



European
University
Institute

ROBERT SCHUMAN CENTRE FOR ADVANCED STUDIES

RSCAS Policy Papers

RSCAS PP 2010/01

ROBERT SCHUMAN CENTRE FOR ADVANCED STUDIES
Global Governance Programme

THE EUROPEAN UNION AND
MULTILATERAL GLOBAL GOVERNANCE

José Manuel Durão Barroso

EUROPEAN UNIVERSITY INSTITUTE, FLORENCE
ROBERT SCHUMAN CENTRE FOR ADVANCED STUDIES
GLOBAL GOVERNANCE PROGRAMME

The European Union and multilateral global governance

JOSÉ MANUEL DURÃO BARROSO
President of the European Commission

FLORENCE, ITALY
18 JUNE 2010
Policy Papers, RSCAS 2010/01

This text may be downloaded only for personal research purposes. Additional reproduction for other purposes, whether in hard copies or electronically, requires the consent of the author(s), editor(s). If cited or quoted, reference should be made to the full name of the author(s), editor(s), the title, the working paper, or other series, the year and the publisher.

The author(s)/editor(s) should inform the Robert Schuman Centre for Advanced Studies at the EUI if the paper will be published elsewhere and also take responsibility for any consequential obligation(s).

ISSN 1830-1541

© 2010 José Manuel Durão Barroso

Printed in Italy, July 2010

European University Institute

Badia Fiesolana

I – 50014 San Domenico di Fiesole (FI)

Italy

www.eui.eu/RSCAS/Publications/

www.eui.eu

cadmus.eui.eu

The Policy Paper Series

The Policy Paper Series of the Robert Schuman Centre for Advanced Studies complements its Working Papers Series. This series aims to disseminate the views of a person or a group on a particular policy matter, specifically in the field of European integration.

The European University Institute and the Robert Schuman Centre for Advanced Studies are not responsible for the proposals and opinions expressed by the author(s).

The aim of the Robert Schuman Centre for Advanced Studies is to contribute to the public debate by offering views and opinions on matters of general interest.

The Global Governance Programme at the EUI

The world faces increasingly complex problems that have taken on global significance - including conflict and peace-building, humanitarian crises and intervention, international economic inequality and instability, and global environmental change. Global Governance points to the international framework of principles, processes and rules - and the set of institutions that uphold them - which are needed to tackle global problems.

'Global governance' has become a key term in many academic and policy debates. It is a rallying call for policy advocates who hail it as panacea for the evils of economic and ecological globalization; it is seen as a global menace for opponents who fear it as the universal hegemony of the many by the powerful few; it is also the analytical concept for new empirical phenomena of world politics that has given rise to much discussion among scholars.

The EUI 'Global Governance Programme' aims to increase understanding and knowledge of global issues; to contribute to academic and policy debates on global governance; to train new generations of scholars, public officials, and practitioners, and to encourage interaction between academics, policy makers, journalists and activists.

The Global Governance Programme improves and broadens doctoral and postdoctoral training with respect to global governance and world affairs at the EUI. It develops different strands of basic and applied research on issues of global governance, and organises the *European Academy of Global Governance* devoted to top level training, discussion and debates, and the *European Network of Global Governance*, an e-community of scholars, policy makers, and researchers who take an interest in global governance issues. The Global Governance Programme promotes and supports a variety of events, conferences and seminars on issues of global governance

For more information, see:

<http://www.eui.eu/DepartmentsAndCentres/RobertSchumanCentre/Research/InstitutionsGovernanceDemocracy/GlobalGovernanceProgramme/Index.aspx>

Mr President of the European the European University Institute, dear friend,

Dear President of the region of Toscana,

Authorities, Excellencies, distinguished Members of the European Parliament, Ladies and gentlemen,

Dear friends,

Let me begin by thanking the European University Institute, in particular its President, Josep Borrell, and ALSO Professor Miguel Poyares Maduro, for inviting me to address this conference, inaugurating the programme on global governance.

I'd like to take this opportunity to wish this new initiative every success, and also to offer the support of the European Commission.

I'd like also to thank the young students of the Schola Secundare Di Primogrado Andrea Doria for their initiative and their gesture. I've been recently in Padova, a beautiful city that has also very important links with my country - Portugal.

