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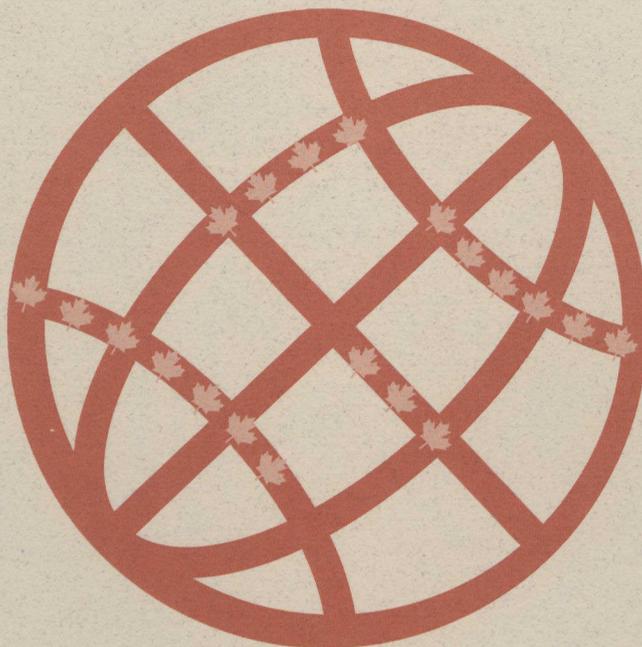


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**THE COMMON FOREIGN AND SECURITY POLICY
OF THE EUROPEAN UNION:
THE INTERGOVERNMENTAL CONFERENCE AND
ITS IMPLICATIONS FOR CANADA**

Paul Buteux,
Centre for Defence and Security Studies
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Fall 1997

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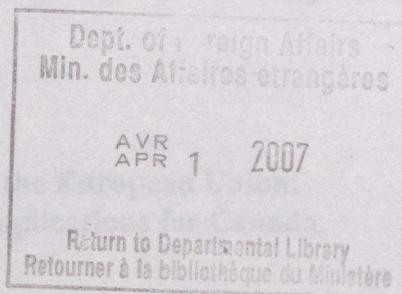






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The Common Foreign & Security Policy of the European Union
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The European Union... if not a common foreign and security policy... established the European Coal and Steel Community... the European Economic Community and EURATOM... external... competencies conferred on the Commission... to be covered by common policies. These policies were to be determined by the joint decision-making procedures of the Communities and administered and implemented through the agencies of the High Authority and the Commission (after the 1965 merger: solely as a single, unified Commission). Indeed, even before the EEC Treaty came into existence, and ten years before the establishment of a common external tariff, the six original members were negotiating from a common position in the "Kennedy Round" of GATT. To this day, it is arguable that the Union's Common Commercial Policy is the single issue area that has the greatest and most widespread impact on third parties. However, as the range and depth of the Union's common policies have increased, so have their implications for non-member states. Economic integration within the Union and the associated common policies have led to a greater or lesser degree on every trading nation in the world. The Union, along with the United States, now possesses structural power in the international economy. As a result, even policies

By structural power is meant the capacity to determine, or at least exercise major influence, over the "rules of the game" that provide the context within which states are dealt with. Merely possession of this capacity is the prerogative of great powers. This is to be distinguished from relational power, which consists of the capacity to bargain for outcomes that in the absence of relational power would not be forthcoming. Relational power varies across issue areas. Canada possesses relational power with respect to a wide range of issues, but that the United States and the European Union are the key possessors of structural power in the international trading system. Japan, despite its economic weight, does not shape to anything like the same extent the basic rules of the system and determine "who gets what, when and how".

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The Common Foreign & Security Policy of the European Union: The Intergovernmental Conference and its Implications for Canada.

Introduction:

The European Union may be said to have had common external policies, if not a common foreign and security policy, since its inception. The Paris Treaty that established the European Coal and Steel Community and the Rome Treaties that established the European Economic Community and EURATOM made provision for the external implications of the competencies conferred on the Communities by the treaties to be covered by common policies. These policies were to be determined by the joint policy-making procedures of the Communities and administered and implemented through the agencies of the High Authority and the Commission (after the 1965 Merger Treaty by a single, unified Commission). Indeed, even before the EEC formerly came into existence, and ten years before the establishment of a common external tariff, the six original members were negotiating from a common position in the "Kennedy Round" of GATT. To this day, it is arguable that the Union's Common Commercial Policy is the single issue area that has the greatest and most widespread impact on third parties. However, as the range and depth of the Union's common policies have increased, so have their implications for non-member states. Economic integration within the Union and the associated common policies impact to a greater or lesser degree on every trading nation in the world. The Union, along with the United States, now possesses structural power in the international economy.¹ As a result, even policies

¹By structural power is meant the capacity to determine, or at least exercise major influence, over the "rules of the game" that provide the context within which issues are dealt with. Historically, possession of this capacity is the prerogative of great powers. This is to be distinguished from relational power, which consists of the capacity to bargain for outcomes that in the absence of relational power would not be forthcoming. Relational power varies across issue-areas; Canada possesses relational power with respect to a wide range of issues. I would argue that the United States and the European Union are the key possessors of structural power with respect to the international trading system. Japan, despite its economic weight, does not shape to anything like the same extent the basic rules of the system that determine "who gets what, when and how".

that may have few direct consequences for any particular third party should be assessed against their potential effects on the world economy and international trading system. Canada, along with all other major international traders cannot be indifferent to developments within the Union.

