A Seminar Series on European integration organised by the Institute of International Affairs and Centre for Small State Studies at the University of Iceland, sponsored by a Jean Monnet grant. The programme also included seminars and conferences held in cooperation with other parties. The purpose of the seminar series was to engender an informed debate about Iceland and Europe.
Friday September 9th, 2011, the Institute of International Affairs and Centre for Small State Studies commenced its lecture series “The Europe Dialogues“, sponsored by the European Union’s Jean Monnet Programme, a sub-programme of the Lifelong Learning Programme. The purpose of the seminar series was to engender an informed debate about Iceland and Europe. There were 22 seminars and two conferences on the subject over eight months, with the series concluding on the 27th of April, 2012.

The Fall Program
Seminar II, September 16th, 2011: Gender, sex and the post-national defense 3
Seminar III, September 23th, 2011: The Arab Spring and the European Union 4
Anniversary Conference, October 21st, 2011: Development Cooperation 7
Seminar VI, November 4th, 2011: What are the Implications of the Financial Crisis on Gender Equality in Europe? 8
Seminar VII, November 11th, 2011: Towards a Second Republic: Politics after the Celtic Tiger 9
Seminar VIII, November 25th, 2011: Arms Trade from a European Perspective: Challenging the Normative Power 12

The Spring Programme
Seminar II, January 27th, 2012: Large Member State Hegemony? Ten Theses on Germany’s New European Policy 14
Seminar III, February 3rd, 2012: The EU as a Global Actor: Facing the Current Challenges 16
Seminar IV, February 10th, 2012: The EU and the Aftermath of the Arab Spring 17
Seminar V, February 17th, 2012: Is the US listening to Europe? 18
Seminar VI, February 24th, 2012: Climate Change and Europe 18
Seminar VIII, March 9th, 2012: Norm Entrepreneurship and Norm Advocacy: Small State Strategies in the EU 20
Seminar IX, March 16th, 2012: The Adaptation of Estonia and Finland to EU Foreign and Security Policy 21
Seminar XI, March 30th, 2012: EU Enlargement and the Balkans 23
Seminar XII, April 13th, 2012: NATO as the Canary in the Mine of Liberal World Order 24
Seminar XIII, April 20th, 2012: A European Public Sphere: The Un-likelihood of Transnational Debate 25
Seminar XIV, April 27th, 2012: The Politicisation of European Integration 26

Video Recordings, Power Point Slides & Articles can be found on our webpage: http://www.ams.hi.is
Fall Programme 2011

September 9th, 2011

**Seminar I: Security for Small States in Europe: An Illusion?**

*Clive Archer, Professor Emeritus of Political Science at the Manchester Metropolitan University in England, and editor in chief of the Centre for Small State Studies’ publication series.*

The lecture dealt with three contested concepts: that of the small state, that of security and the concept of Europe. Small states were preferably seen in a contextual framework; security was seen in terms of high (military), middle range (new military insecurities, environmental, economic and energy security) and low level security (societal and human security). Europe could be seen as stretching from the Atlantic to the Urals or predominantly being the Europe of the European Union.

The small states in Europe were classified into groups in proximate areas—Nordic-Baltic, the Central and East Europeans, the CIS/ex-CIS, the Alpines, Western European states, the Balkans and the Mediterranean—with an estimate being made concerning the current existential military threat, internal military threat, major civil unrest, international terrorism, major environmental problems, economic and social breakdown. An estimation could then be made of the most secure and most insecure small European states. A similar evaluation could be made of the security of Europe’s large states.

Examining the key factors that contribute to security or its lack, history seemed to be important, especially having been part of the Soviet Union or Yugoslavia. Membership of NATO and the EU was probably not causal but was of importance as a signifier and in entrenching security, as was the level of democracy. Underdevelopment of civil society is also an important factor, but smallness did not seem to be a key factor. It was important to see how states bind themselves into the international system and to examine society not just the state.

September 16th, 2011

**Seminar II: Gender, Sex and the Post-National Defense**

*Annica Kronsell, Associate Professor of Political Science at Lund University in Sweden.*

The lecture explores the post-national defense and its gender implications. A characteristic of the post-national defense is that less attention is paid to the defense of the territory and more to the security situation outside its borders, often in cooperation with other states. It is exemplified with Sweden’s Armed Forces and Sweden’s peacekeeping operations in Afghanistan, with the EU’s defense policy and the European battlegroups as the main empirical cases. The lecture raises questions on how gender aspects and the United Nations Security Council Resolution no. 1325 have influenced the way that the post-national defense organizes its practices and the policies pursued. It introduces a feminist constructivist institutional approach as the theoretical base. UN SCR 1325 has been integrated in training and education of the troops of the post-national defense. Gender has been mainstreamed in post-national military practice but at the same time re-interpreted as meaning women, often also women in distant places. It explores how militaries have used (hetero) sexuality as an important resource.
in relation to combat effectiveness and what implications this has for relations with locals in peacekeeping operations. Military organizations have the use of weapons and violence as its core professional skill and it is argued to be a challenge for the post-national defense that engages in peace tasks. Furthermore, this military training has been tightly connected with masculinity. When gender mainstreaming strategies are translated to mean women, issues about masculinity, violence and sexuality are silenced. This would be an equally important aspect in a gender analysis of the post-national defense.