It is a real pleasure to here and discuss with you a topic that is on the top of the European agenda: the European Union and multilateral global governance and this precisely some days before the very important meeting of G20 that takes place in Canada. And I also look forward to answering your questions after the speech engaging in what I hope would be a fruitful discussion. Let me say that for me it is always refreshing to come back to the academic world especially after a European Council. And even more, to come here to Florence, to Fiesole (we are in Fiesole) and to this European University Institute where I was some years ago, precisely a Jean Monet lecturer and where I was, in fact, a student exactly 30 years ago. I was a student here in one of the first summer courses on EU comparative politics. And I really enjoyed the summer course. I enjoyed being here in Fiesole and Florence with the person I will be married to some weeks afterwards, my wife. So let me say that it is nice to come here with Margarita 30 years after our marriage and spend a great time here in Florence. I hope students enjoy as much as I did at that time.

Today I wish to make the case for the EU's role in reinforcing multilateral rules and institutions at the global level. Multilateralism is the right mechanism to build order and governance in a multipolar world, and the European Union is well-placed to make a decisive contribution.

As you know it has become a common assertion that the first decade of the 21st century has witnessed the gradual emergence of a multipolar world. A system composed of multiple global and regional powers, by a number of relevant institutions and organizations, and by powerful non-state actors.

There are, clearly, some virtues in a multipolar international society. It limits 'hegemonic power', which can often be a source of instability. In the history of modern European political thought, the distribution of power has been consistently treated as a mechanism to limit hegemonic or imperial tendencies. Being in Italy, you are probably familiar with the work of the historian Guicciardini, who in his History of Italy written in the early 16th century identified the balance of power with the idea of justice. He praised Lorenzo de Medici, the ruler of Florence, who recognized that the security of his city depended upon maintaining the balance of power within Italy. Guicciardini knew very well what he was writing about, because he had witnessed the collapse of the Italian distribution of power, and its replacement by the Spanish Hapsburgs' hegemony.

In the eighteenth century, a diplomatic manual published in Europe referred to multipolarity as "an equal distribution of power among the Princes of Europe as makes it impractical for the one to disturb the repose of the other". And similar views appear in the great multilateral peace treaties. The Preamble of the Treaty of Utrecht, concluded in 1713, says that the "diplomatic settlement" seeks to establish a "just equilibrium". A century later, one of the main figures of the Vienna Congress, Metternich, observed that "European states form a kind of social body that reflect the application of

the principles of solidarity and of the balance of power". We find here a view of the multipolar distribution of power as a condition for political freedom, for international justice and for collaboration between states.

However, it would be unwise to overlook the risks associated with multipolarity. A quick glance at European history also provides ample evidence of the dangers of an understanding of multipolar strategies in terms of expansion and competition for predominance. Strategic rivalry between great powers often produced wars in Europe - right up to the middle of the twentieth century.

At the risk of oversimplifying, one can say that a paradox lies at the heart of modern European history: attempts to create a multipolar balance of power, in order to avoid the emergence of imperial or hegemonic states, ended up with violent competition between great powers.

After half a century of chilly bipolar conflict, and a one-decade interval of what has been called a "unipolar moment", the world now seems to be returning to a multipolar configuration. So, the question arises: are we going to repeat at the global level many of the mistakes committed during a great deal of European history? Is Europe's past the world's future?

The 21st century global multipolarity differs in fundamental ways from the past examples of multipolar balance of power. The concentration of power in a number of poles goes hand in hand with fragmentation into multiple centres of power, such as international institutions, nongovernmental organizations, private corporations, global networks, including financial networks and so on.

Globalization strengthens the capacities of non-state actors, and in the process it dilutes the power of the major countries. Contrary to previous centuries, at least in those areas more affected by cross-border flows, the 21st century multipolar world seems to be more inclined to a dilution than a monopoly of power. There is an increasingly large domain of global politics that occurs outside relations between the major states. Let's look at the current global financial crisis how impressively it shows how relative is the power of democracies or states. It is in fact what some observers call "the domain of nonpolarity".

The rise of new actors and networks and of non-state relations, taking place outside the control of governments, increases the challenges and threats to political authorities and sometimes a democratic rule. As a result, states and international institutions need to cooperate to avoid global disorder.

Simultaneously, globalization reinforces the interdependence of major powers. To a large extent, their political stability and their social and economic welfare depend on their collaboration. Ordered and expected outcomes, crucial to deal with mutual dependency, require the establishment of international norms.

To deal with a growing global interdependence, it is in the interest of governments to create a normative framework that avoids political surprises and strategic misunderstandings.

Therefore, inter-state interdependence and non-polarity stimulate the reinforcement of multilateral institutions.

In this sense, the need to tackle globalization may well function as a constraint to great-power conflicts and as a driver for more multilateralism.

However, experience tells us that the rise of interdependence per se is not enough to ensure international cooperation.

