COMMONALITY IN EU'S FOREIGN POLICY UNDER INTERGOVERNMENTALISM: THE CASE STUDY OF EU'S PROACTIVE REACTION TOWARDS IRAN

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A Thesis Submitted in Partial Fulfillment of the Requirements

for the Degree of Master of Arts Program in European Studies

(Interdisciplinary Program)

Graduate School

Chulalongkorn University

Academic Year 2011

การมีนโยบายต่างประเทศร่วมกันอย่างมีเอกภาพภายใต้กรอบการตัดสินใจแบบรัฐบาลสัมพันธนิยม:

กรณีศึกษาการทูตเชิงรุกของสหภาพยุโรปต่ออิหร่าน

นายวิรัช ศรีพงษ์

Thesis Title   COMMONALITY IN EU'S FOREIGN POLICY UNDER
                      INTERGOVERNMENTALISM: THE CASE STUDY OF
                      EU'S PROACTIVE REACTION TOWARDS IRAN
By   Mr. Wiraj Sripong
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Accepted by the Graduate School, Chulalongkorn University in Partial Fulfillment of the Requirements for the Master's Degree

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วิรัช ศรีพงษ์ : การมีนโยบายต่างประเทศร่วมกันอย่างมีเอกภาพภายใต้กรอบการตัดสินใจแบบ
รัฐบาลสัมพันธนิยม: กรณีศึกษาการทูตเชิงรุกของสหภาพยุโรปต่ออิหร่าน. (COMMONALITY
IN EU'S FOREIGN POLICY UNDER INTERGOVERNMENTALISM: THE CASE STUDY
OF EU'S PROACTIVE REACTION TOWARDS IRAN) อ. ที่ปรึกษาวิทยานิพนธ์หลัก: ผศ.
สุรัตน์ โหราชัยกุล, 152 หน้า.

นับตั้งแต่สหภาพยุโรปได้มีความพยายามที่จะสร้างนโยบายต่างประเทศร่วมกัน แนวคิด
ดังกล่าวก็ต้องเผชิญกับคำวิจารณ์มากมายจากภาคสังคมและวงวิชาการว่าระบบการตัดสินใจนั้นไม่
สามารถนำไปสู่การมีนโยบายร่วมกันได้ นักวิชาการส่วนใหญ่พุ่งเป้าการวิจารณ์ไปที่ความไม่มี
ประสิทธิภาพของระบบการตัดสินใจของสหภาพยุโรปซึ่งวางอยู่บนฐานของการใช้หลักการ "รัฐบาลสัม
พันธนิยม" (Intergovernmentalism) อย่างไรก็ตามวิทยานิพนธ์เล่มนี้มีจุดประสงค์ที่จะแสดงให้เห็นว่า
การใช้ "หลักฉันทามติ" นั้นมิได้เป็นอุปสรรคต่อการดำเนินนโยบายต่างประเทศร่วมกันเสมอไป เมื่อมอง
จากประวัติศาสตร์การสร้างนโยบายต่างประเทศร่วมกันของสหภาพยุโรปจะเห็นได้ชัดว่าพัฒนาการที่เกิด
ขึ้นมานับตั้งแต่ทศวรรษที่ 1950 นั้นดำเนินมาภายใต้หลักการ "รัฐบาลสัมพันธนิยม" ทั้งสิ้น โดยทั่วไป
แล้วสหภาพยุโรปมีการขับเคลื่อนนโยบายทั้งในระดับเหนือชาติ (Supranational) ในส่วนของนโยบาย
ด้านเศรษฐกิจและสังคม การใช้หลักการรัฐบาลสัมพันธนิยมนั้นจะเป็นไปในส่วนของเรื่องที่ส่งผลกระทบ
ต่ออธิปไตยของรัฐ จากจุดเริ่มต้นของการรวมตัวของสหภาพยุโรป หลักการรัฐบาลสัมพันธนิยมก็ได้รับ
การตีความใหม่ตามความเปลี่ยนแปลงของบริบททางการเมืองของสหภาพยุโรป กล่าวคือหลักการ
รัฐบาลสัมพันธนิยมไม่ได้มีบทบาทเพียงเป็นแค่หลักการในการดำเนินการตัดสินใจ ทว่าหลักการนี้ได้
นำไปสู่การบูรณาการเชิงลึกในด้านนโยบายต่างประเทศ ทั้งนี้จะเห็นได้จากการใช้กลไก "นโยบาย
ต่างประเทศและความมั่นคงร่วม" ของสหภาพยุโรป (EU Common Foreign and Security Policy) ใน
การเจรจากับอิหร่านในวิกฤตการณ์นิวเคลียร์นับตั้งแต่ปี ค.ศ. 2003 เป็นต้นมา การดำเนินนโยบายการ
ทูตเชิงรุกภายใต้กรอบรัฐบาลสัมพันธนิยมของสหภาพยุโรปได้ทำให้ความตึงเครียดที่เกิดขึ้นนั้นลดลง
ด้วยนโยบายการทูตข่มขู่ (Coercive Diplomacy) ของสหภาพยุโรปเอง การเปิดช่องทางการทูตอย่าง
ต่อเนื่องกับอิหร่าน รวมไปถึงการที่สหภาพยุโรปมียุทธศาสตร์ที่ชัดเจนต่อการรับมือกับปัญหาการ
แพร่กระจายอาวุธร้ายแรงส่งผลให้สหภาพยุโรปก้าวมาเป็นตัวแสดงหลักในการเจรจากับอิหร่าน การ
ก้าวมามีบทบาทเป็นตัวแสดงหลักของสหภาพยุโรปในการเจรจาครั้งนี้เกิดมาจากการใช้มาตรการ
ทางการทูตของสหภาพยุโรปเอง การที่อิหร่านมีท่าทีตอบรับนโยบายการทูตของสหภาพยุโรปเอง และ
การที่สหภาพยุโรปได้รับแรงสนับสนุนจากตัวแสดงอื่นๆ ในเวทีระหว่างประเทศ

สาขาวิชา ยุโรปศึกษา   ลายมือชื่อนิสิต...
ปีการศึกษา 2554   ลายมือชื่อ อ.ที่ปรึกษาวิทยานิพนธ์หลัก........................

538 763 4020: MAJOR   EUROPEAN STUDIES

KEYWORDS: EU'S FOREIGN POLICY / INTERGOVERNMENTALISM/ SUPRANATIONALISM / EU'S PROACTIVE REACTION / IRAN'S NUCLEAR PROGRAMME

WIRAJ SRIPONG: COMMONALITY IN EU'S FOREIGN POLICY UNDER INTERGOVERNMENTALISM: THE CASE STUDY OF EU'S PROACTIVE REACTION TOWARDS IRAN. ADVISOR: ASST. PROF. SURAT HORACHAIKUL, 152 pp.

Since its inception, the EU's foreign policy has been beset by skepticism. Many academics claim that the EU lacks of capacity to have a strong common foreign policy as the decision-making is constraint by the use of intergovernmental framework. However, it is not always the case that the framework of intergovermentalism failed to help the EU to form a common EU's foreign policy. Arguably, the history of EU clearly demonstrated that EU's foreign policy has gradually evolved under intergovernmental framework. In this context, the idea of creating a supranational body in terms of foreign affairs was out of the question. However, despite this rejection of supranationality, fundamentally the use of intergovernmentalism is widely accepted by the international community. In general within the EU institutions supranational and intergovernmental aspects can be observed. Yet in terms of economic and social affairs, the EU institutions take full responsibility in maintaining order. Thus, in matters vital to individual national interest, intergovernmental approach is applied. As the EU's intergovernmental framework has been used since 1957, the application of the concept of intergovernmentalism has become more flexible. In this adapted form used in the EU, intergovernmentalism does not limit itself to cooperation between states anymore. Therefore, the concept has expanded its theoretical parameters to allow integration in both high and low politics. For example, in the negotiations with Iran, the intergovernmental mechanism of CFSP offered the EU member states the ability to respond proactively in a cooperative manner to the Iranian nuclear problem. Since 2003, as the IAEA along with international community was reacting to the Iranian nuclear issue, the EU has been at the forefront, rapidly responding to developments. The EU Big three's first endeavor in dealing with the issue resulted in a breakthrough. After the EU adopted a strategy against WMD proliferation and a Security Strategy in December 2003, it became even more systematic in negotiations with Iran, utilizing 'dual approaches' of coercive diplomacy and continued dialogue. What is more, the EU High Representative for CFSP's addition to the E3 negotiation team displayed coherence in terms of foreign policy across the entire EU. Some other factors related to the expanding foreign affairs role of the EU in effectively applying its influence in this particular international issue were the experience of the Iraq war, the Iranian positive perceptions towards the EU, the relative inaction of other major powers coupled with the specific nature of the EUs diplomacy helped the EU to be proactive in negotiating with Iran.

Field of Study : European Studies   Student's Signature ....

Academic Year : 2011   Advisor's Signature ....

ACKNOWLEDGEMENTS

CONTENTS

CHAPTER I

INTRODUCTION

'The EU is an Economic Giant, Political Dwarf and Military Pygmy'

(Stated in 1991 by Mark Eyskens: Former Belgian Foreign Minister)

It is undeniable that after fifty years of integration, the European Union has gained its place in the international arena as one of the world's major economic powers. Throughout its formation, however, many questions were posed over its ability to project a common interest across a range of policy areas. Ever since its inception the European Union's Common Foreign and Security Policy has been viewed with scepticism. Many claim that the EU lacks identity, while others have observed that the EU cannot have a common foreign policy as long as there is no 'European Public'. Some have even criticized the EU's foreign policy-mechanism as being awkward or unworkable[1], especially in the cases of Yugoslavia, Kosovo and Iraq. In addition, many academics would like decision-making to be made on the basis of a qualified majority voting system so as to enhance the effectiveness of the EU's foreign policy. However, it has not always been the case that the framework of intergovermentalism has failed to help the Union to develop a common European interest. Arguably, the role of the Union in negotiations with Iran on the nuclear development issue proved that the Union is capable of having a strong and proactive response. This can be illustrated by the economic sanctions imposed on Iran, which obliged Ahmadinejad's administration to come back to the negotiation table in 2006.

Under intergovermentalism, the EU's foreign policy has managed to achieve commonality in having an identifiable European interest, particularly in terms of common

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[1]Peterson, John and Sjursen, Helene (eds). "A Common Foreign Policy for Europe? Competing visions of the CFSP", *Routeledge: London*, 1998, p 4.

security strategy. As such, the examination of the EU's proactive reaction towards the Iran nuclear issue from 2003 to 2008 will help to understand the interactions between the EU's major member states, namely France, Germany and the United Kingdom and the European Union's High Representative for Common Foreign and Security Policy. This interactive relationship has contributed to further integration in the domain of European foreign affairs. At the same time, it is important to allow sufficient time and space for the EU to realize its full potential and to reduce 'the expectation gap'.[2]

Literature review

While reviewing the literature on the Common Foreign and Security Policy of the EU, it is undeniable that a liberal paradigm has been judged as being a more comprehensive model to explain European integration and the emergence of the Union's foreign policy. According to Filippo Andreatta, professor of International Relations at the University of Bologna, there are two reasons why the liberal school is more suitable to explain European integration than the realist school. Firstly, liberals adopt a more flexible approach than realists on the question of actors in international politics, enabling an analysis of the role of non-state actors, for example, a supranational organization.[3] Secondly, it is unquestionable that liberals are more optimistic in terms of their viewpoints concerning interstate cooperation; for instance, acknowledging the successes of the European Community and the European Union. To this extent, the arguments presented in *"The Foreign Policy of the European Union"* (written by Stephan Keukeleire and Jennifer MacNaughtan in 2008) clearly support the success of liberals in analysing European integration dynamics. In

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[2]Hill, Christopher. "The Capability and Expectation Gap, or conceptualizing Europe's international role", *Journal of Common Market Studies, Volume 31 No 3*, September 1993.

[3]Andreatta, Filippo. Chapter 2"Theory and the European Union's International Relations", in Hill, Christopher and Smith, Michael. "International Relations and the European Union", *Oxford University Press*, 2005, p. 28.

addition, one has to bear in mind that there is no single political or economic theory applicable to all situations.

Arguably, debates relating to the development of EU's Foreign Policy have mostly been discussed among liberal scholars. Important academics such as Christopher Hill and John Peterson have viewed the development of the European Foreign Policy with very sceptical eyes. In 1993, Christopher Hill wrote one of the most polemical articles arguing that there is a 'capability-expectation gap' between what people expect and what the EU can perform. Since then, this term has been widely employed by many academics who have judged the EU from the basis of a Nation-State. Again, John Peterson longing for a Common Foreign and Security Policy with a decision made on the basis of Qualified Majority Voting (QMV) was disappointed by the outcome of the Maastricht Treaty. Even though the Title V (Article J.3) of the Treaty allowed the use of a Qualified Majority Voting system in 'joint action' inside the Council of the EU, member states continued to prefer unanimous voting. Peterson openly expressed his dissatisfaction in his book *"A common foreign policy for Europe?"* published in 1998. He said that *"the EU failed fundamentally to equip itself to meet the outside world's expectation…The Gap between the EU's capabilities and the rest of the world's expectations are partly a consequence of the EU's lack of capacity for leadership".*[4] In addition, these two experts wanted the EU's foreign policy to move beyond an intergovernmentalism framework[5].

Regardless, these arguments do not mean that the EU's foreign policy cannot evolve and is unworkable under intergovernmentalism. Professor Martin Holland clearly highlighted

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[4] Peterson, John and Sjursen, Helene (eds). "A Common Foreign Policy for Europe? Competing visions of the CFSP", *Routledge: New York*, 1998, p5-6.
[5] Ibid, p5.

one of the most outstanding natures of the CFSP, that it is a *"common, not a single"*[6] foreign policy which is expressed at the international level on behalf of twenty-seven members. Therefore, it would require the use of unanimity in order to get everyone to agree and to allow an implementation of EU's foreign policy. This was clearly the case when the EU issued the European Security Strategy in 2003 (all members agreed to implement a framework for the Union's role in world affairs). Moreover, Holland further emphasized in his second lecture on the CFSP at Chulalongkorn University in January 2011 that *"the CFSP is central to both the Supranational and Intergovernmental theoretical debates on EU integration"*.[7] He supported his argument by raising the fact that the EU is an *"Empire through voluntary membership"*.[8] That is the reason why the EU has many elements of integration, that is, a supranational framework, an intergovernmental framework and multilateralism. Importantly, this observation by Holland also highlights the reason why the EU's foreign policy still remains intergovernmental.

Similarly, in 2003, in *"the Journal of European Public Policy"*, Wolfgang Wagner advanced an analysis as to why the CFSP would remain intergovernmental by using Institutional Rational Choice theory. He pointed out that the CFSP is dominated by the design of crisis management. Thus, it is not necessary to delegate power to the Union in order to express a common concern. In other words, intergovernmentalism brings very little demand for supranational institutions. He further emphasized that the Qualified Majority Voting would help the EU speed up decision-making for the CFSP. Additionally, it is true that the CFSP is rooted in a crisis management mindset. Nevertheless, the effectiveness of the EU's

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[6] Holland, Martin. "Lecture on Understanding EU Foreign Affairs, CFSP, ESDP and Development Policy" (Unpublished), *Master of Arts in European Studies, Chulalongkorn University*, January 2011.
[7] Ibid.
[8] Ibid.

foreign Policy under Qualified Majority Voting and the minimal demand for Supranationality under Intergovernmentalism are both very interesting issues to be examined in the future.

While reviewing the literature on EU-Iran relations and the Intergovernmental CFSP towards Iran, there is little accent on the commonality reached under intergovernmentalism in this case. Mostly, it is about the EU relationship with Iran viewed from a historical aspect such as the paper written by Seyed Mahammad Tabatabaei in 2008 and George Tzagopoulos's paper written for the French, *"Institut Européen des Hautes Etudes Internationales"* in 2004. Otherwise, most researchers would focus their inquiry on the capacity of the EU to perform its 'actorness'. In 2007, the research of Marco Overhaus suggested that Europe needed to issue better incentives to come up with more productive diplomatic outcomes. In addition, Mark Leonard contributed to the same topic in 2005 for the Centre of European Reform.

Other issues such as the interests of the three most important member states and the opportunity for reviving the CFSP are mentioned in Nicoleta Lasan's thesis on "European Union's approach towards the Iranian nuclear crisis: an interest-driven strategy combined with the appropriate means". However, Lasan's approach is different from the one used in this thesis. In particular, it differs from the objectives, the methodology and the framework used in this research. This research will emphasize on commonality under intergovernmentalism, looking back to the construction of European Foreign Policy and how it functions in the case of Iran. In addition, the theoretical framework differs as Liberal Intergovernmentalism will be employed to examine the national interests of the Big three (France, Germany and the UK), how they coordinate their positions inside CFSP and the choice of policy employed through CFSP. This is not to forget the examination of the role of the European Union High Representative for Common Foreign and Security Policy.

Lastly, it is important to cite those works that have contributed to deep research in the domain of coercive diplomacy of the EU towards Iran in the nuclear issue. This is because those works provided a more positive assessment of the EU, showing that despite all criticisms, the EU assumes a proactive role (proactive response) towards Iran. These researchers have a range of institutional affiliations. One of them, Tom Sauer, has written on this issue for the prestigious Netherlands Institute of International Relations *"Clingendael"* in 2007. Others such as Sahar Arfazadeh Roudsari and Monika Tocha worked for the College of Europe, where they submitted theses in 2007 and 2009 respectively for the department of EU International Relations and Diplomacy Studies.

Research Question

To what extent does the existing intergovernmentalism of the EU lead to commonality among the three most important member states (France, Germany and the U.K.) in forming strong proactive responses towards Iran?

Hypothesis

The existing Intergovernmentalism of the EU does not always prevent the big three member states as well as other Union members from having a defensive security policy towards Iran. Moreover, it allows the Union, especially the Big Three member states, to develop commonality.

Timeframe

The timeframe used in this thesis is from 2003 to 2008. The year 2003 was marked by two major incidents for the EU: the failure to cooperate on the WMD issue during the Iraq crisis and the increasing tension over Iran's nuclear development project. These incidents led to the formation of EU commonality over the WMD proliferation issue. This is the first time

the EU (led by the big three) succeeded in having an active role in such vital international security topics. Therefore, it is pivotal to study the factors leading to commonality arising within a strong intergovernmental framework. Significantly, the year 2008 was the very last year that Javier Solana played an active role in the negotiation before the task was passed on to the new High Representative for CFSP. Between 2003 and 2008, the EU's CFSP enjoyed a noteworthy degree of consensus during the course of the political decision-making process. Later, the conditions of cooperation would change with the coming into force of the Treaty of Lisbon. This reform treaty brought about structural changes in the pillarization of the EU. The combination of the three pillars appears with an increasing role of EU institutions in the domain of foreign affairs. Therefore, this research has limited its scope to within the 2003 to2008 time span before the use of the Lisbon treaty.

Objective

1. To demonstrate that the existing intergovernmentalism does not always prevent the EU from having a strong common position;

2. To study factors leading the Big three to develop common positions at the European level;

3. To study the institutional choice and the EU's security regime established by member states.

Theoretical framework

Two theories will be used in this thesis. The first is the classification of international organizations introduced by Volker Rittberger. This theory aims at providing the image and the nature of intergovernmental organization (IGO). The theory is divided into two distinctive parts. The first part looks at the general image of institutions or organizations by focusing on the membership of those organizations. The second further analyses the nature of organizations by putting the focus on function, decision-making, authority and delegation of

power. This theory will help to explain the nature of the EU and define what kind of organization the EU is.

The second theory will analyse the EU's commonality in the formulation of EU foreign policy and strategy in response to Iran's nuclear development. This theory is called 'liberal intergovernmentalism', introduced by Andrew Moravcsik to explain the broad evolution of European integration. This theory is divided into three parts. The first part analyses the national interest of each actor. The second part puts the focus on how member states achieve agreement on an issue and how that agreement evolves in to form a common strategy. Part number three is the analysis of choices made by EU institutions that member states have taken on.

Methodology

The body of this research is based on a multidisciplinary approach and qualitative method. Primary sources such as treaties, EU official declarations, EU statements are employed as means to analyse the evolution of the EU's foreign policy, national preferences and the its reaction to the challenge of Iran's nuclear development. In addition, secondary sources e.g. textbook, historical documentation concerning EU foreign policy, academic and some journal articles are referred to as means to understand the concepts of regional integration. Furthermore, secondary sources also serve as instrument to analyse factors leading to EU's commonality in the negotiation with Iran over the nuclear issue.

Chapters

This thesis consists of six chapters. The first chapter introduces the background leading to the examination of EU's foreign policy and intergovernmentalism. Also, it identifies the research question, primary hypothesis, secondary objectives and methodology employed through the conduct of this thesis. The second chapter provides a historical

overview of EU's foreign policy and its evolution under intergovernmentalism. In addition, the second chapter highlights the efforts, challenges and failures of the EU in shifting foreign policy integration to the supranational level. The third chapter will turn to the analysis of the intergovernmental and supranational frameworks applied with regard to international organizations. Also, it illustrates the constraints of supranational institutions. In addition to discussing the supranational and intergovernmental aspects relative to EU organizations, the concepts of these two frameworks will be addressed in this chapter. In addition, the application of supranationalism and intergovernmentalism in conjunction with EU's foreign policy will also be considered in this chapter. This discussion will take into account for the unique aspects of the EU as an international organization. In this analysis we will consider the EU as an intergovernmental type organization when comparing it with other similar international entities.

The succeeding chapters 4 and 5 will concentrate on the EU3's commonality and proactive stance that appeared during the negotiations with Iran. Firstly, within the scope of this thesis, chapter four will focus on the EU3's commonality by using liberal intergovernmentalism as a framework of analysis. It will begin with the analysis of the big three member states' national preferences. Subsequently, it will examine how the big three and other member states have attained some degree of commonality. Chapter 4 will conclude by revealing the policy choices used by the EU in its efforts to find solutions for the Iran Nuclear issue. The discussion in Chapter 5 will start with the overview of the Iran-EU negotiations taking place from 2003 to 2008 in order to exhibit the EU's maturing proactive foreign policy. The chapter 5 will close with an evaluation of factors enabling the EU's proactive role. Finally, the last chapter 6, will conclude by summarizing the findings and analyses of this research.

CHAPTER II

HISTORICAL DEVELOPMENT OF EU'S FOREIGN POLICY: FROM THE POST WORLD WAR II ERA TO THE TREATY OF LISBON

The relationship between European integration and the development of European foreign policy has been ambiguous since the end of the Second World War. Presently, the EU manifest its foreign policy in four important ways in the international scene: first, via its trade policy, second, through 'its development cooperation and humanitarian aid which is administered by the European Commission; third, by the European Security and Defence Policy; fourth, by means of the European Common Foreign and Security Policy which is managed by the European Council and Foreign Affairs Council.

The main focus of this chapter will be on the development of the EU's foreign policy under intergovernmentalism. To start with, this chapter will identify the reasons why there has been a failure to create a supranational model under the European Defence Community (EDC).Additionally, this chapter will discuss the context of this failure and its implications. Subsequently, it will present the first political cooperation of the EU. Furthermore, it will examine the evolution of the EU's foreign policy under the following treaties: 1) the Single European Act, 2) the treaty of Maastricht, 3) the Amsterdam treaty and 4) the treaty of Lisbon. The overview of the EU's foreign policy is given with the aim to highlight the successes achieved under the intergovernmental framework from the Union's inception in 1970 to the present.

Post World War II era: An unthinkable supranational project (1954)

There were many reasons as to why a supranational framework for the EU's foreign policy seemed impossible. From a historical perspective, a significant and relevant lesson learned by the EU was the failure of the European Defence Community (EDC) in 1954.

Following the example of the European Coal and Steal Community (ECSC), the founding fathers of the EU thought of employing the Community's methods to the defence aspect of integration. The EDC had the goal of building a supranational defence community. According to Article 1 of the Treaty Instituting the European Defence Community, the defence community was to consist of common institutions, a common armed force and a common budget. The EDC's objective was to be exclusively for ensuring the security of member states against any aggression within the framework of the North Atlantic Treaty (the North Atlantic Treaty Organization, or NATO). To this extent, military units from member states would be assimilated into a European army. This army would be controlled by a European Minister for Defence who would operate under the direction of a council of member states. Accordingly, this treaty was signed by the six member states of the ECSC in 1952 and submitted to the parliaments of member states for ratification.

The institutional organization of the EDC envisaged by the Treaty Instituting the EDC in 1952[1]
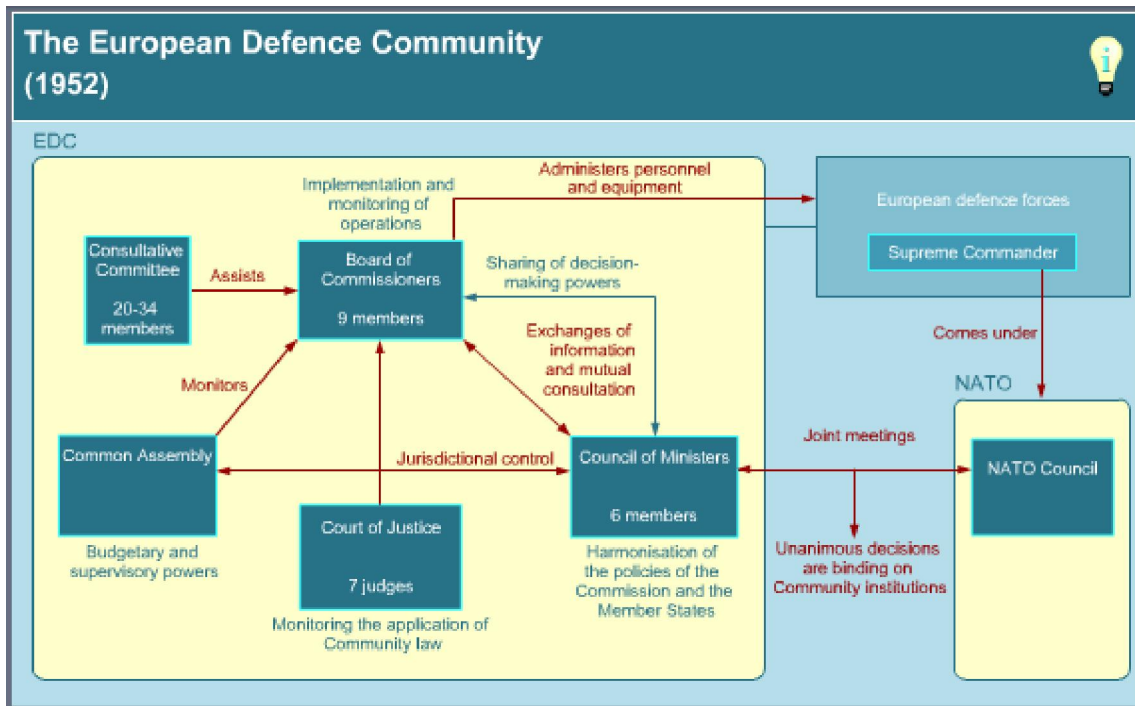
Unfortunately, the plan was rejected by the French National Assembly in 1954 for two main reasons. The first reason was the French Government's view of the balance of Franco-German relations: France feared the rearmament of its former enemy. Second, the idea of rearming Germany barely five years after the end of the Second World War was a step too far to take for France and many other European countries. At the same time, France was acutely aware of Germany's capacity to become a regional power. Therefore, the establishment of a European Defence Community was out of the question for France. Secondly, the rejection of the EDC in 1954 reflected the French government's vision of having European integration carried within an intergovernmental framework. Undeniably, France had always put an emphasis on intergovernmentalism in its European foreign policy. This can clearly be seen by the 'Fouchet Plan', an idea launched by France outlining European integration under an intergovernmental framework. Moreover, defence was considered to be a fundamental part

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[1]European Navigator (online), 24 March 2011. Source http://www.ena.lu/

of national sovereignty that few countries were prepared to give up to supranational mechanisms.

Beyond France's aversion to the concept, the reason why the implementation of a supranational EDC failed was because the Western Europe still relied heavily on NATO and the presence of the United States in order to ensure regional security. The growing threat of the Soviet Union during the period of 1949 onwards pushed Western European countries to ally themselves with the US. Many European countries, including France, allowed greater US leadership and the continued presence of American troops to defend their territories.[2] At first, the US expected that Western European countries would assume responsibility for managing the region's defence. At the same time, the US viewed NATO (the Atlantic Alliance) as a 'Military Marshall Plan'[3] for helping Western European countries take the future of their security into their own hands. However, the outbreak of the Korean War in June 1950 increased the importance of NATO and led the US to heavily deploy American troops to Western European ground. In addition, American policy moved beyond the Marshall Plan phase, with its accent on economic recovery and European initiative, into a phase that emphasized an objective of massive Western European rearmament and direct American leadership. This policy development and the resulting American hegemony in Western Europe undercut European unity. Ultimately, the consequence of the strong American influence in the domain of regional security was to dramatically reduce the imperative for Western European countries to follow through in formulating their own foreign policy interests and objectives. Western Europe thus lacked common regional foreign policy initiatives and an approach to foreign political issues from a European perspective.

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[2]Keukeleire, Stephan and Macnaughtan, Jennifer. "The Foreign Policy of the European Union", *Palgrave: 2008*, p 40.
[3]Ibid, p 40.

The aforementioned explain the reasons why having common Western European foreign policy in the Post-Second World War period up to 1969 was viewed as unrealistic, especially when the concept of 'Supranationality' was involved and viewed with suspicion by the Western European countries. In addition, the two decades after World War II were dominated by the tension of the Cold War and the rivalry between the Soviet Union and the US and this context was a significant factor that suppressed the formation of a strong regional identity and unity.

The European Political Cooperation (1970s)

Despite the failure to ratify the EDC in 1954, the EU never renounced the goal of a common foreign and security policy. In the 1970s, as the European Economic Community (EEC) evolved and became the European Community (EC), there was a new effort to establish coordination mechanisms for foreign and security policies; albeit under an intergovernmental framework.

At the Hague in 1969, the EEC member states decided to re-launch European integration amidst a changing international and domestic context. The positive changes that would encourage new European efforts at integration and coordinated foreign policy initiatives included; détente in East-West relations; a question mark over American presence in Europe; the new West German Chancellor Willy Brandt's foreign policy priority to establish a closer relationship with Eastern Europe; and lastly, the end of Charles de Gaulle's rule. All of these factors had had the effect of removing or ameliorating many significant and continuing obstacles to new European initiatives for cooperative policies and actions.

