

CHAPTER 21

The European Union

Ben Rosamond

DOI: [10.4324/9781003266365-26](https://doi.org/10.4324/9781003266365-26)

CONTENTS

- [The evolution of the EU](#)
- [The EU and global governance](#)
- [Conclusion](#)

The European Union (EU) is both a regime of regional governance and an actor within the global governance system. This relatively simple observation needs to be fleshed out to consider the relationship between these two roles. Is the EU's

primary purpose to insulate its member states from global pressures while protecting and advancing a distinctive European model of society and political economy? Alternatively, does it function as a kind of cipher through which European societies are globalized? Questions like this are not easily answered. They are the sources of considerable debate within International Relations and the more specialized subfield of EU studies, with discussions tending to cluster around two distinct understandings of the interplay between the nature of the union's internal governance and its status as an actor within the global system.

The first position maintains that the EU's primary rationale is to transplant global governance norms into the European context. This line of argument tends to associate European integration with the "constitutionalization" of neoliberal global governance norms.¹ The second position treats the EU as an important intermediary between global processes and European societies. The EU thus "manages" globalization and seeks to fashion a distinctive European approach to political economy and to protect certain types of institutions and values. In this second version, the EU is also an actor seeking to use its "normative power" to

propagate its norms globally and/or its “market power” to fashion the global regulatory order in ways that suit its interests.² What the EU does matters because membership involves a significant delegation of powers from national governments to the European level. Since member states have voluntarily ceded parts of their sovereignty to European institutions, it is important to ask why and with what effects.

This chapter concentrates on the relationship between the EU’s own character as a regime of European economic governance and its participation in global governance. It begins by summarizing the development of the EU and its institutional order from its origins in the 1950s, noting the significance of two features: the distinctive institutional design and its status as a “market order.” It is suggested that these two features are important to the constitution of the EU as an actor in the politics of global governance. This chapter then considers interest-driven and “normative power” accounts of the EU’s external behavior before considering some examples of the way in which it seeks to influence outcomes in global economic governance and how these relate back to its internal characteristics. This chapter closes with a few concluding comments

about the sustainability of the EU in the context of a series of ongoing (potentially existential) crises.

The evolution of the EU

Two features of the EU need to be taken into account in this context: its longevity and its complexity. The union's longevity—its direct ancestor the European Coal and Steel Community (ECSC) was created by the Treaty of Paris in 1951—means that its character may have shifted and indeed drifted over time. Nothing illustrates this point better than the controversy surrounding the award of the Nobel Peace Prize to the EU in 2012. Critics of the award were puzzled as to how an organization responsible for the imposition of punitive austerity budgeting on one of its member states (Greece) could be given an award designed to recognize the promotion of “fraternity between nations.” The most typical counter-argument stated that the prize was a recognition of a *historic* achievement: the role of European integration in securing more than six decades of peace in Europe. Put another way, the EU further offers a pivotal test case of the

supposed positive relationship between international economic integration and regional security.

Also, by the standards of most other international organizations and forms of regional cooperation, the EU is institutionally complex. As [Table 21.1](#) shows, it has a mix intergovernmental and supranational institutions. The EU Commission is a supranational bureaucratic body that is formally responsible for the initiation of legislation. The Commission's proposals must be compliant with the treaties and it must be able to show that EU-level action is justified. Intergovernmental interests are represented by the Council of Ministers (often known simply as the "Council"). Council meetings consist of government ministers from the member states with responsibility for the policy area under discussion. Its primary task is to legislate the proposals forwarded to it by the Commission. EU legislation takes two primary forms. Regulations are directly and immediately applicable in national law, whereas Directives have to be legislated into national law by national parliaments. The implementation of Directives is normally allowed to take into account specific national circumstances and administrative arrangements. When first created in the 1950s, the European Parliament (EP) con-

sisted of delegates from national legislatures and was merely consulted for an opinion on legislative proposals. Since 1979, the EP has been directly elected and starting in the 1980s, it has gradually acquired more powers, including powers of legislative co-decision with the Council. The EP formally approves the appointment of the commission and has oversight of the EU budget. The Commission’s agenda-setting monopoly has been progressively challenged since the 1970s by the evolution of the European Council: the regular summit meetings of member-state heads of government. The EU oversees a large body of supranational law that is supreme over any conflicting legislation in the member states. The European Court of Justice is charged with interpreting EU law, and its jurisprudence has been very significant in advancing integration and establishing the authority of the European legal order over national systems.

Table 21.1 Evolution of the treaties of the EU

Date of signing	Treaty	Purpose
1951	Treaty of Paris	Establishment of the European Coal and Steel Community.