Today, there are worrying signs of disruption and uncertainty, created by strategic rivalry, mainly at regional level. In certain regions, major powers are involved in competition for natural resources. We see some appetite for the creation of spheres of influence. The reality is that unilateral strategies still have a strong influence on foreign policies. In addition, nationalism and a strong attachment to sovereignty are clear tendencies in many great powers. It is far from certain that in the near future we witness the growing of institutional governance at global level. On the contrary: the world could well

witness a fragmentation of multilateralism. But I believe that the European Union can play an important role in the reinforcement of multilateral global institutions. And why can we do it?

European integration was a successful attempt way of escaping power politics. The European experience of wars produced by great power rivalries led namely after the tragedy of the World War II to the creation of an institutional multilateral order in Western Europe. This development shows very clearly the difference between multipolarity and multilateralism. The former refers to the distribution of power. The latter expresses a way to use power and to organise power.

The global balance of power may limit hegemonic unilateralism, but it does not by itself stop unilateral strategies by the different poles. Multipolarity may be a necessary condition for global multilateralism, but it is not sufficient. I believe we need a clear awareness of the dangers of unilateralism, and self-conscious strategies to consolidate multilateralism.

And this is where the European experience is quite valuable. In the elegant words of a distinguished contemporary historian, Tony Judt "In spite of the horrors of their recent past – and in large measure because of them – it was Europeans who were now uniquely placed to offer the world some modest advice on how to avoid repeating their own mistakes".

The key words are "to offer some modest advice on how to avoid repeating our own mistakes". In Europe, we know very well where the hubris caused by the excitement of rising power can take us. Having delegitimized multipolar power politics in the European continent, the Union must now work to prevent the emergence of this model on a global scale.

The European Union enjoys a number of strategic advantages, which give it the capacity to shape a positive trajectory in world politics. Our continental size that we have now after the successful enlargements means we carry a lot of weight internationally. The territory of the Union stretches from the Atlantic Ocean to the Black Sea and from the Mediterranean to the Arctic. The population, around five hundred million, is three times larger than it was in 1957.

The European Union is also one of the most prosperous regions in the world. Its economic power is impressive. It is the biggest exporter in the world. It is the second largest source of foreign direct investment. It is the world's biggest trading power. It is, lastly, and by far, the largest donor of foreign aid, leading the world in development policies.

In a world where circumstances change fast, and where we need to adapt, European diversity may also be a strategic advantage. Such political pluralism gives the Union a diplomatic richness and sensitivity not matched by any other global power. Given the different historical experiences of its members, the Union is better prepared to understand the complexities and contradictions of other parts of the world. This cultural and historical pluralism will certainly enrich the European Union's foreign policy.

So the European Union has a range of strong assets to build on. But we can go further, provided, and this is a very important condition of course, provided Member States are ready to cooperate between themselves and with EU institutions to fill some strategic gaps. Because we have some strategic gaps. We have what I usually call some kind of strategic reluctance. That means overcoming this reluctance to act strategically at global level. And in fact the European Union foreign policy demands strategic and political convergence between Member States, and between these and the institutions. European governments themselves recognize that need, for they have agreed to include in the Lisbon Treaty an Article (32) saying that

"Member States shall ensure, through the convergence of their actions, that the Union is able to assert its interests and values on the international scene".

The idea of understanding that we have a common interest and common values is of course the defining element to coherence in action, but it is not sufficient.

This is very important from a conceptual and political point of view. Member States, at least theoretically, recognize that there is a shared European interest, and not just a collection of national interests.

In today's world, European countries share indeed vital interests among themselves; Member States achieve more and better diplomatic results at the global level by acting together.

European institutions have a central role in encouraging and promoting the convergence of interests between Member States, by helping national governments to identify what are the common interests; and by designing the right collective actions to pursue and defend those interests.

A real convergence of interests would be a significant step, allowing the European Union to translate its economic weight into political power and influence.

The power of the European Union, if well used, will have a positive influence in shaping this multilateral global order. As I observed earlier, it is not entirely clear whether the multipolar world of the 21st century will be multilateral in its organization. However, for the European Union, a multilateral system of global governance is highly desirable. Indeed, our Treaty states explicitly that "the Union shall...promote an international system based on stronger multilateral cooperation and good global governance" (Article 21, 2. h).

Multilateralism is an aim of the Treaty; it's then what we call rightly a constitutional goal of Europe. We could say that the positive effects of the international rule of law and of multilateral institutions are part of the European Union's DNA. This can be seen as an added-value of Europe to the global order.

The European Union indeed is indispensable partner for global multilateralism. Our experience with multilateral reciprocity, the core of European politics, helps the Union to find convergence of interests with other great powers - a necessary step to reinforce global governance.

