CENTRE FOR EUROPEAN REFORM
policy brief

How to strengthen EU foreign policy

By Charles Grant and Mark Leonard

★ Although the EU faces a wide array of challenges from beyond its borders, it is ill-equipped to deal with them. The Union seldom takes a strategic approach to foreign policy. Its institutions and member-states often fail to co-ordinate their various policies and instruments – including trade, aid, defence, policing and diplomacy – in the pursuit of common objectives. The institutions of the 'rotating presidency' and the 'troika' (the representation of the EU by the presidency's foreign minister, the High Representative and the commissioner for external relations) limit the EU's effectiveness.

★ The loss of the constitutional treaty has deprived the EU of some sensible reforms to the way it makes and manages foreign policy. However, even with the current treaties, the EU could do plenty to strengthen its foreign policy.

★ This policy brief suggests ways of encouraging the EU to take a more strategic approach to foreign policy; of diminishing the role of the rotating presidency; of ensuring that the member-states and EU institutions feel a sense of shared ownership of external policies; and of achieving more coherence between the policies of the member-states and the institutions.

The European Union urgently needs a plan for a more effective foreign policy. Opinion polls suggest that a majority of Europeans would support a stronger EU foreign policy. The gravity of current issues such as the Iranian nuclear problem, the future of the Western Balkans, EU energy security and the deteriorating relationship with Russia show the urgent need for a more effective Common Foreign and Security Policy (CFSP). When its member-states disagree, as over Iraq, the EU cannot hope to be credible. But even when the governments do agree to pursue common foreign policies, the EU's ramshackle institutional machinery often prevents it from delivering in an effective and timely manner.

The making of foreign policy has suffered more from the constitutional debacle than any other area. The French and Dutch No votes have deprived the European Union of the innovations promised in the treaty, such as a permanent president of the European Council to replace the rotating presidency; a European 'foreign minister' combining the jobs now held by High Representative Javier Solana and external relations commissioner Benita Ferrero-Waldner; and an External Action Service (EAS), a kind of diplomatic service bringing together staff from the Commission and Council with national diplomats.

Yet the failure of the constitution has made it harder for the EU to engage in any discussion on how to improve its foreign policy. Some of the innovations due in the treaty, such as the EAS, were under construction before the French and Dutch referendums, because the member-states had agreed that this work should begin after the signature of the treaty. But EU governments have now halted this work because of a paralysing fear – shared by bureaucrats and politicians alike – of being accused of implementing parts of the treaty 'by the back door'.

Centre for European Reform
14 Great College Street
London SW1P 3RX UK

T: 00 44 20 7233 1199
F: 00 44 20 7233 1117
info@cer.org.uk / www.cer.org.uk

The legal services of the Commission and the Council argue that, without treaty change, their respective organisations can do very little to work together more closely. At times, officials in both organisations seem more interested in protecting their own prerogatives and resources than in focusing on an effective outcome (one symptom of the poor state of relations between the two bodies is a legal case brought by the Commission against the Council, over whether it has encroached on Commission competence in the area of small arms and light weapons).

The June summit approved a European Commission paper drafted by the Portuguese diplomat José Cutiliero. The paper's analysis of the problems is cogent, and it suggests some useful innovations which are likely to be implemented. However, these small steps are not bold enough to tackle the underlying problems. Their modesty is symptomatic of the EU's current political crisis. Evidently, the most important ingredient of an effective CFSP is political will among the member-states: governments need to be prepared to accept that the EU will play a greater role in foreign policy. However, whatever the given level of political will at any one time, the quality of the EU's institutions can make a significant difference. That quality is currently too low.

Five big problems with EU foreign policy

1) Lack of a common strategy

There is no EU forum in which governments and institutions can easily discuss foreign policy strategy. The European Security Strategy, agreed in 2003, provides a useful framework for thinking about contemporary security challenges. But the EU has not forged coherent policies or approaches to specific issues such as East Asian security, Russia, promoting democracy in the Middle East or the 'European Neighbourhood Policy'. Too often the EU's foreign policy is about managing crises, rather than preventing them or combining its many assets in the pursuit of precise objectives.

2) Weak representation

The rotating presidency weakens the EU's ability to play a serious role in the world. Countries beyond the EU are fed up with having to deal with a different member-state in the driving seat every six months. EU foreign policy suffers from a lack of continuity. The EU is often represented by the 'troika' of the foreign minister from the presidency, the High Representative and the commissioner for external relations, but this cumbersome arrangement undermines the EU's ability to act effectively. For example, in international forums such as the 'quartet' – where the UN, the EU, the US and Russia discuss the Middle East – the fact that the EU has three representatives invites ridicule.