The current Intergovernmental Conference, which was launched in Turin on March 29, 1996, has a very broad agenda. Most items concern institutional and political reform, and the resolution of which, or non-resolution as the case may be, will be of considerable significance to the future political evolution of the Union. However, it is important to note that two of the more salient issues on the Union's current agenda, notably monetary union and the prospect of further enlargement, lie outside of the scope of the IGC. The commitment to EMU was undertaken at Maastricht, and guidelines for another round of enlargement have been developed at subsequent meetings of the European Council. Nonetheless, it is also fair to note that the IGC is taking place in the shadow of these issues, and that they have become politically linked to the more contentious items being dealt with by the Conference. In turn, these linkages are symptomatic of a more fundamental issue: namely differences among the member states (or "partners" as the members now refer to one another), over the eventual political character of the Union. In the view of a number of observers the point is being reached where it will be no longer possible to "fudge" differences over this question. The comment, attributed to Valéry Giscard d'Estaing, that progress in the building of Europe "has always been at the price of maintaining a persistent ambiguity as to its ultimate destination" now confronts the fact that a combination of internal developments and external changes demands a more explicit answer to the question of where the Union is going.

Internally, the degree of economic integration achieved in the European Community, and more importantly the degree of supranationalism involved in its management, have fulfilled many of the expectations of neo-functional theory concerning the "spillover" effect of functional integration into "high politics". It is not simply that the European Union represents a clear case of the contemporary blurring of domestic and foreign policy, but that national policies in both domains are increasingly shaped by membership in the Union. In many cases, even in issue areas not specifically spelled out as falling within Community or Union competence, it is difficult to draw a distinction between national and European policies. This result has been encouraged by a long standing "Europeanist" agenda that has been furthered by the fact that in different ways and at different times it has served key interests within the member states. This agenda has had also a transnational appeal and crucial institutional support in the Commission and in the European Parliament. In short, the process has not been as automatic or inevitable as neofunctionalist theory would suggest, but is the result of a political process that has reflected political needs over time.

The resulting penetration by Brussels into the internal policy making and implementation functions of the member states has reached the stage where issues of responsibility and accountability are increasingly beyond the ability of national parliaments to deal with.² It is this

²The general problem of the interplay between international and domestic factors in the determination of foreign policy is examined in Peter B. Evans *et al* (eds), Double Edged Diplomacy, Berkeley, University of California Press, 1993. See, in particular, the contributions of

that is at the heart of the so called "democratic deficit". The IGC is supposed to address this issue, but the proposals on the table, such as increasing the powers of the European Parliament, extending the use of qualified majority voting, and altering the relationship between the Council, Commission, and Parliament, even in the unlikely event that they were all accepted, would in practice not address the problem. Again, a solution would require a more definitive agreement on a political programme for the Union than presently exists or is likely to appear. Continued progress in the direction of economic and political union requires political support, and it is by no means certain that such support will be forthcoming. Moreover, the process could be reversed if governments become politically vulnerable to policies determined in Brussels. Rather than the European idea legitimizing and consolidating the liberal-democratic state in Western Europe as it did during the crucial period of reconstruction following the Second World War,³ some governments are now in danger of being threatened by it. As many commentators have pointed out, the idea of a common foreign and security policy goes to the heart of traditional conceptions of sovereignty.

Briefly summarized, the external developments bearing on the CFSP are related to the transformed political and strategic environment that has emerged following the ending of the Cold War. The ending of the armed confrontation between East and West and the associated collapse of the Communist system in Europe have challenged many of the conceptual foundations on which the European enterprise was constructed. NATO's central security role is being redefined, and along with it a redefinition of the transatlantic relationship is occurring. Not only do these developments affect the security relationship between the European allies and Canada and the United States, but in addition they raise the question of what role the North American powers should and could play in the construction and guaranteeing of the emerging European system. How this will work out will depend in large part on the role that will be played by the European Union in the stabilization of Europe to the East and South. In other words, the character of the Union in both its internal and external dimensions will affect how North Americans define their European commitments and interests. This may be seen as one expression of the Union's structural power; however, whether the Union can equip itself to play a constructive role through the exercise of this power is by no means certain. The record is at best a mixed one (*viz* Yugoslavia), and it is quite possible that with respect to many key issues, particularly those having to do with international security, the Union will be a helpless giant and a hindrance and problem for both member states and others. A key argument favouring a common foreign and security policy has always been that without it Europeans will continue to be restricted to the exercise of relational power, and will be constrained by an international environment structured by others. Whatever the superficial appeal of this line of argument, it confronts the issue of whether Europeans are prepared to create the procedures and institutions that would indeed provide

Andrew Moravcsik and Robert D. Putnam.

³This thesis is advanced in Alan S. Milward, *The European Rescue of the Nation State*, Berkeley and Los Angeles, University of California Press, 1992.