The Heads of State of the six EEC countries went as far as to instruct their foreign minister's to investigate and evaluate new ways to achieve progress in political cooperation inside the EEC. As a result, the Luxembourg Report was adopted in 1970 by the Ministers of

Foreign Affairs from the six EEC countries. This was the starting point of what was termed 'European Political Cooperation'. To that end, the report put an emphasis on the need to intensify political cooperation and the coordination of foreign policy in order to demonstrate that the EEC had a common political mission. The decision-making of the EPC was fully based on intergovernmental arrangements between the member states' Foreign Ministries, meaning that unanimity was required for every decision. In addition, there was no transfer of the individual states' foreign policy authority to the European regional level. In other words, member states retained full control over foreign policy issues. The objectives of this foreign policy cooperation were defined as follows:[4]

- To ensure, through regular exchanges of information and consultations, a better mutual understanding on the great international problems;

- To strengthen their solidarity by promoting the harmonization of their views, the coordination of their positions, and, where it appeared possible and desirable to do so;

- To enable a common action.

The EPC was directed by a rotating Presidency among member states and relied on regular inter-ministerial meetings. An EPC secretariat was created in the 1980s alongside the adoption of the Luxembourg Report. This small secretariat was responsible for keeping records and sending out agendas in accordance to the Presidency. Meetings were prepared by a Political Committee, a body of senior officials from the foreign offices of member states who were assisted by a junior grouping of European correspondents. In this case, there were only two working languages (English and French) without any interpretation.

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[4]Keukeleire, Stephan and Macnaughtan, Jennifer. "The Foreign Policy of the European Union", *Palgrave: 2008*, p 44.

The EPC was useful in coordinating positions of member states on various issues such as the 1975 Helsinki Conference on Security and Cooperation in Europe (CSCE, later OSCE). Gradually, the EPC started to develop some common tasks with the EC, meaning it allowed the EPC to use the Community instrument for foreign policy purposes.[*] For instance, economic sanctions were imposed after the Soviet Union invaded Afghanistan in 1979. This action, which could be viewed as a coercive political diplomatic instrument (or as an economic policy instrument for political purposes), was performed even though the EEC under the framework of the EPC did not yet have full competency in using its economic instruments to serve their political aims. The EPC eventually found itself often needing the Community's instrument, especially its economic policy instrument in order to grant support (for the Central American countries peace initiative of the mid-1980s) and impose sanctions (against Poland in 1982, Argentina during the Falklands crisis in 1982 and South Africa from the mid-1980s).

Nonetheless, the EPC was criticized for having many shortcomings. The EPC was incapable of formulating policies on the crises of the time i.e. Poland after the declaration of martial law in 1981 and the Middle East conflicts. There was also the problem that the EC/EPC lacked a common actor who could speak on behalf of member countries. This problem was remedied by the creation of the European High Representative for Common Foreign and Security Policy or CFSP in the 1997 Amsterdam Treaty. The EPC was created to be an instrument for the EU to express their common foreign policy interests. However, the

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[*] **Three policy instruments of the EPC**:
1. **Political Diplomacy**: it consists of Declarations and Dialogues with third parties.
2. **Economic Diplomacy**: this is a Community foreign policy decided in accordance with the opinion expressed by European Parliament to the Community and the Council of the EU.
3. **Mixture of Political and Economic Diplomacy**: After the late 1980s, there was an agreement within the EC to mixed political and economic policies through political partnerships, institutionalized political dialogue, improved trade-based agreements along with technological and financial assistance , which will required approval from the Community, the Council of the EU and European Parliament for implementation.

EU could not fully exert its power as it needed the economic authority to support its political policies. This problem was solved by the implementation of the 1986 European Single Act which provided the EPC with the necessary economic impact to enforce its policies through sanctions.

Changes after the Single European Act (1986)

The 1986 Single European Act (SEA) linked the EPC to the EC Treaties. The provisions on the EPC were outlined in a separate Title III (Article 30) concerning 'Treaty provisions on European cooperation in the sphere of foreign policy'. Those provisions concerning the EPC paved the way for the creation of a pillar system with the Maastricht Treaty. The reason behind this linkage was without a doubt the fact that the EPC needed EC instruments and institutions to support the implementation of foreign policy. Therefore, the SEA helped the EPC solve the problem of being short of capacities in terms of institutional instruments. However, the attachment of the EPC to the EC did not change the decision-making process. The implementation of a policy still required the unanimity voting of member states. Moreover, the rotating presidency was held by the President of the Council of the EC.

Most important to highlight is the fact that the SEA formalized the European Political Cooperation. In other words, the EPC gained a treaty base with the SEA. Due to the formalization, the SEA urged the contracting parties to formulate and implement a 'European foreign Policy'. Also required was consultation among the contracting parties along with respect for the adopted common position.

Once the EPC and EC were linked, the SEA mandated a minimum of four meetings a year within the framework of the EPC. The meetings aimed to enable contact between foreign affairs ministers and the Commission, which in turn fostered political cooperation. In

addition, the SEA also increased the role of the European Parliament in giving advice on foreign policy issues.

The SEA conveyed the idea of having closer cooperation in terms of security in order to enhance the European identity in external policy matters as well as providing a platform for the expression of a common position. The SEA did this while being careful not to impede the Trans-Atlantic relationship. In sum, the SEA enabled the EC the capacity to have a more efficient identity in the international arena. The fall of the Berlin Wall in 1989, uncertainty about the future of NATO and instability in the Balkans further pushed the EC (later the EU) to engage in debates concerning European foreign policy and opened up institutional as well as political fields of play.

Maastricht Treaty1992 to the Treaty of Lisbon 2009: from the Birth of CFSP to the improvement of EU's actorness

Maastricht treaty 1992: the Birth of CFSP

At Maastricht, the Netherlands, in 1991, members of the EC agreed on the creation of the Common Foreign and Security Policy (CFSP) under the framework of intergovernmentalism. From the 1990s onwards, security issues were added to the agenda as the European Union aimed to develop its role in crisis management. This was due to a series of incidents which began during the late 1980s onwards: the fall of many communist regimes that were part of the Soviet Bloc brought about uncertainty in the role of NATO; the reunification of Germany encouraged members of the EC to consider accepting new members; military conflict in the Gulf following the Iraqi invasion of Kuwait in 1990 and the possible impacts of a Middle East conflict and the start of the Yugoslav crisis in 1991.

The post-1989 ambition to move beyond a declaratory foreign policy was progressively given shape by the treaties of Maastricht in 1992, Amsterdam in 1999, and Nice

in 2003. The Maastricht treaty is thus considered an important stepping stone of the EU's development into an effective and coherent international body. Two major matters were still undecided, however: the decision-making method of the CFSP and the institutional underpinning of an EU crisis management role.

CFSP negotiations were held in parallel with the Intergovernmental Conference on European Monetary Union (EMU) prepared since 1988. Talks on the CFSP, however, suffered severely from a lack of serious preparatory discussion. This was because the member countries felt the need to rapidly respond to changes that occurred after the demise of the Soviet Union. The dialogue started to examine the issue of how to position foreign policy in the new treaty. In the final stage, the three pillar approach was adopted. To this extent, the EU's competences in many dimensions of external relations were organized via distinctive policy-making regimes enshrined in different titles of the treaty.

Treaty of Maastricht[5]

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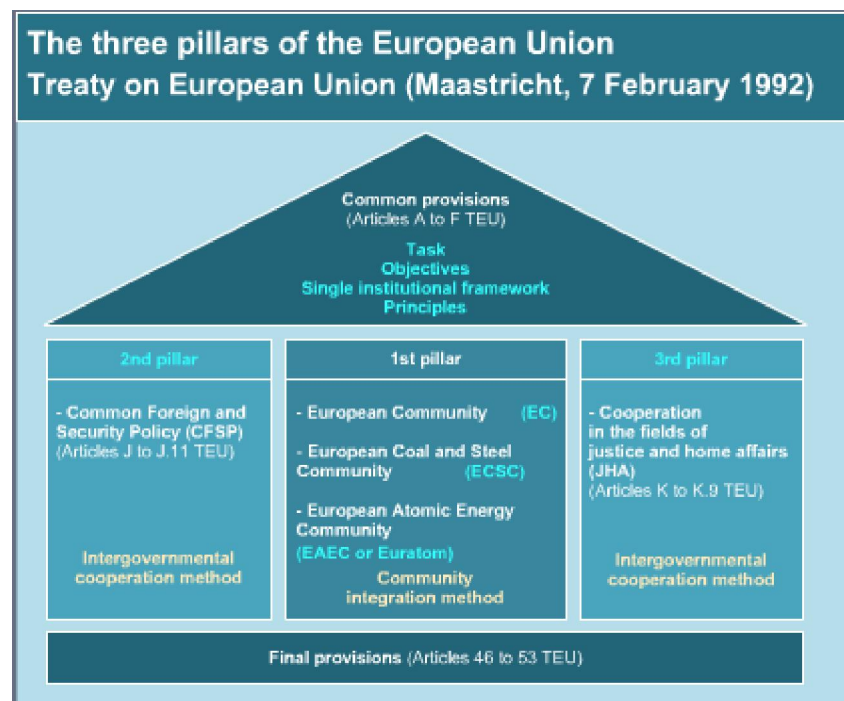
[5]European Navigator (online), 28 March 2011. Source http://www.ena.lu/

The first pillar consisted of titles on European Community. The second pillar concerned CFSP which replaced the provisions on the EPC of the 1986 Single European Act. The third pillar dealt with cooperation in the field of justice and home affairs. Member states separated CFSP from other foreign competences of the Community: trade policy, the network of trade and cooperation agreements, development cooperation, and external dimensions of internal policy fields. This was with the purpose of keeping the decision-making of the European foreign policy in the hands of member states.

The second issue tackled was decision-making. The main rationale behind the EU member states support of the pillar system was to avoid overlapping the features of EC decision-making within the CFSP. Consequently, any decision in the area of CFSP was to be taken by the European Council and the Council of the EU (Foreign Affairs Council: FAC).

The third issue concerned military operations and security. France and the UK were adamantly in favour of a 'common defence', but neutral and NATO-oriented members opposed the idea. Nevertheless, member states managed to agree on the fact that "common foreign and security policy shall include all questions related to the security of the Union, including the eventual framing of a common defence policy, which might in time lead to a common defence" (Art.J.4 (1) TEU).[6] Even though member states like France and the UK managed to achieve the creation of a 'common foreign and security policy' a closer reading of the text makes clear that member states lent no substance to the matter. Jacques Delors, former President of the European Commission, admitted that member states were impatient, deciding to launch the project rather than looking into the details. Even a former President of the Commission proposed 'common action' in terms of foreign policy instead of a common

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[6]Keukeleire, Stephan and Macnaughtan, Jennifer. "The Foreign Policy of the European Union", *Palgrave: 2008*, p 51.

foreign and security policy the detailed formulation of which was ignored by member states.[7]

Later, even though the CFSP gained treaty status in 1993, the practice of the member states continued to be more in a the way of forming 'common action' in foreign and security policy than having one coherent European policy mechanism.

Despite many facts showcasing the incapacity of the EU to reach people's expectation, the projects developed during the 1970s and early 1990s can be considered stepping stones towards further cooperation in the domain of foreign policy. As it stood, however, increased cooperation between member states did not undo their favouring of an intergovernmental framework. Intergovernmentalism thus continued to be the core mechanism for CFSP decision-making.

Amsterdam Treaty: Strengthening commonality (1999)

The 1999 Amsterdam Treaty showed two major attempts to surpass the lack of common actors and a common European armed-force instrument. The adoption of the European Security and Defence Policy by the Cologne European Council of June 1999 sealed the goal of the Saint Malo Declaration, supported by France, the UK and other member states for the purpose of having common military device.

In the domain of CFSP, the late 1990s saw a change with the creation of common actors for 'common foreign and security policy'. As such, the Amsterdam Treaty brought about the creation of 'Secretary General/ High Representative of the CFSP' (the HR). The HR was to assist the Council and the Presidency in the formulation, preparation and implementation of policy decisions. The HR would be assisted by a 'policy planning and early warning unit' a so called 'Policy unit'. Additionally, this was the first time that CFSP

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[7]Interview, Jacques Delors, former President of the Commission of the European Communities (1985-1995), 16 December 2009, <u>European Navigator</u> (online), 28 March. Source http://www.ena.lu/

would be supported by a permanent actor. By appointing a high profile political figure, Javier Solana[*] to the post, member states showed their serious commitment for strengthening the EU's foreign policy and security capabilities.

Negotiations on moving from an intergovernmental framework towards one of supranational nature continued, however, to be far from reaching an agreement. On the one hand, member states such as France and the UK did not see the need to give up their autonomy and have their hands tied by supranational institutions. This was because those countries had more power resources which allowed them to conduct independent foreign policy. On the other hand, smaller countries like Austria, Belgium and Luxemburg wanted deeper integration in the domain of foreign and security policy, partly due to the fact those countries with less bargaining power saw the opportunity to increase their influence in world affairs through an integrated foreign and security policy. In addition, "a tight institutional structure would be a way to constrain the stronger member states, whose independent foreign policy might become a threat to the interests of the smaller countries in the future".[8]

The Intergovernmental Conferences (IGCs) [*]of 1996-1997 highlighted the presumption that many member states would not hand over their power to EU institutions. The perception would change however as the 1990s' progressed and the globalized international context led member states to agree upon having common security strategies and the EU as a whole deciding to deal with the new global challenges. Ultimately, EU member

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[*] Javier Solana was former Minister of Foreign Affairs of Spain (1992-1995) and former Secretary General of NATO (1995-1999).

[8]Koenig-Archibugi, Mathias, "Institutional change in EU foreign and security policy", *International Organization Foiundation*, 2004, p 145.

[*] The Intergovernmental Conferences of the IGCs is the conference where member states meet and discuss about what will be generally written into the basic treaty of the EU. Since the 1980s, it has been organized approximately every five years. Accordingly, the 1996-97 IGC was the one determining the content of the Amsterdam Treaty 1999.

states agreed to work together under common foreign policy, albeit under an intergovernmental framework.

Laeken Declaration (2001): envisioning EU's role in a globalized world

The globalization process of the 1990s brought about changes in the international context. After the Cold War ended in 1989, the world became much more complex with the emergence of new international actors and issues. As such, traditional interstate and military security biases were reduced in proportion to the division between internal and external security. Sub-state threats such as terrorism (especially the September 11, 2001 attacks on New York by Al Qaeda terrorists or 9/11), crime and drug trafficking have become global in nature ('de-territorialized').[9] Accordingly, economic, environmental and societal issues had become global challenges. In sum, "the meaning of security had been broadened to include political, economic, societal, environmental and military aspects".[10] In order to face the challenge posed by globalization, the EU decided to launch its objective to have a better role in the international arena.[11]

"Europe's new role in a globalised world"[12] was mentioned in the Laeken Declaration 2001. This declaration aimed to enhance the capacity of the EU in various aspects. Firstly, it expressed concern about the improvement of internal processes through a reduction of the democratic deficit i.e. making the EU's instrument more accessible to European citizens as well as increasing institutional transparency. Secondly, its aim was to improve the EU's role in international affairs.

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[9]Hill, Christopher and Smith, Micheal. "International relations and the European Union", *Oxford University Press:2011*, p 227 .

[10]Baylis, John, Smith, Steve and Owens, Patricia."The Globalization of World Politics: an introduction to international relations", *Oxford University Press,* 2008, p 230.

[11]For further detail see Appendix A(the Laeken declaration 2001)

[12]Laeken Declaration 2001, European Navigator (online), 6 April 2011. Source
http://www.ena.lu/laeken_declaration_future_european_union_15_december_2001-020003970.html

The Laeken Declaration took into account changes that took place after the demise of the Soviet Union as mentioned earlier and tried to find the identity of the EU. The declaration sought to design an EU role that could be projected worldwide. At the crux of its text, the 2001 Laeken Declaration yearned for the EU to take responsibility in the governance of globalization and play a stabilizing role in the international scene. The EU was intended to set globalization within a moral framework. Thus, the declaration can be considered an attempt to launch a common EU objective to deal with the new and more complex global challenges. The ambition of the EU to be part of global crisis management would be further elaborated by the European Security Strategy (ESS) in 2003. The ESS, however, had its own set of obstacles to overcome before complete realization.

European Security Strategy 2003

For many years, it had been impossible for member states of the EU to agree on its security priorities. Each time there was an attempt to set the agenda on this issue, member states would insist on their own priorities. It would take the divisiveness of the Iraq war to push the EU into agreement on a strategy document.

France, Germany and the UK took the leading role in giving a mandate to Javier Solana to produce the first EU strategic document entitled "A secure Europe in a better World". This document was adopted by the European Council in December 2003. It marked a big step forward for the EU to agree on strategic concept. The lack of a Union military was then highlighted by the ESS. The ESS put an accent on dealing with major threats[*] through effective multilateralism e.g. supporting the UN system. The ESS would also come to make

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[*] Those threats mentioned in the ESS 2003 were as follows: proliferation of Weapons of Mass Destruction (WMD), regional conflict, state failure and organized crime.

'preventive engagement'[13] its most outstanding characteristic; adopting the preemptive measures of the United States in an attempt to influence world changes.

The ESS further suggested that the EU had three key strategic objectives in applying its external instruments to meet security challenges. Those three key objectives were as follows:[14]

1.   Extending the zone of security on Europe's periphery;

2.   Supporting the emergence of a stable and equitable international order;

3.   Seeking effective counter-measures to new and old threats.

The most important realization from this outlining is that the ESS recognized that the EU's line of defence lies beyond its frontier. Also, the ESS acknowledged that inaction was not an option. While it conceded military action is not always adequate, it argued it could be an element of a combined response. Since the publication of the ESS in 2003, it has become the core component of any discussion on the framework of foreign and security policy. Furthermore, the ESS allowed the EU to realize its 'preventive engagement process'.[15]

Lisbon Treaty (2009): Improving the EU's actorness

It is crucial to note that the Lisbon Treaty (the Reform treaty) was an attempt to overcome the stalemate caused by the failure of the 2004 Treaty Establishing a Constitution for Europe. The Lisbon Treaty aimed to improve institutional architecture and to strengthen collective action. Accordingly, the Reform treaty introduced new actors and some institutional changes to the EU's foreign policy.

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[13]Cameron, Fraser. "An introduction to European Foreign Policy", *Routledge:London*, 2007, p7.
[14]Ibid., p 7.
[15]For further details see Appendix B (European Security Strategy 2003)

Firstly, in terms of actors, two new actors were introduced by the Lisbon treaty, the New President of the European Council and the High Representative of the EU for foreign affairs and security policy, or the HR. The Permanent President of the European Council was brought in with the objective to overcome the lack of continuity of the six-month rotating presidency system. This Permanent President of the European Council was to be elected by qualified majority voting (QMV) and approved by the European Commission and European Parliament for a period of two and a half years, the term renewable only once. The creation of the Permanent Presidency of the European Council was aimed at providing the EU with better visibility and stability in the preparation and the continuity of European Council work and the external representation of the EU on CFSP issues. Equally important, the Permanent President served the role of a chairperson who would 'ensure' the external representation of the EU on CFSP-related issues. In other words, the Permanent Presidency's task was to help the heads of state and governments cooperate and maintain a common position on CFSP.

The treaty of Lisbon also combined the role of the High Representative for CFSP and the Commissioner for external relations in the Commission with the objective to achieve a greater coherence across the first and the second pillars of the EU. Appointed by the European Council with the agreement of the Commission and the European Parliament, the HR had the role to 'represent' the EU in matters relating to CFSP. The HR can "convoke extraordinary meetings on emergency matters".[16] Also, the HR retained the role of conducting dialogues with third parties, to express the EU's position in international organizations and at international conferences.

In terms of institutions, the Lisbon treaty created the European External Action Service (the EEAS) to assist the HR in its missions. The EEAS is composed of officials from

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[16]ISIS Europe."The impact of the Lisbon Treaty on CFSP and ESDP", *European Security review*, no. 37, March 2003, p 2.

the Council of the EU, the Commission and Member states' diplomatic services. The new European diplomatic service had the objective to bring together all issues involving foreign affairs under the management of EEAS.

Meanwhile, the Lisbon treaty also brought incremental changes to institutions such as the Commission and European Parliament (EP). For instance, the Commission's to submission of proposals related to CFSP issues to the Council of Minister would onwards be associated with the HR because the Lisbon treaty combines the two pillars together under the management of HR. The European Parliament nonetheless, was granted a degree of democratic control over the new HR. European Parliament consent was required regarding the appointment of the HR. Most importantly, the European Parliament also had the right to apply a censure motion on the whole commission.[17] This power of the EP, showed another step of integration as the HR, as Vice president of the Commission, is obligated to inform the EP on EU external actions when it comes under the Union's competency.

Despite some changes brought by the Lisbon treaty, the intergovernmental nature of the EU's CFSP prevailed. In terms of decision-making opportunities, the EU with a legal personality could sign treaties and international agreement for the whole Union. However, Declaration 24 of the Lisbon treaty set a limit that the EU cannot act beyond the competences conferred by member states in the treaty.[18]

In terms of decision-making, even though the intergovernmental aspect prevailed in the EU's CFSP, the Lisbon treaty also facilitated decision-making in several ways. The Reform treaty introduced the exception to the unanimity rule in CFSP. In practice, member

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[17]Official Journal of the European Union. "Title 1, Section 1 Institutional provision on the European Parliament, Article 243", the Consolidated version of the treaty on the functioning of the European Union, *Official Journal of the European Union*, Volume 53, 30 March 2010, p 152.
[18]Declaration 24 of the Lisbon Treaty. "Declaration on the legal personality of the European Union", *Eur-Lex* 12 May 2011 (Online), source
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:12007L/AFI/DCL/24:EN:HTML

states have to adopt a decision on proposals presented by the HR[*] on the basis of QMV.[19]

The Council of the EU can act with QMV when the European Council requests and on issues related to the strategic interest of the EU.[20] Abstention is allowed within the Lisbon treaty in cases where member states oppose to the QMV by any reason defined as a 'vital reason'. In this case, member states then take the decision on the basis of unanimity. In sum, despite the fact that CFSP remains strongly intergovernmental, some changes introduced by the Lisbon treaty showed the willingness of member states to see the EU acting more coherently and to have more effective decision-making for an EU of 27 member states.[21] It is important to note, however, fact that the EU's foreign policy development has always been conducted by member states.

Conclusion

After having closely reviewed the history of EU's foreign policy, it can clearly be seen that EU foreign policy has gradually developed under an intergovernmental framework. The idea of creating a supranational body in terms of foreign affairs was out of the question for many big member states, especially France, which clearly emphasized having intergovermentalism at the core of integration. The rejection of supranational projects like that of the EDC in 1954 took into account the international contexts of the time. The presence of American troops in Europe satisfied most member states, as they perceived the United

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[*] The HR can act on her own or with the support of the Commission.

[19] ISIS Europe. "The impact of the Lisbon Treaty on CFSP and ESDP", *European Security review*, no. 37, March 2003, p 3.

[20] Official Journal of the European Union. "Title 5, General Provisions on the Union's external action and specific provisions on the Common Foreign and Security Policy, Chapter 2, Article 31, paragraph 2, subparagraph 1", Consolidated version of the treaty on the European Union, *Official Journal of the European Union*, Volume 53, 30 March 2010, p 33.

[21] ISIS Europe. "The impact of the Lisbon Treaty on CFSP and ESDP", *European Security review*, no. 37, March 2003, p 4.

States and the Trans-Atlantic Alliance as a security guarantor. Therefore, the intensity in having integrated foreign policy significantly decreased during the period before the 1970s.

The first attempt at political cooperation only truly emerged in the early 1970s with the creation of the European Political Cooperation which underlined intergovernmentalism as a core concept for decision-making. Member states would come to notice the importance of linking Community instruments with the EPC in order to improve the capacity of foreign policy implementation. Hence, member states decided to link the EPC to the EC treaties in the 1986 Single European Act. Since then, integration in the domain of foreign policy began to gain shape. The Maastricht treaty established a pillar system that encompassed foreign and security policy in the second pillar of the European Union. The 1999 Amsterdam Treaty introduced the Actor of the EU in the domain of common foreign and security policy (Mr. Javier Solana, the High Representative for CFSP). It is important to notice that all of these progresses were made within an intergovernmental framework.

It is obvious that foreign and security issues remain pivotal to state sovereignty. Therefore, it is hard for a member state to hand over their power in this domain to an authority above state. However, changes to international order after the 1990s pushed member states to revise their foreign policy. The interdependent nature of globalization led the EU to be more coordinated in terms of security strategy. After the 9/11terrorist attacks, the EU decided to take responsibility in global crisis management. The first common strategy was launched in the 2003 European Security Strategy, seeing the Union play a more proactive role in the international arena with its 'preventive engagement diplomacy'.

CHAPTER III

THE SUPRANATIONAL AND INTERGOVERNMENTAL FRAMEWORK IN EU'S FOREIGN POLICY

Having established the historical background of the European Union's foreign policy in the previous chapter, the core concepts of EU integration, supranationalism and intergovernmentalism, can now be tackled. This chapter will start by examining the concept of international organizations and how these two ideas have been practiced at the international level. Afterward, the chapter will examine how supranational and intergovernmental frameworks were employed by the EU during the time period from 2003 to 2008 and continue to be utilized up until the time of this writing in 2011. Lastly, the chapter will demonstrate how supranational and intergovernmental approaches have been and are currently applied to the EU's foreign policy.

Supranationalism and intergovernmentalism in the context of International Organizations

International organizations (hereafter referred to as IO) that have been created the past 70 years, such as the UN and WTO, can be perceived as a new phenomenon in international politics. In the history of modern states, cooperation at the international level only emerged during the 19th century and only became important over the course of the 20th century.[1] IOs can be comprised of state actors (Intergovernmental Organization or IGO), or non-state actors (International non-governmental organization or INGO). All IOs nonetheless, especially IGOs, cause great concern among state actors over the matter of their authority. State actors are often afraid of being overshadowed by IOs. This fear is very much linked to the method

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[1] Rittberger, Volker and Zangl, Bernhard. "International Organization: polity, politics, and policies", *Palgrave macmillan*, 2006, p 3.

of governance of the IO, whether or not is a supranational authority (an authority above the states) or is conducted by the will of the member state.

Before addressing the debate surrounding these fears, this thesis will start by defining what an IO is and the general nature of an IO. The focus of this research is on organizations formed by states or so called 'intergovernmental organizations' (IGOs).[2] Generally, there are two factors to defining IOs: political dimensions and legal dimensions.[3]

Volker Rittberger, a prominent expert in IOs from the University of Tübingen, Germany, introduced three separate political concepts for defining an IO; viewing the role of the IO as an instrument, an arena and a means. Firstly, Rittberger defines an IO as an instrument through which states pursue their interests. In this case, an IO is also considered to be an instrument in which political processes reflect the interests of the most powerful member states. This can clearly be seen by the history of the Cold War when the interests of the United States were the main guidelines for the UN to follow in its dealing with the Soviet Union.

Secondly, as an arena, the IO becomes a permanent institution of diplomatic conference where states can exchange information, condemn or justify certain actions and coordinate their national political strategies.[4] As an arena, an IO is more than a tool of state policy. For instance, the UN has been seen as an arena for international environmental policy.

Lastly, the view of an IO as a means is based on the idea that states pool or delegate some of their powers to the IO. Therefore, the IO embodies the characteristics of a corporate

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[2]Rittberger, Volker and Zangl, Bernhard. "International Organization: polity, politics, and policies", *Palgrave macmillan*, 2006, p 8.
[3]Jittasevi, Kajit. "International Organizations" (Thai publication), *Winyuchon Publication House*, 2009, p 118.
[4]Rittberger, Volker and Zangl, Bernhard. "International Organization: polity, politics, and policies", *Palgrave macmillan*, 2006, p 6.

actor. Decisions are rendered by member states through IO institutions i.e. decisions made by states inside the UN Security Council. In addition, the idea of viewing an IO as a means underlines the use of IOs as platforms for sharing common concerns. Without this kind of practice, decisions decreed by states could differ; meaning the sense of cooperation among states at the international level could not exist.

From a legal perspective, Professor Jaturon Thirawat, an expert of public international law and IO from Thammasat University points out that an IO is established on the grounds of a multilateral treaty.[*] Even though some IOs have initiative power and can perform an active role in the international scene, their powers are constrained by the individual wills of their member states.[5] An IGO can thus be defined as a permanent cooperation between states. On the grounds of multilateral agreements, IOs tackle issues and operate through their own institutions but never go beyond the limits set by constituent states.[6]

There is, however, a debate concerning the authority of IOs. To begin with, an IO, as a permanent cooperation among states, is the result of each individual member states' choice in response to globalization.[*] More and more states have sought to strengthen and institutionalize cooperation among governments at the international level. This is with the purpose to manage international relations and introduce order into what has sometimes been a chaotic and anarchical environment. In this attempt to regulate world order (Global governance) various international forums have been created e.g. the G8, the G20, the United

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[*] A treaty signed by member states creates legal personality to IO.

[5] Thirawat, Jaturon. "International law" (Thai publication), *Winyuchon Publication House*, 2007, p384.

[6] Ibid, p 385.

[*] Globalization is a "term that refers to the acceleration and intensification of mechanisms, processes, and activities that are allegedly promoting global interdependence and perhaps, ultimately, global political and economic integration". For further details, see Griffiths, Martin, O'Callaghan, Terry and C. Roach, Steven. "International Relations: the key concepts", *Routledge*, 2008, p 131.

Nations, the UN Security Council, the World Trade Organizations (WTO) and the International Monetary Fund (IMF). At the very beginning, the aims of creating international organizations like the League of Nations or the UN were based on the idea of world parliament and world government. These bodies were formed with the idea to generate equality among all actors, expand democratic values and create more transparent international politics. However, it is extremely difficult to create a supranational authority with the power to control state behaviour.

The effort to manage changes in the international context has faced many obstacles as it confronts directly a fundamental state concern, the delegation of state sovereignty. According to Neill Nugent, the notion of sovereignty is an emotive word being associated with the notions of power, authority, independence, and exercise of will. The term sovereignty is commonly defined as the "legal capacity of national decision-makers to take decisions without being subject to external restraints".[7]

From a traditional realist point of view, a state will always place its own interests at the core of its foreign policy and never cede power to an authority above it. The international context, meanwhile, has become more interdependent through the process of globalization. The idea of cooperation between states can be divided into two distinctive approaches. One is the intergovernmental cooperation where the state remains the principal player. The other is supranational cooperation where states agree to delegate some of their sovereignty to international institutions. The ultimate objective of these two approaches is the management of global order in response to the individual and collective needs of member states.