1957	Treaties of Rome	Establishment of the European Economic Community and the European Atomic Energy Community.
1965	Merger Treaty	Fusion of the three existing communities into a single set of institutions.
1986	Single European Act	Specification of a timetable for completion of the common market. Move to qualified majority voting in matters relating to the internal market. Expansion of powers of the European Parliament.
1992	Maastricht Treaty on European Union	Formal creation of the EU. Creation of the category of European citizenship. Specification of institutional format, process, and conditions for the creation of the monetary union. Creation of the Common Foreign and Security Policy. Creation of EU competence in "Justice and Home Affairs." Introduction of the co-decision procedure, giving

		the European Parliament powers of co-legislation with the Council in some areas.
1997	Treaty of Amsterdam	Increased use of co-decision. Incorporation of the Schengen Agreement into the Treaties. Pre-enlargement institutional reforms.
2001	Treaty of Nice	Institutional reforms, including changes to the composition of the Commission and recalibration of voting weights in the Council.
2007 (not in force until 2009)	Treaty of Lisbon	Creation of a permanent Council Presidency and a New High Representative for Foreign Affairs. Creation of European External Action Service. New powers to the European Parliament. Changes in voting procedures in the Council. Introduction of the "citizens' initiative." Legally binding "Charter of Fundamental Rights."

Source: Compiled by author. The treaties are consolidated into the Treaty on European Union and the Treaty on the Functioning of the European Union.

The EU has competence over a large number of policy areas, primarily relating to economic governance. The Commission is currently organized into 34 directorates general each charged with a particular policy domain, 16 service departments, and six executive agencies. However, the degree to which any given policy area is Europeanized varies, and each policy domain has its own distinct trajectory as well as its own institutional logic.

The EU's growth and development are perhaps most easily understood by looking through two prisms: treaties and institutional design, and the internal market.

Treaties and institutional design

The EU's origins lie in the dilemmas confronting European states in the aftermath of World War II. The ECSC sought to integrate the coal and steel sectors of its six founding member states (Belgium, France, the Federal Republic of Germany, Italy, Luxembourg, and the Netherlands) under the aus-

pices of a common high authority. The foundation of the ECSC matters for a number of reasons. First, although a limited project of sectoral integration, it was explicitly designed to solve Europe's major security dilemma: the historic enmity between France and Germany. Thus, the second feature of lasting interest was the method selected to resolve the European security dilemma. The integration of economies, starting with the strategically important coal and steel sectors, would be used to create radical and lasting economic interdependence between the participating countries.

Following a clear commercial liberal logic, deep economic interdependence would significantly reduce (to the point of eradication) the probability of violent conflict between member states. Their economies would be bound together in welfare-enhancing ways that would make it irrational to defect from the arrangement. Interdependence would be further underscored by the institutionalization of the new regime. So, the third feature of the ECSC that generates lasting interest is its institutional design. The most striking feature of this design was the creation of the High Authority, a supranational bureaucratic body charged with the strategic oversight, management of the integration process,

and the initiation of relevant legislative measures in accordance with the treaty. The supranationalism of the High Authority (later the Commission) was offset by an intergovernmental institution (the Council), but the ECSC Treaty set in place the principle of policy initiation as the responsibility of a European-level bureaucratic actor. Indeed, the Treaty of Paris laid down the basic institutional pattern (illustrated in [Table 21.1](#)) that has survived into the modern incarnation of the EU.

As suggested earlier, the EU is unusually institutionalized by the standards of conventional international organizations. Moreover, the EU's institutional design—inherited from decisions taken in the 1950s—contains a much greater degree of supranationality than that of any other regional integration project. This observation confirms something of quite significant theoretical importance: institutional designs can be “sticky” over time and can remain intact despite the solution or disappearance of the original dilemmas which prompted policy-makers to create them in the first place. The communities of the 1950s were institutional solutions created by politicians living under the shadow of the unprecedented violence of two world wars, both fought to a large extent in the

European “theatre.” That context and those imperatives changed, but the institutional framework and the core policy methodology (supranational initiative–intergovernmental legislation–supranational judicial oversight) remained intact. This issue also relates to a controversial analytical puzzle: is the EU comparable to other regional organizations, or rather is it a unique case without historical precedent or contemporary parallel? There is sizable and still-growing academic literature on this problem, but it is also an international policy issue: to what degree does the EU provide a template for other regional organizations to emulate? Is there a “European model” of regionalism? And if so, what does that model consist of beyond a basic institutional design?³

The subsequent evolution of the EU was first defined by the signing, by the original “Six,” of the Treaties of Rome in 1957, which created the European Atomic Energy Community (Euratom) and, most importantly, the European Economic Community (EEC). The three communities (thereafter “The European Communities,” EC) were fused into a common institutional framework by the Merger Treaty of 1965. The main treaty changes in the EU’s history are illustrated in [Table 21.1](#).