Europe with an unambiguous "political vocation".⁴ It also confronts the issue of what kind of Europe would be capable of expressing such a vocation fully in political and security terms.

If the reunification of Germany was the key to the closing of a particular chapter in European history, it opened up a new one by upsetting the established balance of power. One important consequence has been the challenge to the Franco-German axis that has been fundamental to the way in which the Union has developed. The determination of the French and Germans to reach agreement has set both the agenda and largely determined the pace at which it has been dealt with. Now, as the deal over the "stability pact" on monetary union at the Dublin European Council in December, 1996, demonstrates, Franco-German agreement can be achieved only at the cost of papering over cracks that will widen and reappear later. France is likely to face an "agonizing reappraisal" over how best to further its political, security, and economic interests through the European Union in an environment in which it will be more difficult to contain Germany and at the same time appropriate German power to its own purposes. By the same token, Germany also faces difficult decisions. Chancellor Helmut Kohl's formula of pushing for greater political integration along the lines of the 1994 Lamers-Schäuble paper on European union faces not only resistance from a number of his European partners, but also from significant sectors of German public opinion. The willingness of Germans to submerge themselves in a larger European political entity is by no means as strong as the current Bonn/Berlin orthodoxy would have us believe.

What this underlines is the fact that the lines of political cleavage in the European Union do not lie exclusively along an intergovernmental - federalist dimension, with the British representing increasingly isolated intergovernmental forces. Rather, the issue is one of whether the undertaking can contain the increasingly complicated patterns of convergence and divergence that characterize the contemporary European Union of fifteen states, let alone manage enlargement to twenty or more. It is against this background that the IGC is debating what to do about the Common Foreign and Security Policy, and its implications for Canada must be assessed in the light of a process whose end product, to say the least, is unclear.

The Evolution of the CFSP:

The Hague summit of December, 1969, which must be considered among the more important in the history of the European Community, among other things called for senior national officials to "study the best way of achieving progress in the matter of political unification, within the context of enlargement". Despite the apparently ambitious nature of the charge, the

⁴This phrase was employed in the Davignon report (1970) which initiated the first attempt to develop a common foreign policy in the form of European Political Cooperation.

effective responsibility of the committee chaired by Viscount Davignon was to propose means by which the "Six" could co-ordinate their foreign policies. The result was the Davignon Report which was presented to a conference of foreign ministers in Luxembourg in October, 1970. For all of the rhetoric contained within the report what Davignon actually proposed was extremely modest. The appellation "European Political Cooperation" was really the only substantive concession to the ostensible goal of moving closer to political unification. Foreign ministers would meet twice a year to discuss an agenda prepared by political directors (the Political Committee), who would meet normally four times a year. Authorization was given to the Political Committee to set up working groups and commission expert studies. Finally a follow-on report was to be made within two years of EPC coming into operation.

This second report was presented in Copenhagen in July, 1973. This codified existing practices that diverged from those laid down in the original Davignon Report. The fact that ministers and the Political Committee had met more or less when it was believed that the occasion demanded rather than on the limited occasions set out at Luxembourg was recognized, as was the emergence of the "Group of European Correspondents" whose main task is to draft the conclusions of ministerial and Political Committee meetings. The London Report of 1981 broke some new ground in that the participation of the Commission in all aspects of the EPC was accepted, although in order to reinforce concerns about the intergovernmental character of EPC being diluted the wording of the Report sought to ensure that the Commission would not thereby establish any institutional competence with respect to EPC. Finally, foreshadowing the Single European Act, in accepting the report the foreign ministers agreed "to maintain the flexible and pragmatic approach which has made it possible to discuss in Political Cooperation certain important foreign policy questions bearing on the political aspects of security."⁵

In the Single European Act of 1985 (it was not finally ratified until 1987), as a by-product of wider political and institutional change, EPC was given treaty status. A small secretariat was set up in Brussels and the text was explicit in placing EPC outside the jurisdiction of the European Court of Justice.⁶ In other words, the intergovernmental character of EPC was reconfirmed. On the sensitive issue of the role of EPC with respect to security issues, the SEA went somewhat farther than the London Report. It was held "that closer cooperation on security matters would contribute in an essential way to the development of a European identity in external policy matters." To this end, EPC could be used to coordinate member states' positions on the political and economic aspects of security; this introduction of the economic dimension was complemented by reference also to the technological and industrial conditions necessary for security.⁷ This latter inclusion was symptomatic of wider European concerns about the competitiveness of the European "high-tech" sector. All in all, the SEA did not expand the scope of EPC in any

⁵Nuttall, p.178.

⁶Article 31, Single European Act

⁷Title III, Article 6, Single European Act

significant way; rather, like the London Report, it largely codified and tidied up practices and institutional procedures that had grown up over the previous eight years.