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[7] Nugent, Neill. "The government and politics of the European Union", Palgrave Macmillan, 2006, p 558.

The idea of intergovernmentalism is drawn from a neo-realist analysis of inter-state bargaining.[8] The analysis takes into account the interaction of self-interested states in what can be a relatively anarchic international environment. The neo-realist group claims that there is potential for order on the basis of international cooperation when it comes to the issue of state survival. In this analysis, the international organization is viewed only as an instrument "to reduce the level of anarchy within a state system".[9]

While associating intergovernmentalism to IOs, it refers to the model of decision-making in an IO. The IO, then, becomes an arena where states meet, discuss common issues, share ideas and negotiate agreement.[10] The type of voting system that is mostly used is unanimity voting which requires the agreement of every member. This is the case in many international organizations and institutions such as the UN Security Council, ASEAN and WTO.

In the supranational approach, institutions or organizations are founded by state actors but have autonomous capacity to pursue their own integrated agenda as well as the potential to control the conduct of member states.[11] Supranationalism was the aim in the creation of both the League of Nations and the UN. These two organizations could have embraced a form of supra-governmental organization (Global government)[12]; however, they remain functioning under an intergovernmental form.

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[8] Cini, Michelle and Pérez-SolórzanoBorragán, Nieves. "European Union Politics", *Oxford University Press*, 2010, p 8.

[9] Ibid, p 88.

[10]Ibid, p 88.

[11]George, Stephen and Bache, Ian."Politics in the European Union", *Oxford University Press*, 2001, P 26.

[12]Badie, Bertrand and Devin, Guillaume. "Le multilatéralisme nouvelles formes de l'action internationale", *Edition La Découverte*, 2007, p 8.

One of the first ideas to attempt to deepen cooperation in a more supranational, or integrated, way was the proposal of Léon Bourgeois, the French delegate to the 25th January 1919 session of the Peace Conference after World War I. Bourgeois introduced the idea of creating an international army of the League of Nations, being managed by the international community. Opposed by both the United States and the UK, this idea was downsized to a peace-keeping force, similar to that of the UN.[13]

Nevertheless, the idea of a supranational organization was not totally abandoned. Presently, the IMF can, to an extent, be perceived as an organization with a degree of authority above states. The IMF grants credit to countries facing financial crisis and has had considerable power to impose policy advice.[14] For instance, Thailand adopted aspects of the Washington consensus imposed by IMF during the 1997 Asian financial crisis. Similarly, the WTO, especially its Dispute Settlement Body (DSB), has had degree autonomy over member countries. WTO Law, under the General Agreement on Tariffs and Trade or GATT, takes the form of binding commitments.[15] The 'Shrimp-Turtle' case clearly shows the authority of the DSB, when it remedied the dispute between the US and newly industrialized countries by having the US comply with a ruling to lift the barriers imposed on Thai shrimps.[16]

Nevertheless, these examples of exercised power above state are incomparable to those existing within the EU. Partly, this is because, even though member states inside the EU are still involved in the decision-making process, they have to accept the majority will of EU institutions. Moreover, the system inside the EU (in the Council of Minister) is largely

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[13]Duroselle, Jean-Baptiste, "Histoire des relations internationales de 1919 à 1945", *Armand Colin*, 2001, p 51.
[14]Schäfer, Armin. "A new form of governance? Comparing the open method of coordination to multilateral surveillance by IMF and OECD", MPIFG Working Paper 04/5, *Max Planck Institute for study of societies*, 2007, p 6.
[15]Official website of the World Trade Organization. "Principles of trading system", online (8 June 2011), Source http://www.wto.org/english/thewto_e/whatis_e/tif_e/fact2_e.htm
[16]For further details, see Van den Bossche, Peter. "The Law and Policy of the World trade Organization: text, cases and materials", *Cambridge University Press*, 2005, P 610.

based on Majority Voting System and the participation of the European Parliament. This form of EU supranationalism allows more space for democracy and transparency. However, it is important to bear in mind that the complex nature of an IO does not always allow members to converge their national preferences. Therefore, supranational authority of international institutions and IOs serves a surveillance system set up by member states to maintain a degree of stability. To this extent, the cases of the IMF and WTO can be categorized as surveillance exercises to maintain the stability of international financial and trading systems.

Last but not least, there are two problems that IOs, as institutionalized multilateral forums, are facing.[17] Firstly, "not all governments accept that their interests are best pursued through interstates agencies" like IMF or the UN Security Council.[18] Most of the time, states enjoy having a wide range of alternatives and multilateral institutions which can best serve their preferences. Sometimes, this means turning their back on multilateral institutions and opting for regional (in the case of EU, ASEAN etc.), unilateral (in the case of the United States) and mini-lateral means (in the case of G8).

Secondly, the idea above leads to the problem of developing and emerging countries being underrepresented. Too often IOs are characterized as acting like 'rich men clubs'[19] that make developing and emerging countries feel ill-served. Ideally, IOs are to be considered as multilateral institutions providing opportunities for genuine international debate and cooperation.[20] IOs in practice, however, do not always live up to this ideal. Many questions

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[17]Woods, Ngaire. "Global governance and the role of institutions", p 29, See Held, David and Mcgrew, Anthony. "Governing Globalization: Power, Authority and Global Governance", *Polity Press*, 2002.
[18]Ibid, p 29.
[19]Ibid, p 30.
[20]Woods, Ngaire. "Global governance and the role of institutions", p 31, See Held, David and Mcgrew, Anthony. "Governing Globalization: Power, Authority and Global Governance", *Polity Press*, 2002.

concerning the equal representation of member states inside the decision-making system have been posed as well as questions regarding the accountability of IOs, especially the IMF and the UN Security Council.

These two problems become major challenges to meeting the expectations of what an IO should be. Adaptations and adjustments are definitely needed to achieve an effective multilateral IO system. Thus, the supranational idea is still quite ambitious. In the meantime, intergovernmentalism has been made to suffice the decision-making process within IOs. The consensus method of decision-making ultimately is needed to grant legitimacy to IOs when responding to challenges.

In sum, the idea of intergovernmentalism and supranationalism both reflect through IOs in different manners. A certain degree of supranational authority seems to be more successful in economic organizations such as IMF and WTO where a high level of accountability and stability of the system are necessary. In contrast, the supranational idea is rarely employed by political multilateral institutions. The EU is one of a few exceptions to this observation. In the end, intergovernmentalism is still widely employed in many stages of multilateral institutions. Undeniably, the EU benefits from an intergovernmental framework in the development of its foreign and security policy as illustrated in the previous chapter.

Having established this, the following portion of this chapter will concentrate on how supranationalism and intergovernmentalism are employed in the EU.

Supranationalism and the EU

Since the creation of the customs union[*] the EU has gained the status of an economic giant and important humanitarian actor in the international arena. The leadership exerted by the EU in the areas of trade, development cooperation and humanitarian aid owes a lot to the supranational nature of the Union. To this extent, it is crucial to begin with the clear definition of what supranationalism is.

In supranational, both, domestic and international politics are impacted at different levels of integration.[21] This involves states working with one another in such a way that states do not retain complete control over developments. This means that states can be required to commit to actions and decisions that go against their preferences as they have relinquished the power to stop such decisions. Supranationalism turns traditional inter-state cooperation into integration, and involves some loss of national sovereignty.[22] Supranationalism deals directly with 'low politics' which covers economic and social aspects of integration.

For the EU, the supranational model is reflected through its 'community method'. This method is based on the principle of institutional balance between three institutions: the EU Commission, the Council of the EU and the European Parliament. To this extent, the community method provides the Commission with the power to propose legislation, to then

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[*] The customs union was created in 1958 as a principle of the European Economic Community (EEC) which did away with trade barriers within the community's member states and created a common tariff system for goods imported from outside the community. When the EEC evolved into the European Union, the customs union was retained and today serves as a mechanism for the EU to negotiate as a single entity in international trade deals (such as in the case involving the WTO).

[21] Sandholtz, Wayne and Sweet S., Alec."Supranational Governance: the Institutionalization of the European Union", Political Relations and Institutions Research Group, Working Paper 2.42, November 1996, p 2.

[22] Nugent, Neill. "The government and politics of the European Union", *Palgrave Macmillan*, 2006, p 558.

have Qualified Majority Voting[*] in the Council of the EU all the while allowing the European Parliament to actively participate in the legislative procedure. However, it is important to note that despite the supranational appearances of the EU, member states still highly influence decision-making, even under the 'community method'. The degree of influence varies upon the issue and state preferences.

The Decision-making triangle[23]

European Council	-Lays down political guidance (Insitutionalized since Lisbon Treaty)
	-Consists of Heads of State and governments + Permanent Presidency

European Commission
- Represent general interest of the EU / Legislative initiative/ Ensure implementation
-Consists of President of the Commission + Commisioners

Council of the EU — Co-decision — European Parliament
-Represent Member States — - Represent European citizen (736MEPs from MS elected by universal suffrage since 1979)
-Consists of Rotating Presidency/
    Concerning ministers from the MS/
    President of the Commission/
    General Secretariat of the Council

-Both institutions share legislative and budgetary power.
-Council of the EU (in consultation with the EP) adopts EU's **rule**. **(Regulation, Directives and Decision)**

Intergovernmentalism and the EU

In contrast to issues related to 'low politics', decision-making concerning the domain of CFSP is characterized by a very strong intergovernmental nature. Issues associated with

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[*] The QMV is the system which member states enjoy a certain number of votes which derived from their demographic weight. A law will be adopted in the Council of the EU if it gains the approval of 55 per cent of EU member states, representing at least 65 per cent of the EU's population. (For further detail see Appendix C: table depicting weighting of vote)

[23]European Navigator. "Institutional body of the European Union", ENA.LU (European Navigator), 14 May 2011 (Online), Source http://www.ena.lu/

CFSP, unlike those in 'low politics' often deal with sensitive topics, vital to state sovereignty (high politics).

The intergovernmental framework can be referred to as "arrangements whereby nation states, in situations and conditions they can control, cooperate with one another on matters of common interest. The existence of control, which allows all participating states to decide the extent and nature of this cooperation, means that national sovereignty is not directly undermined".[24]

It is important to understand the characteristics of an intergovernmental framework before moving to examine how intergovernmentalism is applied to EU foreign policy. The principal characteristics for intergovernmentalism are as follows.

- In the major areas of public policy which involve foreign affairs, defence, fiscal policy, social welfare, education health as well as Justice and Home Affairs, decisions are mainly taken at the national level. Each member state consults and coordinates with its EU partners on aspects of these policies, and is increasingly subject to constraints as a result of EU membership. Nevertheless, a state can usually decide for itself what is to be done.

- All major decisions on the general direction and policy priorities of the EU are taken in the European Council.[*] It is not too often that the European Council takes decisions by majority voting. As for EU legislation, all important decisions need the approval of the Council of the EU (Council of Ministers), including those of constitutional or fiscal nature, requiring unanimous approval. "Where QMV is allowed, attempts are

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[24]Nugent, Neill. "The Government and politics of the EU", *Palgrave Macmillan*, 2006, p 558.

[*] Since the Lisbon treaty, the European Council gains the status of an EU institution. It consists of heads of state and governments. It has the role of giving the political guidance.

always made to reach a consensus if a state declares it has important interest at stake".[25]

- The European Commission and the European Parliament[*] have to look after the EU as a whole rather than focusing on specific national interests. These two institutions are restricted in their decision-making powers and cannot impose policies that the representatives of the member states do not want.[26]

In sum, the EU's intergovernmental framework stresses the role of member states and their preferences. As aforementioned, this framework is applied only to areas associated with 'high politics'.

This research has now presented the two faces of the coin. The EU incorporates supranationalism and intergovernmentalism into its decision-making. This makes the EU different from other IOs. At this point will attempt to define what kind of organization the EU is.

What kind of IO is the EU?

After examining the EU's supranationalism and intergovernmentalism, this section will turn to the examination of what kind of IO the EU is. With its duality in utilizing supranationalism and intergovernmentalism, the EU is a unique IO. EU member states have delegated their economic sovereignty and some of their political sovereignties to the EU. Therefore, this organization becomes more than a simple collectivity of states, but not quite a federation. It holds the character of a regional organization, having a role in international

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[25]Nugent, Neill. "The Government and politics of the EU", *Palgrave Macmillan*, 2006, p 559.

[*] These two supranational institutions are, somehow, considered as a political rival to the European Council and the Council of the EU.

[26]Nugent, Neill. "The Government and politics of the EU", *Palgrave Macmillan*, 2006, p 559.

affairs but cannot be graduated into a federation because, so far, none of the member states have expressed their willingness to shift the level of integration to that of a 'regional superstate'. Nonetheless, regional integration is itself something new to the study of IOs.

The phenomenon of regional integration began with the establishment of the European Coal and Steel Community in 1951 that, later, became the EU. This type of IO developed over the period spanning the Post World War II era and the end of the Cold War in 1989. World politics after World War II shifted from a mere struggle for the balance of political power among major powers to a world of multiple actors. The method of multilateralism gained acceptance during this time and became the platform for states (especially developing and emerging countries) to express their voice at the international level. At the same time, international issues became more complex and intertwined. Single states were no longer able to stand alone in the face these phenomena. Joining international organizations or forming regional organizations e.g. EU, ASEAN, MERCOSUR, etc., were thus employed by states in order to face challenges caused by the globalized international context.

In order to classify the EU properly, the classification of IO presented by Rittberger in his book 'International Organization' will help to provide a clearer picture of what kind of IOs the EU can be.

To begin with, IOs can be roughly divided into two categories: intergovernmental organizations and international non-governmental organizations. The nature of an intergovernmental organization appears straightforward as it is composed of states, usually represented by governmental agents. The EU can be placed in this category as it is composed of states, like the UN and the WTO. As opposed to intergovernmental organizations, international non-governmental organization consist of profit-oriented transnational

organizations e.g. Microsoft, DaimlerChrysler, etc. and non-profit oriented transnational organizations e.g. Greenpeace, Amnesty International, etc.

Moving on, Rittberger proposes a more detailed classification of IO divided by two steps of analysis. In the first step, Rittberger uses membership and competencies of IO as criteria. The membership of an IO can either be open or restricted. In the case of the EU, the membership is restricted as it depends on geographical, politico-economic and socio-cultural contexts for candidacy. In terms of competencies, there are two types of organizations: comprehensive organizations and issue-specific organizations (sectoral organization). A comprehensive organization is the sort of organization having competencies to deal with multitudes of issue areas. Similar to the UN, the EU is placed in this kind of organization as its policies cover a broad range of issue areas. Issue-specific organizations conversely have limited competencies and deal only with specific areas such as OPEC (Oil), ILO (Labour and working conditions), and WHO (Health).

The next step proposed by Rittberger is to look at function, decision-making authority and delegation of power. In terms of function, Rittberger divides IOs into two categories, that is, programme organizations and operational organizations. The EU falls into the programme organization category as this kind of organization plays an important role to set norms and (international) regimes.[*] This can be seen from the fact that the EU tries to export its norms and values worldwide i.e. the protection of human rights, the rule of law and democracy for instance. Operational organizations such as the IMF concentrate on the implementation and monitoring of compliance with norms and rules.

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[*] An (international) regime is a rule that governed activity within the international system e.g. protection of human rights. The concept of international regime can be implanted in an international organization in which many regimes are already anchored. Meanwhile, it is important to note that international regime does not have actor-like quality. It is a norm that is widely accepted and practiced in an international system.

Beyond function, Rittberger suggests the examination of decision-making authority. In this regard, a programme organization will focus on the obligation of individual members to follow the decision made by the institutions of the organization. The EU falls into a strongly binding category as the rules or regulations implemented by EU institutions are to be strictly followed by member states. This can clearly be seen by many legal cases related to common market regulation, e.g. Van Gend en Loos case, which was filed to the European Court of Justice. Additionally, those cases are filed to the ECJ in case of non-compliance (ensure equal application of EU law across all EU members) or needs for interpretation of laws. There are, of course, IOs where rules fall into the loosely binding category, meaning that decisions do not have to be strictly followed by members e.g. WHO.

For operational organizations, the focus is only on the capacity for implementation as the rule issued by this type of IO is normally inspired from the regime set by states or programme organizations. The measurement of capacity for implementation is distinguished by strong or weak implementations. For example, the IMF is strong in making member states follow rules and norms. On the other hand, the UNHCR is weaker in calling for international society to comply with its sets of norms.

Lastly, Rittberger suggests focusing on the delegation of power. In this regard, an intergovernmental organization like the UN will have centred its power among its member states. On the other hand, a supranational organization such as the EU centres its powers amongst its institutions. Even though national governments of the EU participate in decision-making, the decision is ultimately according to the will of the region. Unanimity amongst member states is not always required and most of the decisions are made through qualified majority voting (QMV).

After examining the definition of international organizations and how to classify them, a model is presented by Rittberger to help to clarify the nature of the EU. By looking at the function, decision-making authority and the way power is delegated, it can be found what kind of IO the EU is.

Table summarizing characters of EU[27]

Function	Authority	Delegation	Example
Programme organizations	Strongly binding	Supranational (EU exclusive competencies) Intergovernmental (CFSP and vital areas)	EU

The EU is by nature a regional organization having the capacity to set norms and international regimes. Being founded on a multilateral agreement basis, the EU is a platform where member states combine their common preferences and strive to work together. Its delegated power (EU exclusive competencies) makes the EU a strongly binding authority with a supranational nature; albeit with strong intergovernmental tones in foreign and security issues.

In order to provide a complete image of what the EU is, it is also interesting to pay attention to the definition of the EU given by Michelle Cini and Nieves Pérez-Solórzano Borragán. These two EU experts said that the EU is "a family of liberal-democratic countries, acting collectively through an institutionalized system of decision making. When joining the

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[27]This table has been adapted from the one introduced by Volker Rittberger. See Rittberger, Volker and Zangl, Bernhard. "International Organization: polity, Politics and Policies", *Palgrave macmillan*, 2006, p 12.

EU members sign up not only to the body of EU treaties, legislation and norms (the so called 'acquis communautaire'), but also to a set of shared common values, based on democracy, human rights and principles of social justice."[28] With the general aspects of IO and the ideas of supranationalism and intergovernmentalism established, the application of these concepts in EU foreign policy can now be discussed.

Supranationalism and EU foreign policy

There are two areas of EU foreign policy which function under supranationalism: the Common Commercial Policy and the Development Cooperation and Humanitarian Aid. The Common Commercial Policy, one of the oldest EU policies, garners the highest degree of integration. The EU started to realize the importance to act with one voice in international trade when it decided to establish a customs union in 1957 (creating the Common External Tariff: CET). Normally, there are two institutions involved, that is, the European Commission and the Council of the EU. The treaty of Lisbon, however, shifted the role of the European Parliament from being a mere consultative body to be part of decision-making process, through the 'co-decision procedure'.

Traditionally, when the negotiation on international trade is related to the exclusive competencies of the EU[*], the Commission, represented by EU Commissioner for trade, plays a central role conducting negotiations on behalf of member states. For instance, during a WTO plenary session, member states would sit behind the Commissioner and observe. In principal, as long as the negotiation remains in the limits set by the mandate of the Council of the EU, the "Commission is free to conduct the bargaining with third countries as they

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[28]Cini, Michelle and Pérez-SolórzanoBorragán, Nieves. "European Union Politics", *Oxford University Press*, 2010, p 3.

[*] The scope of exclusive competency of the EU includes trading in goods and services, intellectual property rights, and foreign direct investment.

wish".[29] However, when it comes to practice, this freedom varies from case to case. The full

power for negotiation really depends on whether member states have the willingness to give

up control over the negotiated issue or not. Member states may be silent in the WTO plenary,

but they (state ambassadors) do not shy away from informal corridor negotiations with EU

counterparts.[30] In addition, if the Commissioner envisages a significant change in its

position, the commissioner will either have to call the capitals or call for a meeting with EU

member states.[31]

The Council of the EU, meanwhile, agrees on a negotiating mandate to hand out to

the Commission. Normally, voting in the Council of the EU is made on the basis of QMV.

However, unanimity voting is applied when the negotiating issue is related to the EU's

cultural and linguistic diversity, or agreements distributing the national organization of social,

education, and health services. In sum, even in an area that is considered to have a high level

of integration, the influence of member states is still high, much higher than a supranational

institution like the EU should have in principle.

In the area of the Development Cooperation Policy and Humanitarian Aid,

meanwhile, is very much linked to the colonial past of member states as several member

states have historical links with the developing world. European countries use the EU as a

vehicle for continuing relationships with their former colonies as well as supporting those

countries in their development. For instance, the EU defines the reduction and, in the long

term, eradication of poverty as the primary objective of EU development cooperation.[32] One

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[29]Hill, Christopher and Smith, Micheal."International Relations and the European Union", *Oxford University Press*, 2011, p 286.
[30]Hill, Christopher and Smith, Micheal."International Relations and the European Union", *Oxford University Press*, 2011, p 286.
[31]Ibid, p 286.
[32]Official Journal of the European Union. "Treaty on the Function of the European Union, Part Five: external action by the Union, Title III: Cooperation with third countries and humanitarian aid, Article 209", Consolidated version of the treaty on the European Union, *Official Journal of the European Union*, Volume 53, 30 March 2010, p 141.

of the most important instruments of the EU's development policy is the cooperation and association agreements concluded with countries and other regional groupings in the world. Before, the EU focused only on (Sub-Saharan) Africa, the Caribbean and Pacific countries. Since 2002, the EU's Development Cooperation Policy has widened its scope and has encompassed Mediterranean countries and other nearby nations.[33] In addition, the cooperation between the EU and the ACP countries are built on a very strong institutional framework imposed by two important agreements, that is, the Lomé Convention and the Partnership Agreement. The Lomé Convention provides "the basis for political dialogue, development cooperation, and closer economic and trade cooperation".[34] In contrast, the Cotonou Partnership Agreement directly imposes political conditionality, emphasizing the respect of human rights, democratic principles, the rule of law and good governance.[35]

Contrary to the Common Commercial Policy, the Development cooperation Policy is highly influenced by member states. Article 4 of the TFEU for example, stipulates the fact that the EU has the power in carrying the activities and the conduct of the common policy; however, the exercise of Union power should not prevent member states from exercising their own competencies.[36] This article highlights the lack of political will of member states to fully give up their power to EU institutions. This problem is linked to the different working methods and diversity in traditions within member states.[37] These two factors explain how

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[33]Hill, Christopher and Smith, Michael."International relations and the European Union", *Oxford University Press*, 2011, p. 82.

[34]Ibid, p 82.

[35]Ibid, p 82.

[36]Official Journal of the European Union. "Consolidated version of the Treaty on the functioning of the European Union, Part one: Principles, Title I, categories and areas of Union comteptence, Article 4", Consolidated version of the Treaty on the European Union, *Official Journal of the European Union*, Volume 53, 30 March 2010, p 52.

[37]Hill, Christopher and Smith, Michael."International relations and the European Union", *Oxford University Press*, 2011, p. 83.

member states are concerned about their national sovereignties and thus keep many policy areas under an intergovernmental system.

There are two main institutional players in the area of Development Cooperation Policy: the Council of the EU and the European Commission. The Council of the EU was first dealt with by the Development Council, which changed to the General Affairs and External Relations Council (GAERC) from the year 2000 onwards. Since the Lisbon treaty, development cooperation has been handled by the Foreign Affairs Council, chaired by the HR. Decisions in the area of development are prepared by the COREPER II[*] and by working groups, both chaired by the rotating Presidency. Meanwhile, the European Commission carries a wide range of responsibilities. It negotiates on the behalf of member states, manages EU aid budget and the European development Fund (EDF) as well as undertakes initiatives to coordinate the policy of the EU and member states. In this context, the role of the Commission is much weaker than in the area of trade. Partly, this weaker role can be explained by the reluctance of member states to give up their sovereignty. Also, it is due to the fact that development cooperation "is shared by the Commission's hybrid organizational structure".[38]

The Commission's responsibilities for development cooperation are divided by geographical region and supervised by different Commissions and DGs, including the HR and the EEAS.[39] The division of work is as follows:

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[*] The COREPER II is the Permanent Representative Committee. It consists of Ambassadors from member states and deals with political, commercial, economic or institutional matters. In the meantime, the COREPER I consists of Deputy permanent representative and deals with technical matters.

[38] Hill, Christopher and Smith, Michael. "International relations and the European Union", *Oxford University Press*, 2011, p. 84.

[39] Ibid, p 84.

- ACP and Overseas countries and Territories (OCT): Commissioner for development and Humanitarian Aid supported by DG Development;

- Pre-accession aid to the candidate countries and countries of the former Soviet Union: Commissioner for Enlargement and European Neighbourhood Policy supported by DG enlargement;

- North Africa, Latin America, most of Asia, the Middle East: the HR supported by the EEAS;

- Macro-financial assistance such as debt relief: DG economic and Financial Affairs.[40]

This situation clearly shows a fragmentation in EU development policy. In order to remedy the problem, in 2001, the Prodi Commission (1999-2004) tried to reunify the project by creating Europe Aid Cooperation Office (AIDCO). AIDCO was made to take the responsibility for all phases of the project cycle (from identification to evaluation). The exception to this was that programming still remained under the responsibility of the DG for Development. Presently, there has not been an attempt to unify all tasks under one single organ yet. Following the creation of the EEAS, the programming, identification and formulation phases were allocated to the HR and the EEAS. The Lisbon Treaty leaves the European Commission with the implementation phase and a technical role.

It is important to note that the power of the European Parliament is very weak. The European Parliament's budgetary powers are limited to the aid funded by the EU budget. To this extent, the development aid granted by the European Development Fund escapes the control of the EP as it is derived from national budgets. However, changes could happen to a certain extent as the Lisbon treaty does not specify that the EDF should remain outside the

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[40]Hill, Christopher and Smith, Michael."International relations and the European Union", *Oxford University Press*, 2011, p 85.

EU budget.[41] Development cooperation also falls under the 'co-decision' procedure according to the Lisbon treaty, meaning that the EP also has consent in that area.[42]

Lastly, the Lisbon Treaty mandates that Humanitarian Aid funds be provided by the EU through the management of the European Commission. At the same time, the Commission ensures coordination between the EU and member states. The Council of the EU and the European Parliament jointly outline a framework for the implementation of EU assistance and aid. The rule implemented will always be consistent with those of the international organizations and bodies.[43]

In terms of project management, EU Humanitarian Aid is run by a separate setting called the Humanitarian Aid department of the European Commission (ECHO). The reason the European Commission created a separate agency for this was to respond rapidly to humanitarian crises (disaster or armed conflicts) in third countries. ECHO is primarily a financing agency with a limit as to the extent that it can provide emergency aid (for unforeseen circumstances). This organ relies on the funds of the General EU budget, European Development Fund and the Emergency Aid Reserve. What is more, the implementation of the allocation is done through third parties independent from the Union delegations: humanitarian organizations (NGOs and international organizations such as UN agencies).[44]

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[41]Hill, Christopher and Smith, Michael."International relations and the European Union", *Oxford University Press*, 2011, p. 84.

[42]Ibid, p 85.

[43]Official Journal of the European Union. "Consolidated version of the Treaty on the functioning of the European Union, Part Five: External action by the Union, Title III: cooperation with third countries and humanitarian aid, Chapter 3: Humanitarian Aid, Article 214", Consolidated version of the Treaty on the European Union, *Official Journal of the European Union*, Volume 53, 30 March 2010, p 143.

[44]Hill, Christopher and Smith, Michael."International relations and the European Union", *Oxford University Press*, 2011, p 86.

In sum, the two areas of EU foreign policy, to an extent, reflect the influence of member states in 'low politics'. Despite the fact that QMV is applied to reduce the intensity of state preference, treaty provisions still open the door for the use of unanimity. In other words, whether or not the economic powers are ceded to the EU, member states can always pressure the EU decision-making process.

Intergovernmentalism and EU foreign policy

This section will focus on intergovernmentalism and EU foreign policy. As mentioned, the intergovernmental method is applied to the area of CFSP: the Council of the EU is centre stage and decision-making is based on unanimity. In principle, member states and the Commission may refer to the Council of the EU any question related to CFSP. Likewise, the Commission may submit a proposal to the Council. However, the Commission has never formally made use of its shared right to initiatives in CFSP.[45] In practice, most proposals come from member states and are voiced through the Presidency. The High Representative has also seen an increasing role in policy formulation as mentioned at the end of the second chapter.

Before starting to overview the procedures of decision-making in CFSP, it is crucial to bear in mind that all decision-making power is concentrated in the European Council and the Council of the EU. Also, the provision related to qualified majority voting (QMV) is not reflected in practice.[46]

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[45]Keukeleire, Stephan and MacNaughtan, Jennifer."The foreign policy of the European Union", *PalgraveMacmillan*, 2008, p 106.
[46]Ibid, p 107.

The procedure of decision-making for CFSP matters are as follows:[47]

- The principles and general guidelines of the CFSP are defined by the European Council by unanimity.

- When it is about 'common strategy' where member states have common interests, decisions are made by the European Council in unanimity. In this case, the Council of the EU can give recommendations (acting by unanimity) and take the decision to implement the 'common strategies' by qualified majority voting.

- The decision for defining and implementing CFSP (including decisions on 'joint actions' and 'common positions') are taken by the Council of the EU on the basis of European Council's general guidelines. The basic rule is that the Council of the EU acts unanimously, with abstentions not preventing the adoption of decisions. By way of derogation,[48] QMV is applied in three cases: when appointing a special representative; when adopting a decision implementing joint action or common position; and finally, when taking the decision on the basis of 'common strategies'.

- International agreement with one or more states of international organizations under CFSP rubric: the Council of the EU authorizes the Presidency, assisted by the Commission as appropriate, to open negotiations. The Council of the EU concludes international agreement on a recommendation from the Presidency. The Council acts unanimously, except when the agreement foresees implementing a joint action or common position, in which case QMV applies.

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[47]Keukeleire, Stephan and MacNaughtan, Jennifer."The foreign policy of the European Union", *PalgraveMacmillan*, 2008, p 107 - 108.

[48] Member states decide to delay the implementation of an element of EU regulation.