On the face of it, this history suggests that the EU has become more deeply integrated over time (e.g., from a single market to a monetary union), that policy competence in an increasing number of domains has moved from national to (at least partially) supranational level, and that integration has moved decisively beyond the sphere of the economy (most notably the incursion of the EU into matters of policing and internal security and foreign policy). While this “bird’s-eye view” account is undoubtedly correct, it masks the extent to which ratification of new treaties has become highly contentious. Most recently, the attempt to create a so-called “constitutional treaty” had to be abandoned after the proposal was defeated in ratification referendums in France and the Netherlands in 2005. The first serious evidence of domestic discontent with the direction of the EU came with the surprise rejection of the Maastricht Treaty on European Union by the Danish electorate in June 1992. The Brexit referendum of 2016, which kick-started the UK’s formal exit from the EU in 2021, provides further evidence of populist resistance to integration and the EU.^{[4](#)}

This tendency has been thought of in terms of a breakdown of a 40-year “permissive consensus” in

which domestic publics had tolerated the advance of integration as orchestrated by their governing elites.⁵ Debate exists about why that “permissive consensus” has eroded. One line of argument links the advance of integration into areas where core sovereignty concerns are raised (control of monetary policy, border management and policing, foreign policy) to the absence of EU-level mechanisms to allow proper democratic oversight. This is part and parcel of what is often called the “democratic deficit,” a problem that has become amplified in public consciousness across Europe over the past quarter-century. The management of these ratification dilemmas has led to one important consequence: the proliferation of derogations and opt-outs negotiated by and granted to some member states (e.g., the formal Danish opt-outs from the monetary union, the Common Security and Defence Policy (CSDP, and aspects of EU competence in Justice and Home Affairs). Such derogations in turn lead to a much more flexible, variegated, and differentiated picture of integration than might be apparent at first sight.⁶ This is important for debates about the relationship between European and global governance and the possible status of the former as a model for the latter.

The significance of the internal market

The 1957 EEC Treaty committed the member states not only to the elimination of internal customs duties, but also to the establishment of a customs union (which would levy a common external tariff on imports into the community) and to the abolition of obstacles to the free movement of goods, persons, services, and capital. In other words, from its inception, the EU was a market-making project. Indeed, for some scholars, this is the EU's central defining feature. It is seen from this perspective as an organization tasked with the creation, maintenance, and regulation of a liberal market order.⁷ Nineteen of the current member states have moved well beyond the common market stage of integration by engaging in a monetary union and creating a single currency. EU membership is meant to imply a willingness to adopt the Euro, but member-state economies need to be performing suitably in terms of a series of "convergence criteria" covering budget deficits, accumulated national debt, and exchange rate stability before the transition to the single currency can be sanctioned. These performance parameters are not required for member-

ship of the EU, which means that the union consists of three groups: countries that have dissolved their national currencies, those which are committed to do so, but are not yet ready, and those which have either negotiated opt-outs from monetary union (Denmark and, until it left the EU, the United Kingdom) or found ways to stay out (Sweden).

In addition, the EU has significant and growing policy competences in two other areas: justice and home affairs, and foreign and security policy. A major part of the latter is the CSDP, which allows for the EU to operate as an entity in military operations, notably in the realms of humanitarian assistance, peacekeeping, and crisis management. The emergence of this policy competence, while still limited, challenges the post-war division of labor between the EU (charged with economic integration) and the likes of NATO and the Western European Union (WEU), which organized and delivered European security through military means. Whether the EU should have extended its reach in this way is a significant political question for some member states, and for some close observers of the EU, there are strong technical and normative grounds for the EU not extending beyond the delivery and regulation of the single market.⁸ That said,

the arguments for closer EU cooperation in areas of security and military affairs as well as the evident potential for EU member states to speak with one voice on such matters became vividly apparent during the 2022 Russian invasion of Ukraine.⁹

The EU's foundational commitment to its internal market has a number of important ancillary implications. These are not usually present in regional organizations, which typically exist to deliver a less intense form of integration (recall that most regional organizations operate with nothing more than the aspiration to create a free trade area). First, the quest for a common market requires a significant transfer of regulatory authority from the national to the European level. This is needed to secure the approximation of relevant laws and standards across the member states. While this has been made somewhat simpler following the acceptance of the mutual recognition principle (the idea that a product or service cannot be excluded from the territory of another state even if the technical or quality specifications differ between originating and receiving countries) over the past three decades, that simplicity has been offset by two facets of European integration: the enlargement to include significantly more member states (the

“Six” are now 27—a summary of EU enlargements is in [Table 21.2](#)); and the expansion of EU policy competence over time. The thousands of legislative acts and European Court of Justice judgments that constitute the *acquis communautaire* run to 35 chapters, covering—mostly—matters pertaining to the regulation of the single market. Adoption of the *acquis* is a basic requirement for new prospective member states.

[Table 21.2](#) European Union enlargements

Date	New member states
1951	Belgium, France, (Federal Republic of) Germany, Italy, Luxembourg, Netherlands (6 member states in total)
1973	Denmark, Ireland, United Kingdom (9)
1981	Greece (10)
1986	Portugal, Spain (12)
1995	Austria, Finland, Sweden (15)

2004	Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia (25)
2007	Bulgaria, Romania (27)
2013	Croatia (28)
<i>Official candidates:</i> Albania (applied for membership in 2009), Iceland (2009), Montenegro (2008), North Macedonia (2004), Serbia (2009), Turkey (1987), Ukraine (2022)	

Source: Compiled by author from EU documents. The United Kingdom government (under Article 50 of the treaties) initiated the process of leaving the EU in March 2017 following the successful “Leave” vote in a national referendum the previous June. The UK formally left the EU on 31 January 2020 with a period of transition until 31 December 2020.