Much the same could be said of the replacement of EPC by the Common Foreign and Security Policy in the Treaty on European Union signed at Maastricht in 1991. In this case however, the symbolism of the language adopted reflected an attempt to make the CFSP more "communautaire" than EPC. To this end, the CFSP was made a distinct "pillar" of the structure of the Union. Member states (note the change from "High Contracting Parties"), committed themselves, in aspiration at least, to the development of "common" policies that in principle could cover all areas of foreign and security policy. This was in contrast to the simple commitment to policy "cooperation" that had characterized EPC. On the institutional side, the EPC Secretariat was absorbed into the Council Secretariat, and CFSP matters have become primarily a General Affairs Council responsibility instead of being handled by what formally had been separate meetings of foreign ministers. The Commission, along with member states, would now have the right to refer to the Council any question relating to the CFSP and submit proposals to it. Qualified majority voting became possible with respect to the implementation of joint action in support of agreed policies. With respect to the substance of common policies, it was agreed at Maastricht that upon ratification the CSCE (later the OSCE) process; European arms control; nuclear non-proliferation; economic aspects of security; transfers of military technology, and arms exports would be subject to the adoption of common policies.

Particularly problematic at Maastricht was the issue of including defence in the body of the Treaty. This, in turn, raised the question of the relationship of the WEU to the Union. A Declaration of WEU member states was annexed to the Treaty providing for greater consultation and coordination between the Council and the WEU. The WEU Council and Secretariat have been moved to Brussels, meetings have been synchronized, as has the rotation of presidencies. On more substantive matters, the convoluted language of the Treaty in the relevant articles of Title V reflects the difficulty of finding a formula acceptable to all twelve members at the time. Although the relationship of WEU to both the Union and NATO has evolved since Maastricht, many of the issues raised during the negotiation of the Treaty remain on the current agenda. Resolution of these issues is made difficult by the fact that not all members of the E.U. are members of NATO and not all the European allies are members of the E.U.. Above all, there remains the anomaly that WEU is developing some military responsibilities while defence remains outside the scope of the Union's authority. Defence ministers are not represented at meetings of the Council of Ministers.

In terms of policy outcomes, the record of EPC and the Common Foreign and Security Policy has been characterized more by the adoption of declaratory positions than of joint actions. Partly, this reflects the fact that the Union has few means of collective action available to it. More significantly, it reflects the reluctance of governments to delegate to the Union foreign policy responsibilities over sensitive areas of national interest. The intergovernmental character of EPC and CFSP, the restricted role of the Commission, and insistence upon national freedom of action, have meant that the Union does not have a common policy as much as a collection of coordinated national policies. Maastricht did, however, lead to a formal distinction between common

positions, which imposed a general obligation on member states to ensure that their policies conform to any common position adopted, and joint actions, which require member states to act in agreed ways in support of common positions. Whereas EPC led to few joint actions other than the imposition of sanctions in a number of cases (which, of course, invoked Community rules and procedures and the Commission), the scope of joint actions has widened somewhat under the CFSP. These have ranged from commitments to the European Stability Pact to measures to promote nuclear non-proliferation. Overall, though, the chief impact of EPC/CFSP has been on the development of transgovernmental consultation on foreign policy and the resulting formulation of what may be termed collective interests.

Arguably, it is this aspect of the CFSP that has had greater consequence for third parties than the substance of such common policies as have been agreed. This emphasis on consultation and institution building has meant that the CFSP has had an introspective character; more political energy has been spent on trying to reach consensus than on projecting that consensus externally once it has been reached. This, to say the least, has frequently been a source of frustration to non-members. In many cases it is not the substance of the CFSP that causes concern, but the process itself, which makes it very difficult for outsiders to gain a hearing on matters that affect them. Moreover, the process of reaching common positions is much easier when the Union can determine the timing and content of the foreign policy agenda; when, however, members of the Union must respond to the agenda of others, then the CFSP frequently breaks down. For outsiders, it is often difficult to engage in a productive way the members of the Union collectively, thus requiring a fall back to bilateral representations which frequently are less than satisfactory.

The consultative process is an elaborate one. Beyond ministerial meetings and their preparation by the Political Committee, the work of the Group of Correspondents, and now the involvement of COREPER, there has grown up a dense network of day-to-day contacts between foreign ministries. Officials and ministers involved in CFSP come to know one another well though constant interaction and communication. This is fostered by a whole range of relatively informal consultations. At the senior political level there are the so-called "Gymnich" type meetings. These take their name from Schloss Gymnich near Bonn where the first such meeting was held in 1974. They occur once during each presidency, and foreign ministers meet without officials in an informal atmosphere in a suitable country house and without a formal agenda. These informal consultations are paralleled at lower levels; thus, at meetings of the Political Committee, Political Directors lunch and dine together on first name terms as do the Group of Correspondents. In short, a rather "club-like" atmosphere is cultivated from which third parties are excluded. These formal and informal consultations are further supplemented by the practice of secondment of officials from one foreign ministry to another, and by an integrated and dedicated communications network (COREU).

Early on in the EPC process, the principle emerged that whenever possible the member states would attempt to construct a common position with respect to third parties. The "Document on the European Identity", adopted in Copenhagen in December 1973, called for negotiations with other countries that involved members of the Community collectively to take

place in an institutional and procedural framework that would "enable the distinct character of the European entity to be respected." In 1976, the Tindemans Report made the point explicitly by calling for members to present a united front to the outside world and to act in common in all the main fields of their external relations. It would be fair to say that in the past these recommendations have been honoured as much in their breach as in their acceptance. For example, in international organizations such as the U.N. there appears to be no strong record of common voting.⁸ This of course is in stark contrast to matters that fall within the Common Commercial Policy where the Commission negotiates on the basis of a common position for the Union as a whole.