- Procedural questions: the Council of the EU acts by simple majority of its members.[49]

Closely looking at an overview of the decision-making procedure for CFSP, it is clear that the practice of consensual decision-making remain the norm. This clearly highlights the nature of the second pillar; despite the increasing role of EU institutions, member states still retain high influence in decision-making at the EU level. After decades of common foreign policy cooperation intergovernmentalism has thus shown that "it is flexible enough to adapt to new conditions and new theories that appear to resonate with today's European integration process".[50]

Conclusion

After having examined the definition of International Organization and the way supranational and intergovernmental frameworks are utilized in the international society, it has become obvious that intergovernmentalism has been widely adopted in most international institutions. Supranational institutions are only found to an extent in institutions such as IMF or organizations like WTO. Though those bodies have some authority to control state behaviour, they are commonly faced by two big problems: a lack of transparency (being 'rich men clubs') and state perceptions that such IOs do not have the capacity for them to pursue their national preferences. Conversely, states often fear that such IOs will intervene in their domestic affairs, further reducing the appeal of a supranational framework. Therefore, intergovernmentalism becomes the best choice for decision-making within international organizations as it assures that each state's sovereignty will be respected.

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[49]Keukeleire, Stephan and MacNaughtan, Jennifer. "The foreign policy of the European Union", *PalgraveMacmillan*, 2008, p 107-108.

[50]Cini, Michelle and Pérez-SolórzanoBorragán, Nieves. "European Union Politics", *Oxford University Press*, 2010, p 102.

When examining the EU, supranational and intergovernmental aspects can be observed. In terms of regional economic and social aspects, the EU's institutions take full responsibility in maintaining order. In matters vital to individual national interest, intergovernmental approaches are applied. The EU is effectively a regional organization that simultaneously uses supranational and intergovernmental decision-making.

By allowing itself to be more than a simple collectivity of member states, the EU utilizes supranationalism to greatly extend its trade and humanitarian endeavours. However, even though the EU Commission has initiative powers in many areas, member states still retain authority when it comes to decisions clearly written to be viewed as outside of the EU's competencies. In principal, supranational systems like QMV voting are incorporated in the EU's provisions and are employed in areas such as CFSP. In practice many times however, member states will still employ a consensual method in decision-making relating to CFSP and other 'vital issues'.

As it has developed and matured through use, the intergovernmental framework has made the concept of intergovernmentalism more flexible. In other words, intergovernmentalism does not limit itself to cooperation between states anymore; it expands its theoretical parameters to further steps of integration. In the following section, this thesis will turn to the analysis of EU commonality under intergovernmentalism in the case of Iran's nuclear issue.

CHAPTER IV

EU3'S COMMONALITY THROUGH THE LENS OF LIBERAL INTERGOVERNMENTALISM

This chapter will begin with an examination of Iran's nuclear programme and related sources of international concern. Later, this thesis will turn to the explanation of the theoretical framework before using it to analyze the commonality of the EU3. The analysis will start by probing the perceptions and stances of the Big three member states, then move on to explain how member states have reached commonalities in negotiations with Iran and end with an explanation of the policy choices made by member states.

Iran's nuclear programme and the origin of international concerns

Iran has long had an interest in having nuclear technology. During the reign of Shah Mohammed Reza Pahlavi in the 1970s, Iran made plans for a nuclear programme designed to generate 23,000 megawatts of electricity.[1] The programme would have been very much reliant on foreign assistance, especially from the US, France, and Germany.

After the 1979 Islamic Revolution, the programme came to a standstill. However, during the mid1980s, Iran revived its interest in science and technology, resurrecting the nuclear energy programme. During this time, Iran sent many students abroad for training in nuclear science. It also decided to sign long-term cooperation agreements with Pakistan in 1987 and China in 1990 in order to train nuclear personnel and acquire technical assistance.[2] Pakistan and China would later abandon the agreements under pressure from the US. In the meantime, Iran decided to develop its military capacity, especially the ground troops and

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[1] N. Kile, Shannon (ed). "Europe and Iran perspectives on non-proliferation", SIPRI Research Report No. 21, *Stockholm International Peace Research Institute*, 2005, p 2.

[2] Ibid, p2.

military technology in order to secure its national security. The idea to improve military capacity derived from the Iraq-Iran War from 1980-88. During that time, Iran was isolated by Western countries and had only the support of Syria. This prompted Iran to realize that it lacked any real defence strategy. Throughout the war, Iran's army relied only on waves of human soldiers to repel Iraq's troops. The losses from those episodes prompted Iran's decision to concentrate on improving its military capacity in terms of ground troops and military technology. Consequently, Iran's military progress directly impacted the image of its civilian nuclear programme. Nevertheless, Iran continued to improve its nuclear capacity by putting the emphasis on civilian aspect.

In 1995, Iran signed an 800 million US Dollar deal with Russia's Ministry of Atomic Energy (Minatom) to complete a light power reactor started by German company Siemens in the 1970s, near the town of Bushehr on the Persian Gulf.[3] The US Government, once again, tried to prevent the deal from going ahead over fears that Iran would develop defensive nuclear capacities. Iran argued that its nuclear development was for civilian purposes and fell entirely within the provisions of Article IV of the Non-Proliferation Treaty.[4] Later, on 27 February 2005, Iran and Russia signed a fuel supply deal that paved the way for the start-up of the Bushehr reactor in 2006.

In 2002, Iran announced new plans to build nuclear power plants with a total capacity of 6000 megawatts in addition to the Bushehr plant. In February 2003, the then Iranian President Mohammad Khatami announced a complete nuclear fuel cycle would be developed "from mining and processing uranium ore for use in nuclear power reactors to reprocessing

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[3] N. Kile, Shannon (ed). "Europe and Iran perspectives on non-proliferation", SIPRI Research Report No. 21, *Stockholm International Peace Research Institute*, 2005, p 2.
[4] According to the Article IV of the NPT, all parties have the right to carry out research, produce and use nuclear energy for peaceful purposes without discrimination.

spent fuel and storing waste".[5] Experts argued that the plan made little economic sense as there was already a global surplus of plutonium and enriched uranium. However, Iran rebutted international criticism that the plan was aimed at achieving self-sufficiency in fuel manufacturing. This argument was in keeping with the country's long goal of not relying much on external assistance. The objective of being less dependent on external assistance has remained the leitmotif in Iran's justification for developing provocative nuclear fuel-cycle technologies.

Controversy over Iran's nuclear project began, however, when evidence was disclosed by opposition groups that Iran was building two undeclared nuclear fuel facilities. In February 2003, IAEA[*] Director General Mohamed ElBaradei travelled to Iran's capital of Tehran for talks with the country's officials and received confirmation of construction of the undeclared sites: a heavy-water production plant near Arak and a gas centrifuge uranium enrichment plants at a site in Natanz.

During the visit to the Natanz site, IAEA experts noticed an operating centrifuge cascade previously undeclared to the agency. This led the IAEA to suspect Iran might have already introduced nuclear material into the centrifuges in order to test them. Proven testing of the centrifuges without prior consent would have come as a violation of the IAEA Safeguard agreement. ElBaradei's visit ended, nonetheless, when Iran agreed to amend its Safeguard agreement to allow more access by IAEA agents to Iranian nuclear sites and information. Iran also agreed to provide the IAEA with information on new fuel-cycle facilities.

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[5] N. Kile, Shannon (ed). "Europe and Iran perspectives on non-proliferation", SIPRI Research Report No. 21, *Stockholm International Peace Research Institute*, 2005, p 2.
[*] IAEA Stands for International Atomic Energy Agency.

Through spring and summer of 2003, talks were held between Iran and the IAEA. The talks were mainly about Iran's reporting of importing nuclear materials, declaration of its nuclear facilities along with other material storage and processing locations (issues related to IAEA Safeguard agreement). Parallel to the talks, Iran allowed IAEA inspectors to go to Natanz and several other sites in order to verify the absence of undeclared nuclear materials and activities.[6]

Cooperation between Iran and the IAEA, however, faced many difficulties as Iran did not grant IAEA experts full access to key facilities. In many instances, Iran provided the IAEA with incomplete or contradictory information. This led the IAEA Board to adopt the 12 September 2003 resolution urging Iran to comply with IAEA demands by the end of October 2003 as well as sign an Additional Protocol[*] to be added to the Safeguard agreement. The resolution implicitly threatened to refer the Iran case to the UN Security Council upon failure to comply.

The October 2003 deadline increased tensions over Iran's nuclear issue. Iran responded to the demand by asking for assurance it could pursue the development of nuclear technology upon complying with IAEA requests and demanded the IAEA board resist pressure from the United States in referring the case to the UN Security Council. While this was taking place, signs of disagreement between the United States and EU emerged, with the latter rejecting United States' calls for a confrontational approach.[7] Since then, Iran's nuclear issue has become a source of international concern with Western countries and international organizations wary of Iran's intentions.

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[6] N. Kile, Shannon (ed). "Europe and Iran perspectives on non-proliferation", SIPRI Research Report No. 21, *Stockholm International Peace Research Institute*, 2005, p 5.

[*] This Additional Protocol would expand the IAEA rights and access to information and sites.

[8] N. Kile, Shannon (ed). "Europe and Iran perspectives on non-proliferation", SIPRI Research Report No. 21, *Stockholm International Peace Research Institute*, 2005, p 2-7.

Problems with Iran's nuclear program derived from several factors: Iran's ambiguous politics; tandem development of Iranian missile capacity; Iran's attitude towards Israel and the US; and also its relationship with Muslim hardliners.

Firstly, Iran's politics were considered ambiguous due to its own creation of an information gap when dealing with Western countries on the nuclear issue. Tehran has been viewed as playing an 'information deficit game' against the West in order to increase bargaining power when dealing with the US, EU and other international actors. In this game, Iran maintains talks with Western countries, remained a member of the Non-Proliferation Treaty regime but continued to improve its nuclear capacity. Also, Iran actively avoided providing all required information to the IAEA.

Iran's interaction with the international community in this matter may seem puzzling but the reason behind its offensive stance was mainly due to the fact that Iran sensed an increasing threat from US military presence on its eastern (Afghanistan) and western (Iraq) borders. Also, Iran was wary of the fact that there are American warheads stationed in Europe ready to be launched at any moment.[*] Therefore, Iran's objective was to ensure its national security by using measures that would prevent Iran from being exposed to American attack. Seeing North Korea's example, Iran realized that walking the nuclear path was the best way to insure safety. The US showed no reluctance to invading Iraq but refrained from attacking North Korea after it withdrew itself from the NPT and proclaimed possession of Weapons of Mass Destruction (WMD).[8] Iran opted for this policy alternative instead of going up against the world power in a more direct manner. The information deficit, however, bears the added effect of confusing international society about Iran's attitude. Iran's incomplete disclosure to

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[*] For further detail see Appendix D (Map of US weapons stationed in Europe)
[8] Inbar, Efraim. "The need to block a nuclear Iran", *Middle East Review of International Affairs*, Vol. 10, No. 1, March 2006, p 86.

the IAEA of information regarding its nuclear programme has thus led the world to be suspicious of its behaviour.

The second problem was that Iran's missile development had hardened its exterior image and also altered the image of its civilian nuclear project. Instead of alleviating doubts amongst the international community concerning its nuclear programme, Iran reaffirmed the hypothesis it was striving towards WMD production.

The following table depicts the characteristics of Iran's missile capacities through its development since 1988.

Characteristics of Iran's Ballistic and Cruise Missile Inventory [9]

Name	Other Name	Range	Propellant	Type of Missile	Status
Shahab 1	Scub-B	315 km	Liquid	Ballistic	Deployed
Shahab 2	Scub-C	500km	Liquid	Ballistic	Deployed
Shahab 3	-	800-1,000 km	Liquid	Ballistic	Deployed
Shahab 3M	Kavoshgar, Ghadr-1	1600km	Liquid	Ballistic	Testing
Sejil	Ashura	2200-2,400km	Solid	Ballistic	Testing
Kh-55	AS-15 Kent, X-55	3,000km	One solid booster and one Liquid-propelled jet engine	Air-launch cruise missile	Unknown
Ra'ad	Silkworm	105 km	One solid booster and one Liquid-propelled jet engine	Anti-ship cruise missile	Unknown

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[9] NTI. "Iran's profile", *NTI Research Library* , 12 June 2011 (Online), Source http://www.nti.org/e_research/profiles/Iran/Missile/index.html

From 1988 onwards, Iran had increased the range of its missiles while proclaiming that it was for securing its own national security. For instance, the range of the Shahab missile increased from 300 km to 1,000 km. This is not to forget that other warheads such as the Shahab 3M, Sejil, Kh-55 and Ra'ad could have the capacity reach Europe and the US. Adding to wariness over its ambiguous politics, the improvement of Iranian missile range led neighboring and western countries to confirm their assumptions that Iran was conducting a nuclear military programme. This situation put the regional political environment in uncertainty. The development of Iran's ballistic missile system, in a nutshell, sent a clear message to the West and the world to pay attention to Iran. On the one hand, Iran gained international attention and achieved an increase in its bargaining power while dealing with western countries. On the other hand, the international community, especially Europe and the Middle East would have to live with this undesirable feeling of an arms-race environment.

Lastly was the problem of Iran's negative policies toward Israel, the United States and its positive relationship with Muslim hardliners, a problem exacerbated by its potential to manufacture WMDs. After the 1979 revolution in Iran, the relationship between Iran and Israel fundamentally changed. Iran and Israel have lived in strong mutual mistrust, in part due to Iran's nuclear development. On the one side, Israel viewed Iran as a threat to regional security and was suspicious about Iran's intents. On the other side, Iran viewed Israel as a major ally of the United States and, therefore, a threat to its security. Iran has always regarded Israel as 'occupied territory' and stopped recognizing Israel as a nation after the 1979 Islamic revolution.

Similarly, ties between Iran and the US had always been difficult since the American hostage incident in Tehran.[*] Since that episode, the US had continually employed tough measures, such as economic and political sanctions, in its dealing with Iran. The presence of American troops in Afghanistan and Iraq along with other past experiences, meanwhile, had not improved Iran's negative image of the US.

The relation between Iran and the US seemed to improve during Mohammad Khatami's presidency when Iran adopted a more flexible foreign policy. Khatami's foreign policy moved from a confrontational to conciliatory posture towards the US and the western countries. However, when President Mahmoud Ahmadinejad came to power, the relationship between the two countries degraded again. The United States (the US) under President Bush put Iran in the so-called Axis of Evil and monitored it with sceptical eyes. Iran's tough politics towards Israel compounded concerns for the US. The call for "Israel to be wiped off the map"[10] by Ahmadinejad in October 2005 thus understandably heightened tensions between the US and Iran. Despite these circumstances, however, the US had always supported EU-negotiation with Iran and hesitated to use preemptive measures against is. This situation, in a way, emphasized the achievement of Iran in drawing the attention of the international community to itself in the face of controversy.

Explanation of liberal intergovernmentalism

Before examining the EU's commonality and it effects related to the Iran nuclear issue, this thesis will concentrate on explaining what liberal intergovernmentalism is. This

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[*] The American hostage incident in Tehran was a diplomatic crisis between the US and Iran. Islamist students and militants took over the American Embassy in support of the 1979 Iranian Revolution. Fifty-one U.S. citizens and diplomats were held hostage for 444 days from November 4, 1979 to January 29, 1981.

[10] Inbar, Efraim. "The need to block a nuclear Iran", *Middle East Review of International Affairs*, Vol. 10, No. 1, March 2006, p 92.

theoretical framework will later be employed to analyze elements that helped the EU form common positions toward Iran.

The idea of liberal intergovernmentalism was coined by Andrew Moravcsik[*] and became popular during the early 1990s.[11] Liberal Intergovermentalism (LI) is counted amongst the most important theoretical frameworks for the analysis of European integration. The theory is considered a 'grand theory' aiming to explain a broad image of European integration. It links multiple factors into a single coherent approach, appropriate to explain the trajectory of integration overtime.

LI incorporates within it, both realist and neo-liberal approaches. By not relying too much on realist assumptions, LI takes into account the importance of interstate institutions. Nonetheless, the realist perspective enables LI to provide a better picture of the whole integration process. The realist point of view focuses attention on states as main actors in European integration. In addition, one has to bear in mind that European integration very much reflects the compromise of member states (of their national preferences) which, overtime, results in the creation of regional institutions, binding rules and regulations.

As mentioned, LI views states as critical actors who pursue their objectives via intergovernmental negotiation and bargaining. In this theory, states are perceived as 'masters of the treaty'. The decision of states to cooperate internationally, thus, can be explained in three stages, as follows:

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[*] Andrew Moravcsik is an expert in European politics at Princeton University who published an article on Liberal Intergovermentalism in the book "European integration theory", published by Oxford University Press.

[11] Cini, Michelle and Pérez-SolórzanoBorragán, Nieves. "European Union Politics", *Oxford University Press*, 2010, p 96.

- *National preferences*: this stage defines the national interests of each member state. The foreign policy goals of national governments vary in response to shifting pressure from domestic social groups, whose preferences are reflected through domestic institutions. Accordingly, state preferences are neither fixed nor uniformed they are driven by 'issue-specific preference' (e.g. concerns over energy security) where states try to manage globalization.

- *Substantive bargain*: this stage explains how national preferences converge at the European level. Member states have to combine their national preferences by negotiation in order to achieve coordination and cooperation for mutual benefit.

- *Institutional choice*: this stage is the result of the negotiation, or the common position derived once member states have made their opinions known. Institutional choice helps states reach a collective position that reduces the costs of further international negotiations on specific issues. Also, institutional choice helps provide member states with necessary information and reduces state uncertainty about future preferential and behavioral changes amongst other members. At this stage, the EU will set norms and procedures for more efficient bargaining and reduction of uncertainty. Just as importantly, the sovereignty transfer to EU institutions will help national governments remove issues from the influence of domestic politics and decentralized intergovernmental control, which might build up pressure for non-compliance.

After having a close look at the core concepts of this theory, the thesis will now explain how LI will be applied to the analysis of EU commonality in its negotiations with Iran. It is important to note that the focus of this research will be mainly on the big three as these three countries always take the lead in the EU's external action. In addition, LI will be used as a framework of analysis in order to present the whole picture of how commonality

has been reached in this case. In the first stage, the research will examine the national preferences of the big three EU members. Then, the focus will shift to how the big three and other member states converge their national preferences at the European level. The last stage will show the options and norms set by member states.

EU commonality through the lens of LI

A key characteristic of CFSP is that it is based on a strong intergovernmental framework with a unanimity voting system. In negotiations with Iran, EU member states benefited from this system by reducing political cost they would have spent in individual dialogues. To attain cost reductive commonality in this framework, member states must first decide to join hands and express their common concerns at the European level. In this case, a binding concern was the threat represented by Iran's ambiguous nuclear project. In this section, the three-stage LI framework of analysis will explain the concerns of the big three had and how the EU managed to reach commonality.

The EU had maintained a relationship with Iran since before the Islamic revolution of 1979. EU member states such as Austria, France and Germany used to support the Iranian nuclear programme. From Iran's perspective, the EU is major trading partner, being the target of 90 per cent of energy imports from Iran in 2009 and generating 23, 808 million Euros of trade in 2010.[12] In much the same way, the EU was attracted by Iran's large energy resources (Gas and Oil) but it was also interested in Iran's investment market due to its large market size. The EU initiated the Trade and Cooperation Agreement with Iran in 2002, although it was suspended in 2005 after the nuclear problem emerged. Nonetheless, interdependence of the two sides could be observed. The dependence was however offset by the Iranian nuclear issue, which in no doubt was a big obstacle to trade and a peaceful political environment.

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[12] <u>Official website of the European Commission.</u>"EU-Iran trade relation", 15 June 2011 (Online), source http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/countries/iran/

Despite being divided over the 2003 Iraq crisis, the EU achieved commonality on the Iran nuclear issue. France, Germany and the UK all played a major role in allowing the EU to have this strong common position.

National preferences: Perceptions and stances of the big three

This section will start with the examination of factors shaping French, German and British (the big three) perceptions of Iran's nuclear programme. Then, it will move on to explain factors leading to the formation of a Big three common position.

To begin with, France, being one of the EU's driving forces, has had a turbulent relationship with Iran throughout history, but especially after the Islamic revolution. This is due to the Iran's "neither West nor East foreign policy" making France confused about Iranian attitudes toward Western countries. The political relationship between France and Iran improved slightly after France opposed the United States' Iran-Libya sanction in 1995. In terms of their economic relationship, France mainly exports capital goods, automotive and refined products to Iran while benefitting from the import of Iran's hydrocarbon products.

The main issues that caused France concern over Iran's nuclear issue can be divided into two different aspects: political and economic aspects. From a political aspect, as an accounted member of the Non-Proliferation Treaty intent on controlling the production of WMDs, France sees itself as a guardian against nuclear proliferation. It is understandable then, that France would be made uneasy by Iran's ambiguous nature in terms of nuclear development. France is also afraid that the contact of Iran with some Muslim hardliners could lead to the spread of WMD know-how to terrorist groups, leading to the use of nuclear or chemical WMD against European countries. At the same time, the conflict over Iran's nuclear aspirations is tied to France's interest in the domain of energy security, which leads to the economic aspect of France's aversion.

Due to the large scale of energy resources existing in Iran and the over-reliance of Western Europe on the import of energy from Russia, France has been hopeful of making Iran an alternative supply of energy to meet its own domestic demand. As such, the Total Group (a French energy company) continually invested in Iranian oil and gas fields. In September 1997, Total signed a 2 billion US Dollar[13] contract to develop phases 2 and 3 of the South Pars natural gas field in Iran. From 1999 onwards, Total invested extensively in Iran's oil and gas market, taking part in a 1999 co-investment with ENI (Italian oil and gas company) in Iran's Doroud oil field and the offshore Balal field[14] as well as co-investing with the Iranian government in the construction of a pipeline from Baku in Azerbaijan via Tabriz to the Iranian Caspian Coast at Neka in 2006.[15] These investments highlight the importance French energy companies had given to Iran and imply the importance of the Iran energy market to France as a whole. One may argue that France could look for other alternative markets in the Middle East, but the potential of Iran's energy reserves are hard to be overlooked, a fact intensified by the long view of France and the European region's energy needs as a whole.

The 2008 European Security Strategy report had predicted that the region would have to externally import 75 percent of its oil and gas by the year 2030. Based on this forecast, the Iran case does not only affect France politically, but also economically as energy is one of the most important elements for the economic cycle. This impetus, to facilitate more investment, explains Total's preference for France to maintain a stable political environment with Iran. The will of Total should be viewed as a domestic factor putting pressure on the French government not to use military measures against Iran. General public opinion is another

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[13] UJA Federation of Northern New Jursey. "Companies investing in Iran's oil and natural gas sector since 1996", 16 June 2011 (Online), Source http://www.ujannj.org/local_includes/downloads/21816.pdf

[14] Ibid.

[15] Moradi, Manouchehr. "Caspian pipeline politics and Iran-EU Relations", UNISCI Discussion Papers, No. 10, January 2006, p 182.

example of domestic pressure. Despite the fact that 86 per cent of French people[16] had demonstrated a strong negativity towards Iran's attitude on the nuclear issue, they remained extremely firm on the requirement to use diplomatic means to influence or restrain Iran's ambitions. If the French government decided to use military action against Iran, it would have to deal with strong public resentment. An example of this same dilemma can be observed in a BBC World Service poll that revealed that 87 per cent of French people were opposed to the Iraq war in 2003.[17] The survey confirmed assumption that the French public only would support diplomatic approaches in such situations.

In summation, France's concerns related to Iran's nuclear development are primarily about energy security, which had been severely affected by fears of WMD proliferation. The lack of complete information about Iran's nuclear programme had also caused France to be concerned about Iran's ultimate motives and gave the French grounds to be apprehensive about the possibility of Iran sponsoring or supporting terrorist attacks. However, France has continued to maintain that the use of diplomatic measures should be its primary means to express French concerns. This is due to the perception that there was not enough definite, unequivocal evidence that Iran's nuclear programme had aggressive or malicious motives.

Germany, meanwhile, had begun to haven good relations with Iran after its Islamic revolution in 1979. Iran's perception towards Germany was comparatively positive amongst the Big Three as it considered Germany a potential country deliverer of economic and technical assistance. Germany itself had always remained firm in its stance to trade with Iran despite sanctions imposed by the US. Germany mostly exported machinery, motor vehicle

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[16]World Public Opinion. Org. "Israel and Iran shares most negative rating in global poll", BBC World service Poll, 22 March 2007, accessed on 19 April 2011 (Online) Source http://www.worldpublicopinion.org/pipa/articles/views_on_countriesregions_bt/325.php?nid=&id=&pnt=325&lb=btvoc

[17]Goldthau, Andreas. "Divided over Iraq, United over Iran.A rational choice explanation to European Irrationalities", *European Political Economy Review*, No.8 (Spring 2008), p48.

parts, iron, metal products and chemical products to Iran. From 2006 to 2008, Germany's export values to Iran were 4.11, 3.6 and 3.9 billion Euros respectively.[18]

The concerns of Germany over Iran's nuclear programme, nonetheless, were occasionally divided, much like France, into two aspects: political and economic. In the political aspect, Germany, like France and the UK, is part of the NPT regime and was thus obligated to pressure Iran to comply with the NPT and the demands of the IAEA. Germany took its role as part of the NPT seriously and saw it as an opportunity to perform a crucial international role, much like France. An integral part of the German context that must be noted was that since World War II, Germany was never been able to secure a permanent membership on the UN Security Council and thus relied on international norms and regimes to assert itself on the world stage. The preservation of NPT goals helped Germany gain the prestige of an international regime guarantor and included it amongst international actors in dealing with Iran. Germany's action had led to its being considered part of the big three member states of the EU as well as part of the five permanent members of the UN Security Council and Germany grouping to deal with the Iranian nuclear issue, or P5+1. A unique aspect of Germany's political approach to Iran, however, was that after World War II it adopted multilateralism as the core concept of its foreign policy as was seen, for example, by its active engagement with the EU and the reform of the UN.[19]

Germany's idea of keeping Iran on the NPT track was to assure that Iran did not deviate from the explicit civilian purpose of its nuclear development. Like all other EU member states, Germany was suspicious of Iran turning its nuclear capabilities towards the assistance of terrorist groups. Once again, this situation was linked to the information deficit

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[18]Germany Federal Foreign Office, "Bilateral relation with Iran", 25 April 2011 (Online) Source http://www.auswaertiges-amt.de/EN/Aussenpolitik/Laender/Laenderinfos/01-Nodes/Iran_node.html
[19]Belkin, Paul."German foreign policy: trends and transatlantic implications", Congressional Research Service, 20 May, 2009, p 3-5.

between Western countries and Iran. Nonetheless, the West would only approach Iran through diplomatic means at that time.

From an economic aspect, Germany was compelled to only engage Iran through diplomatic measures so as to not disturb private investment projects. Numerous major German companies such as Mercedes, Volkswagen, Friedrichshafen, MAN, Linde, BASF had operations in Iran.[20] In 2008, some 50 German firms had affiliates in Iran and more than 12,000 German firms had representatives in Iran.[21] Moreover, German-Iranian trade had experienced an increase of 7.8 per cent between January and September of 2008.[22] It could be assumed then, that the importance of Iran for the German private sector led its government to be extremely careful about its policy choices. It is also presumable that those private companies and firms were involved in domestic social groups that pressured the German government to hold to diplomatic methods in dealing with Iran. Instances of such companies opposing sanctions against Iran include; former Managing Director of the federation of German Wholesale and Foreign Trade (BGA) Jens Nagel repeatedly criticizing sanctions on Iran as "totally incomprehensible"[23] and the then Managing Director of the German Near and Middle East Association (Numov) Helene Rang asserting that further tightening of sanctions against Iran would "not solve the problem".[24] Overall, Germany's private sector had made known its strong preference for better entente with an Iran and an end to sanctions. The German government had thus been pressured into having to find a balance between preserving international norms as well as satisfying the needs of its private sector, which so far had been promoting use of diplomatic measures. In another similarity, the German public

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[20] <u>Takrah</u>. "German exports to Iran surge despite sanctions", Group Economic News, 21 June 2011 (online), source http://www.payvand.com/news/08/dec/1021.html
[21] Ibid.
[22] <u>Payvand Iran News</u>. "German-Iranian trade up 7.8 per cent", Payvand News, 21 June 2011 (online), source http://www.payvand.com/news/08/dec/1021.html
[23] Ibid.
[24] Ibid.

had also expressed a strong resentment towards the use of force to remedy problems since the Iraq War in 2003. According to a BBC World poll, 89 percent of Germans interviewed had opposed to the use of force against Iraq.[25] In addition, the Iraq War issue was considered to be one of the principal factors that enabled Gerhard Schroder[26] to be re-elected in 2003. This reflected how strong the opposition to the use of force was among the German people. Once again, public opinion was a second domestic factor pushing the government to use coercive diplomacy against Iran instead of more confrontational and forceful methods. In sum, the concerns of Germany towards Iran's nuclear programme were not only WMD proliferation but at the same time, German trade interests in Iran. Hence, the use of diplomatic means could best serve the preference of both the government and domestic social groups (business sectors and the German people in general).

The last of the big Three, the United Kingdom, had not enjoyed a positive relationship with Iran since the Islamic Revolution. The UK viewed Iran as destabilizing the peaceful political environment in the region while Iran conversely did not trust the UK due to its past involvement in Iranian internal politics. The UK's similar foreign policy to the US also added to the Iran wariness of British motives in the region. What is more, the Rushdie affairs[*] entirely prevented the two countries from having good relations until September 1998 when Iran finally considered the affair to be completely finished. Since then, trade relations had

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[25] World Public Opinion. Org. "Israel and Iran shares most negative rating in global poll", BBC World service Poll, 22 March 2007, accessed on 19 April 2011 (Online) Source http://www.worldpublicopinion.org/pipa/articles/views_on_countriesregions_bt/325.php?nid=&id=&pnt=325&lb=btvoc

[26] Gerhard Schroder was Chancellor of Germany from 1998 to 2005. Schroder earned public support during the 2003 federal election by severely opposing to the use of force in remedying international conflict, the support secured him a second term in office.