---

**September 23rd, 2011**

**Seminar III: The Arab Spring and the European Union**

*Rosa Balfour, Head of the Europe in the World Programme at the European Policy Centre in Brussels, Belgium.*

The changes brought about by the uprisings in North Africa and the Middle East are epoch making, challenging many myths about societies there upon which European policies were based, such as the equation of security with the maintenance of the status quo, the assumed relationship between economic and political liberalisation, and the assumption that Arab societies were not ‘ready’ for democracy. But these extraordinary changes have also brought about increased regional heterogeneity and uncertainty, with each country following potentially different transition paths which may not all be of liking to European states and which will challenge EU policies.

What changes and what continuities can be found in EU policies? And what do they suggest about future EU engagement with the region? The response has called upon a wide variety of tools, from military to humanitarian assistance, financial tools and embargoes, and a revision of modalities of EU programmatic policies, such as the European Neighbourhood Policy.

The recognition of the false basis of security-stability-democracy paradigm has led to a public diplomacy which focuses more strongly on democratic change and political reform for those countries which are committed to political reform.

As a consequence, the EU has been revising its means for engagement. Political conditionality has been strengthened and its application fine-tuned, clarifying the conditions demanded from reforming countries and making explicit that grave deviations from basic respect for human rights will lead to sanctioning consequences as in the case of Syria. Developing country-specific policies will also help address the problems that the EU had encountered in the past over ‘one-size-fits-all’ approaches.

Ultimately, however, problems will arise as conditionality is not just a technical instrument which can follow a blueprint. The logic of conditionality depends on the importance of the country, and the various interests and priorities at play. Hence, if the political aims are not clear, conditionality can encounter problems of double standards, credibility, and impact, which has undermined the EU’s image in the region in the past.

Support for civil society and social media development has been strengthened – one of the more innovative aspects of the review of existing EU policies. But the EU has a long way to go compared to the more capillary and wealthier presence of US civil society organisations, networks and foundations, and the financing of charitable non-governmental organisations on part of other Arab countries. The development of political organisations will
also be supported through the creation of a new European Endowment for Democracy, which potentially could represent a departure from previous policies and assistance which were politically neutral.

While changing some of the tools and policies is a positive development, the main argument was that there remain important areas which have not shown the signs of change. There are key areas of EU interest where there remain important divergences among member states and EU institutions. These include energy (where energy nationalism is resurfacing), migration (where Schengen solidarity is repeatedly challenged), the Middle East (where the member states continue to be divided), all of which point to the lack of a common vision. Until the strategic continuities in the EU’s approach are addressed, it will be hard to see a revision of policy which matches the challenge of the changes the region has been undergoing.

Reading material: An article published by the European Policy Center: “An Arab Springboard for EU Foreign Policy”, by Rosa Balfour, Sven Biscop and Michael Emerson.

September 30th, 2011

Seminar IV: Small States in the European Union: Punching Above Their Weight?

Diana Panke, Professor of Political Science at the University of Freiburg in Germany.

The European Union (EU) underwent several rounds of enlargement. Thus, over time many small states joined the EU, which have less than average votes in the Council of Ministers (19 out of 27). Amongst smaller states, there are widely perceived structural disadvantages in uploading policies to the EU-level, not the least due to more limited voting power. Since we tend to know far less about negotiation activities/ successes of small states than about big states, how active and how effective small states are in day-to-day EU negotiations is an important research question. A comprehensive survey conducted in 2009 maps the negotiation activity levels of all 27 member states and the effectiveness to which they make their voices heard in EU working parties and the Committee of Permanent Representatives (COREPER) and influence the content of EU policies. Two observations are in order: First, states differ indeed in the average frequency to which they employ a wide range of arguing-, framing-, bargaining-, lobbying or coalition-strategies, but it is not the case that all small states are equally silent in negotiations. Second, overall many of the smaller states tend to be less influential than the bigger ones, yet why some small states fare better than others of equal size requires an explanation.