3) Lack of ownership

There is an inevitable tension between the need for continuity in EU foreign policy, and the need to give member-states a sense of ownership. Big countries such as the UK, France and Germany may be reluctant to discuss foreign policy issues in the EU framework. They worry that their actions will be constrained by other countries that have less of a stake in the subject under discussion, and they fret that EU institutions may have their own agendas. At the same time, small countries may resent the big three using the EU label in dealing with a problem such as Iran, without always consulting them on the detail of policy. They are concerned that a weaker role for the rotating presidency, and a stronger role for EU institutions could lead to a 'big country takeover'. All member-states, big and small, plus the EU institutions, need to feel a sense of ownership over EU foreign policy.

4) Lack of coherence

One major reason why the EU does not fulfil its potential in foreign policy is that it fails to join up its aid, trade, judicial, diplomatic, military and other policies. It seldom takes account of the external influence of internal EU policies such as the environment, justice and security, or transport. The EU must find ways of removing the contradictions that often exist between its agricultural, development and security policies; between the policies of member-states and the European Union; between the views of the Commission and the Council of Ministers; and between the different departments of both the Commission and the Council.

5) Restrictive financial regulations

The EU's stringent financial regulations, designed to prevent fraud, have had the adverse effect of rendering much EU development assistance inefficient. Today, Europe Aid has more controllers than project officers, and money frequently takes many months to reach those in need. In the area of democracy promotion, the European Union's bureaucratic procedures are so inflexible that the most deserving NGOs often receive no money.

In the long-run we hope that a new treaty may put in place a more effective institutional foundation for EU foreign policy. The next time the EU changes its treaties, it should adopt the principal provisions of the constitutional treaty on foreign policy. But until such time as a new treaty emerges, the EU has no choice but to work within the existing legal framework. Its challenge is to take forward foreign policy by actions, inventing mechanisms as it goes along. This would be a constitution '*à l'anglaise*', built through case law, rather than '*à la française*' with grand designs.

Five ways of improving EU foreign policy

1) More strategic thinking

To encourage strategic thinking on foreign policy, the EU needs more of the informal '*gymnich*' meetings, where foreign ministers can talk freely, unencumbered by hordes of officials. And there need to be more informal summits, on the model of that at Hampton Court in October 2005, where heads of government can focus on particular problems and think strategically about how to best co-ordinate the various EU policies. The EU needs to build on the work of the European Security Strategy by developing more specific strategies on how to deal with Russia and China; on policies for the EU's neighbourhood; and on how to promote democracy in the Middle East.

2) Lessening the role of the rotating presidency

External representation. The troika should cease to represent the EU externally. Depending on the subject, either Solana or Ferrero-Waldner (or one of their colleagues in the Commission or Council) should speak for the EU. When doing so, Solana or Ferrero-Waldner should be accompanied by more junior staff from the other EU institution and the presidency.

Presiding over meetings. The presidency should not automatically chair meetings of EU foreign ministers. When key strategic issues are on the agenda, for example during a lunch or a *gymnich*, the presidency should ask Solana to chair. At the level of the important committees in the Council of Ministers, officials from the member-states should elect one of their number to preside for a period of two years (this person should give up his or her national responsibilities for that period, and be based in the Council). The EU's Military Committee has already established such as precedent. Some working groups may think it appropriate for Council officials to chair them. Others may wish to be chaired by the presidency.

3) Shared ownership of foreign policy

The member-states will not agree to reduce the role of the rotating presidency, and enhance the position of Solana and Ferrero-Waldner, unless they believe they have 'ownership' of external policies. Of course, the Commission and the other EU institutions also need a sense of ownership, and must therefore be closely involved. But one of the main problems at the moment is that many member-states worry that EU institutions may act beyond their control, or incompetently. Furthermore, small countries need to accept that big ones will often have more experience in dealing with certain problems, and that it therefore may be appropriate to allow them to lead. But the big countries must recognise that small countries can contribute expertise on certain issues, and that if they want the EU to back their initiatives they need to consult small countries.