[*] This affair is about Salman Rushdie's book called 'the Satanic Verses', blaspheming Islam, the Prophet and the Koran from the perspective of Iran's controlling religious elites. This book was published in 1988 in the UK. It was the centre of major international controversy, drawing objections from Muslims in many countries (including Iran). This issue had disturbed the relationship between the UK and Iran for a decade. In 1998, the two sides decided to depoliticize the issue and improve their diplomatic relationship.

taken place between the two, albeit with minimal exchanges. Between 2005 and 2007, the balance of trade in goods between the two countries had decreased from 425.1 to 333.9 million Pounds sterling.[27] A minor increase of 11.6 million Pounds sterling was seen between 2007 and 2008[28] but, ultimately, the British government did not encourage any investment in Iran.[29]

Britain's interest and reaction to Iran's nuclear programme can be analyzed from two aspects, political and economic. In terms of politics, the British government had always expressed concerns like France and Germany over the ambiguous nature of the Iranian nuclear project. Again, the UK, as a signatory of the NPT regime was constantly trying to compel Iran to be in line with IAEA demands. This is directly linked to the UK's maintaining itself in the role of a guardian of the international regime. Being a medium sized country but a major power, the only way for the UK to play a role in this case was to urge the international community to assert the goals of the NPT. Unfortunately, the approach taken by the UK during the Iraq war had put it at odds with the EU and its other member states. As such, since the 2003 war, the British government had been mindful not to repeat errors that could severely affect its popularity amongst the EU as well as its own public. Statistics during the time showed 80 percent of the UK's citizens had opposed the war in Iraq[30] but the government decided to deploy British troops to Iraq regardless, only to find no evidence of nuclear weapons in Iraq, obliterating its justification. This error had led to a change in the British position after the Iraq war. In order to reconcile with the British public, the

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[27] Irano-British Quarterly Magazine. "UK/Iran trade statistics", Irano-British Quarterly Magazine, No 36, *Irano-British Chamber of Commerce, Industries and Mines (IBCCIM)*, 2010, p 6.
[28] Ibid.
[29] The UK trade and investment official website, "the UK investment in Iran", 22 June 2011 (online), source http://www.ukti.gov.uk/export/countries/asiapacific/middleeast/iran.html
[30] Goldthau, Andreas."Divided over Iraq, United over Iran.A rational choice explanation to European irrationalites", *European Political Economy Review*, No.8 (Spring 2008), p 48.

government had chosen to pursue national interests through EU Common Foreign and Security Policy.[31]

Pursuing British national interests through EU institutions was also beneficial to the UK as it was an opportunity for it to improve its intermediary role for the transatlantic relationship. Differences between the EU and the US had widened during the Iraq war with France and Germany opposing the use of force in 2003. The UK had used this opportunity to strengthen its relationship with the US to enhance its transatlantic ties.

Another important factor in this case was the fear that Iran would hand over its nuclear know-how to a terrorist group and cause a large scale catastrophe dwarfing even the events of September 11, 2001. Also, the 7 July 2005 terrorist attacks in London had shocked the UK into being extremely careful about its policy choices so as to not attract another terrorist attack.

From an economic standpoint, Britain was not as reliant on Iran's oil reserves as the other two members of the Big Three. This could clearly be seen in trade relations between the two countries that experienced only minimal growth between 2005 and 2008. British Petrol, or BP, had actually withdrawn capital from Iran's energy infrastructure, which was larger than 20 million US Dollars at the time.[32] It can be said then that, for the UK, security matters great outweighed economic and financial matters.

In sum, British concerns towards Iran's nuclear project were more about how to prevent WMD proliferation, how to prevent the delivery of know-how to terrorist groups and how to regain its place in European and international politics. As a result, the UK had opted

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[31] Hood, Frederick. "British foreign policy after Iraq", *Journal of European Integration*, 2008, p 196.
[32] Calabresi, Massimo. "Sleeping with the enemy: BP's deals with Iran", *More on time .com*, 22 June 2011 (online), source http://www.time.com/time/nation/article/0,8599,1996921,00.html

for the use of diplomatic means, joining France and Germany in the forefront of negotiations with Iran.

After having a close look at the perceptions and preferences of the big three, it is now obvious that they had a common political stance and, to a lesser extent, a common economic stance. Politically, the big three were concerned about Iran's ambiguous attitude towards nuclear development and they feared WMD proliferation. Economically, however, the three stood to benefit from Iranian energy reserves and from its energy market. Domestic groups in each country also played a part in pressuring their governments not to use force against Iran. These factors culminated in the big three arriving at a common stance towards Iran, that is, to use coercive diplomacy. In addition, this choice to use coercive diplomacy served the EU as a means to prevent the problem from escalating and to avoid the use of more forceful measures against Iran.

Substantive bargain: reaching commonality among the big three and other countries

"No single country is able to tackle today's complex problem on its own"[33]

It has been established that the big three, along with other member countries of the EU, had agreed that WMD proliferation was a matter to be immediately addressed and cooperated on. The large-scale casualties possible and the endangerment of the EUs entire population had made the issue a priority. The Iran nuclear issue also affected the energy security of member states, especially Central and Eastern European countries. An unstable political context in the Middle East would effectively stifle opportunities for the EU to find a new alternative energy supply that was needed to satisfy Europe's expanding energy demands. Central and Eastern European countries had come to be over-reliant on the Russian

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[33]European Security Strategy, "A secure Europe in a better world", *Council of the European Union*, 12 December 2003, p 1.

gas company (Gazprom). In fact, from 2000 to 2008, Russia had become the main natural gas supplier of the EU.[34] Therefore, when an occasion like the Nabucco project emerged in 2002[*], Central and Eastern European countries saw the chance to diversify their energy supplies. It is important to highlight that the "Nabucco project was initially developed with Iranian gas".[35] The project consisted of companies of countries along the Nabucco pipeline's itinerary, that is RWE (Germany)[*], Botas (Turkey), Transgaz (Romania), Bulgargaz (Bulgaria), MOL (Hungary) and OMV (Austria).[36] Even though member states tried to diversify their supply, the Nabucco project could not meet the entire demand of Central and Eastern European countries. This was because the tension on nuclear development led to the change of itinerary to Azerbaijani gas.[37] Ultimately, the main reason behind all EU states cooperating against Iran remained the non-traditional security aspect derived from the threat of WMD proliferation.

Lessons learned from the Iraq war in 2003[*] were another factor that led the EU to engage more systematically with issues related to WMD proliferation. In spring of 2003, a first step was taken by Sweden when it tried to propose an EU action on non-proliferation. In

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[34] European Commission, "Energy production and imports", Eurostat, 22 June 2011 (online), source http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Energy_production_and_imports

[*] Nabucco pipeline was initiated by the EU in 2002. This project clearly underlines the aim of the EU to search for another energy supplier as it feels that it is over-reliant on Russian gas.

[35] Tomberg, Igor."Iran in the European Gas Market: a Russian Point of View", *IFRI (INSTITUT FRANCAIS DES RELATIONS INTERNATIONALES)*, October 2009, p 15.

[*] The German company joined the consortium in 2008. It is a German big gas contributor that has an ambitious plan for getting into production abroad.

[36] Barysch, Katinka. "Should the Nabucco pipeline project be shelved?",*Centre For European Reform*, May 2010, p 2.

[37] Tomberg, Igor."Iran in the European Gas Market: a Russian Point of View", *IFRI (INSTITUT FRANCAIS DES RELATIONS INTERNATIONALES)*, October 2009, p 15.

[*] In the Iraq war 2003, the EU member states were divided into two groups. The one led by France and Germany opposed to the use of force in Iraq. The one led by the UK supported the use of military measure against Iraq.

an interview for the Swedish newspaper, Dagens Nyheter, on 10April 2003, the Swedish and Greek foreign ministers of the time underlined that it was time for Europe to counter the threat of WMD with preventive measures in order to avoid the future use of force. The idea was accepted by the General Affairs and External Relations Council (GAERC). The Council of the EU commissioned the GAERC Secretariat to draft a document outlining the EU's strategic aims in the field of non-proliferation. This draft was adopted in June 2003 at the Thessaloniki European Council and was finalized by the Council of the EU in December 2003. The resulting strategy against proliferation of WMD was adopted in parallel with the European Security Strategy. [*] Later, in 2006, a concept paper was introduced with the aim to enhance the 'actorness' of the EU in preventing WMD proliferation. A compromise on this issue proved easy to achieve after only minor negotiations, as all member states wanted to avoid the outcome of a divided Europe. Moreover, the threat of WMD proliferation put the security of every member states at stake.

If any EU member state chose not to cooperate within the framework of CFSP, it would have had to deal with the possibility of a nuclear threat from Iran on its own, a daunting potentiality. For the big three and other member states, the choice of using CFSP cooperation was the best option. The intergovernmental nature of the CFSP provides two distinctive advantages; the first one being legitimacy to bargain with Iran derived from the unanimity voting system while the second advantage is the protection of all members' national interests. Through the unanimous voting system, every member state can be certain that their national preferences will be respected as within the CFSP framework no one state or group of states can undertake an action without taking into account the national

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[*] It is important to note that the European Security Strategy 2003 is different from the WMD Strategy. The ESS represents the overall threats to the Union and how the EU should do in order to be 'a secure Europe in a better world'.

preferences of other members. In the case of Iran, member states decided to appoint the High Representative for CFSP (Javier Solana) to negotiate with Iran on behalf of the EU 27 member states. The choice of Solana as representative of the EU was also made out of a consideration to ensure that the small member states would not be out of the loop on important issues and decisions.

Institutional Choice: Establishment of a security regime against WMD proliferation

The choices made by EU member states on the issue of Iran's nuclear programme was from the onset clearly going to be one opposed to possible WMD proliferation. The member states also decided to use the mechanism of the High Representative for CFSP to assure a common position in the undertaking. In this section, the two policy choices will be analyzed, starting with the EU's strategy against WMD proliferation and ending with its choice to utilize the High Representative for CFSP.

Firstly, it is important to briefly introduce the substance of the EU strategy against the proliferation of WMD. The EU strategy against proliferation of WMD was based on the need of the EU to address the fact that terrorist groups and a "number of states sought or are seeking to develop such weapons".[38] Most importantly, the document mentioned that WMD and missile proliferation put at risk the security of European states, European people and European interests. Therefore, it was crucial for the EU to proactively address the issue.

The document consisted of three chapters. The first chapter talked about how WMD proliferation and means of delivery were perceived as threats to the international community and the EU. Several arguments were presented in order to underline the necessity for the EU

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[38] Official website of the Council of the European Union. "EU Strategy against proliferation of Weapons of Mass Destruction", 10 December 2003, p 2 (Online), 15 April 2011, Source http://register.consilium.europa.eu/pdf/en/03/st15/st15708.en03.pdf

to react. First, it highlighted the risk of WMD usage, as was a reality during the Iraq-Iran War. Afterward, the risk was discussed about knowledge and expertise regarding WMD weapons could fall into the hands of terrorist groups with the intention to cause large-scale death and destruction was acknowledged. The EU WMD strategy also clearly underlined the economic threats presented by WMD programmes that could create regional instability. At the end of the first chapter, it was stressed that the collective responsibility of the EU was to contribute to the international battle against WMD proliferation.

The second chapter calls attention to the multilateral approach as way to address WMD proliferation. The document affirmed the need for cooperation between the EU and its international partners such as the UN, US, Russia etc. The strategy called for the EU to pursue the universalization of the NPT, IAEA safeguard agreements and additional related protocols.[*] In addition, the importance of coercive measures under Chapter VII of the UN Charter[39] was stressed as a useful option when political and diplomatic approaches were exhausted. The chapter went on to emphasize that the UN Security Council plays the central role in opposing WMD proliferation but the EU must take charge of the matter in the Mediterranean area. It is noted that the EU should not expect the problem to be solved in the short term. The chapter concluded by pointing out the goal to "prevent, deter, halt and, where possible, eliminate proliferation programmes of concern, while dealing with their underlying causes".[40]

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[*] Those additional protocols are the Chemical Weapons Convention (CWC), the Biological and Toxin Weapons Convention (BTWC), the Hague Code of Conduct Against Ballistic Missile Proliferation (HCOC) and the Comprehensive Nuclear Test Ban Treaty (CTBT).

[39] The coercive measures consist of sanction, selective or global, interceptions of shipments and, as appropriate, the use of force.

[40] Official website of the Council of the European Union. "EU Strategy against proliferation of Weapons of Mass Destruction", 10 December 2003, p 7 (Online), 15 April 2011, Source http://register.consilium.europa.eu/pdf/en/03/st15/st15708.en03.pdf

The last chapter underscored the willingness of the EU to contribute to a stable international and regional environment. To achieve this, the EU would coordinate its internal instruments, such as political and economic levers (Trade and development policies), verification mechanisms and multilateral treaties. Furthermore, member states agreed to set up a monitoring centre[*] in order to assure the consistent implementation of the WMD Strategy.

Despite the establishment of the WMD Strategy as well as its monitoring center, member states did not initially define the precise task of the undertaking.[41] This was done during the following years and presented to the Council of the EU in December 2006. The subsequent concept paper[42] outlining the precise task of the WMD Monitoring Center (WMD-MC) was approved on that occasion and made the WMD-MC more operational.

After reaching a level of commonality at the substantive bargaining level in December 2003, member states decided to adopt with unanimity the European Security Strategy and the EU Strategy against the proliferation of WMD. These two documents became the norms and agenda agreed upon by all member states with the aim to deal with WMD proliferation along with other security problems more systematically.

Even though the agendas and norms set by the EU in 2003 did not mention any punishment for non-compliance, the nature the regional cooperation created a political lock-in for all signatories. In other words, these two strategies obligated member states to uphold EU decisions as they are the courses of action the states committed to themselves, leaving the cooperation would put the non-compliant party out on their own to deal with threats by

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[*] This monitoring center would be set up at Council Secretariat and fully work in association with the Commission. They planned to meet every six months.

[41] For further details see Appendix E (EU WMD Strategy)

[42] For further details see Appendix F (the Concept Paper WMD-MC)

themselves. In this case, the non-compliant party would have to bear the cost of negotiations as well as find a source for the exchange of information on its own. As part of the regional grouping, all costs and information would be shared by the members. In a situation where the information deficit is a main factor of the problem, this cost would be too great for any single state.

Being part of the EU's concerted effort against Iran's nuclear development also would equip the smaller states with an effective set of political mechanisms, equalizing them amongst other members in terms of expressing their opinions at the international level. Therefore, leaving the group would cost them bargaining power and a place to express themselves internationally. In the meantime, for big member states like France, Germany and the UK, the EU political scene allowed them the chance to fully take on a role of leadership, a level of leadership unattainable if they were to work unilaterally. Alone, the big three would have to face the power of major international actors like the US. Not to mention the EU's economic weight, a major bargaining chip. The EU had demonstrated on many occasions that it could use its powerful economic aspect to put Iran under the spotlight of the international community. For example, the EU was able to convince Iran to suspend its uranium enrichment in 2003; and also in 2006, Iran agreed to consider an economic package proposed by the EU.

What is also important to notice from the establishment of this WMD strategy and the European Security Strategy was the fact that these two documents become regional norms adopted by all member states. These norms were the direct results of intergovernmental cooperation. They did not reduce the capacity of member states to define their own foreign policy or perform roles outside the EU but rather gave member states another status in the international arena. The common values shared by EU member states could also be exported worldwide as well because those norms were in line with the United Nations Charter. EU

cooperation actually reflected the spirit of the United Nations Charter to solve problem through diplomatic measures rather than resorting to force. In spirit of this, the EU had incorporated the principle of coercive diplomacy in remedying the problem of WMD proliferation a principle found in Chapter IIV of the UN Charter. All together, these facts formed a phenomenon that was the first far-reaching step in EU foreign policy cooperation, showing that member states could agree to form commonality on such a sensitive issue. The cooperation even resulted in a concrete strategic plan that was truly employed to deal with Iran's nuclear issue. With commonality established, the member states then appointed the High Representative for CFSP to negotiate with Iran on behalf of the whole EU.

This issue led to the explanation of the second institutional choice that member states have took on. The choice of using the High Representative for CFSP points out two important features. Firstly, it is the fact that member states could cooperate at the EU level when it was about important foreign policy issues. This could be highlighted by the role of the EU High Representative for CFSP that had been made the key player since member states agreed to add the representative to the negotiation team in 2003. This choice implied the acceptance of tight cooperation at the regional level on foreign policy matters, albeit within the intergovernmental framework. The second issue that was important to be highlighted was that this would be the first time that the High Representative for CFSP would play a pivotal role in the negotiation with Iran. Normally, the High Representative for CFSP acted only on behalf of the Council of the EU (on the demand of the Council of the EU) in negotiations with third parties. In the negotiation with Iran, the High Representative for CFSP had contributed a lot to improve the poor situation between the West and Iran. The representative traveled to Tehran on and off from 2003 to 2008 to negotiate with Iranian officials on nuclear matters, albeit with the mandate of member states. Contact was maintained with Tehran and new sessions of negotiation were even started, all achieved as the result of the cooperation

among member states under the CFSP framework. The fear of losing bargaining power and the threat of WMD proliferation pushed all member states to choose the High representative for CFSP to carry their message to Tehran. The outstanding personality and diplomatic skills of the High representative for CFSP at the time, Javier Solana, also helped the EU come up with a concrete and more effective 'preventive diplomacy'.[*] In sum, this was the first time that the EU achieved a concrete strategy and a single voice through the High Representative for CFSP.

Conclusion

Liberal Intergovermentalism allowed the examination of factors that led each of the Big three countries of the EU to cooperate and rapidly respond to the challenge of Iran's nuclear programme. The common concerns of these three countries as well as those of other member states lay very much on traditional security matters. For example, the Iran nuclear issue possesses impacted for EU energy security, a matter that weighed heavily on the minds of Central and Eastern European countries that were overly-reliant on the Russian energy market. These countries would have liked to see Iran as a potential alternative energy supplier tothe Russian energy market. However, Iran's nuclear programme and the tensions it caused prevented the EU from securing Iranian energy as an alternative. Iran's uranium enrichment continued to pose a big challenge to EU security. The challenge was great enough to prompt EU member states to decide to cooperate at the regional level by implementing a strategy against WMD proliferation. The intergovernmental mechanism of CFSP offered the EU member states the ability to react proactively against the nuclear project problem in a cooperative manner. This cooperation clearly demonstrated that intergovernmentalism does

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[*] This preventive diplomacy is one class of action taken to prevent dispute from turning into an armed conflict.

not always prevent the EU from having commonality; on the contrary, it enabled the EU the unity to act assertively.

The question of 'what will be the future of EU foreign policy under intergovernmentalism?', however, remains in the hands of member states. As long as member states do not decide to change the status of the CFSP, the political mechanism of the EU will continue to function under an intergovernmental framework. This does not mean, as shown, that intergovernmentalism will always have a negative impact on EU foreign policy. Political contexts will push member states to cooperate. Ultimately, regardless of the system employed by the EU, member states will always be able to cooperate if they decide to do so.

CHAPTER V

The EU's PROACTIVE COMMON FOREIGN AND SECURITY POLICY

This chapter will be divided into two parts. The first part will provide an overview of the EU-Iran negotiation from 2003 to 2008, starting with the initial phase of the negotiation prior to the Iran nuclear crisis and moving on to the big three member states' proactive reaction towards Iran in 2003. Afterward, EU unity in 2004 will be examined before the chapter moves to concentrate on the period of 2006 when the nuclear issue was reported to the UN Security Council. Next, the research will focus on the proactive EU reaction towards Iran in 2006. Lastly, the period when the High Representative for CFSP played a pivotal role in the negotiation will be examined. After detailing the history of the negotiation, the second part of this chapter will turn to examine factors enabling the proactive action of the EU

Overview of E3/EU-Iran negotiation

Initial phase of the negotiation

It is important to notice that the EU has had a long relationship with Iran, even after its regime change of 1979. In 2002, Iran and the EU signed a Trade and Cooperation agreement in which the EU would assist in Iran's development and nuclear aspirations while Iran would become a trade partner to the EU. The negotiation process met with difficulties when rumours emerged in August 2002 that Iran was trying to work on a nuclear weapons project.

Information on the Iranian nuclear project was leaked by the National Council of Resistance of Iran (NCRI).[*] The rumours were confirmed after IAEA inspectors visited Iran in February 2003. Since then, Iran's nuclear programme has been a fixture of Global news.

Many observers, nonetheless, continued to believe that Iran was merely acquiring nuclear facilities.[*] Amidst fallout from the rumours, Iran tried to propose a deal with the US, but received a negative answer from the White House. The rejection offered the opportunity to the EU to become an intermediary between Iran and the international community, enabling the EU to step in as a main negotiator in a world wary of Iran.

During this time, France asked Iran to sign an additional protocol of the IAEA. The protocol was issued in the 1990s (to be signed on a voluntary basis) to provide the IAEA with more authority in finding nuclear materials and possible violations of the NPT. In June 2003, Iran declined the offer, prompting the EU to suspend bilateral negotiations for the Trade and Cooperation Agreement. Simultaneously, a report from the IAEA stated that Iran failed to report its nuclear projects as required. The IAEA, however, did not declare that Iran was in non-compliance with the NPT, rather, asking Iran to sign the additional protocol. In September 2003, the IAEA set an ultimatum for Iran to provide full information about its programme within a month.

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[*] The NCRI is an Iranian opposition group.

[*] Iran has the right to develop nuclear for civilian purpose under the Non-Proliferation Treaty (NPT). The problem was that Iran did not disclose everything that it should have declared to the IAEA.

A proactive reaction

Tensions heightened during the period and the big three' Ministers of Foreign Affairs[*] (E3) went to Tehran to negotiate directly with the Iranian government. The team succeeded in having Iran signed an agreement. In exchange for further negotiations and access to advanced European technology, Iran agreed to suspend its enrichment programme and sign the additional protocol. In addition, the E3 foreign ministers, with the backing of the EU, voiced the wishes of their individual countries. The EU as a whole became more active towards the problem in autumn 2004 owing to the E3's breakthrough with Iran.

Following the successful negotiation, Iran submitted a full documentation of its nuclear enrichment to the IAEA. The E3 was admired for its proactive work and in December 2003, the EU High Representative for CFSP was added to the negotiation team.[*] This was at the same time that the EU issued the EU Strategy against the Proliferation of WMD and the European Security Strategy, providing guidelines for the EU common foreign policy. At the end of 2003, however, tensions returned when the IAEA deplored Iran for not providing all information required. Less than a year after the E3 seemingly made headway, regional security was at stake once again.

Acting as one

At the start of 2004, the EU campaign was setback after the US made clear that Iran was violating the October 2003 agreement. In March 2004, an IAEA report warned that there were still missing parts in Iran's declaration. Iran eventually grew unhappy with the EU's 2003 proposal and threatened to resume uranium conversion and build a heavy water plant. El Baradei, Director General of IAEA visited Tehran in April 2004 and convinced Iran to

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[*] Dominique de Villepin (French Minister of Foreign Affairs), Joschka Fisher (Minister of Foreign Affairs of Germany), Jack Straw (The UK Secretary of State for Foreign and Commonwealth Affairs)

[*] Other member states asked the High Representative (Javier Solana) to play a role of go between because the other EU member states were afraid of being out of the loop.

hand in a second full report. Though compliant to the request, there were still contradictions in the second submission and Iran later announced that it would start to convert uranium into gas at the beginning of September 2004. Furthermore, Iran announced that it would start to produce centrifuges again.

On 21 October 2004, the E3 came up with a new proposal that included the start of broader negotiations, economic benefits and the delivery of light water reactors. The new agreement put negotiations back on track. On 14 November 2004, Iran signed the agreement and renewed the suspension of its nuclear programme. At the end of 2004, the E3 and Iran established a working group for negotiation on the transfer of nuclear technology, trade cooperation and security. In January 2005, differences in terms of perceptions of timing emerged. Iran expected that the talks would last only a month and both parties would come to a reasonable and amenable conclusion to the discussions. The EU expected the negotiation to be longer. The Iran-EU negotiation seemed to face some troubles when many proposals launched by Iran were not in line with EU wishes. Eventually, Iran felt that the EU was not cooperating and threatened to end its suspension. Fearing that Iran would continue its uranium conversion, the EU gave Iran the option to cease talks.

In February 2005, the EU was able to convince the US to contribute incentives for Iran. The US could offer Iran membership in the World Trade Organization and spare parts for airplanes. An Iranian presidential election in August 2005 would, however, change the negotiation atmosphere. The EU and the US expected Rafsanjani, who held the presidential seat from 1989 to 1997, to be re-elected for a third term in office. Surprisingly, the conservative Mahmoud Ahmadinejad came to power and announced an offensive position. Ahmadinejad staunchly proclaimed that Iran had the right to have its nuclear aspirations. Upon ascending to the presidency, he undid the European proposal of 5 August 2004 and continued to pursue the enrichment of uranium. In response, the EU broke off the

negotiations, regarding Iran's return to uranium conversion as crossing a line. In September of that year, an IAEA board resolution was supported by the EU and US (Russia and China abstained). The resolution warned Iran that if it did not comply with calls to end uranium enrichment, its case would be reported to the UN Security Council. The EU made sure to clarify that it was ready to return to negotiations if Iran suspended its enrichment programme. Shortly after, Tehran demanded negotiations be continued. The new round of EU, Iranian negotiations in December of 2005 however made no progress. Iran continued to threaten a resumption of uranium enrichment.

Early in January 2006, Iran removed IAEA seals from a number of research centres, directly contradicting demands from the E3 and IAEA. In the eyes of EU and the US, once again a line had been crossed. On 12 January 2006, Solana and the E3 foreign ministers conveyed in a joint statement that the diplomatic process with Iran had reached an impasse. At the end of the month, the E3, US, Russia and China consulted with IAEA and decided to report the case to the UNSC.

UNSC engagement (from February 2006 onwards)

The IAEA sent Iran's file to the UNSC during a special meeting of its board in February 2006. The EU took the lead role in drafting a resolution that would later be favoured by Russia and China. Discussion within the UNSC started at the beginning of March 2006. After a week of talks, the UNSC adopted the Declaration of the Chairman that granted Iran an occasion to comply with the International regime. Iran was unaffected by the actions and went ahead with its threats, suspending voluntarily cooperation with the IAEA and accelerating uranium enrichment. At the end of May 2006, the E3 succeeded in convincing the US to negotiate with Iran, something the US had refused since the revolution of 1979. However, the US set as a condition for multilateral talks that Iran first had to halt its

enrichment programme. Even with the EU's success in drawing the US into talks with Iran, it continued with its nuclear programme. Meanwhile, the IAEA report urged the UNSC to agree on a formal resolution in order to increase the pressure on Iran.

An active EU with one voice

Not only did the E3 successfully invite the US on board its approach to Iran, the states also convinced the US, Russia and China to agree on a new common package to be offered to Iran. The package was proposed to Iran on 5 June 2006.[*] Meanwhile, the EU representative, Javier Solana, informed Iran of possible sanctions against it if it remained on the averse to proposals. While there was no deadline, the international community hoped to get an answer from Tehran before mid-July 2006 (Before the G8 Summit in St Petersburg). Iran later made clear that it would respond in August 2006.

At the end of June, Germany appeared to be in favour of a proposal that would allow limited enrichment. The US immediately blocked the attempt. Nonetheless, Iran was not interested in the latest proposal. The UNSC thus began to draft a resolution and on 31 of July 2006, UNSC resolution 1696 was unveiled. Citing Chapter 7 of the UN Charter, the resolution mandated that Iran suspended its enrichment of uranium before the end of August 2006. The UN also threatened to vote in a new resolution that would open the door for the use of "appropriate measures", meaning escalation to more stern diplomatic approaches. Qatar, one of the rotating UNSC members at the time, opposed the resolution, giving grounds to Iran to characterize the declaration as illegitimate and finally to reject it. The US urged for a new draft to be issued by the UNSC that included sanctions but China, the EU and Russia

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[*] The package included four main incentives :
- The provision of light water reactors and enriched fuels;
- Support for Iranian membership in the WTO;
- The lifting on the use of the US technology in agriculture;
- The availability of spare parts for civilian aircraft made by the US manufacturers

stated that they were not ready to take matters that far. Iran, however, sent a 21-page answer to the proposal of Javier Solana on 22 August 2006.

On September 10, 2006, a meeting between Javier Solana and Larijani, Secretary of Iran's Supreme National Security body raised the possibility of a new deal. According to the talk, Iran would be prepared to suspend its programme on a voluntary basis for one or two months. Efforts were temporarily side-tracked, however, when on 9 October 2006 the spotlight of the UNSC was moved from Iran to North Korea. On 16 October 2006, foreign affairs ministers of 25 EU Member States agreed to continue talks inside the UNSC about sanctions against Iran. This particular common EU agreement had difficulties being realized as China and Russia both strongly opposed economic sanctions. At the end of November 2006, Iran asked for support from the IAEA in the development of a heavy water reactor in Arak. The request was rejected and on 23 December 2003, the UNSC finally achieved a unanimous vote on a new resolution (UNSC resolution 1737) that for the first time introduced a limited amount of economic sanctions, banned the import and export of nuclear material and froze the assets of 10 Iranian companies and of 12 individuals. Iran immediately rejected the resolution.

Solana's time

The year 2007 began with increasing tensions between Iran and the West. In January, the US sent an aircraft carrier to the Persian Gulf while Iran remained defiant against UN resolution 1737. CFSP HR (Javier Solana) acknowledged during a press conference at the time that international diplomatic efforts had so far been unsuccessful in stopping Iran from continuing its nuclear programme. According to Solana, the delays in complying with the UNSC resolution could be blamed on technical difficulties on the Iranian side rather than diplomatic efforts. On 27 February 2007, the EU came up with the "Council Common

Position 2007/140/CFSP" which implemented UNSC resolution 1737 amongst member states. Additionally, this common position banned all travel of listed individual in the UNSC resolution 1737 within the EU.

In March 24, 2007, the UNSC adopted resolution 1747 after another round of negotiations between the E3, US, Russia and China. This resolution further expanded political and economic sanctions on Iran, featuring more committal language on travel restrictions against people engaged in Iran's nuclear or missile programmes as well as an arms embargo. Furthermore, the resolution expanded the list of individuals and institutions whose assets were to be frozen. Resolution 1747 set May 2007 as the new deadline for Iran to meet its terms.

Once again, Iran rejected UNSC sanctions and announced a partial suspension of cooperation with the IAEA. This prompted the Council of the EU to adopt its own sanctions[*] against Iran which actually named a broader list of individuals to which the actions of UNSC resolution 1747 were applied. This did not, however, end the EU's insistence of the 'double tracks approach' in dealing with Iran. The EU continued to pursue negotiations with Iran while also enacting sanctions to restrain its nuclear ambitions. Finally, the deadline set by Resolution 1747 came and Iran failed to comply, leading UNSC permanent members and Germany to discuss the possible escalation of sanctions. Despite the rejection of the UNSC resolution by Iran, the EU, represented by Javier Solana, continued to remain in contact with Tehran. On 31 May and 23 June 2007, Solana met with Larijani to find the possibility for further talks between the EU and Iran. On 28 September 2007, the foreign ministers of China, France, Germany, Russia, the UK and the US as well as the High Representative for CFSP

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[*] The 'Common Position 2007/ 246/CFSP' was an amendment of Common Position 2007/140. It incorporated stronger sanctions and banned trade with Iran in all nuclear and missile-relevant commodities contained in the control lists of the Nuclear Suppliers Group and the Missile Technology Control Regime.

issued a joint statement reiterating the double track approach, supporting Solana and Larijani meeting to lay a foundation for further talks. Furthermore, the Joint Statement asked the IAEA Director General El Baradei to issue a comprehensive report on the scope and extent of Iran's cooperation and transparency. Further negotiations were to be in line with what the EU had proposed in its June 2006 proposal.