The second implication of the commitment to the single market is that it spawns a need for common policies. A single market cannot operate without an active competition policy (the regulation of mergers, acquisitions, cartels, market dominance,

and state aid to industry) and this has become one of the most important EU policy regimes. Likewise, the development of a common external tariff and a collective commercial (trade) policy is needed to guarantee that no single member state can acquire a competitive advantage by applying differential tariffs to imports from outside the EU at the national border. The single market, even if considered straightforwardly as a set of measures to reduce barriers to factor movement, brings a number of policy domains into the purview of the EU: the regulation of banking and financial services, environmental policy, and company law, to take but three prominent examples.

This leads to a third outgrowth of the single market, which relates specifically to the free movement of persons. Labor mobility implies the freedom of a citizen of one member state to work and live in another. This brings with it a range of additional issues that would need to be resolved for the single market to function properly: rights of access to social security and healthcare, the right of residence, the capacity of mobile workers to access banking and credit facilities, and voting rights. The creation of the category of EU citizen by the 1992 Treaty on European Union showed the

extent to which the requirement of a transnationally mobile workforce “spilled over” into something rather deeper (and somewhat beyond the scope of what was functionally necessarily from the point of view of economic imperatives). In addition, the incorporation of the Schengen Agreement (allowing border-free movement within the area defined by participating states) into the treaties in 1997 amounted to the moment when the free movement of persons within (large parts of) the EU was legally guaranteed.

The fourth concern is whether the commitment to complete the single market carries with it an imperative to integrate more extensively and more deeply. Scholars of the early communities together with economic theorists of the time held that this was an inherent dynamic of the integration process.^{[10](#)} For example, creating conditions for the free factor movement would create significant pressures for supranational involvement in social policy. A single market might be made more efficient by the adoption of a single currency to enhance transparency and reduce transaction costs in the process of cross-border economic exchange. Indeed, in the history of the EU one tactic (used principally by the Commission) has been to initiate

deliberation on deeper integration when progress on a more modest set of integration commitments has stalled. This might explain why the Commission began work on the monetary union in the early 1960s, despite there being no mention of it in the EEC Treaty. More recently, a similar dynamic seems to have been at work in initiatives designed to coordinate national fiscal policies as a way to solve deep dilemmas associated with the monetary union—dilemmas that became apparently intractable after 2010 in the context of the sovereign debt crisis in the Eurozone.

The fifth and final implication of the internal market is external, and vital for broader questions of global economic governance. Because the EU is a customs union, it operates with a single voice within the World Trade Organization (WTO). This places the EU as a major force within global trade politics, but it is also important to note that the EU is one of the world's primary regulators and a major site of regulatory innovation. According to *The Economist*, it “is becoming the world's regulatory capital.”^{[11](#)} For example, external producers seeking access to the internal market—the largest “economy” in the world by GDP and one of the largest by population (a little under half a billion)—must con-

form to EU product standards. And some producers have actively chosen to adopt EU standards rather than those of other major regulatory powers, most notably the US.¹² This is an example of how the internal market is generative of the EU's "market power" and of how the single market is "nested" within the global economy.

The EU and global governance

It has been suggested already that the EU is a significant player in global governance almost by default. As a trade bloc with a common external tariff, it operates formally as a collective unitary actor in international trade negotiations. Moreover, its single market means that the EU is one of the most significant suppliers of regulatory standards in the global economy.¹³ The global domains of trade and regulation are the most obvious venues for the "externalization" of EU policy competence. But they are also interesting for two other reasons. First, we might ask about the extent to which the EU actively pursues discernible (European) interests in the global governance arena. Second, we might wonder

whether the EU works on behalf of a specific set of values.

These two questions correspond to quite different readings of the EU as an actor within global governance. These in turn tend to map onto respectively rationalist and constructivist understandings of world politics. A variety of rationalist understandings of the EU as an actor are possible, but all would expect the EU's preferences as a regulator or as a trade negotiator to reflect certain underlying interests that would be traceable back to the "domestic" context of intra-European integration (and in turn to, *inter alia*, the interests of particular member states, or organized interests, or particular supranational institutions). The constructivist position would expect the EU's actions in global politics to be driven by certain ideas and for its actions to seek to set certain normative standards in world politics. The ongoing debate about whether the EU is a "normative power"¹⁴ is, in many ways, the key intellectual space for discussion between these two characterizations.