This approach reflects a necessary step to reinforce global governance, This approach reflects a paradigmatic change in the way we think about world politics. Many observers, particularly those that emphasise the "European decline", they reveal a zero-sum view of international politics. This explains why, for them, the rise of some countries inevitably means the decline of others. Of course, competition, divergence, disagreements are and will be important elements of political relations. But the European construction is based on the assumption that countries can rise together. And this is indeed our experience. At least in the European continent it reveals a positive-sum view of politics.

This view is also central to the European Union's external behaviour. We are proud, and rightly so, of championing aid for development. We cannot help others to develop and then complain when they do! Actually, the rise of many new powers is, in part, the result of adopting European and Western values, technologies and know-how.

The logical follow-up of this evolution is for Europe to support their integration in the leading international institutions and processes. In the 21st century, the legitimacy of global governance depends on integrating rising powers into shared efforts at international leadership. Again in Europe, we have a long history of sharing political leadership with rising countries. It is what happens every time the Union enlarges to integrate new members.

The G20 is the central global setting where older and rising powers share leadership and find solutions to manage global issues, particularly in the area of the international economy. The meeting of the G20 at the level of Heads of State and Government is indeed the result of a European initiative in 2008.

The European Union is also playing a central role in other international issues. It is leading global efforts to strengthen open trade and fight protectionism and economic nationalism.

The European Union is at the forefront of the global drive to achieve the Millennium Development Goals.

Despite the disappointment of Copenhagen, the European Union will continue to actively engage with its partners to conclude a global agreement on climate change.

The European Union is also a rule generator and rule promoter, in domains such as non-discriminatory regulation, fair competition and intellectual property law, particularly in our neighbourhood. By promoting rules at international level the Union also contributes to global governance.

On top of all this, the European Union can be considered a model for international economic and political cooperation and integration. And the experience that we studied from Mercosur to Asean is an example of how to build a common market, multilateral institutions, supranational legal rules.

Dear friends,

I deliberately sought to pass a positive message to you today. Not because I am unaware of the problems Europe faces and some of its strategic weaknesses, namely the lack of convergence in some areas of foreign policy and security or the problems in terms of the external representation of Europe, or the worrying demographic evolution and what it may mean in terms of economic and social dynamism. I am not saying that because I am just bounced to idealism, even if I believe very often idealists are right and realists (and sometimes the difference between a realist and a scenic is very small) are wrong. What you can see from the history of European integration idealists were right. Schuman was right.

Monnet was right. We could combine a realistic analysis with an ideal. When I think about what happened with former parts of the Soviet Union, which are now proud members of the European Union, you can say that idealists were right. I want you to know that even if sometimes I am frustrated with the way we do things in the European Union, and would like to see quicker and better decisions. Even if I see that many of our citizens face serious economic and social difficulties and the response to that situation is one of the most important duties of political leaders. Even though I believe Europe can be an inspiring force in today's politics.

Of course it is important to restore sustainable economic growth in Europe. I am very that yesterday at the European Council Member States agreed to a programme for growth, Europe 2020, presented by the European Commission. Without economic growth we will not be able to preserve our European model of society, what we call and it is in the Lisbon Treaty 'social market economy' and we will risk our standing in the world. To a large extent, foreign policy starts at home. It has always been like that but I think that today we are in a situation where the line that separates internal from external policy is thinner than ever.

We are at one of those moments where the capacity to act globally is linked to what we do internally. This is one of the reasons why the current European debate on economic governance is so crucial for the future. If Europe does not become more united, it will become more disunited. Things will not stay as they are now.

We are in a dynamic moment. The global crises, the financial stability of the euro, the new institutional setting make this a defining moment, a time at which political leadership is crucial. Leadership from the European institutions, of course, but also from the national governments. As I say very often Europe is not only Brussels or Strasbourg. In Europe national politicians should also see his or her responsibilities in terms of European leadership. This is no time for the Member States to look inwards and fall into a kind of political protectionism.

But none of these challenges justifies what I call the 'declinist thesis' that some Europeans embrace these days. Europe has one of the strongest economies, one of the most progressive social systems, one of the most decent political systems, and one of the most sophisticated diplomatic cultures in the

world. So I say to those who would like to embrace the ‘intellectual glamour of pessimism’ that they may be wrong.

Europeans should be proud of all these achievements. It represents an aspiration: a world ruled by law, and not by force; a world where rights are more important than strength; a world where major powers tackle global problems in concert, and not unilaterally.

In a very complex and challenging 21st century, this might be the most realistic way to organize an interdependent world. This is probably the greatest historical achievement of the European Union. What, over the last two centuries, was seen by many as an ideal, as a dream, is now becoming a political reality.

Thank you for your attention.

