to have taken this politically attractive risk was a big mistake. The eurozone is now trying to build up adequate features of a banking union, fiscal union and political union. The lesson painfully learned, and now kindly offered to other continents, is not to make easy commitments to monetary union unless the parties truly accept the huge political implications, which obviously no other world continent is currently ready for. (Simple monetary union between an undisputed hegemon and small peripheral units is a well-tested formula, but not a model for less asymmetric groupings of states).

The third experience is indeed that of political integration. Contemporary Europe is quite post-modern in the sense that the Westphalian state model is now greatly diluted by both sub-state regionalism and supranationalism, translating into complex three-level power

structures (regional, national, European), matched by an increasing degree of three-level identities perceived by citizens. These features of contemporary Europe appear to be both deeply rooted, yet also still of uncertain stability. The euro crisis pushes functionally for more euro-federalism, which Germany, Italy, Belgium and some others support. But this encounters a divide not only with the eurosceptic British, but also political resistance in some of the committed Europeans, notably France. This is the current illustration of the old saying that "Europe is a journey to an unknown destination". It is also a cautionary tale for other continents espousing 'integration'. What does one mean by this? How far can one anticipate its dynamics? These are terribly difficult questions even for a Europe of unquestionable commitment to common democratic values, how much more so for other continents with greater political heterogeneity.

The fourth experience is about the EU's projection of its norms and standards into its wider neighbourhood in Eastern Europe and the Southern Mediterranean. Europe today may be both post-modern and post-colonial, but it is not entirely unfounded for critics to say that it is also softly neo-colonial in its promotion of democracy and free trade based on its market regulations. The EU's enthusiasm for spreading this gospel bears some comparison with Europe's self-appointed 'civilising mission' in the 19th and earlier centuries, for which a British governor of Hong Kong once famously said that Christianity and free trade were the two sides of the same coin (and now just substitute democracy for Christianity). In developing the current outreach of its norms and standards into its neighbourhood, the EU has been profoundly influenced by the historic transformation, both political and economic, of the formerly communist states of Central Europe as they acceded to the EU. This transformative experience encouraged the EU to try for the same results through what has been unofficially called an 'enlargement-lite' neighbourhood policy, i.e. using the same norms and political conditionalities, but without the incentive of accession to membership. The disproportion between objectives and incentives is dramatically illustrated in the revolutionary turmoil of the Arab spring, inducing the EU now into advocating 'deep democracy' in the region, whereas the post-revolutionary outcomes there offer the widest of conceivable scenarios, including the failed state, the radical Islamist state, renewed authoritarianism as well as democratic progress.

In promoting all-European democracy, the EU has placed itself in outright political competition with Russia, which promotes a more clearly neo-imperial and somewhat-coercive club of non-democracies called the Eurasian Union, while still bizarrely mimicking the EU's institutional structure to support its new customs union with Belarus and Kazakhstan. Europe has also some relatively weak or narrowly specialised pan-European norm-setting organisations (Council of Europe, OSCE, EBRD), which nonetheless have value in bringing together otherwise heterogeneous neighbours, and facilitating a long and slow process of normative convergence, and at least softening the conflict of values between the EU and Russia. The role of these organisations may in some cases be compared with analogous organisations in the Americas, notably in the human rights field where formal structures are rather similar, but the effectiveness of the inter-American system seems to be relatively weak and contested. Like Europe, the Americas also have the complications of two leading powers, Brazil and the US with overlapping neighbourhood polices, with some geopolitical tensions between the two but perhaps with lesser degrees of political divergence compared to the case of the EU and Russia.

Despite its complexities, limitations and internal crises, the EU has fashioned relatively positive relationships with its neighbours, compared to some other continental regions. The EU's relations with virtually all of its neighbours are constructive and substantial, and devoid of ugly coercive aspects or hard security threats, which may be true of Brazil also, but not of China, India or Russia.

Of course there are unique features to the European experience. The huge political investment in supranational institutions and law was only possible as a result of the trauma of two world wars, the extraordinary post-war reconciliation of historical enemies and the consensus in favour of democracy following the disasters of fascism. While these conditions are not replicated elsewhere, Japan, China and Korea still now have reason to reflect together in East Asia on the way in which Germany succeeded in its reconciliation with France and the rest of Europe. On the other hand, for South or Latin America the preconditions for integration would seem in principle to be relatively favourable, given their geographical unity and common history, culture and sense of identity. These advantages are just waiting to be exploited.

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