Advocates of the "normative power Europe" (NPE) position hold that the EU's external behavior is founded upon a set of core values that are inscribed into the treaties. The EU's actions

should be interpreted in terms of setting standards for what is “normal” in world politics, where that “normality” is the effective spread of the EU’s core norms globally. Ian Manners identifies the EU’s nine core norms as “sustainable peace,” “social freedom,” “consensual democracy,” “associative human rights,” “supranational rule of law,” “inclusive equality,” “social solidarity,” “sustainable development,” and “good governance.” This suggests that the EU’s “foreign policy” (broadly defined) might be a very distinctive presence and a quite important component in the politics of global governance. Manners, for example, argues that the EU has been a major force in struggles to spread global human rights norms such as the abolition of the death penalty—a position which marks it out very clearly from a major normative rival in the democratic world, the United States.[15](#)

The most developed critiques of the NPE position fall into three types. The first simply maintains that it is mistaken to see the EU’s behavior as value driven. The EU is seen as an interest-driven actor like any other, its normative language is seen as little more than a rhetorical cover for behavior that is strategically motivated and inconsistent in application. A second position does not neces-

sarily dispute that the EU seeks to propagate and spread its norms. Rather the objection is that it—through policy frameworks such as the European Neighbourhood Policy—actually promotes these norms coercively and without allowing any form of a dialogue between its norms and the norms of others. A third position is yet more sympathetic to the basic claims that external behavior is internally constituted by core values and that external action is “normative” in character. But it suggests that the standard NPE account overemphasizes a set of positive civic liberal values while neglecting the importance of economic liberalism as also (and perhaps predominantly) constitutive of the EU and its behavior.^{[16](#)}

The NPE account of Europe’s role in global governance is a normative position in itself. In other words, those using the term are not only analyzing what the EU is, but also saying something about what they think the EU should be. The NPE position dovetails quite precisely with the self-image of the EU that is found in much of the Commission’s communicative discourse, where the term has been adopted to describe the EU’s comparative advantage as the source of important values. The idea of spreading Europe’s core values has been a part of

the treaties since Amsterdam (1997) and the European Security Strategy is explicit in articulating that external military deployments in the name of the EU should operate on behalf of key values that closely resemble the list assembled by Manners: “The best protection for our security is a world of well-governed democratic states. Spreading good governance, supporting social and political reform, dealing with corruption and abuse of power, establishing the rule of law and protecting human rights are the best means of strengthening the international order.”¹⁷

A few examples of the EU’s engagement in global economic governance illustrate the complexities that are raised in attempting to ascertain the essence of the EU’s external behavior. The fact that the picture is complex should not surprise regular students of European integration, for whom the question of what (if anything) the EU remains an ongoing puzzle. Since the onset of debates around the concept of globalization in the mid-1990s two basic positions about the EU have taken shape in the literature (and have been, at the same time, reflected in policy discourse). For some, the EU is nothing less than an incarnation of neoliberal globalization: an institutional device for the accelerated

globalization of European societies. For others, the EU is a vital buffer between the ravages of a global market order and European societies and a vital and successful “manager” of globalization.^{[18](#)}

Of course, it may be that the EU’s relationship to globalization is differentiated—between policy domains or over time. Some scholars draw attention to a neoliberal “drift” in certain areas of economic policy such as the EU’s competition regime or company law and corporate governance, not to mention trade policy.^{[19](#)} This might emerge from a dynamic internal to the EU whereby market liberal principles have become progressively “constitutionalized” at the supranational level, leaving market-correcting policies underdeveloped and largely confined to the national level,^{[20](#)} but it may also reflect the continued ascendancy of neoliberal ideas within policy circles more generally.^{[21](#)}

This movement has been discernible in an apparent doctrinal shift in EU trade policy over the course of the first decade and a half of this century. Between 2001 and 2006, under then Commissioner for trade Pascal Lamy, EU trade policy seemed to be governed by a doctrine of so-called “managed globalization,” which Sophie Meunier describes as “a broad and encompassing doctrine that subor-

minated trade policy to a variety of trade and non-trade objectives such as multilateralism, social justice, and sustainable development.”²² For some, the importance of this position was that it constituted a clear rival stance to US trade doctrine. While the EU sought to use the WTO to regulate and manage globalization, the US approach in contrast was to involve itself in an increasing number of free trade agreements as a means to the end of accelerating market liberalization.²³ And although the doctrinal positions of the EU and the United States may have converged over the past decade, the difference that became apparent in the mid-1990s is of particular interest to students of global governance. It raises the question of what the ends of global governance are: market liberalization (the assumption being that the progressive removal of barriers to factor movement on a global scale will be welfare-enhancing for all) or the use of market liberalization as a tool to service a broader set of social, political, security, and perhaps environmental ends.

By focusing on doctrines and their meaning, we focus on the role of ideas in global governance and the role of actors such as the EU as carriers of those ideas. The EU is complex in this regard because it seems to express at least three types of liberalism

in its external actions. We have noted two of these already. The first is economic liberalism, which suggests an approach to governance that prioritizes the making and maintenance of a market order. The second is the package of positive civic liberal principles associated with human rights, the rule of law, and the propagation of political rights through the spread of democracy. The third is bound up with what is arguably the EU's greatest achievement: the delivery of a pacific international system in line with the precepts of liberal international theory.²⁴