After the 28 September Joint statement in New York, Solana went to Rome to meet Larijani. The results of the meeting were constructive as both parties agreed to meet once again in November and continue to discuss Iran's nuclear projects. The talks continued improvements began to slow. In October, Iran refused to allow IAEA inspectors unlimited access to its nuclear sites and it once again limited information available about its nuclear works. In February, multiple source documents submitted to the IAEA suggested that Iran might have conducted secret work on nuclear weapons.

In March 2008, the UNSC issued resolution 1803. The new declaration was supported by the council's permanent members, Germany and the EU's High Representative for CFSP. Resolution 1803 intensified travel and financial restrictions on designated Iranian individuals and companies. Existing trade bans were extended to cover items for military and civilian uses and more names were added to a list of individuals believed to be contributing to Iran's nuclear programme. That following May, the IAEA revealed that Iran was still withholding information and that it was operating 3,500 centrifuges that enriched uranium at its Natanz plant. The report once again made the issue a matter of serious international concern.

On 2 May 2008, the foreign ministers of China, France, Germany, Russia, the UK and the US met and talked about their next approach. They agreed to continue with the double track strategy with an emphasis on the new mandates of resolution 1803 but also agreed to keep the June 2006 proposal open. In June, Solana went to Tehran to meet with Iran's

government officials on behalf of the EU and the UNSC. He clearly expressed in his statement the intention of the international community to address the concerns over Iran's nuclear issue, hoping to remedy the problem. He underlined the support of the EU and the West towards Iran having a nuclear energy programme elaborating that "there is a potential win-win here: Iran gets cooperation from the international community and the international community gets the assurance it needs that Iran's nuclear programme is of a peaceful nature".[1] Tehran responded with a warning that it would reject any deal that demanded it halt its uranium enrichment. Following this, the EU issued Common Position 2008/ 479 again issuing stronger sanctions against Iran and identifying additional persons and entities to have admission into Europe restricted and assets frozen.

On July 10, 2008, Iran provoked the international community with a missile test. The Council of the EU immediately responded with a Declaration expressing heightened concerns. The council again urged Iran to comply with UNSC Resolutions 1696, 1737, 1747, 1803.

In the face of this increasing political tension, the EU continued to pursue preventive diplomacy by maintaining contact with the Iranian government. As such, Solana went to Geneva to meet Saeed Jalili, Secretary of the Iranian Supreme National Security Council. He was accompanied by diplomats of the permanent members of the UNSC and Germany. The meeting ended without any answer from Iran on its acceptance of the terms of the West. However, the two counterparts did agree to further discuss the issue two weeks later. A phone conversation between the two several days later, nonetheless, did not move the issue forward. The EU thus came up with Common Position 2008/ 652 in August 2008. The position requested all member states to inspect cargo to and from Iran of both aircraft and marine

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[1] Official wesite of the Council of the European Union."Summary of remarks by Javier Solana, EU High Representative for the CFSP, at the press conference in Tehran", *Council of the European Union*, Tehran, S211/08, 14 June 2008, p 2.

vessels. It also requested members restrain financial support for trade with Iran and vigilance concerning financial institution interaction with Iranian banks. Even with discussions with Iran still at an impasse, the EU kept up its contact.

The year 2008 ended with no major advancements in the Iranian nuclear issue. In a report on the implementation of the European Security Strategy in 2008, WMD proliferation was still mentioned as a threat. Nevertheless, the EU was resolute in maintaining preventive diplomacy through multilateral means. The international community would come to realize that the EU's preventive engagement was one of the few approaches keeping Iran under the spotlight and kept one channel of communication open with Iran in the face of mounting tensions. For the entire six years of Solana's time, the EU was able to avert military action by the West through its diplomatic approaches and more importantly its ability to work with one voice in the international scene.

Factors enabling an EU's proactive role

After establishing a detailed overview of EU-Iran negotiations from 2003 to 2008, it is obvious that the EU played an important role in the talks. The achievements seen over the six year period were actually the first instance of the EU, since the creation of CFSP, performing a proactive role. There were three major factors allowing the EU to successfully carry out its proactive role. The first was its poor experiences during the Iraq War. The second was Iran's favourable perception of the EU and lastly was the inaction of other international actors. The last part of this research will examine these three factors.

The Iraq crisis 2002-2003: a lesson learnt for the EU

The Iraq war, which ran from 2002 to 2003, was an abysmal time for the EU. The episode exposed deep differences between member states relating to the military conflict, the

role of the UN and IAEA weapons inspectors and support for the American-led operation in Iraq. The EU as a whole initially supported the US military mission to defeat the Taliban regime in Afghanistan. However, when US President George W. Bush decided to shift the war from Afghanistan to Iraq*, there was strong opposition and the EU ended up split into two distinct groups. On one side, there was the opposition group led by the Franco-German alliance.* On the other side, there was the Atlanticist group led, by the UK,* who favoured the US pre-emptive policy.

Following the Axis of Evil speech given by the US in January 2002, the EU was even more divided. Events throughout the year would further drive the EU's member states apart. For instance, during the September 2002 election campaign in Germany, Chancellor Gerard Schroeder accented his opposition to the Iraq war. This stance helped him to gain public support and win the election but in November of that year, EU countries who favoured military operations against Iraq were invited for a dinner at Downing Street. Later, Javier Solana would explicitly express his concern over the situation and present his resentment towards the Atlanticist group. An EU common position was ultimately undermined by the decision of five member states to issue a letter of solidarity with the US without consultation with the European Council. Later, candidate countries for the EU membership also allied

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* Iraq was considered to be one of the three states, being part of the 'Axis of evil'. The other two countries were Iran and North Korea.

* This group was entitled 'Old Europe' by the then US Defence Secretary Donald Rumsfeld. The 'Old Europe' consisted of France, Germany, Belgium, Luxemburg, Greece and others Neutral States like the Republic of Ireland.

* This group was called 'New Europe' by Donald Rumsfeld. The 'New Europe' consisted of the UK, Denmark, Italy, The Netherlands, Portugal, Spain, Czech Republic, Hungary, Poland, Estonia, Latvia, Lithuania, Malta, Cyprus, Slovakia and Slovenia

with the US. The US Defence Secretary even remarked on a division between 'Old' and 'New' Europe.[2]

In the absence of a common position, the EU was reduced to hiding behind the UN. In November 2002, the EU's General Affairs and External Relations Council (GAERC) adopted with unanimity the UN Security Council's resolution 1441 paving the way for weapon inspectors to return to Iraq. Greece's president was one of the few leaders still working to bring member states back to a common position. The president called for an extraordinary meeting of the European Council in order to find a way to reduce the air of disunity in the CFSP. The gathering was held in Brussels on 17 February 2003 and focused specifically on the Iraq issue. A proposal put forward by France, the UK and Belgium served as a basis for a common statement which would promote a peaceful resolution to the crisis. Member states supported the on-going work of the UN inspectors but stressed that the inspection could not continue without full Iraqi-cooperation.

The Iraq war broke out on 20 March 2003. The US and the UK forces led several other national armies in carrying out the invasion of Iraq. Baghdad fell on April 9th, 2003. On 1 May 2003, US President George W. Bush declared the end of major combat with the removal of Iraqi President Saddam Hussein from office.

The spring meeting of the European Council chaired by the Greek president on 20 and 21 March 2003 came up with the conclusion that the EU would focus on humanitarian aid and agreed upon continuing the role of the UN in Iraq even after the crisis concluded. During the war, Javier Solana kept a low profile, recognizing that the split between member states

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[2] European Security Review, "The EU Reunited? Implications of the Iraq Crisis for CFSP", International Security Information Service, Europe (ISIS Europe), Number 16, February 2003, p1 (online), 9 April 2011 Source. www.ciaonet.org/pbei/isis/vol16/index.html

was deep, he avoided taking up any full mediating role at that time.[3]Similarly, the EU's role as a crisis manager was shrinking, leaving it only as a humanitarian aid organization. The Iraq crisis was the first test of the EU Common Foreign and Security Policy in terms of countering WMD proliferation.

Two major problems could be observed throughout the crisis. Firstly, the lack of a common EU strategy made it so member states did not have a common definition for threats. Secondly was the disunity among member states. The lack of a common strategy itself also added to the disunity. Ahead of the Iraq crisis of 2002 – 2003, member states were working to enhance the EU's foreign and security policy as clearly mentioned in the two following articles on CFSP of the Maastricht Treaty.

> "Member states shall inform and consult one another within the Council on any matter of foreign and security policy of general interest in order to ensure that the Union's influence is exerted as effectively as possible by means of concerted and convergent action."[4]

> "The member states shall support the Union's external and security policy actively and unreservedly in a spirit of loyalty and mutual solidarity."[5]

Later on, the 2001 Laeken declaration showed a willingness to improve the EUs political role in the international arena. In contrast to the pre-Iraq era, it was made clear once the war took place that the EU did not have the commonality it believed it did. With their different approaches to end the Iraq crisis, many EU member states, especially the Atlanticist

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[3] Cameron, Fraser. "An introduction to European Foreign Policy", *Routledge:London*, 2007, p34.
[4] <u>Eur-Lex Access to European Union Law</u>, "Consolidated Version of Treaty on European Union and of the Treaty establishing European Community", Provisions on a Common Foreign and Security Policy, Title V Article 16 (Online), 9 April 2011. Source
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2006:321E:0001:0331:EN:PDF
[5] Ibid., Article 11 paragraph 2

group, reverted to the traditional approach of aligning themselves with a major political power like the US.

France found itself outside of the Atlanticist group's approach by default, having a long tradition of opposing US decisions. France, under the Jacques Chirac Presidency, carried on practicing 'Gaullism' policy, that of counter balancing the power of the US in European politics to play up its own role. The entire situation led to the realization that a compromise of interests and definite list of common global threats against the EU was needed.

The EU strategy against WMD proliferation and the European Security Strategy enabled it to move towards being a more important global political actor. These two security strategies created a common ground for member states to join in 'common action'. This is one of the reasons as to why 'common action' is so highlighted in the CFSP. As the CFSP is a mechanism which member states have the freedom to join, or in other words an 'empire through voluntary participation'[6] where member states still hold the power of issuing foreign policy in their hands, coordinating 27 member states' positions is extremely challenging.

Iran's ambiguous attitude and the consequent fears of WMD proliferation among European countries ended up helping EU member states better coordinate with each other. By feeling the threat of WMD proliferation, member states overcame their political stalemate during the Iraq war. The UK and others of the 'New Europe' group joined the EU in the formulation of foreign policy on Iran's nuclear issue. Being more united, the EU set out to spearhead negotiations with Iran.

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[6] Holland, Martin. "Lecture on Understanding EU Foreign Affairs, CFSP, ESDP and Development Policy" (Unpublished), *Master of Arts in European Studies, Chulalongkorn University*, January 2011.

All these reasons goes to show that EU member states can coordinate their stances on vital issues when there is a global impact and threat to their own individual securities. Iran's nuclear programme required a rapid response and the member states did not hesitate to come up with a concrete agenda on security matters.

Positive perception of Iran towards EU

An equally important factor to take into account is the attitude of Iran towards the EU over the six-year period. Looking from Iran's perspective, it can be seen, that the EU was the first major international actor to take a diplomatic step towards it, a sign of respect amongst Iranians. The establishment of 'mutual respect' would help to maintain relations with Iran. The dispatching of foreign ministers from the big three to Tehran in 2003 was a sign of honour highly appreciated by Iran's leadership. Also, that the EU proposed a 'voluntary suspension' of uranium enrichment to Iran was perceived by it as a way to agree with the EU without losing face.[7]

Iran also saw the EU as a more approachable middleman between itself and the Western world at large. The EU's open stance gave Iran hope that it could come to compromises with the West and continue with its nuclear projects. At the same time, Iran considered the EU a potential answer to its need for more trade. Economic interactions between Iran and the EU over the years of 1993 to 2000 clearly highlight Iran's dependence. EU imports from Iran grew from 3.7 billion Euros in 1998 to 8.4 billion Euros in 2000.[8] For economic progress, Iran clearly needed the EU market as well as its technological assistance.

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[7] ArfazadehRoudsari, Sahar. "Talking away the crisis? The E3/EU-Iran negotiations on nuclear issues", Department of EU International Relations and Diplomacy Studies, *College of Europe*, 2007, p 18.

[8] International Crisis Group. "Dealing with Iran's nuclear programme", *ICG Middle East Report* No. 18, 27 October 2003, P 24.

Overall, Iran's openness to dialogue with the EU was to its benefit for many reasons. EU-Iran negotiations kept Iran in contact with Western countries providing a shield from US pre-emptive action, the safeguard was part of Iran's 'build and talk' strategy. Meanwhile, the EU made gains from the interaction in the form of an enhanced profile as an international actor.

Inaction of other international actors

The last factor to be discussed concerning the EU's proactive role is that of international players outside of the union. The chessboard of the Iran nuclear issue consisted of the US, EU, Russia, China and Iran. Iran stood firm on increasing its nuclear capabilities in order to supply domestic energy demands and potentially become a regional player as well as technological innovator. The US, EU, China and Russia all wanted assurance that Iran's nuclear programme was for civilian, non-military purposes, but each went about attaining this assurance in different ways.

To begin with, the EU, being the most proactive among the actors, held key positions as follows:

- an emphasis on political and diplomatic preventive measures as the 'first line of defence' in countering proliferation;

- a commitment to exhausting political and diplomatic efforts before considering coercive measures (sanctions, interception of WMD shipments and the use of force), and to resorting to the latter measures only under Chapter VII of the UN Charter and International law;

- a commitment to the multilateral system through the implementation and universalization of existing disarmament and non-proliferation norms;

- a recognition that the problem of WMD proliferation is best solved by addressing the demand side and finding political solutions to the issues that spur countries to seek such capabilities[9]

As explained in the European Strategy against WMD proliferation, the EU held to all of these principles while negotiating with Iran. By putting an emphasis on a dual approach and gradually escalating sanctions from 2004 to 2008, the EU demonstrated a consistency in its reaction towards Iran. Other actors involved did not exhibit this consistency.

The United States' key positions were as follows:

- Adopt a 'hard line approach'.[10] The US heavily sanctioned Tehran both politically and economically since 1979, including interdiction of American people traveling to Iran and banning Iran's oil and products, etc.;

- In January 2002, the Bush administration labeled Tehran as part of the 'Axis of evil' implicating it as complicit in terrorism activities;

- Question the aim of Iran's nuclear programme (that its purpose was for the production of WMD);

- Maintain containment engagement: Iran is surrounded by American troops based in Iraq and Afghanistan;

- Engage in dialogues with Iran only when it is ready to fully suspend its nuclear programme;

- Support the EU dialogue with Tehran.

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[9] Q.Bwen, Wyn and Kidd, Joanna. "The Iranian nuclear challenge", *International Affairs (Royal Institute of International Affairs 1944-)*, Vol. 80, No. 2, March 2004, p 268-269.
[10] International Crisis Group. "Dealing with Iran's nuclear programme", ICG Middle East Report, No. 18, 27 October 2003, p 23.

The change of the Iranian regime in 1979 and the subsequent American hostage crisis had hardened the US position towards Tehran. To the same extent, the US's declaration of Iran as part of the Axis of Evil lowered Tehran's view of America. The United States' firm condition for the full suspension of uranium enrichment before entering into negotiations also made forging a bilateral relationship with Iran very difficult. Even more so, the stationing of US troops in Afghanistan and Iraq greatly strained relations. All of these obstacles between the US and Iran allowed the EU, with its softer approaches, to assume a lead role in negotiations. In the meantime, the EU can use the American military power as an argument to pressure Iran to comply with international demand. In this case, if Iranian position continues to be unbendable, the EU can invoke the possibility of US pre-emptive measures to confront Tehran's aggressive position.

Russia's key policies towards Iran were as follows:

- Opposing military application of Iran's nuclear capabilities. However, it is in favour of a peaceful nuclear project;

- Refusal to comply with US demands to abstain from assisting Iran in developing nuclear capacities in the Bushehr project;

- Oppose sanctions on Iran (Russia does accept UNSC decisions in cases where Iran commits any act challenging international security);

- Strongly oppose the use of force against Iran.

- Support dialogue between the EU and Iran.

Even though Russia's relation to Iran was closer than that of the EU, Russia lost the chance to play a major role in negotiations due to economic and political reasons. Economically, Russia saw Iran as a market for its nuclear and aerospace technology, two

Russian industries left struggling after the demise of the Soviet Union in 1986. Russia's judgment of Iran was clouded by its wish for investment. This fact was underscored when the US asked Russia to stop investing in the Bushehr project in 2003 and Russia's subsequent decision to continue to invest after seeing the Bushehr project was for civilian ends. Moreover, Russia saw Iran's energy market as a target for future investment. On the political side, having a bad relationship with Iran would put Russia in a compromising situation as Iran could support Islamic movements in the South and North Caucasus. While Russia tried to avoid disputes with Iran, it found it difficult not to follow the international community when Iran defied the IAEA and UNSC resolutions. Therefore, being supportive to the EU proactive role and utilizing multilateral diplomacy through the IAEA and UNSC was the best way for Russia to promote its interests indirectly. Nonetheless, Russia could never lead the effort against Iran.

China's key positions towards Iran were similar to that of Russia but differed in terms of political finesse:

- China does not want Iran to become a nuclear power;

- China supports a civilian nuclear programme;

- In general, China is not in favour of any economic and political sanctions as China remains firm in practicing the principle of non-interference;

- China accepts UNSC decisions in the event that Iran commits any act which challenges international security.

There were two mains reasons that put China out of the running in playing a major role in negotiations with Iran. Like Russia, those reasons can be divided between economics and politics. Firstly, China viewed Iran as a potential energy supply. This can be seen in the

agreement signed between the Chinese 'Sinopec' energy company and the National Iranian Oil Company in 2004.[*] Economic sanctions on Iran could affect Chinese investments. At the same time, however, if Iran were to go nuclear, any resulting regional instability would have an impact on the energy market targeted by Chinese companies. On the political aspect, China has the Muslim Uyghur population in the Xinchiang Province. If China were to get into a diplomatic struggle with Iran, China could face the problem of extreme Islamic movements in that region. Conversely, having Iran as an ally could help suppress any extremist sentiments. As a result, China's foreign policy options were very limited. The best alternative to its own engagement with Iran would have to be joining the multilateral table and to exert its interests indirectly. At the multilateral table, China could delay issues that would not benefit of its interests with the advantage of the legitimacy derived from the unanimous votes of the UN Security Council. In sum, China could still watch over its economic interests without risking political problems by working through the UNSC. In addition, China would not have to bear the cost of WMD negotiations with Iran. China was entirely content to allow the EU to shoulder the burden of maintaining a dialogue with Iran.

After six years of negotiations, the EU proved that it could exercise a proactive role in international affairs. Iran's nuclear project was never excluded from the EUs agenda, showing a consistency in commonality. Member states continually supported the stance of the E3 and the High Representative for CFSP. The EU remained firm on their position of 'dual approaches' and kept negotiations multilateral. What is more, the EU showed no reluctance in dealing with Tehran despite all diplomatic challenges. The EUs readiness to diplomatically engage Iran gained it prestige and credibility as an international actor, emphasizing the possibilities of its common approach.

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[*] The Sinopec will have the right to develop Yadavaran oilfield with a commitment to purchase the LNG from Iran.

Conclusion

Since the beginning the Iran nuclear issue, the EU has been at the forefront, rapidly responding to any and all developments. At the end of 2003, the foreign affairs ministers of the big three flew to Tehran to deal with Iran's top officials, achieving a fruitful outcome. Iran disclosed a full document on its nuclear enrichment to the IAEA and accepted an offer from the big three in exchange for temporary suspension of nuclear enrichment. The EU big three's first foray into the problem resulted in a breakthrough.

After the EU adopted a strategy against WMD proliferation and a Security Strategy in December 2003, it became even more systematic in negotiations with Iran, utilizing 'dual approaches' of coercive diplomacy and continued dialogue. The EU High Representative for CFSP's addition to the E3 negotiation team should be considered a sign of coherence in terms if foreign policy among the entire EU.

Even with the High representative for CFSP carrying the task of intermediary between Western countries and Iran, EU member states still dictated the representative's actions. This clearly shows the strong nature of intergovernmental CFSP for effective outcome. Being effective in this sense, this means that member states remain coordinated while maintaining channels of communication between the West and Iran in the face of diplomatic impasses. Since 2004, the EU has not stopped its pursuit of talks with Tehran and in 2006 even convinced the US to provide new diplomatic incentives for Iran in the form of offering WTO membership. The EU High Representative for CFSP even extended the proactive abilities of the EU. While dialogue between Iran and Western countries were in a stalemate, the High Representative for CFSP was the only person able to carry on negotiating with Iran.

When the issue of Iran's nuclear project was filed to the UN Security Council, the EU again, performed the lead role in drafting resolutions. It showed no reluctance to impose UN

sanctions on Iran, as evidenced by its implementing of Common Position 2007/ 140, Common Position 2007/ 246, Common Position 2008/ 479 and Common Position 2008/ 652. All the while though, the EU was able to still show its openness to continue talks with Iran.

There are three factors that moved the EU to be proactive. Firstly were its past experiences from the Iraq war. The EU overcame a lack of unity and common strategy when addressing Iran's nuclear issue as it was widely perceived by member states as an immediate issue that needed a concerted approach, less the EU risk the same shortcomings it experienced when responding to the Iraq war.

Secondly was the positive perception Iran had of the EU. Tehran considered the EU's first diplomatic step in 2003 as a show of respect and even during diplomatic impasses, acknowledged this sense of respect. Moreover, the EU has never abandoned the 'dual approaches' a crucial calming factor for Iran that facilitated continued talks even during times of high tension. Also, the European region has remained a major market for Iran, especially during times of restrictive sanctions.

Lastly was the inaction of other actors. Having adopted tough diplomatic measures towards Iran since 1979, the US remained firm in calling Iran to fully suspend its nuclear enrichment. Russia, on the other hand, was reluctant to have a downgrade its relationship with Iran due to the benefits it stood to gain by supporting the nuclear programme. Russia opted only for soft diplomatic measures: imposing sanctions on Iran if necessary; albeit with consensual agreement of the UN Security Council, and keeping contact with the Iranian government. China's approach resembled that of Russia. All actors within the EU, however, supported a proactive approach against Tehran's nuclear aspirations.

Ultimately, all these factors coupled with the specific nature of the EUs diplomacy helped the EU be proactive in negotiating with Iran.

CHAPTER VI

CONCLUSION

The EU has had several ways to project itself in the international arena: through its Common Commercial Policy, Development Cooperation and Humanitarian Aid Policy, European Security and Defence Policy (Common Security and Defence Policy after entry into the Lisbon Treaty) and the Common Foreign and Security Policy. Nonetheless, debate has continued since the inception of the EU as to whether it should push towards a more supranational foreign policy or remain within an intergovernmental framework.

In the first chapter, it was shown that EU's foreign policy has always been beset by scepticism. Experts such as John Peterson and Christopher Hill have clearly expressed their willingness to see the further integration in the domain of EU's foreign policy with supranational framework. However, the nature of the EU CFSP does not allow the use of supranational decision-making (QMV). This is mainly because foreign policy is firmly linked to the issue of state sovereignty, creating a preference amongst member states to use an intergovernmental framework (unanimous voting) that would preserve their rights to take action at the international level. The EU CFSP has become, as mentioned by Martin Holland, a platform of cooperation through voluntary participation. This does not mean that intergovernmentalism prevents the development of an EU foreign policy, to the contrary, a close look at the history of the EU show its foreign policy has continually developed under the intergovernmental framework. This is especially clear when viewing the EU foreign policy's progress from the early 1970s onward.

In the second chapter, this thesis presented a failed attempt at a supranational foreign policy pertaining to defence. The European Defence Community project was obstructed by France in 1954 on the grounds the cooperation was based on a supranational framework.

France could not clearly envision European foreign policy integration carried out supranationality and also feared the possibility of a German rearmament a mere five years after the end of World War II.

The failure to establish a supranational foreign policy was a lesson learned by member states of the EU and prompted them to find another method for integration. The beginning of the Détente period in the early 1970s brought about a new scenario to the international scene. Decreased tensions between the US and the Soviet Union and the end of Charles De Gaulle's rule in France gave the opportunity for foreign policy integration to once again move forward.

In the early 1970s, the European Political Cooperation (EPC) was born and became the first platform for the EU to formulate common political positions for the international arena; albeit under intergovernmentalism. Later, the Single European Act helped the EU to formalize the political cooperation by linking the EPC to the European Community treaty. Since then, EU foreign policy integration has gone from its initial entanglement between supranationalism and intergovernmentalism to become more solidified under intergovernmentalism.

In 1992, the Maastricht treaty institutionalized cooperation in terms of 'common foreign policy'. This step towards further integration of foreign policy was incorporated into the EU's the pillar system (the Second Pillar). Even though the Common Foreign and Security Policy was already part of the EU pillar system, decision-making remained entirely in the hand of member states. Nonetheless, the CFSP experienced further progress with the Treaty of Amsterdam when the High Representative for CFSP was created to strengthen cooperation and help the EU speak with one voice in the international scene. It is also crucial

to reiterate that decision-making for the CFSP has always been accomplished through unanimous voting.

At the onset of the 21st Century, changes in international order increased the intensity of the globalization process. Being in a more complex and intertwined world, the EU had to adapt to rapidly occurring changes. As such, the 2001 Laeken declaration disclosed an EU ambition to take responsibility for globalization management. Shortly after, the EU faced great division over the 2003 Iraq war, prompting it to devise the European Security Strategy (ESS). The ESS established a more systematic approach to threats to international security. Similarly, in December 2009, the adoption of the Lisbon treaty brought about changes to the EU's actorness. By combining the pillar system and creating the European External Action Service, these developments showed that members wanted to enhance the EU diplomatic powers, but only within an intergovernmental framework.

The third chapter introduced the concept of supranationalism and intergovermentalism and how they are employed in international organizations in a broader sense as well as the use of these two concepts by the EU in terms of its foreign policy.

Viewing the concepts of intergovernmentalism and supranationalism closely, it is clear that intergovernmentalism is preferred among international institutions. Supranational authority is found to an extent in institutions such as IMF or international organizations like WTO, but while those bodies have some authority over member states' behaviour, they are faced by two major problems: a lack of transparency and the perception that they do not always have the capacity to serve individual national preferences. Individual states have a great fear that international organizations will intervene in their domestic affairs, thus reducing the appeal of supranationalism and enabling intergovernmentalism to become the best choice for decision-making within international organizations.

For EU integration nonetheless, both intergovernmentalism and supranationalism are utilized in differing proportions. In terms of economic and social affairs, supranationalism is employed by EU institutions, as it allows them to take full responsibility in maintaining order. In matters vital to individual national interests, intergovernmental framework is applied. All of the above mentioned factors make the EU more than a collection of states, but not entirely a federation.

In EU foreign policy, supranationalism and intergovernmentalism can also be observed. The EU utilizes a supranational framework in the domain of trade and humanitarian policy. However, even though the EU Commission has initiative powers, such as being able to negotiation inside the WTO, member states still retain authority when it comes to 'vital' issues and matters outside the EU's exclusive competencies. Meanwhile, intergovernmentalism is strongly reflected in decision-making conducted by the CFSP. What is important to notice is that intergovernmentalism is not limited to cooperation between states anymore. Overtime, it has extended its parameters to further steps of integration, especially in the domain of foreign policy.

After closely looking at the function of supranationalism and intergovernmentalism in international organizations and the EU, the fourth chapter turned to the examination of EU's commonality in negotiations with Iran. It is important to keep in mind that EU's decision on the Iran issue was based entirely on the consensual method. However, this was still the first time the EU member states were able to be coordinated and form a strong common position on a security issue.

At the beginning of the fourth chapter, Iran's nuclear programme was introduced in order to lay down a background and facilitate understanding of the EU's perceptions and stance towards the issue. It can be seen that before the 1979 Islamic revolution, the nuclear

project in Iran was supported by many countries, including the US, France and Germany. Those countries withdrew their investment as a result of the regime change and the change in Iran's attitude. Three factors comprise the problem with Iran's nuclear programme: Iran's ambiguous politics, the tandem development of Iranian missile capacity and Iran's attitude towards Israel and the US coupled with its relationship with Muslim hardliners.

The aforementioned factors led the EU to react swiftly, seeing Iran's nuclear development as a direct threat to regional security. In order to examine the EU stance, this thesis employed Liberal Intergovernmentalism (LI) as a framework of analysis to study the perceptions and stances of France, the UK and Germany (the big three). The concerns of the big three were of a traditional security nature and dealt with WMD proliferation, energy security and, to a lesser extent, the trade relationship with Iran. At the bargaining stage, the big three, together with other member states, felt the direct impact of Iran's nuclear projects and saw the CFSP as a mechanism to improve their bargaining power at the international level. The states then decided to coordinate their stance and come up with a concrete security strategy (the EU Strategy against WMD proliferation). The High Representative for CFSP was designated to deal with Iran on the behalf of the entire EU. All this goes to shows that under a common threat, such as the Iranian nuclear programme, the EU can be moved to act rapidly and with cohesion.

After examining the EU's commonality through the lens of LI, chapter five turns to study EU proactive reactions. The big three, supported by other EU member states, took the initiative in dealing with Iran on its nuclear aspirations since the very beginning of the issue and maintained the lead role in negotiations throughout the period. The EU was the only actor to provide technical assistance and membership in the WTO to Iran. The adoption of a common strategy against WMD proliferation further strengthened the EU's position in the international arena and the efforts of the High Representative for CFSP towards Iran

emphasized the EU's proactive role. The EU's proactive role, nonetheless, can be attributed to three main factors; negative experiences from the 2003 Iraq crisis, the positive perception of Iran towards the EU and the inaction of other international actors.

To answer the research question, it becomes apparent that the existing intergovernmentalism does function when applied to the EU's foreign affairs. It helped the EU3 to have commonality and allows the EU3 to have strong proactive stance towards Iran. It is important to notice that EU3's commonality derives from the design of CFSP aiming to serve national interest and the perception of common threat over the matter of WMD proliferation.