As agreed at Maastricht, the current state of affairs is that once common positions have been defined member states are to ensure that their national policies are in conformity with them, and they are to uphold these common positions in international organizations and at international conferences. The obligatory character of the Maastricht requirements perhaps accounts for the fact that the number of common positions that have been formally adopted remains rather small. On the other hand, to a greater or lesser extent, the EPC/CFSP has affected the "culture" of foreign policy making in all the member countries. High level political networking and routine transgovernmental contacts have had their effect on how the national interest is defined. For most members, foreign policy is increasingly filtered through the European screen, and at the very least member states must take the Union context into account when departing from the majority view of their partners. Nonetheless, this has not prevented many notable instances of members deciding to go it alone!

A signal weakness of the CFSP has been in the area of consultation and representation with respect to third parties. The practice has grown up of organizing contacts between E.U. ambassadors in the various capitals to which they are accredited and the foreign ministry of the host country, as they have also between E.U. missions accredited to international organizations. The effectiveness of these contacts seems to vary from one capital to another. It is of course a two-way process, and some host foreign ministries make greater efforts than others to work with E.U. member embassies on matters of mutual interest. It is however in Brussels that third parties have their greatest contact with the E.U. On matters that fall within the jurisdiction of the European Community, the Commission is reasonably well organized to deal with the large number of missions that non-member countries have accredited to the Union. In contrast, the intergovernmental character of the CFSP has inhibited the development of institutionalized and comprehensive lines of communication with interested outsiders. A large burden is placed on the

⁸I know of no comprehensive study of the voting patterns of E.U. members in international organizations. Nuttall, *op cit.*, p.138, states that the record in the General Assembly in 1975 was of 65% voting together and 55% in 1976. However, the prospect of systematic joint voting on the part of Union member states in international organizations is of concern to Canada and others. In many fora, such a development would seriously degrade the ability of Canada to influence outcomes when faced by a solid bloc of fifteen (and in the future perhaps more) votes determined on the basis of CFSP procedures. With whom would Canada caucus?

country holding the Union presidency. This has been alleviated somewhat by the development of the "troika" system whereby the incumbent presidency is assisted by the previous and successor presidencies, but for third parties the absence of a consistent and adequately staffed point of contact is a problem. The CFSP Secretariat within the Council Secretariat is too small and the role of the Commission in assisting the presidency, although recognized in the Treaty on European Union, remains in practice highly circumscribed. The inadequacy of present arrangements for representation has been widely if not universally recognized by the member states, and one item on the agenda of the current IGC concerns the possibility of appointing a CFSP High Representative to act under a specific mandate from the European Council or Council of Ministers. Whether this suggestion will be accepted is unclear, but it can be predicted with confidence that the CFSP will receive enhanced organizational and institutional support.

The Agenda of the IGC & the CFSP:

Section III of the Presidential draft of proposed revisions to the Treaty on European Union presented to the Dublin European Council in December 1996 spells out the issues facing the IGC with respect to the CFSP. The overall objective, to which every member state subscribes, is to make the external policies of the Union "more coherent, effective and visible." Where differences arise is over how this is to be best achieved. An analysis of these differences is beyond the scope of this paper, but it is possible to indicate the areas in which change in support of this agreed objective is likely to occur. It should be noted that whatever changes are introduced will not necessarily provide any guidance as to what common policies will be adopted, nor will they necessarily increase the probability of securing agreement on a common foreign policy of broader scope. While the majority of European governments are interested in improving the effectiveness of the CFSP process, this in itself will not overcome the fact that on most salient issues confronting the membership there is a wide divergence of opinion on how they should be handled and very different national interests in play.

1] It is recognized that in practice in many cases the distinction between the CFSP and the other external policies of the E.U. is impossible to sustain. The association of the Commission with the CFSP is likely to be strengthened while at the same not compromising, in treaty language at least, the essential intergovernmental character of the CFSP pillar.

2] There appears to be substantial support for strengthening the Council Secretariat with respect to its functions regarding the CFSP. In particular, the role of the Secretary General of the Council Secretariat is likely to be strengthened. If this occurs, then the Secretary General will acquire a much higher political profile than presently has been the case.

3] The responsibility of the presidency for the implementation of common policies and for their representation in international fora will not change. However, a number of suggestions are on the table for strengthening the capacity of the presidency to undertake these tasks.

4] As part of the effort to make the formulation of common foreign and security policies more timely and appropriate to changing circumstances, it is likely that a policy planning and early warning capability will be established. The composition of this organization is likely to include personnel seconded from member states, the Council Secretariat, the Commission, and, in the Irish draft, from the WEU as well.

5] Provision for the appointment of one or more special representatives having responsibility for various aspects of the CFSP also have been suggested. These suggestions may be grouped with the proposal that a CFSP "High Authority" be appointed. If this route is taken, then the day-to-day responsibilities of the presidency will be affected.