That said, there may be other reasons for diverging approaches to global economic governance among different actors. One theme that has become popular in the literature on the global politics of regulation notes the EU's affiliation with the "precautionary principle" when assessing public policy risks.²⁵ The idea is embedded within the treaties (Article 191 of the Treaty on the Functioning of the European Union) and presupposes a cautious approach to the management of risk, particularly in relation to matters of public health and the environment when the scientific assessment of those risks is not definitive. This is often contrasted with a more relaxed attitude toward scientific certainty in the United States. Perhaps the most famous ap-

plication of the precautionary principle occurred in 1999 when the EU moved to ban the import of US beef injected with growth hormones that were thought to be potentially carcinogenic. The EU ban was quickly ruled in breach of WTO rules, and some suggest that the invocation of ideas such as the precautionary principle can be used as a cover for old-fashioned protectionist policies.²⁶ Nevertheless, the very idea of the precautionary principle as a policy tool suggests that approaches to global economic governance may not simply be about the application of different ideas and interests, but also about the divergence between different policy cultures. And while it may be true that there is actually significant sectoral and national variation within European policy cultures,²⁷ the fact that there is an EU approach written into the treaty provides evidence of at least the potential importance of the EU as an actor in global governance.

None of this is to suggest that interests are unimportant. Mitchell Smith argues that two important overlapping determinants of the EU's involvement in global regulatory politics are: the Commission's rational strategy of seeking to ensure that the EU's market rules become the global rules; and efforts by European firms to ensure that

they are not put at a competitive disadvantage by regulations formulated in Brussels.²⁸ This does not mean that the EU ends up delivering and defending “lowest common denominator” regulation—far from it. Environmental policy is a pertinent example, because the EU is well known as an advocate of high regulatory standards and tough emissions targets in the global politics of climate change. How a multi-country entity where member states have quite distinct approaches to environmental regulation became a global leader in climate change is an interesting puzzle. The original EEC Treaty did not mention environmental policy. The Communities did not possess environmental policy competence until the ratification of the Single European Act in the mid-1980s. Yet the Commission, using arguments about the utility of environmental policy for market completion, was able to establish a supranational regime of environmental rule-making in the early 1970s.²⁹ Powerful environmental lobbies in EU member states ensured the upload of stringent environmental regulation to the EU level.

The constructivist argument at this point would be to suggest that the EU’s external behavior in global environmental governance reflects the externalization of a set of principles that have been

settled within the European context. The rationalist alternative is to suggest that, once settled, these environmental standards need to be advocated globally by the EU to prevent a loss of competitiveness for European business.³⁰ Again, it is worth noting that the determination of how the EU acts globally and the preferences it expresses cannot be separated from the internal politics of European integration, which in turn incorporates domestic political processes in the member states.

Environmental policy is a domain in which the EU has been reasonably successful at externalizing its internal standards. This is in part because of the existence of clear supranational environmental policy competence. As suggested, market-correcting social policy is less Europeanized, but even where there exist EU-level standards their export into the relevant international regimes is much more problematic. A good example is core labor standards, where the EU has no obvious competence to act authoritatively in relevant international fora such as the International Labour Organization (ILO). This is not to say that the EU does not pursue this agenda, but it is instead worked into trade and development policies, where the EU's competence to act is more clear-cut.³¹

Conclusion

This chapter began with the observation that the EU operates both as an actor in the global system and as a system of regional governance. The latter is clearly constitutive of the former, but as the foregoing has shown the question of how internal governance influences external behavior is not straightforwardly answered. Moreover, this question is not simply analytical; it is also normative. The factor that most obviously supplies the EU with a global agency is its status as a market order. Whether the EU operates as a “manager” of globalization that subordinates the market to other priorities or as a force of economic liberalization driven by the logic of the market alone is an empirical question. In the wake of the financial crisis of 2008 that morphed thereafter into the Eurozone crisis, it also became an intensely political question.

Whether the EU can maintain a role in global governance may depend upon whether it can navigate its own set of internal crises, and the extent to which the EU’s external actions become politicized and subject to critical contestation within its own

member states.^{[32](#)} Some of these, such as those linked to the Eurozone and refugees, seem to be intractable and frequently provoke nationalist and populist reactions, which in turn are potentially corrosive to European integration. These tensions do not necessarily mean that the EU will collapse. What is rather more likely is a scenario where integration is more differentiated, and a more differentiated future is one where the EU's voice in global governance debates may be somewhat less coherent.

Perhaps a more serious challenge is the emergence of illiberal tendencies within EU member states and the EU's struggles to manage them—provoking what Daniel Kelemen has called the EU's “authoritarian equilibrium.”^{[33](#)} This provides the starkest challenge to the idea that European integration is necessarily associated with the projection of a particular set of desirable values. The drift to illiberalism in the likes of Poland and Hungary also suggests the potential for significant normative divergence among EU member states. It remains to be seen whether the solidarity in the face of the Russian invasion of Ukraine is a permanent or temporary feature.

It is often said that the election of Donald Trump to the US presidency and “Brexit” reflected a set of common dynamics.³⁴ Both of these phenomena threaten to disrupt prevailing modes of geopolitics and geo-economics. The UK referendum result quickly provoked a flurry of rival future visions—from actors outside of the EU as well as within—for how diplomatic alignments would evolve and how the international economy would be ordered in a post-Brexit world.³⁵ We remain in a period of uncertainty, not only in terms of how the EU’s interests and values might evolve, but also of whether the EU will be able to assert its interests and values in the processes of global governance.