To begin with, the design of CFSP is highly driven by intergovernmental framework, meaning the utilization of unanimity voting system. As mentioned in the chapter 3, even though supranational framework is applied to several areas of EU's foreign policy e.g. trade and humanitarian and development aid, intergovernmentalism remains the most suitable system to be applied, especially when issues touch upon national interest. In the domain of CFSP, the nature of issues discussed deal directly with member states' sovereignty or the so called 'high politics'. Therefore, intergovernmentalism serves as framework assuring the respect of member states' national preferences. In this way, the problem of underrepresentation would not happen to the EU. In other words, member states would all be certain that their voice would be heard inside this regional organization. What is more, the intergovernmental nature of CFSP helps to legitimate EU's action while negotiating with Iran. The unanimity voting system requires all members to agree with common position and thus helps to increase EU's bargaining power. Having the benefit of using this regional organization to exert their national preferences for solving the concerns over the matter of WMD proliferation, all member states utilize this occasion to cooperate and put pressure on

Iran. In sum, intergovernmentalism does not only secure the respect of all member states' national preferences, it also enables the EU to have strong political stance.

Adding up to the first factor leading to commonality, the perception of common threat also contributes to the unity of the EU in this case. The ambiguity of Iranian politics, the improvement of Iranian missiles' capacity and the offensive position of Iran are all factors urging the big three and other member states to respond swiftly to the problem. One thing to bear in mind is the threat deriving from WMD proliferation. As shown in the ESS 2003 and the 2008 ESS report, WMD proliferation is referred to as one of potential threats to the EU. Member states all agreed that no single state could address this issue on its own. The big three as major powers in world politics have also been affected by the Iran nuclear issue. Firstly, their national security has been threatened by the ambiguous Iranian stance. Being afraid of WMD know-how delivery by Iran to the terrorist groups, the big three decided to rapidly respond to the problem. In the meantime, this perception can also be applied with other member states. Secondly, the big three are all nuclear powers and do not want to see another nuclear power in international arena, fearing the loss of their political weight. The reason behind this attitude derives from the fact that these three countries are seconded to the US in terms of power in international politics. Therefore, multilateral diplomacy is used as means to exert their influence in the international affairs. This can clearly be seen by the proactive role of these three countries in the negotiation with Iran. While dealing with Iran on behalf of the EU they always try to urge Iran to preserve the respect of NPT regime. For them, having Iran among nuclear states will disturb the existing balance of power in world politics.

For other member states, the threat from WMD proliferation is of importance to all member states. What differs is the impact that Iran's nuclear issue has on energy security. Countries in Central Eastern Europe are affected by political instability in the Middle East

and thus cannot benefit from the large scale of Iranian petrol and gas market. They would have to continue relying on Russian gas market. These factors contribute to the formation of EU's common position at the end. The intergovernmental CFSP serves as platform to express concerns for all member states and resulted in commonality. This can be highlighted by the adoption of EU strategy against WMD proliferation by unanimity at the end of 2003 and the agreement to appoint High Representative for CFSP as EU representative to negotiate with Iran in December 2003.

In terms of EU's proactive stance, apart from factors described in chapter 5, it is important to notice the coercive diplomacy used by the EU. The dual approaches, meaning talking and punishing Iran if needed are always employed by the EU from 2003 to 2008. In the meantime, the EU has shown its proactive role in dealing with Iran and coming up with new initiatives in order to persuade Iran. This is not to forget sanctions imposed by the EU on Iran. In the meantime, factors like the past experience from the 2002-2003 Iraq war, the Iranian positive perception as well as the inaction and supports of other major powers also contribute to the proactive stance of the EU.

What is important to notice is the term employed by the EU in the 2003 ESS. The EU had clearly highlighted the goal of engaging in preventive diplomacy. In this view, this approach of employing preventive diplomacy implied a reactive role for the EU rather than being proactive or pre-emptive. In practice, as events progressed, this preventive approach of remedying the Iran problem through reactive diplomacy broadened to include proactive strategies to avoid having the dispute escalate and turn into an armed conflict. Therefore, the actual concept of this word is different from the course pursued in actuality by the EU. As such, the overview of EU-Iran negotiation in chapter 5 emphasized the EU's proactive role in the negotiation. In this case, the EU has the aim to prevent the conflict from exacerbating. Consequently, the EU by its policies and practice took the lead in handling the international

situation related to Iran's nuclear development program. A point to bear in mind in this case is the distinction between what the EU performs and the objective of the EU to mitigate the crisis. In summation, the EU has performed a proactive role; however, the preventive engagement is to be considered as the goal of the EU in this diplomatic mission.

Another point to be addressed is about criticism of the EU's actorness. Critics of the leadership of the EU usually view it through the paradigm of a nation-state. The power of EU institutions are often compared to the ones existing in the EU's member states i.e. comparing the power of European Parliament to the power of national parliaments, comparing CFSP to national foreign policy. This is not a reasonable comparison as the regional integration of EU is far more complex than any simple nation-state model. It is important to bear in mind that the power of EU institutions is constrained by the willingness of member states. EU institutions only ever have as much authority as is delegated to them by their member states.

As mentioned in chapter 3, the EU is a regional organization incorporating both a supranational and intergovernmental framework. Hence, the EU is more than a simple international organization as it has supranational aspects but is not a fully integrated regional entity. The question of whether the EU could one day become a fully integrated regional entity has to be carefully examined as it involves the matter of state sovereignty, regional values and the regional border. These are issues important in defining the next steps of integration. However, the EU has not failed in being the most advanced model to date of regional integration and international organization.

While discussing integration in terms of EU foreign policy, several aspects must be carefully considered. Foreign policy is harder to integrate than other policies as it has to do directly with state sovereignty. As mentioned at the very beginning, many academics such as John Peterson and Christopher Hills underline the need for supranationalism for these ends,

especially when talking about the CFSP. History shows that the CFSP has achieved major steps in integration and it is undeniable that the CFSP can be understood as a platform designed to realize common gains from cooperation.[1]However, it is important to notice that the concept of intergovernmentalism has not limited itself at the traditional level of state cooperation anymore. From time to time, intergovernmentalism has created instances of 'political lock-in' as can be seen from the case of Iran's nuclear issue. Member states saw their interests reflected by the EU's CFSP and it ultimately was able to be beneficial to all members as it cut the burden of negotiation each individual country would have had to shoulder. Together, the EU member states gained leverage in dealing with Tehran due to the large economic market they presented as a whole and their highly coordinated political positions.

Ultimately, it is essential to reiterate that the nature of the Iran crisis clearly pushed all member states to pool their efforts in negotiations. As a result, the EU common security strategy and the strategy against the proliferation of WMD were created. These two strategies have become a regional norm adopted by all member states.

Altogether, this research has clearly shown that EU's member states are able to reach commonality under an intergovernmental framework and even achieve a common defensive strategy and mature into a proactive actor in the international arena. In the future, EU commonality under intergovernmentalism towards Iran's nuclear programme can be further studied in terms of whether or not there is a 'spill over' effect in EU foreign policy and how intergovernmentalism factors into that domain.

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[1] Wagner, Wolfgang. "Why the EU's common foreign and security policy will remain intergovernmental: a rationalist institutional choice analysis of European crisis management policy", *Journal of European Public Policy*, August 2003, page 583.

APPENDICES

APPENDIX A
Laeken Declaration of 15 December 2001 on the future of the European Union
Europe's new role in a globalised world

Beyond its borders, in turn, the European Union is confronted with a fast-changing, globalised world. Following the fall of the Berlin Wall, it looked briefly as though we would for a long while be living in a stable world order, free from conflict, founded upon human rights. Just a few years later, however, there is no such certainty. The eleventh of September has brought a rude awakening. The opposing forces have not gone away: religious fanaticism, ethnic nationalism, racism and terrorism are on the increase, and regional conflicts, poverty and underdevelopment still provide a constant seedbed for them.

What is Europe's role in this changed world? Does Europe not, now that it is finally unified, have a leading role to play in a new world order, that of a power able both to play a stabilising role worldwide and to point the way ahead for many countries and peoples? Europe as the continent of human values, the Magna Carta, the Bill of Rights, the French Revolution and the fall of the Berlin Wall; the continent of liberty, solidarity and above all diversity, meaning respect for others' languages, cultures and traditions. The European Union's one boundary is democracy and human rights. The Union is open only to countries which uphold basic values such as free elections, respect for minorities and respect for the rule of law.

Now that the Cold War is over and we are living in a globalised, yet also highly fragmented world, Europe needs to shoulder its responsibilities in the governance of globalisation. The role it has to play is that of a power resolutely doing battle against all violence, all terror and all fanaticism, but which also does not turn a blind eye to the world's heartrending injustices. In short, a power wanting to change the course of world affairs in such a way as to benefit not just the rich countries but also the poorest. A power seeking to set globalisation within a moral framework, in other words to anchor it in solidarity and sustainable development.

APPENDIX B

A SECURE EUROPE IN A BETTER WORLD
EUROPEAN SECURITY STRATEGY
Brussels, 12 December 2003

As a union of 25 states with over 450 million people producing a quarter of the world's Gross National Product (GNP), the European Union is inevitably a global player... it should be ready to share in the responsibility for global security and in building a better world.

No single country is able to tackle today's complex problems on its own

Introduction

Europe has never been so prosperous, so secure nor so free. The violence of the first half of the20th Century has given way to a period of peace and stability unprecedented in European history. The creation of the European Union has been central to this development. It has transformed the relations between our states, and the lives of our citizens. European countries are committed to dealing peacefully with disputes and to co-operating through common institutions. Over this period, the progressive spread of the rule of law and democracy has seen authoritarian regimes change into secure, stable and dynamic democracies. Successive enlargements are making a reality of the vision of a united and peaceful continent.

The United States has played a critical role in European integration and European security, in particular through NATO. The end of the Cold War has left the United States in a dominant position as a military actor. However, no single country is able to tackle today's complex problems on its own. Europe still faces security threats and challenges. The outbreak of conflict in the Balkans was a reminder that war has not disappeared from our continent. Over the last decade, no region of the world has been untouched by armed conflict. Most of these conflicts have been within rather than between states, and most of the victims have been civilians.

As a union of 25 states with over 450 million people producing a quarter of the world's Gross National Product (GNP), and with a wide range of instruments at its disposal, the European Union is inevitably a global player. In the last decade European forces have been deployed abroad to places as distant as Afghanistan, East Timor and the DRC. The increasing convergence of European interests and the strengthening of mutual solidarity of the EU makes us a more credible and effective actor. Europe should be ready to share in the responsibility for global security and in building a better world.

45 million people die every year of hunger and malnutrition...
Aids contribute to the breakdown of societies... Security is a precondition of development

I. THE SECURITY ENVIRONMENT: GLOBAL CHALLENGES AND KEY THREATS

Global Challenges

The post Cold War environment is one of increasingly open borders in which the internal and external aspects of security are indissolubly linked. Flows of trade and investment, the development of technology and the spread of democracy have brought freedom and prosperity to many people. Others have perceived globalisation as a cause of frustration and injustice. These developments have also increased the scope for non-state groups to play a part in international affairs. And they have increased European dependence – and so vulnerability – on an interconnected infrastructure in transport, energy, information and other fields. Since 1990, almost 4 million people have died in wars, 90% of them civilians. Over 18 million people world-wide have left their homes as a result of conflict. In much of the developing world, poverty and disease cause untold suffering and give rise to pressing security concerns. Almost 3 billion people, half the world's population, live on less than 2 Euros a day. 45 million die every year of hunger and malnutrition. AIDS is now one of the most devastating pandemics in human history and contributes to the breakdown of societies. New diseases can spread rapidly and become global threats. Sub-Saharan Africa is poorer now than it was 10 years ago. In many cases, economic failure is linked to political problems and violent conflict. Security is a precondition of development. Conflict not only destroys infrastructure, including social infrastructure; it also encourages criminality, deters investment and makes normal economic activity impossible. A number of countries and regions are caught in a cycle of conflict, insecurity and poverty.

The last use of WMD was by the Aum terrorist sect in the Tokyo underground in 1995, using sarin gas. 12 people were killed and several thousand injured. Two years earlier, Aum had sprayed anthrax spores on a Tokyo street.

Competition for natural resources - notably water - which will be aggravated by global warming over the next decades, is likely to create further turbulence and migratory movements in various regions. Energy dependence is a special concern for Europe. Europe is the world's largest importer of oil and gas. Imports account for about 50% of energy consumption today. This will rise to 70% in 2030. Most energy imports come from the Gulf, Russia and North Africa.

Key Threats

Large-scale aggression against any Member State is now improbable. Instead, Europe faces new threats which are more diverse, less visible and less predictable.

Terrorism: Terrorism puts lives at risk; it imposes large costs; it seeks to undermine the openness and tolerance of our societies, and it poses a growing strategic threat to the whole of Europe. Increasingly, terrorist movements are well-resourced, connected by electronic networks, and are willing to use unlimited violence to cause massive casualties. The most recent wave of terrorism is global in its scope and is linked to violent religious extremism.

It arises out of complex causes. These include the pressures of modernisation, cultural, social and political crises, and the alienation of young people living in foreign societies. This phenomenon is also a part of our own society.Europe is both a target and a base for such terrorism: European countries are targets and have beenattacked. Logistical bases for Al Qaeda cells have been uncovered in the UK, Italy, Germany, Spain and Belgium. Concerted European action is indispensable.

Proliferation of Weapons of Mass Destruction is potentially the greatest threat to our security. The international treaty regimes and export control arrangements have slowed the spread of WMD and delivery systems. We are now, however, entering a new and dangerous period that raises the possibility of a WMD arms race, especially in the Middle East. Advances in the biological sciences may increase the potency of biological weapons in the coming years; attacks with chemical and radiological materials are also a serious possibility. The spread of missile technology adds a further element of instability and could put Europe at increasing risk. The most frightening scenario is one in which terrorist groups acquire weapons of mass destruction. In this event, a small group would be able to inflict damage on a scale previously possible only for States and armies.

Regional Conflicts: Problems such as those in Kashmir, the Great Lakes Region and the Korean Peninsula impact on European interests directly and indirectly, as do conflicts nearer to home, above all in the Middle East. Violent or frozen conflicts, which also persist on our borders, threaten regional stability. They destroy human lives and social and physical infrastructures; they threaten minorities, fundamental freedoms and human rights. Conflict can lead to extremism, terrorism and state failure; it provides opportunities for organised crime. Regional insecurity can fuel the demand for WMD. The most practical way to tackle the often elusive new threats will sometimes be to deal with the older problems of regional conflict.

State Failure: Bad governance – corruption, abuse of power, weak institutions and lack of accountability - and civil conflict corrode States from within. In some cases, this has brought about the collapse of State institutions. Somalia, Liberia and Afghanistan under the Taliban are the best known recent examples. Collapse of the State can be associated with obvious threats, such as organised crime or terrorism. State failure is an alarming phenomenon, that undermines global governance, and adds to regional instability.

Organised Crime: Europe is a prime target for organised crime. This internal threat to our security has an important external dimension: cross-border trafficking in drugs, women, illegal migrants and weapons accounts for a large part of the activities of criminal gangs. It can have links with terrorism. Such criminal activities are often associated with weak or failing states. Revenues from drugs have fuelled the weakening of state structures in several drug-producing countries. Revenues from trade in gemstones, timber and small arms, fuel conflict in other parts of the world. All these activities undermine both the rule of law and social order itself. In extreme cases, organised crime can come to dominate the state. 90% of the heroin in Europe comes from poppies grown in Afghanistan – where the drugs trade pays for private armies. Most of it is distributed through Balkan criminal networks which are also

responsible for some 200,000 of the 700,000 women victims of the sex trade worldwide. A new dimension to organised crime which will merit further attention is the growth in maritime piracy. Taking these different elements together – terrorism committed to maximum violence, the availability of weapons of mass destruction, organised crime, the weakening of the state system and the privatisation of force – we could be confronted with a very radical threat indeed.

In an era of globalisation, distant threats may be as much a concern as those that are near at hand... The first line of defence will be often be abroad. The new threats are dynamic... Conflict prevention and threat prevention cannot start too early.

II. STRATEGIC OBJECTIVES

We live in a world that holds brighter prospects but also greater threats than we have known. The future will depend partly on our actions. We need both to think globally and to act locally. To defend its security and to promote its values, the EU has three strategic objectives:

Addressing the Threats

The European Union has been active in tackling the key threats. It has responded after 11 September with measures that included the adoption of a European Arrest Warrant, steps to attack terrorist financing and an agreement on mutual legal assistance with the U.S.A. The EU continues to develop cooperation in this area and to improve its defences. It has pursued policies against proliferation over many years. The Union has just agreed a further programme of action which foresees steps to strengthen the International Atomic Energy Agency, measures to tighten export controls and to deal with illegal shipments and illicit procurement. The EU is committed to achieving universal adherence to multilateral treaty regimes, as well as to strengthening the treaties and their verification provisions. The European Union and Member States have intervened to help deal with regional conflicts and to put failed states back on their feet, including in the Balkans, Afghanistan, and in the DRC. Restoring good government to the Balkans, fostering democracy and enabling the authorities there to tackle organised crime is one of the most effective ways of dealing with organised crime within the EU. In an era of globalisation, distant threats may be as much a concern as those that are near at hand. Nuclear activities in North Korea, nuclear risks in South Asia, and proliferation in the Middle East are all of concern to Europe. Terrorists and criminals are now able to operate world-wide: their activities in central or southeast Asia may be a threat to European countries or their citizens. Meanwhile, global

Enlargement should not create new dividing lines in Europe. Resolution of the Arab/Israeli conflict is a strategic priority for Europe

Meanwhile, global communication increases awareness in Europe of regional conflicts or humanitarian tragediesanywhere in the world.Our traditional concept of self- defence – up to and including the Cold War – was based on the threat of invasion. With the new threats, the first line of defence will often be abroad. The new threats are dynamic. The risks of proliferation grow over time; left alone, terrorist

networks will become ever more dangerous. State failure and organised crime spread if they are neglected – as we have seen in West Africa. This implies that we should be ready to act before a crisis occurs. Conflict prevention and threat prevention cannot start too early. In contrast to the massive visible threat in the Cold War, none of the new threats is purely military; nor can any be tackled by purely military means. Each requires a mixture of instruments. Proliferation may be contained through export controls and attacked through political, economic and other pressures while the underlying political causes are also tackled. Dealing with terrorism may require a mixture of intelligence, police, judicial, military and other means. In failed states, military instruments may be needed to restore order, humanitarian means to tackle the immediate crisis. Regional conflicts need political solutions but military assets and effective policing may be needed in the post conflict phase. Economic instruments serve reconstruction, and civilian crisis management helps restore civil government. The European Union is particularly well equipped to respond to such multi-faceted situations.

Building Security in our Neighbourhood

Even in an era of globalisation, geography is still important. It is in the European interest that countries on our borders are well-governed. Neighbours who are engaged in violent conflict, weak states where organised crime flourishes,dysfunctional societies or exploding population growth on its borders all pose problems for Europe.

The integration of acceding states increases our security but also brings the EU closer to troubled areas. Our task is to promote a ring of well governed countries to the East of the European Union and on the borders of the Mediterranean with whom we can enjoy close and cooperative relations. The importance of this is best illustrated in the Balkans. Through our concerted efforts with the US, Russia, NATO and other international partners, the stability of the region is no longer threatened by the outbreak of major conflict. The credibility of our foreign policy depends on the consolidation of our achievements there. The European perspective offers both a strategic objective and an incentive for reform. It is not in our interest that enlargement should create new dividing lines in Europe. We need to extend the benefits of economic and political cooperation to our neighbours in the East while tackling political problems there. We should now take a stronger and more active interest in the problems of the Southern Caucasus, which will in due course also be a neighbouring region. Resolution of the Arab/Israeli conflict is a strategic priority for Europe. Without this, there will be little chance of dealing with other problems in the Middle East. The European Union must remain engaged and ready to commit resources to the problem until it is solved. The two state solution - which Europe has long supported- is now widely accepted. Implementing it will require a united and cooperative effort by the European Union, the United States, the United Nations and Russia, and the countries of the region, but above all by the Israelis and the Palestinians themselves. The Mediterranean area generally continues to undergo serious problems of economic stagnation, social unrest and unresolved conflicts. The European Union's interests require a continued engagement with Mediterranean partners, through more effective economic, security and cultural cooperation in the

framework of the Barcelona Process. A broader engagement with the Arab World should also be considered.

Our security and prosperity increasingly depend on an effective multilateral system. We are committed to upholding and developing International Law. The fundamental framework for international relations is the United Nations Charter.

AN INTERNATIONAL ORDER BASED ON EFFECTIVE MULTILATERALISM

In a world of global threats, global markets and global media, our security and prosperity increasingly depend on an effective multilateral system. The development of a stronger international society, well functioning international institutions and a rule-based international order is our objective. We are committed to upholding and developing International Law. The fundamental framework for international relations is the United Nations Charter. The United Nations Security Council has the primary responsibility for the maintenance of international peace and security. Strengthening the United Nations, equipping it to fulfil its responsibilities and to act effectively, is a European priority. We want international organisations, regimes and treaties to be effective in confronting threats to international peace and security, and must therefore be ready to act when their rules are broken. Key institutions in the international system, such as the World Trade Organisation (WTO) and the International Financial Institutions, have extended their membership. China has joined the WTO and Russia is negotiating its entry. It should be an objective for us to widen the membership of such bodies while maintaining their high standards. One of the core elements of the international system is the transatlantic relationship. This is not only in our bilateral interest but strengthens the international community as a whole. NATO is an important expression of this relationship.

Regional organisations also strengthen global governance. For the European Union, the strength and effectiveness of the OSCE and the Council of Europe has a particular significance. Other regional organisations such as ASEAN, MERCOSUR and the African Union make an important contribution to a more orderly world. It is a condition of a rule-based international order that law evolves in response to developments such as proliferation, terrorism and global warming. We have an interest in further developing existing institutions such as the World Trade Organisation and in supporting new ones such as the International Criminal Court. Our own experience in Europe demonstrates that security can be increased through confidence building and arms control regimes. Such instruments can also make an important contribution to security and stability in our neighbourhood and beyond. The quality of international society depends on the quality of the governments that are its foundation. 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. Trade and development policies can be powerful tools for promoting reform. As the world's largest provider of official assistance and its largest trading entity, the European Union and its Member States are well placed to pursue these goals. Contributing to better governance through assistance programmes, conditionality and targeted trade measures remains an important feature in our policy that we should

further reinforce. A world seen as offering justice and opportunity for everyone will be more secure for the European Union and its citizens.

A number of countries have placed themselves outside the bounds of international society. Some have sought isolation; others persistently violate international norms. It is desirable that such countries should rejoin the international community, and the EU should be ready to provide assistance. Those who are unwilling to do so should understand that there is a price to be paid,including in their relationship with the European Union.

We need to develop a strategic culture that fosters early, rapid and when necessary, robust intervention.

III. POLICY IMPLICATIONS FOR EUROPE

The European Union has made progress towards a coherent foreign policy and effective crisis management. We have instruments in place that can be used effectively, as we have demonstrated in the Balkans and beyond. But if we are to make a contribution that matches our potential, we need to be more active, more coherent and more capable. And we need to work with others.

More active in pursuing our strategic objectives. This applies to the full spectrum of instruments for crisis management and conflict prevention at our disposal, including political, diplomatic, military and civilian, trade and development activities. Active policies are needed to counter the new dynamic threats. We need to develop a strategic culture that fosters early, rapid, and when necessary, robust intervention. As a Union of 25 members, spending more than 160 billion Euros on defence, we should be able to sustain several operations simultaneously. We could add particular value by developing operations involving both military and civilian capabilities. The EU should support the United Nations as it responds to threats to international peace and security. The EU is committed to reinforcing its cooperation with the UN to assist countries emerging from conflicts, and to enhancing its support for the UN in short-term crisis management situations.
We need to be able to act before countries around us deteriorate, when signs of proliferation are detected, and before humanitarian emergencies arise. Preventive engagement can avoid more serious problems in the future. A European Union which takes greater responsibility and which is more active will be one which carries greater political weight.

More Capable. A more capable Europe is within our grasp**,** though it will take time to realise our full potential. Actions underway – notably the establishment of a defence agency – take us in the right direction. To transform our militaries into more flexible, mobile forces, and to enable them to address the new threats, more resources for defence and more effective use of resources are necessary. Systematic use of pooled and shared assets would reduce duplications, overheads and, in the medium-term, increase capabilities. In almost every major intervention, military efficiency has been followed by civilian chaos. We need greater capacity to bring all necessary civilian resources to bear in crisis and post crisis situations.

Stronger diplomatic capability: we need a system that combines the resources of Member States with those of EU institutions. Dealing with problems that are more distant and more foreign requires better understanding and communication. Common threat assessments are the best basis for common actions. This requires improved sharing of intelligence among Member States and with partners. As we increase capabilities in the different areas, we should think in terms of a wider spectrum of missions. This might include joint disarmament operations, support for third countries in combating terrorism and security sector reform. The last of these would be part of broader institution building. The EU-NATO permanent arrangements, in particular Berlin Plus, enhance the operational capability of the EU and provide the framework for the strategic partnership between the two organisations in crisis management. This reflects our common determination to tackle the challenges of the new century.

Acting together, the European Union and the United States can be a formidable force for good in the world.

More Coherent. The point of the Common Foreign and Security Policy and European Security and Defence Policy is that we are stronger when we act together. Over recent years we have created a number of different instruments, each of which has its own structure and rationale.

The challenge now is to bring together the different instruments and capabilities: European assistance programmes and the European Development Fund, military and civilian capabilities from Member States and other instruments. All of these can have an impact on our security and on that of third countries. Security is the first condition for development. Diplomatic efforts, development, trade and environmental policies, should follow the same agenda. In a crisis there is no substitute for unity of command. Better co-ordination between external action and Justice and Home Affairs policies is crucial in the fight both against terrorism and organised crime.Greater coherence is needed not only among EU instruments but also embracing the external activities of the individual member states. Coherent policies are also needed regionally, especially in dealing with conflict. Problems are rarely solved on a single country basis, or without regional support, as in different ways experience in both the Balkans and West Africa shows.

Working with partners

There are few if any problems we can deal with on our own. The threats described above are common threats, shared with all our closest partners. International cooperation is a necessity. We need to pursue our objectives both through multilateral cooperation in international organisations and through partnerships with key actors. The transatlantic relationship is irreplaceable. Acting together, the European Union and the United States can be a formidable force for good in the world. Our aim should be an effective and balanced partnership with the USA. This is an additional reason for theEU to build up further its capabilities and increase its coherence.

We should continue to work for closer relations with Russia, a major factor in our security and prosperity. Respect for common values will reinforce progress towards a strategic partnership. Our history, geography and cultural ties give us links

with every part of the world: our neighbours in the Middle East, our partners in Africa, in Latin America, and in Asia. These relationships are an important asset to build on. In particular we should look to develop strategic partnerships, with Japan, China, Canada and India as well as with all those who share our goals and values, and are prepared to act in their support.

Conclusion

This is a world of new dangers but also of new opportunities. The European Union has the potential to make a major contribution, both in dealing with the threats and in helping realise the opportunities. An active and capable European Union would make an impact on a global scale. In doing so, it would contribute to an effective multilateral system leading to a fairer, safer and more united world.

APPENDIX C

Weighting of vote in the Council of the EU

Member State	Votes attributed
Germany	29
UK	29
France	29
Italy	29
Spain	27
Poland	27
Romania	14
The Netherlands	13
Greece	12
Czech Republic	12
Belgium	12
Hungary	12
Portugal	12
Sweden	10
Austria	10
Bulgaria	10
Slovakia	7
Denmark	7
Finland	7
Ireland	7
Lithuania	4
Latvia	4
Slovenia	4
Estonia	4
Cyprus	4
Luxembourg	4
Malta	3
Total	345
Qualified Majority	255

APPENDIX D

Map of US Nuclear weapons stationed in Europe[1]
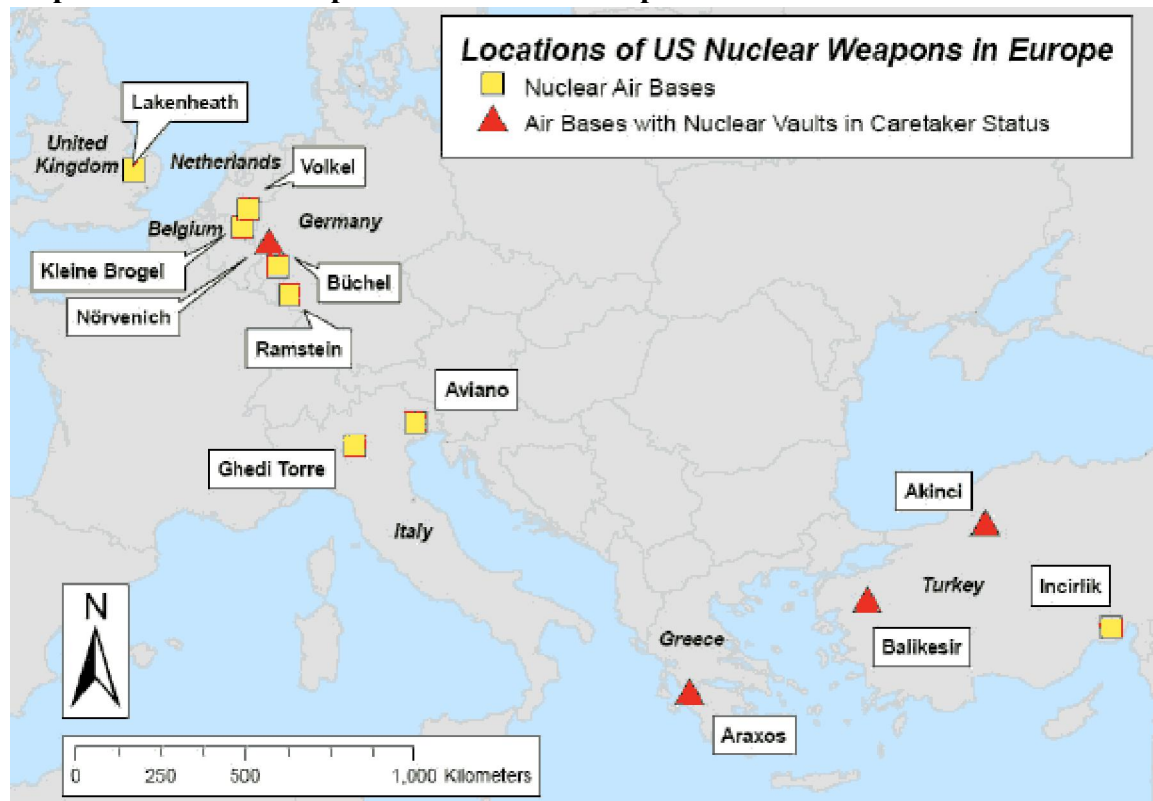
The stockpiled weapons are B61 thermonuclear bombs. All the weapons are gravity bombs of the B61-3, -4, and -10 types.2 .
Those estimates were based on private and public statements by a number of government sources and assumptions about the weapon storage capacity at each base.