6] The general obligation to support common positions "in a spirit of loyalty and mutual solidarity" is likely to be reinforced by a more general commitment to do so with respect to all aspects of the Union's presence in international affairs. This, in turn, reflects a strategy designed to integrate the CFSP into a more fully integrated treaty structure for the Union.

7] Attempts are being made to reinforce the majority voting procedures with respect to joint actions. This will meet the strong resistance of the U.K. among others, but the salient point is that these suggestions are part of a wider attempt to diminish the power of the veto and enable a majority wishing to act to do so. This is linked to the wider and contentious issue of "flexibility".

8] The Irish draft reflects the efforts of those seeking to strengthen the security mandate of the CFSP and makes reference to the "progressive" rather than the "eventual" framing of a common defence policy. This, in turn, is linked to attempts to strengthen the functional and political links between the WEU and the E.U. In other words, the attempt is being made to give substance to a European Security and Defence Identity within the Union.

9] One suggestion that has been made with the hope of strengthening the Union's presence as an actor in world affairs is to endow the Union with legal personality in a fashion comparable to that of the Community with respect to its common external policies. There is considerable resistance to this on both technical and political grounds. Among the concerns expressed is the problem of defining what in fact the Union (as distinct from the EC), would be signing on to. The fifteen partners could still interpret their obligations under the Treaty differently, and this in turn could lead to difficulties with third parties who believed that agreement had been reached with the Union only to find that individual Union members interpreted the agreement differently, and thus involving a further set of bilateral negotiations. It is frustrating enough for third parties in dealing with the Union as it is, endowing the Union with legal personality with respect to the CFSP would, in effect, simply add another negotiating hurdle for

third parties to overcome. The only way to avoid this would involve a very substantial extension of qualified majority voting in the determination of the CFSP together with more strictly defined common positions. This will not happen in any current policy relevant time frame.

Whatever the form of the legal documents that eventually emerge from the IGC, it is likely that in future the CFSP will have a more public profile that has been the case in the past and that it will have stronger institutional support in the Council and in the Commission. Whether this will result in more effective policies is uncertain. In particular, the interface between security and defence policy will be particularly problematic for many member governments. Nonetheless, and bearing in mind that the ultimate fate of the IGC's deliberations will be hostage to political decisions and issues beyond the scope of its mandate, it is likely that the CFSP will have an increasing, even if only incremental, impact on third parties.

Issues and Options for Canada:

The issues that a CFSP supported by a stronger institutional base and with more comprehensive policy scope raise for Canada can be categorized under two broad headings. The first covers the substantive policy content of the CFSP, and the second covers what may be termed structural and strategic issues. In practice, this is a somewhat artificial distinction because issues of structure and substance constantly impinge on one another, but it is nonetheless helpful in sorting out the implications of the CFSP for Canada.

Substantively, the policy positions taken formally under the rubric of the CFSP have caused few if any problems for Canada. The range of issues that have been covered so far by decisions resulting from the EPC/CFSP process has been a relatively narrow one in which common positions, mostly of a declaratory kind, have been more frequent than joint actions. More often than not, joint actions have simply taken the form of diplomatic demarches. In general, the common positions and joint actions taken by the Union have been ones with which Canada has had little difficulty associating itself. Whether the issues have concerned the CSCE/OSCE, the Middle East, Cyprus, or Central America, when the member states within EPC/CFSP have been able to reach a consensus it has not been one requiring Canada to publicly disassociate itself. Rather, as discussed below, the problems for Canada have been structural and strategic.

It is worth underscoring the fact that the Union's policies having negative impact on Canada have lain largely outside the formal scope of the CFSP. It has been the impact on Canada of many of the external policies that fall within the Community's responsibilities that have created problems. The so-called "Turbot War" illustrates some of the difficulties. The position adopted by the Commission on the basis of the Common Fisheries Policy was eventually undermined by

defections in the Council of Ministers. Despite the commitment spelled out in the Treaty on European Union to "support the Union's external ... policy actively and unreservedly in a spirit of loyalty and mutual solidarity", the U.K. and others demonstrated on this particular issue that frequently Union "solidarity" is little more than a rhetorical device. Nonetheless, Canadian interests were compromised by the fact that there is a Common Fisheries Policy as they have been by other aspects of the Community's policies. This incident illustrates very well the frequently permeable boundaries between "Pillar I", the European Community, and "Pillar II", the Common Foreign and Security Policy. Parenthetically, the IGC is likely also to strengthen "Pillar III", Justice and Home Affairs, again with consequences for third parties. The difficulties occasioned by the fisheries dispute did not arise from the CFSP so much as from other aspects of the Union's external policies.