Additional reading

1. Chad Damro, “Market Power Europe,” *Journal of European Public Policy* 19, no. 5 (2012), 682–699.
2. Desmond Dinan, Neill Nugent, and William E. Peterson, eds, *The European Union in Crisis* (London: Palgrave Macmillan, 2017).

3. Sieglinde Gstöhl and Simon Schunz, eds, *The External Action of the European Union: Concepts, Approaches, Theories* (London: Palgrave Macmillan, 2021).
4. Christopher Hill, Michael Smith, and Sophie Vanhoonacker, eds, *International Relations and the European Union* (Oxford: Oxford University Press, 2017).
5. Ian Manners, “Normative Power Europe: A Contradiction in Terms?”, *Journal of Common Market Studies* 40, no. 2 (2002): 235–258.
6. Magnus Ryner and Alan Cafruny, *The European Union and Global Capitalism: Origins, Development, Crisis* (London: Palgrave Macmillan, 2017).

Notes

1. [Magnus](#) Ryner and Alan Cafruny, *The European Union and Global Capitalism: Origins, Development, Crisis* (London: Palgrave Macmillan, 2017), [Chapter 3](#).
2. [Wade](#) Jacoby and Sophie Meunier, “Europe and the Management of Globalization,” *Journal of*

- European Public Policy* 17, no. 3 (2010): 299–317; Ian Manners, “Normative Power Europe: A Contradiction in Terms?” *Journal of Common Market Studies* 40, no. 2 (2002): 235–258; and Chad Damro, “Market Power Europe,” *Journal of European Public Policy* 19, no. 5 (2012): 682–699.
3. [Frederik](#) Söderbaum, *Rethinking Regionalism* (Basingstoke: Palgrave Macmillan, 2016); and Tanja Börzel and Thomas Risse, eds, *The Oxford Handbook of Comparative Regionalism* (Oxford: Oxford University Press, 2016).
 4. [Evgeniia](#) Iakhnis et al., “Populist Referendum: Was ‘Brexit’ an Expression of Nativist and Anti-elite Sentiment?” *Research and Politics* 5, no. 2 (2018): 1–7.
 5. [Lisbet](#) Hooghe and Gary Marks, “A Postfunctionalist Theory of European Integration: From Permissive Consensus to Constraining Dissensus,” *British Journal of Political Science* 39, no. 1 (2009): 1–23.
 6. [See Rebecca](#) Adler-Nissen, *Opting Out of the European Union: Diplomacy, Sovereignty and European Integration* (Cambridge: Cambridge University Press, 2014); and Frank Schimmelfennig and Thomas Winzen, *Ever Looser*

Union? Differentiated European Integration (Oxford: Oxford University Press, 2020).

7. [Giandomenico](#) Majone, *Dilemmas of European Integration: The Ambiguities and Pitfalls of Integration by Stealth* (Oxford: Oxford University Press, 2005).
8. [David](#) Cameron, "EU Speech at Bloomberg," 23 January 2013, <http://www.number10.gov.uk/news/eu-speech-at-bloomberg>; and Giandomenico Majone, *Europe as the Would-Be Superpower: The EU at Fifty* (Cambridge: Cambridge University Press, 2009).
9. [Kristi](#) Raik, "EU Defence Facing Russia: Eastern European Security after the Invasion of Ukraine," *European Council on Foreign Relations*, 2 March 2022, <https://ecfr.eu/article/democratic-defence-eastern-european-security-after-the-invasion-of-ukraine/>.
10. [Ernst](#) B. Haas, *The Uniting of Europe: Political, Social and Economic Forces, 1950–1957* (Stanford, CA: Stanford University Press, 1958); Leon N. Lindberg, *The Political Dynamics of European Economic Integration* (Stanford, CA: Stanford University Press, 1963); and Bela Balassa, *The Theory of Economic Integration* (Homewood, IL: Richard D. Irwin Inc., 1961).

11. [“Charlemagne:](#) Brussels Rules OK,” *Economist*, 20 September 2007.
12. [Mark](#) Schapiro, *Exposed: The Toxic Chemistry of Everyday Products and What’s at Stake for American Power* (White River Junction, VT: Chelsea Green Publishing, 2009).
13. [Jonathan](#) Zeitlin, ed., *Extending Experimentalist Governance? The European Union and Transnational Regulation* (Oxford: Oxford University Press, 2017).
14. [Manners](#), “Normative Power Europe”; Ian Manners, “The Normative Ethics of the European Union,” *International Affairs* 84, no. 1 (2008): 45–60; Ian Manners, “Normative Power Approach to European Union External Action,” in *The External Action of the European Union: Concepts, Approaches, Theories*, ed. Sieglinde Gstöhl and Simon Schunz (London: Palgrave Macmillan, 2021), 61–76.
15. [Manners](#), “Normative Power Europe,” 245–252.
16. [Richard](#) Youngs, “Normative Dynamics and Strategic Interests in the EU’s External Identity,” *Journal of Common Market Studies* 42, no. 2 (2004): 415–435; Thomas Diez, “Constructing the Self and Changing Others:

Reconsidering 'Normative Power Europe,'" *Millennium: Journal of International Studies* 33, no. 3 (2005): 613–636; Owen Parker and Ben Rosamond, "Normative Power Europe Meets Economic Liberalism: Complicating Cosmopolitanism Inside/Outside the EU," *Cooperation and Conflict* 48, no. 2 (2013): 229–246; and Ben Rosamond, "Three Ways of Speaking Europe to the World: Markets, Peace, Cosmopolitan Duty and the EU's Normative Power," *British Journal of Politics and International Relations* 16, no. 1 (2014): 133–148.