Contact groups. The council of foreign ministers, following a recommendation from the High Representative, should appoint 'contact groups' to deal with particular foreign policy problems. Those countries with direct experience or knowledge of the issue concerned should take part in the contact group. This model has already worked well with Ukraine (Poland and Lithuania) and Iran (Britain, France and Germany). These contact groups should play a leadership role, making proposals for EU action. However, it would be the 'plenary' of the whole Council – rather than the contact group – that would need to take any decision; and, depending on the subject, either Solana, or one of his deputies, or Commission President José Manuel Barroso, or another senior commissioner such as Ferrero-Waldner, should participate in the group to represent the broader European interest. It would often be appropriate for this 'EU representative' to act as spokesman for the contact group. Given the demands on Solana's time, he needs a senior deputy whose purpose would be to listen to the views of member-states, feed them into the contact groups, and report back to them.

Staff exchanges. The member-states should second more staff to the Council and the Commission, and vice versa. There is a particular need for the member-states to lend some of their most senior diplomats to run important Commission delegations. The EU should establish a diplomatic academy, for promising young staff from the member-states, the Council and the Commission; and joint training programmes between the various EU institutions and national ministries.

4) More coherence

There needs to be more coherence within and between the EU institutions, and between those institutions and the member-states. More coherence would help to reinforce the idea of shared ownership.

★ The Commission needs to make more effort to involve its 'internal' directorates-general in its external policies.

★ The Council secretariat needs to co-ordinate better the work of its EU Special Representatives (EUSRs), European Security and Defence Policy (ESDP) missions, military staff, policy unit and directorates-general.

★ The member-states, Council and Commission need to share more information about their work in various parts of the world, and to draw lessons from what works and what does not. The Council secretariat is best placed to keep a scorecard of EU involvement in different countries, to spot where there are gaps that need filling, and to suggest who could most efficiently fill them.

★ The Commission delegations should be rebranded as 'EU offices'. They should assist Solana on his

travels, and provide special representatives with any assistance they may need. More heads of delegation and EUSRs should be 'double-hatted', following the successful precedent of Macedonia. In some places, such as Washington, it would make sense for the deputy head of the EU office to be a Council official. The EU should be represented in international organisations by single missions containing staff from the Commission and Council.

★ The Commission should look for systematic ways of contributing to ESDP operations through its own programmes, drawing on the successful model of co-operation in the EU's various Congo operations.

★ The Commission and the Council should produce more joint papers to be presented to foreign ministers (though each should retain the right to write its own, when appropriate).

★ The Commission should withdraw its legal case against the Council on small arms and light weapons. Both should pledge to resolve this kind of difference through discussion rather than litigation.

★ On certain strategically important subjects, the Commission, Council and member-states should set up joint liaison groups. These would consist of senior officials, housed in the same building, tasked with encouraging common analysis and advice to ministers. Initially, the EU could experiment with liaison groups on say, the Western Balkans, Russia and China. If the experiment worked, liaison groups could be established for other areas of external policy.

★ The High Representative should attend Commission meetings when important foreign policy questions are discussed.

5) Less constraining financial controls

The EU needs to agree on new procedures for distributing money externally. These should allow it to take decisions on spending more quickly, and give EU delegations greater flexibility over how money is spent. The EU's spending on the 'European Initiative on Democracy and Human Rights' (managed by the Commission) should be diverted to a new agency. This agency should be modelled on the US National Endowment for Democracy or the German *Stiftungen*, with rules that allow it to operate speedily and flexibly.

The ideas in this policy brief are based on the discussions at a seminar organised by the CER and the Swedish parliament in Stockholm in April 2006. Those taking part were senior officials from the Commission, Council and member-states, as well as think-tankers. While many participants would agree with many of the ideas in this brief, some would probably disapprove of some parts. The CER has not asked participants to sign. We offer these ideas as a contribution to the debate on how the EU can be made to work better on the basis of the current treaties.

Charles Grant is director and Mark Leonard is director of foreign policy at the Centre for European Reform
July 2006

Recent CER publications

★ *The future of European universities: Renaissance or decay?*
pamphlet by Richard Lambert and Nick Butler, June 2006

★ *The EU must keep its promise to the Western Balkans*
essay by Tim Judah, May 2006

★ *Let justice be done: Punishing crime in the EU*
policy brief by Hugo Brady and Mónica Roma, April 2006

★ *The EU's awkward neighbour: Time for a new policy on Belarus*
policy brief by Charles Grant and Mark Leonard, April 2006

★ *Democracy in Europe: How the EU can survive in an age of referendums*
essay by Mark Leonard, March 2006

★ *The Lisbon Scorecard VI: Will Europe's economy rise again?*
pamphlet by Aurore Wanlin, March 2006

★ *EU2010: A programme for reform*
CER manifesto, March 2006