This is not the case with what may be termed the structural implications of the CFSP. As has been alluded to already, the institutional basis of the CFSP, the internal processes of consultation and decision-making, and the limited consensus amongst the member states on many foreign policy issues, make it very difficult for third parties to gain a hearing for their own particular concerns. It is not simply a problem of the adequacy of consultative mechanisms, although this is a problem for Canada, but that as yet the CFSP neither in substance or in form can be said to constitute a foreign and security policy. To paraphrase Davignon, the Union may have secured for itself a political vocation, but it is a long way from establishing itself as a polity. For third parties the *sui generis* nature of the CFSP is a problem in itself, as it is for that matter with the other two "pillars" of the Union. The point has been put another way by Christopher Hill and William Wallace when they argue that the member states have established a "collective presence" internationally, but do not have the ability to act collectively except through a cumbersome internal consultative process that is coupled with only limited economic and military instruments able to effect policy. With respect to the CFSP, the Union may be a presence internationally, but it can not be said to be an international actor.⁹

Whereas the structural character of the CFSP already impinges on how Canada manages its relationship with Europe, the strategic impact of the CFSP is at present a muted one. This reflects the limited scope of the CFSP and its limited ability to effect policy. Nonetheless, the influence of the CFSP on the policies of member states and its potential as the vehicle for a European foreign and security policy are an important component of Canada's altered strategic landscape. In particular, the familiar institutional and diplomatic instruments by which Canada has pursued its "high political" interests in the Atlantic area are no longer as effective as they once were. Nowhere is this more apparent than in the special relationship between Europe, as

⁹"Introduction", Christopher Hill (ed.) *The Actors in Europe's Foreign Policy*, London, Routledge, 1966, p.13. Hill and Wallace also argue (*loc cit*) that Europe's evolving foreign policy system "can be understood only if the traditional bond between "actorness" and national sovereignty is dissolved." My point, however, is that Europe can not be said to have a common foreign and security policy until operationally and effectively the link between national sovereignty and foreign policy *is* in fact dissolved. This is a long way from occurring.

represented by Brussels and the CFSP, and the United States. Ever since the "Gymnich" understanding of April 1974, whereby the United States was to be informed of developments in the EPC in sufficient time for the United States to react and attempt to influence them, Washington has had privileged access to the formulation of Europe's common foreign policy. Canada simply does not have the same kind of consultative access.

From the structural and strategic perspective, for Canada the problem of access to the European decision making process and of ensuing adequate consultation is crucial. Canada has sought to address this problem through a number of joint declarations and agreements.¹⁰ Noteworthy about these declarations and agreements is their emphasis on commercial and technological matters and their lack of detailed consultative arrangements at the official level. In this respect, how the 1990 Joint Declaration and Action Plan are implemented will be an important determinant of how effectively Canada can prosecute its interests in the Union. At the strategic level, both the 1976 Framework Agreement and the 1990 Declaration on Canada-EU Relations suffered from neglect on both sides, and it is difficult to argue that either has had a substantial effect on the substance and character of the Canada-EU relationship. This would also appear to be true of the arrangements on political dialogue agreed in 1988.

What, then, are the options for Canada?

1] Acceptance of the status quo: After all, the content of the CFSP has proved to be a non-problem for Canada. A continuation of the practice of responding pragmatically to issues as they arise would appear to be adequate to the protection of Canadian interests. However, such a policy would not address, except by default, the structural and strategic implications for Canada of the CFSP. In so far as the CFSP expands in scope and effect, then the structural impediments to Canadian access will increase. On the other hand, how far Canada should be concerned will depend on the importance assigned to Europe. On a number of occasions the present government has reaffirmed the overall importance of Europe to Canada, and the 1996 agreements may be taken as earnest of this appreciation. Nonetheless, if the *Framework Agreement* and the *Joint Declaration* are not to suffer the same fate as their predecessors, then continuous political commitment and diplomatic resources will have to be devoted to the task. If Canada is serious about the strategic dimensions (political and security) of its relationship with Europe (and, by the same token, if the Europeans are serious about their strategic relationship with Canada), then efforts must be made to ensure that the relationship is salient to Canada policy and opinion makers. The IGC agenda reflects the fact that in practice the boundaries between the CFSP and the external consequences of other Union policies frequently overlap. Thus there must be doubt as to how far Canada can effectively separate the commercial dimensions of its relationship with Europe from its political and security ones.

¹⁰The key ones being the Framework Agreement for Commercial and Economic Cooperation Between Canada and the European Communities (1976); The Declaration on EC-Canada Relations (1990); and the Joint Declaration on Canada-EU Relations coupled with the Joint Canada-EU Action Plan (1996).