17. [European](#) Security Strategy, *A Secure Europe in a Better World*, 12 December 2003, <http://www.consilium.europa.eu/uedocs/cmsUpload/78367.pdf>.
18. [Jacoby](#) and Meunier, "Europe and the Management of Globalization"; and Nicolas Jabko, "The Hidden Face of the Euro," *Journal of European Public Policy* 17, no. 3 (2010): 318–334.
19. [Hubert](#) Buch-Hansen and Angela Wigger, "Revisiting 50 Years of Market-Making: The Neoliberal Transformation of EC Competition Policy," *Review of International Political Economy* 17, no. 1 (2010), 20–44; Laura Horn, *Regulating Corporate Governance in the EU:*

Towards a Marketization of Corporate Control (Basingstoke: Palgrave Macmillan, 2011); and Gabriel Siles-Brügge, "Resisting Protectionism after the Crisis: Strategic Economic Discourse and the EU–Korea Free Trade Agreement," *New Political Economy* 16, no. 5 (2011): 627–653.

20. [Fritz](#) Scharpf, "The European Social Model," *Journal of Common Market Studies* 40, no. 4 (2002): 645–670.
21. [Colin](#) Crouch, *The Strange Non-Death of Neoliberalism* (Cambridge: Polity Press, 2011); Mark Blyth, *Austerity: The History of a Dangerous Idea* (New York: Oxford University Press, 2013).
22. [Sophie](#) Meunier, "Managing Globalization? The EU in International Trade Negotiations," *Journal of Common Market Studies* 45, no. 4 (2007): 906.
23. [Alberta](#) Sbragia, "The EU, the US, and Trade Policy: Competitive Interdependence in the Management of Globalization," *Journal of European Public Policy* 17, no. 3 (2010): 368–382.
24. [Rosamond](#), "Three Ways of Speaking."
25. [Jale](#) Tosun, *Risk Regulation in Europe: Assessing the Application of the Precautionary Principle*

- (New York: Springer, 2013); and David Vogel, "The Hare and the Tortoise Revisited: The New Politics of Consumer and Environmental Protection in Europe," *British Journal of Political Science* 33, no. 4 (2003): 557–580.
26. [Giandomenico](#) Majone, "What Price Safety? The Precautionary Principle and Its Policy Implications," *Journal of Common Market Studies* 40, no. 1 (2002): 89–109.
27. [Alasdair](#) R. Young, "Confounding Conventional Wisdom: Political Not Principled Differences in the Transatlantic Regulatory Relationship," *British Journal of Politics and International Relations* 11, no. 4 (2009): 666–689.
28. [Mitchell](#) P. Smith, "Single Market, Global Competition: Regulating the European Market in a Global Economy," *Journal of European Public Policy* 17, no. 7 (2010): 936–953.
29. [Christoph](#) Knill and Duncan Liefferink, "The Establishment of EU Environmental Policy," in *Environmental Policy in the EU: Actors, Institutions and Processes*, 3rd edn, ed. Andrew Jordan and Camilla Adelle (London: Routledge, 2013), 13–31.

30. [R. Daniel](#) Kelemen, "Globalizing European Union Environmental Policy," *Journal of European Public Policy* 17, no. 3 (2010): 335–349.
31. [Jan Orbie](#) and Olufemi Babarinde, "The Social Dimension of Globalization and EU Development Policy: Promoting Core Labour Standards and Corporate Social Responsibility," *Journal of European Integration* 30, no. 3 (2008): 459–477.
32. [Christine](#) Hackenesch, Julian Bergmann, and Jan Orbie, "Development Policy under Fire? The Politicization of European External Relations," *Journal of Common Market Studies* 59, no. 1 (2021): 3–19.
33. [R. Daniel](#) Kelemen "The European Union's Authoritarian Equilibrium," *Journal of European Public Policy* 27, no. 3 (2020): 481–499.
34. [Mark](#) Blyth, "Global Trumpism," *Foreign Affairs*, 16 November 2016, <https://www.foreignaffairs.com/articles/2016-11-15/global-trumpism>.
35. [Rebecca](#) Adler-Nissen, Charlotte Galpin, and Ben Rosamond, "Performing Brexit: How a Post-Brexit World Is Imagined Outside the United Kingdom," *British Journal of Politics*

and International Relations 19, no. 3 (2017):
573–591.