[1] Kristensen M., Hans. "US nuclear weapons in Europe: A review of post-Cold War policy, Force levels, and War planning", Natural Resources Defence Council, February 2005, 6 April 2011 (Online), Source http://www.nukestrat.com/pubs/EuroBombs.pdf

APPENDIX E
EU STRATEGY AGAINST PROLIFERATION OF WEAPONS OF MASS DESTRUCTION

At Thessaloniki, the European Council adopted a Declaration on non-proliferation of Weapons of Mass Destruction. Member States made the commitment, drawing on the Basic Principles already established, to further elaborate before the end of 2003 a coherent EU strategy to address the threat of proliferation, and to continue to develop and implement the Action Plan adopted in June by the Council as a matter of priority. Delegations will find herewith the draft strategy elaborated to fulfil the commitment taken in
Thessaloniki.

INTRODUCTION

1. The proliferation of weapons of mass destruction and their means of delivery such as ballistic missiles are a growing threat to international peace and security. While the international treaty regimes and export controls arrangements have slowed the spread of WMD and delivery systems, a number of states have sought or are seeking to develop such weapons. The risk that terrorists will acquire chemical, biological, radiological or fissile materials and their means of delivery adds a new critical dimension to this threat.

2. As the European Security Strategy makes clear, the European Union cannot ignore these dangers. WMD and missile proliferation puts at risk the security of our states, our peoples and our interests around the world. Meeting this challenge must be a central element in the EU's external action. The EU must act with resolve, using all instruments and policies at its disposal. Our objective is to prevent, deter, halt and, where possible, eliminate proliferation programmes of concern worldwide.

3. Non-proliferation, disarmament and arms control can make an essential contribution in the global fight against terrorism by reducing the risk of non state actors gaining access to weapons of mass destruction, radioactive materials, and means of delivery. We recall in this context the Council conclusions of 10 December 2001 on implications of the terrorist threat on the non-proliferation, disarmament, and arms control policy of the EU.

CHAPTER I PROLIFERATION OF WMD AND MEANS OF DELIVERY IS A GROWING THREAT TO INTERNATIONAL PEACE AND SECURITY

4. The proliferation of weapons of mass destruction and their means of delivery are a growing threat. Proliferation is driven by a small number of countries and non-state actors, but presents a real threat through the spread of technologies and information and because proliferating countries may help one another. These developments take place outside the current control regime.

5. Increasingly widespread proliferation of weapons of mass destruction increases the risk of their use by States (as shown by the Iran/Iraq conflict) and of their acquisition by terrorist groups who could conduct actions aimed at causing large-scale death and destruction.

6. Nuclear weapons proliferation: the Treaty on the Non-proliferation of Nuclear Weapons (NPT) must be preserved in its integrity. It has helped to slow and in some cases reverse the spread of military nuclear capability, but it has not been able to prevent it completely. The possession of nuclear weapons by States outside the NPT and non-compliance with the Treaty's provisions by states party to the Treaty, risk undermining non-proliferation and disarmament efforts.

7. Chemical Weapons Proliferation: A particular difficulty with verification and export control regimes is that the materials, equipment, and know-how are dual use. One way of assessing the level of risk is to see whether there is indigenous ability to produce chemical warfare (CW) agent precursors and to weaponise chemical warfare agents. In addition, several countries still possess large chemical weapons stockpiles that should be destroyed, as provided for in the Chemical Weapons Convention. The possible existence of chemical weapons in States not party to the Chemical Weapons Convention is also a matter of concern.

8. Biological weapons proliferation: although effective deployment of biological weapons requires specialised scientific knowledge including the acquisition of agents for effective dissemination, the potential for the misuse of the dual-use technology and knowledge is increasing as a result of rapid developments in the life sciences. Biological weapons are particularly difficult to defend against (due to their lack of signature). Moreover, the consequence of the use maybe difficult to contain depending on the agent used and whether humans, animals, or plants are the targets. They may have particular attractions for terrorists. Biological weapons, as well as chemical weapons, pose a special threat in this respect.

9. Proliferation of means of delivery related to weapons of mass destruction: development by several countries of concern of ballistic programmes, of autonomous capacity in the production of medium and long range missiles, as well as cruise missiles and UAV are a growing cause of concern.

10. All such weapons could directly or indirectly threaten the European Union and its wider interests. A WMD attack on the EU's territory would involve the risk of disruption on a massive scale, in addition to grave immediate consequences in terms of destruction and casualties. In particular, the possibility of WMD being used by terrorists present a direct and growing threat to our societies in this respect.

11. In areas of tension where there are WMD programmes, European interests are potentially under threat, either through conventional conflicts between States or through terrorist attacks. In those regions, expatriate communities, stationed and deployed troops (bases or external operations), and economic interests (natural resources, investments, export markets) can be affected, whether or not specially targeted.

12. All the States of the Union and the EU institutions have a collective responsibility for preventing these risks by actively contributing to the fight against proliferation.

13. The EU Situation Centre has prepared and will continuously update a threat assessment using all available sources; we will keep this issue under review and continue to support this process, in particular by enhancing our co-operation.

CHAPTER II THE EUROPEAN UNION CANNOT IGNORE THESE DANGERS. IT MUST SEEK AN EFFECTIVE MULTILATERALIST RESPONSE TO THIS THREAT.

14. To address with unceasing determination the threat posed by WMD a broad approach covering a wide spectrum of actions is needed. Our approach will be guided by:

- our conviction that a multilateralist approach to security, including disarmament and non-proliferation, provides the best way to maintain international order and hence our commitment to uphold, implement and strengthen the multilateral disarmament and non-proliferation treaties and agreements;
- our conviction that non-proliferation should be mainstreamed in our overall policies, drawing upon all resources and instruments available to the Union;
- our determination to support the multilateral institutions charged respectively with verification and upholding of compliance with these treaties;
- our view that increased efforts are needed to enhance consequence management capabilities and improve coordination;
- our commitment to strong national and internationally-coordinated export controls;
- our conviction that the EU in pursuing effective non-proliferation should be forceful and inclusive and needs to actively contribute to international stability;
- our commitment to co-operate with the United States and other partners who share our objectives.

At the same time, the EU will continue to address the root causes of instability including through pursuing and enhancing its efforts in the areas of political conflicts, development assistance, reduction of poverty and promotion of human rights.

15. Political and diplomatic preventative measures (multilateral treaties and export control regimes) and resort to the competent international organisations form the first line of defence against proliferation. When these measures (including political dialogue and diplomatic pressure) have failed, coercive measures under Chapter VII of the UN Charter and international law (sanctions, selective or global, interceptions of shipments and, as appropriate, the use of force) could be envisioned. The UN Security Council should play a central role.

A) Effective multilateralism is the cornerstone of the European strategy for combating proliferation of WMD.

16. The EU is committed to the multilateral treaty system, which provides the legal and normative basis for all non-proliferation efforts. The EU policy is to pursue the implementation and universalisation of the existing disarmament and non-proliferation norms. To that end, we will pursue the universalisation of the NPT, the IAEA Safeguard agreements and protocols additional to them, the CWC, the BTWC, the HCOC, and the early entry into force of the CTBT. The EU policy is to work towards the bans on biological and chemical weapons being declared universally binding rules of international law. The EU policy is to pursue an international agreement on the prohibition of the production of fissile material for nuclear weapons or other nuclear explosive devices. The EU will assist third countries in the fulfilment of their obligations under multilateral conventions and regimes.

17. If the multilateral treaty regime is to remain credible it must be made more effective. The EU will place particular emphasis on a policy of reinforcing

compliance with the multilateral treaty regime. Such a policy must be geared towards enhancing the detectability of significant violations and strengthening enforcement of the prohibitions and norms established by the multilateral treaty regime, including by providing for criminalisation of violations committed under the jurisdiction or control of a State. The role of the UN Security Council, as the final arbiter on the consequence of non-compliance – as foreseen in multilateral regimes – needs to be effectively strengthened.

18. To ensure effective detectability of violations and to deter non-compliance the EU will make best use of , and seek improvements to, existing verification mechanisms and systems. It will also support the establishment of additional international verification instruments and, if necessary, the use of non-routine inspections under international control beyond facilities declared under existing treaty regimes. The EU is prepared to enhance, as appropriate, its political, financial and technical support for agencies in charge of verification.

19. The EU is committed to strengthening export control policies and practices within its borders and beyond, in co-ordination with partners. The EU will work towards improving the existing export control mechanisms. It will advocate adherence to effective export control criteria by countries outside the existing regimes and arrangements.

B) Promotion of a stable international and regional environment is a condition for the fight against proliferation of WMD

20. The EU is determined to play a part in addressing the problems of regional instability and insecurity and the situations of conflict which lie behind many weapons programmes, recognizing that instability does not occur in a vacuum. The best solution to the problem of proliferation of WMD is that countries should no longer feel they need them. If possible, political solutions should be found to the problems, which lead them to seek WMD. The more secure countries feel, the more likely they are to abandon programmes: disarmament measures can lead to a virtuous circle just as weapons programmes can lead to an arms race.

21. To this end, the EU will foster regional security arrangements and regional arms control and disarmament processes. The EU's dialogue with the countries concerned should take account of the fact that in many cases they have real and legitimate security concerns, with the clear understanding that there can never be any justification for the proliferation of WMD. The EU will encourage these countries to renounce the use of technology and facilities that might cause a particular risk of proliferation. The EU will expand co-operative threat reduction activities and assistance programmes.

22. The EU believes that political solutions to all of the different problems, fears and ambitions of countries in the most dangerous regions for proliferation will not be easy to achieve in the short run. Our policy is therefore to prevent, deter, halt and, where possible, eliminate proliferation programmes of concern, while dealing with their underlying causes.

23. Positive and negative security assurances can play an important role: they can serve both as an incentive to forego the acquisition of WMD and as a deterrent. The EU will promote further consideration of security assurances.

24. Proliferation of WMD is a global threat, which requires a global approach. However, as security in Europe is closely linked to security and stability in the

Mediterranean, we should pay particular attention to the issue of proliferation in the Mediterranean area.

C) Close co-operation with key partners is crucial for the success of the global fight against proliferation

25. A common approach and co-operation with key partners is essential in order to effectively implement WMD non-proliferation regime.
26. Co-operation with the US and other key partners such as the Russian Federation, Japan and Canada is necessary to ensure a successful outcome of the global fight against proliferation.
27. In order to tackle and limit the proliferation risk resulting from weaknesses in the administrative or institutional organisation of some countries, the EU should encourage them to be partners in the fight against proliferation, by offering a programme aimed at assisting these countries in improving their procedures, including the enactment and enforcement of implementing penal legislation. Assistance should be associated with regular joint evaluations, reinforcing the collaborative spirit and the confidence building.
28. Appropriate cooperation with the UN and other international organisations will assist in ensuring a successful outcome of the global fight against proliferation. The EU will ensure, in particular, exchange of information and analysis with NATO, within the agreed framework arrangements.

CHAPTER III THE EUROPEAN UNION MUST MAKE USE OF ALL ITS INSTRUMENTS TO PREVENT, DETER, HALT, AND IF POSSIBLE ELIMINATE PROLIFERATION PROGRAMMES THAT CAUSE CONCERN AT GLOBAL LEVEL.

29. The elements of the EU's Strategy against proliferation of weapons of mass destruction need to be integrated across the board. We have a wide range of instruments available: multilateral treaties and verification mechanisms; national and internationally-coordinated export controls; cooperative threat reduction programmes; political and economic levers (including trade and development policies); interdiction of illegal procurement activities and, as a last resort, coercive measures in accordance with the UN Charter. While all are necessary, none is sufficient in itself. We need to strengthen them across the board, and deploy those that are most effective in each case. The European Union has special strengths and experience to bring to this collective effort. It is important that the EU's objectives, as set out in this strategy, be factored in its policy approach in each area, so as to maximise its effectiveness.
30. In implementing our strategy we have decided to focus in particular on the specific measures contained in this chapter. It is a "living action plan" whose implementation will be constantly monitored. It will be subjected to regular revision and updating every six months.

A) Rendering multilateralism more effective by acting resolutely against proliferators.
1) Working for the universalisation and when necessary strengthening of the main treaties, agreements and verification arrangements on disarmament and non-proliferation.

- Carrying out diplomatic action to promote the universalisation and reinforcement of multilateral agreements, in implementation of the Council Common Position of 17 November 2003.

2) Fostering the role of the UN Security Council, and enhancing expertise in meeting the challenge of proliferation.

- Working inter alia to enable the Security Council to benefit from independent expertise and a pool of readily available competence, in order to carry out the verification of proliferating activities that are a potential threat to international peace and security. The EU will consider how the unique verification and inspection experience of UNMOVIC could be retained and utilised, for example by setting up a roster of experts.

3) Enhancing political, financial and technical support to verification regimes.

- Now that all EU Member States have ratified the IAEA Additional Protocols, the EU will redouble its efforts to promote their conclusions by third States.

- Fostering measures aimed at ensuring that any possible misuse of civilian programmes for military purposes will be effectively excluded.

- Releasing financial resources to support specific projects conducted by multilateral institutions (i.a. IAEA, CTBTO Preparatory Commission and OPCW) which could assist in fulfilling our objectives.

- Promoting challenge inspections in the framework of the Chemical Weapons Convention and beyond. This issue will be addressed in the CWC competent bodies as well as in the framework of political dialogue with third States.

- Reinforcing the BTWC and the CWC and, in this context, continuing the reflection on verification instruments. The BTWC does not contain at present a verification mechanism. The EU must find ways to strengthen compliance. A group of experts to give advice on how this could be done could be established. The EU will take the lead in efforts to strengthen regulations on trade with material that can be used for the production of biological weapons. The EU will also take the lead in supporting national implementation of the BTWC (e.g. in providing technical assistance). The EU will consider giving support to states with administrative or financial difficulties in their national implementation of the Chemical Weapons Convention and the BTWC.

4) Strengthening export control policies and practices in co-ordination with partners of the export control regimes; advocating, where applicable, adherence to effective export control criteria by countries outside the existing regimes and arrangements; strengthening suppliers regimes and European co-ordination in this area.

- Making the EU a leading co-operative player in the export control regimes by coordinating EU positions within the different regimes, supporting the membership of acceding countries and where appropriate involvement of the Commission, promoting a catch-all clause in the regimes, where it is not already agreed, as well as strengthening the information exchange, in particular with respect to sensitive destinations, sensitive end-users and procurement patterns.

- Reinforcing the efficiency of export control in an enlarged Europe, and successfully conducting a Peer Review to disseminate good practices by taking special account of the challenges of the forthcoming enlargement.

- Setting up a programme of assistance to States in need of technical knowledge in the field of export control.

- Working to ensure that the Nuclear Suppliers Group make the export of controlled nuclear and nuclear related items and technology conditional on ratifying and implementing the Additional Protocol.
- Promoting in the regimes reinforced export controls with respect to intangible transfers of dual-use technology, as well as effective measures relating to brokering and transhipment issues.
- Enhancing information exchange between Member States. Considering exchange of information between the EU SitCen and like-minded countries.

5) Enhancing the security of proliferation-sensitive materials, equipment and expertise in the European Union against unauthorised access and risks of diversion.

- Improving the control of high activity radioactive sources. After the adoption of the Council Directive on the control of high activity sealed radioactive sources, Member States should ensure its fast implementation at national level. The EU should promote the adoption of similar provisions by third countries.
- Enhancing, where appropriate, the physical protection of nuclear materials and facilities, including obsolete reactors and their spent fuel.
- Strengthening of EC and national legislation and control over pathogenic microorganisms and toxins (both in Member States and in Acceding Countries) where necessary. Co-operation between the public health, occupational health and safety and the non-proliferation structures should be reinforced. The creation of an EU Centre for Disease Control and the task that it would perform should be analysed.
- Fostering the dialogue with industry to reinforce awareness. An initiative will be taken in order to promote firstly a dialogue with EU industry with a view to raising the level of awareness of problems related to the WMD and secondly, a dialogue between EU and US industry, in particular in the biological sector.

6) Strengthening identification, control and interception of illegal trafficking.

- Adoption by Member States of common policies related to criminal sanctions for illegal export, brokering and smuggling of WMD-related material.
- Considering measures aimed at controlling the transit and transhipment of sensitive materials.
- Supporting international initiatives aimed at the identification, control and interception of illegal shipments.

B) Promoting a stable international and regional environment

1) Reinforcing EU co-operative threat reduction programmes with other countries, targeted at support for disarmament, control and security of sensitive materials, facilities and expertise.

- Prolonging the Programme on disarmament and non-proliferation in the Russian Federation beyond June 2004.
- Increasing EU co-operative threat reduction funding in the light of financial perspectives beyond 2006. The creation of a specific Community budget line for nonproliferation and disarmament of WMD should be envisaged. Member States should be encouraged to contribute also on a national basis. These efforts should include measures aimed at reinforcing the control of the non-proliferation of WMD related expertise, science and technology.
- Setting up of a programme of assistance to States in need of technical knowledge in order to ensure the security and control of sensitive material, facilities and expertise.

2) Integrate the WMD non-proliferation concerns into the EU's political, diplomatic and economic activities and programmes, aiming at the greatest effectiveness.

- Mainstreaming non-proliferation policies into the EU's wider relations with third countries, in accordance to the GAERC conclusions of 17 November 2003, inter alia by introducing the non-proliferation clause in agreements with third countries.

- Increasing Union efforts to resolve regional conflicts by using all the instruments available to it, notably within the framework of CFSP and ESDP.

C) Co-operating closely with the United States and other key partners.

1) Ensuring adequate follow up to the EU-US declaration on non-proliferation issued at the June 2003 summit.

2) Ensuring coordination and, where appropriate, joint initiatives with other key partners.

D) Developing the necessary structures within the Union

1) Organising a six monthly debate on the implementation of the EU Strategy at the External Relations Council.

2) Setting up, as agreed in Thessaloniki, a unit which would function as a monitoring centre, entrusted with the monitoring of the consistent implementation of the EU Strategy and the collection of information and intelligence, in liaison with the Situation Centre. This monitoring centre would be set up at the Council Secretariat and fully associate the Commission.

APPENDIX F

Concept paper for WMD Monitoring Centre

I INTRODUCTION

1. The EU WMD Strategy adopted in 2003 aims at addressing, in a comprehensive manner, the threat of proliferation of WMD and their means of delivery in both its aspects: state proliferation and proliferation by non-state actors.
The recent terrorist attacks in the UK and, before, in Spain, underscore the new challenges concerning non-state actors, the imperative to prevent terrorists from acquiring WMD or related materials and therefore the critical importance to step up efforts to implement the EU WMD Strategy. The risk that this threat may well one day or another materialise in Europe or elsewhere is real and has to be taken into account by decision-makers in the EU.
For the credibility of the Union, everything possible therefore needs to be done to monitor the implementation of the Strategy and to look for ways to improve consistency of its implementation.
2. The ESS identified the main challenges for Europe in fighting WMD proliferation:
"If we are to make a contribution that matches our potential, we need to be more active, more coherent and more capable. And we need to work with others (…) the challenge now is to   bring together the different instruments and capabilities".
In pursuing this objective, the European Council endorsed a WMD Strategy which requested this effort to be "a central element in the EU's external action. The EU must act with resolve, using all instruments and policies at its disposal."

II. OBJECTIVES: ENHANCING EFFECTIVENESS AND CONSISTENCY
3. The present concept paper aims at enhancing effectiveness and consistency without any modification of institutional settings and prerogatives, by establishing a cooperative working method which allows the Council Secretariat/HR, the Commission services and Member States to work together, and ensure better synergy. This is without prejudice to the prerogatives of the Presidency. The aim of the paper is not to create a new structure or a new agency nor to have a new budget. It is about endorsing and making official a working method, after a practice acquired over 3 years of work in several areas of implementation of the EU WMD Strategy. This paper is entirely in line with the objectives recently set by the June 2006 European Council regarding external action ("Improving the efficiency, coherence and visibility of the Union's external policies"), in particular the objective, "on the basis of the existing treaties", to "improve strategic planning and coherence between the Union's various external policy instruments as well as cooperation between the EU institutions and between the latter and the Member States".
4. Non-proliferation and disarmament are key areas of CFSP. EU institutions and Member States should further enhance synergies of their actions. In the area of assistance to third States, it is clear that Member States have taken on the bulk of existing commitments themselves. In addition there is an important role for a number of international organizations to which Member States and the EU institutions have channelled funds and provided expertise. A whole range of CFSP Actions has been taken by the Council and there are a number of Community instruments which contribute to non-proliferation.

5. It is therefore crucial to enhance coherence in the overall contributions made by the EU and its Member States in order to further improve synergies and avoid possible duplication. Priority setting as a follow up to the WMD strategy continues therefore to be of prime importance. In addition it would be useful to enhance monitoring of what the EU as a whole does in this field. It would also be important to monitor the consistency and complementarity of ongoing and planned EU activities against the background of political priorities identified by the WMD Strategy and the Council. Furthermore it remains important to propose regularly a "list of priorities" allowing Member States to determine action for the future.

III. SOLUTION OFFERED BY THE WMD STRATEGY

6. The WMD Strategy itself offers a possibility for further improvement in these areas: Chapter

III, D 2 of the EU WMD Strategy formulates the mandate for a mechanism to be set up as follows:

"Setting up, as agreed in Thessalonica, a unit which would function as a monitoring centre, entrusted with the monitoring of the consistent implementation of the EU Strategy and the collection of information and intelligence, in liaison with the Situation Centre. This monitoring centre would be set up at the Council Secretariat and fully associate the Commission".

7. A WMD Monitoring Centre (WMD-MC) could take on the monitoring task described above (i.e. point II) , building on the resources which have been developed inside the Council Secretariat since the adoption of the WMD Strategy in 2003. The SG/HR has appointed a Personal Representative for WMD, supported by a small office. This entity already has an important role in:

- Implementing and developing the EU WMD Strategy.
- Creating synergy between efforts by various EU actors involved, i.e. Member States, the European Commission, the High Representative.
- Political dialogue and information inside and outside the EU.

8. The scope of the tasks of the WMD-MC, set out in para.9, would coincide with the scope of the EU WMD Strategy, that is all activities in the fight against proliferation of WMD and their means of delivery (such as ballistic missiles), as described in the EU WMD Strategy and categorised therein in Chapter III:

A) Building on effective multilateralism.

i) Universalisation and strengthening of the main treaties, agreements and verification arrangements on disarmament and non-proliferation;

ii) Fostering the role of the UN Security Council, and enhancing expertise in meeting the challenge of proliferation;

iii) Enhancing political, financial and technical support to verification regimes;

iv) Strengthening export control policies and practices with partners of the export control regimes; advocating adherence to effective export control rules by countries outside the regimes and strengthening regimes.

v) Enhancing the security of proliferation-sensitive materials, equipment and expertise in the EU;

vi) Strengthening identification, control and interception of illegal trafficking.

B) Promoting a stable international and regional environment

i) Reinforcing EU co-operative threat reduction programmes

ii) Mainstream WMD non-proliferation concerns into the EU's political, diplomatic and economic activities and programmes.

C) Cooperating closely with key partners:

i) Ensuring adequate follow-up to bilateral documents on non-proliferation;

ii) Ensuring coordination and new joint initiatives.

The key objectives for the work of the WMD-MC would be those identified in the EU WMD

Strategy adopted in 2003. The WMD-MC, in developing its activity, would also prepare the ground for regularly updating the "List of priorities for a coherent implementation of the EU WMD Strategy". The updated versions of the list of priorities would be adopted by the Council after discussion in the relevant Working Groups and endorsement by the PSC. This List of priorities would give additional guidelines for the WMD-MC in implementing its mandate.

9. The tasks of the WMD-MC would cover:

i) day-to-day implementation of the WMD Strategy

- monitor the consistent implementation of the EU WMD Strategy

- Ensure continuity of implementation throughout rotation of EU Presidencies

- Support to relevant Council fora (Working Groups, PSC, Coreper, Council)

- Support and ensure continuity in political dialogue with third parties, in particular concerning strategic/security dialogue with partner countries.

ii) Further development of the WMD Strategy

- update regularly WMD threat assessments, in close coordination with the Situation Centre, in order to guide EU action in implementing the EU WMD Strategy.

- preparations of proposals for updating the List of priorities for a coherent implementation of the EU WMD Strategy

- suggestions for revision of WMD Strategy

- work towards consistency of policy papers, action plans, legislative acts in relation to WMD non-proliferation issues

iii) Coherence of assistance programmes (Joint Actions and Community programmes)

- The Council Secretariat/HR and the Commission working together in the WMD-MC could ensure coherence of the planning of activities under CFSP (Joint Actions) and Community Programmes, in particular Cooperative Threat Reduction programmes

- Monitor project definition and implementation

iv) Contacts with third countries and organisations

- participation in, and support to the Presidency in the coordination of EU political dialogue with third countries as far as non-proliferation issues are concerned.

- Serve as a focal point for implementation of the EU WMD Strategy for third countries and national, international and multinational organisations, in particular UN, IAEA, OPCW, CTBTO, G8 and NATO as appropriate.

IV. INVOLVEMENT OF ALL RELEVANT EU ACTORS

10. It will be important to maximise the output of the WMD-MC through an inclusive and flexible cooperation involving all relevant actors within the EU. This means that there should be a focal point (Office of the Personal Representative) with a core of permanent staff from the Council Secretariat. In addition, an active involvement of Member States in the work of the WMD-MC is crucial. Member States are encouraged to ensure an optimal coverage of all thematic and country-related WMD-related non-proliferation and disarmament issues and to make expertise available to

the WMD-MC. It might be useful, specifically, to set up ad-hoc task forces and/or networks/rosters of experts to be made available by Member States, in particular for outreach activities. This would not imply a secondment of these experts to the Office of the Personal Representative of the HR.

Ad hoc Task Forces: an EU task force has already been put in place in the preparations for the upcoming BTWC Review Conference. This model could be used, where appropriate, in other areas and for other specific challenges (e.g. UNSCR 1540, nuclear terrorism). It can require specific meetings and can also rely on e-network.

Rosters of experts: specific cooperation initiatives by the EU rely extensively on Member States' expertise and human resources. Ongoing experience in outreach activities on Export Controls (EU workshops, Pilot Project) has shown that national experts are required in particular for the conduct of cooperation and assistance programmes. The same goes now for the implementation of EU Joint Actions which foresee assistance to third countries in drafting legislation and capacity-building (e.g. Joint Action in support of BTWC and possible future follow-up Joint Actions in support of UNSCR 1540).

11. The Working Groups CODUN and CONOP would continue to serve as the framework for interaction between Member States and the WMD-MC respectively. Member States should ensure to be well prepared for focussed discussions in the Working Groups in order to be able to finalise the proposals, before they are put forward to PSC and Council. The WMD-MC would brief the relevant Working Groups regularly on its activities, projects, and contacts with countries and other relevant aspects of its work. The Working Groups would decide, following a suggestion by the Presidency and /or the WMD-MC, on a case by case basis on making use of the new instruments proposed under 10. (Ad-hoc task forces/rosters of experts).

The Member States would be invited to designate a point of contact as a regular interlocutor for the WMD-MC in order to facilitate interaction regarding i.a. exchange of information and organizational questions between Member States and the WMD-MC.

12. The full association of the Commission to the work of the Centre is essential. The WMD-MC would be an opportunity for the Council and the Commission to step up cooperation and better exploit synergies. This liaison function with the WMD MC would be performed by DG Relex which would in turn use existing inter-service formats inside the Commission services in order to facilitate coordination with the WMD-MC. Through this liaison function, the Council and the Commission, working together within the WMD MC, would be in a position to present to the outside world a perfectly unified EU position on all matters related to WMD.

In addition, a more substantial dialogue at early stages of planning between Council Secretariat and Commission services will help Council Secretariat/HR to design draft CFSP Joint Actions and Commission services to mainstream non-proliferation objectives into its planning and programming of relevant Community instruments (e.g. Stability Instrument, New Neighbourhood Instrument and Country programmes), so as to better ensure complementarity and synergy between 1st and 2nd pillar actions in the fight against WMD proliferation. The Commission cooperation with the WMD Centre is without prejudice to the

Commission prerogatives as provided for by the Treaties, in particular the right of initiative of the Commission. The internal Commission decision - making procedures would in no-way be modified. However the preliminary work carried out within the WMD Centre could provide the Commission useful elements from which the internal process would benefit.

13. Among the tasks mentioned by the European Council (WMD Strategy) is the "collection of information and intelligence". Intelligence would indeed be an important element for the work of the WMD-MC, in order to create a solid basis for the overall monitoring of nonproliferation issues, the development and implementation of EU actions and the preparation of policy decisions by the EU. The EU Situation Centre, which comprises a team of officials focusing on non-proliferation, is already devoting its efforts to collect information and intelligence within the EU. Therefore the WMD-MC would benefit from the work of the Sitcen and could task the SitCen to establish threat assessments. It follows therefore that Member States develop further their intelligence exchange with the SITCEN to assist it in supporting the WMD-MC.

The WMD-MC will continue to work in close co-operation with the EU Situation Centre and with the Coordinator for Counter-Terrorism, as well as with the other relevant departments of the Council Secretariat.

This concept paper has been elaborated in such a way as not to imply any increase in terms of staff and budget. Should a permanent strengthening of expertise within the WMD -MC, especially through the secondment of Detached National Experts (DNE), be envisaged at a later stage, that would require a decision of the Authority Responsible for Concluding Contracts of Employment and an agreement in COREPER.

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BIOGRAPHY

Mr. Wiraj Sripong was born in Caen Basse Normandie, France. He has spent most of his educational life in Thailand. During his primary school, he went to Lasalle College. Later, he joined Srinakarinwirot University Prasarnmit Demonstration School (Secondary). He did his bachelor degree in the faculty of Political Science, Thammasat University. From September 2008 to June 2009, he was selected by the university to go to Sciences Po Paris (Institut d'Etudes Politiques Paris). In 2010, he studied the Master of Arts in European Studies at Chulalongkorn University and is admitted for the second master's degree in European Affairs in Sciences Po Paris for the year 2011-2012 academic. His particular interest in the academic field is the process of regionalization which occurred over the course of the 20th and 21st Century, international political history and diplomacy. Otherwise, he spends his leisure time practicing Thai classical dance (Masked play) and Thai traditional music and singing Thai contemporary songs of the late 1950s (Suntaraporn).