- 2] Reinforce links with Washington: On the assumption that Canada's relations with the Union will continue to be multidimensional in their scope, it is in Canada's interests to reinforce links with Washington with respect to issues of mutual interest concerning the European Union. That is, Canada should seek to benefit from Washington's privileged access to the CFSP process. Admittedly, this will not be easy. The attempt by Canada to associate itself with the U.S.-Union Joint Declaration and Action Plan in a trilateral arrangement was rebuffed by both the Americans and the Europeans. The best that could be done was to conduct negotiations with the Union in parallel with those of the United States. Even this approach was thrown off course by the fisheries dispute, and the Canadian-Union agreements were not officially signed off until a year after those involving the United States. Nonetheless, there are structural and strategic matters of mutual interest, as well as shared commercial concerns, and an attempt to maintain a close liaison with Washington might have a multiplier effect on Canadian diplomacy.
- 3] Coalition building: There are aspects of the transatlantic relationship that are susceptible to coalition building between Ottawa and members of the European Union. There is a long tradition of Canadian policy seeking to counterbalance U.S. policies that are problematic for Canada by forming coalitions with like-minded European partners. The object, most of the time, has not been confrontation, but to associate Canada with a consensus that spans the Atlantic. This has been at the core of Canadian diplomacy in NATO and elements of the approach might be successful even in the very different political and institutional context of the EU. Here again, this requires a commitment and the resources to reinforce and build upon existing consultative mechanisms.
- 4] Exploitation of bilateral relationships: Given the ambiguous status of the CFSP within the Union structure, and given its limited ability to frame joint actions, the success of the above approach will depend on combining in a complementary fashion Canada's relations with Union institutions and authorities with Canada's bilateral relations with key European actors. Clearly, the relations with the Union, whether they concern the CFSP or anything else, cannot be a substitute for Canada's bilateral relations with its members. National capitals remain the decisive actors with respect to European foreign policy. The existence of the CFSP adds another dimension to Canadian-European relations and makes the management of these relations more complicated. This simply is a fact of life for Canada that can not be ignored.
- 5] Continued relevance of NATO: Though the least developed aspect of the CFSP, there are security and defence dimensions to it. The security dimension, so far, has been manifested only in the most general political terms, and the defence aspect is to all intents and purposes non-existent. Maastricht confirmed that the economic and technological dimensions of security should fall within the purview of the CFSP, but this of course provides an opening for the Commission to modify in practice article 223. Consequently, such restructuring of European defence industries as has taken place, and collaborative projects of various kinds have all taken place outside the framework of the Union. (Note that the European armaments Agency is a body created outside the Union.) Thus there are still opportunities in the area of defence-industrial collaboration to exploit alliance arrangements. Atlantic defence-industrial collaboration remains an option for Canada.

The relationship of the WEU to the Union is one on which there are considerable differences between the member states. Simplifying a complicated story, there are those who would emphasize the WEU as the defence instrument of the Union, while others see the WEU as an institutional expression of the European pillar in NATO. The WEU is thus at present being pulled between two very different conceptions of what a European Security and Defence Identity (ESDI) should amount to. As long as Canada has defence obligations and not simply security interests in Europe, then it is not in Canada's interest to see the alliance converted into a bilateral arrangement between the Union on one side of the Atlantic and the North American powers on the other. The development of a genuine common defence policy by the Union would run counter to the historic definition of Canada's strategic interests. NATO provides the best forum for Canada in which a multilateral and transatlantic conception of defence needs can be expressed. Here, again, there are opportunities for the building of coalitions that do not conform to a European-North American axis.

6] Multilateral approach to the CFSP: On many issues that arise under the European Community pillar of the Union, Canada has found it advantageous to cooperate with other nations sharing a common concern. In the event of the Union adopting policies under the CFSP that create problems for Canada then the possibility of a multilateral *demarche* should be explored. A strategy of this kind would be crucially dependent on the effectiveness of the consultative process with the Europeans, and on the possession of adequate political intelligence. Options [1] and [2] are relevant to this task.

7] Group of Seven: One important vehicle that is available to Canadian diplomacy is the G7/P8. Whatever happens to this forum (there are a variety of suggestions on the table that warrant a separate paper), there are opportunities for Canada to influence the agenda in ways that emphasize Canadian-European relations. It is a question of Canadian priorities.

8] Saliency of Europe in Canada: These priorities in turn will be affected by how much political elites and opinion-makers emphasize interests in Europe. There is a crucial task for political leadership in determining whether Europe is perceived as remaining relevant in important ways to Canada. This will require constant attention. The 1990 Declaration, for example, will be bereft of substance unless there is consistent follow-up on the part of Ottawa.

9] Saliency of Canada in Europe: This is the other side of the coin of course. Other things being equal, Canada's profile in Europe will be a function of Canadian efforts to ensure that Canadian views and interests are taken into account. A carefully managed and sensitive public relations effort would complement more formal diplomatic efforts. The "Turbot War" was but one incident in a long-standing fisheries dispute in which there are constituencies in Europe sympathetic to the Canadian position. Had they been cultivated, the "crisis" nature of the incident could have been avoided. As with all aspects of Canada's relations with Europe, Canadian political and diplomatic investment can be repaid by support for Canadian interests.

Conclusions:

The evolution of the CFSP, especially since the Treaty on European Union, can be understood as one element in the major political changes that have occurred in the Atlantic area. These systemic changes have had major political and strategic impact on Canada. However, as a single element of change, so far the CFSP has had little impact on the outside world in general and on Canada in particular. Indeed the Common Foreign and Security Policy is distinguishable from its predecessor the EPC only in its title. Thus the CFSP can be considered at most a latent problem for Canada. The CFSP is simply one aspect of the larger relationship that Canada has with the European Union. This being the case, then any problems that might be caused by the CFSP would best be handled within the framework of an overall Canadian strategy for its relations with Europe. Attempts to maintain the distinction between commercial and political relationships with Europe in operational terms often difficult to maintain. A coordinated approach towards the Union is possible despite the problematic structure of the CFSP with respect to the relationship with the other two "pillars" of the Union. Ultimately, whether Canada successfully develops such a coordinated strategy will depend on the political effort and commitment made by Canadian governments and on the key elements of the Canadian public continuing to believe in the importance of the transatlantic connection.

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