The first puzzle can be explained by a combination of capacity and preference variables. States are increasingly active, if they have a high administrative capacity. If the ministry back home works effectively, it is able to swiftly develop a broad range of instructions for the diplomats and attachés based in Brussels. By contrast, if ministries lack the capacity to formulate national interests or to do so for the early stages of EU negotiations, attachés and diplomats in Brussels tend to be rather silent as they do not know which position they should voice. In addition, states are also more active if they possess a high level of ideational capacities, namely expertise about EU decision-making and institutional knowledge about past negotiations. Finally, the greater the importance of the policy at stake (issue salience), the more willing states are to reallocate resources internally and the more frequently they use negotiation strategies for a given issue.
Negotiation activity and effectiveness are interlinked. States tend to be better in making their voice heard and shaping the content of EU policies, the more actively they participate in the negotiations. Since not every strategy is equally effective vis-à-vis all actors, it is essential that states use a mix of the various arguing- and bargaining-based strategies. Moreover, states are the most effective in making their voice heard, if they possess the relevant accompanying capacities when using a strategy (e.g. bargaining leverage when using bargaining-based strategies, expertise when using argumentative strategies). Finally, the policy at stake also has implications for the optimal strategies (e.g. normative arguing is more effective than expertise-based technical arguments the higher the politicisation of the issue at stake, coalitions are increasingly important for policies the lower the number of cleavages).

In a nutshell, these findings suggest that size is what states make out of it. Small states are neither per se political dwarfs, nor power-brokers. If small states systematically engage in prioritisation, systematically create institutional memories to maximise the ideational capacities, and offer training courses on the operation of the EU system and the relevance for the swift development of national positions back home in the line ministries, they can achieve high levels of negotiation activities (c.f. figure 1). Activity is conducive to effective shaping. Thus, small states that are not silent but participate actively in the day-to-day negotiations of the EU, tend to be more influential, especially if they use a strategy mix, but put emphasis on those types of strategies for which they possess the relevant capacities and apply strategies that match the type of issue at stake.

October 14th, 2011

Seminar V: The Lisbon Treaty: Changes for Small States?


To a large degree today European countries cooperate in groups, whose compositions are determined by the purpose of the particular task pursued. This type of flexible policy is often called variable geometry cooperation. Variable geometry is not a new phenomenon. During the 1990’s the expectation was that this would be a road towards increased integration within the EU, in which some countries would lead the way and others would gradually follow. While integration has certainly taken place in Europe since then, today, however, institutions are weak, acting more often as facilitators than as actors and are sometimes left aside entirely. The initiatives that are taken emanate primarily from the capitals rather than from the institutions and groups are often formed across institutional border lines.
Within the field of security the present preponderance of variable geometry is due to several factors. The great number of new types of threats leads to cooperation of many different kinds and therefore gives reason for countries to cooperate with a wide variety of other countries. Furthermore, the recent enlargements have added to the number of member countries as well as to the heterogeneity, both factors making projects including all more difficult to attain. In addition – for reasons of still ongoing institutional buildup or other – fewer initiatives emanate from the EU, thereby giving incentives for the member states to act. To this can be added the long since common forms of variable geometry cooperation, such as coalitions of the willing, which is the established form of cooperation for peacekeeping operations, and regional cooperation.

Variable geometry can be undertaken for several reasons and with different means. The Prüm Convention members seek to address the threats of international crime and terrorism through increased integration, through i.a. information exchange, in the area of justice and home affairs.

Other forms of variable geometry are initiated for leadership and influence. A directoire of the big countries – France, Germany and the UK – has always been feared by other, smaller, states. Another constellation is the Weimar Triangle composed of France, Germany and Poland, which, in a situation when the UK takes less interest in the EU, has become influential within the Union. To this can be added others like the Anglo-French cooperation, the Nordic and the Visegrad cooperation, fulfilling a variety of goals such as influence but also efficiency and cost effectiveness.

The impact of variable geometry may be of different kinds as well. It may have as effect to give the needed input that the EU is not able to give or to solve internal problems within the group or within the EU, but it may also be that the solutions are dominated by the interests of the group rather than by all. The major risk of variable geometry is, however, that it may contribute to the further downward slide of the institutions.

For small countries the new situation is a challenge. More than before, they need to be knowledgeable, active, and reliable in order to be attractive partners for others. In addition, more than for the major states, which are better equipped to look after their own interests, it is of essence to forward the long-term and European solutions to the present security problems.

October 21st, 2011

Anniversary Conference: Development Cooperation

Paul Collier, Professor of Economics at Oxford University, and Director of the Centre for the Study of African Economies.

The year 2011 marked the 40th anniversary of Icelandic development cooperation, 30th anniversary of the Icelandic International Development Agency and the 10th anniversary of the Icelandic Crisis Response Unit. On the occasion the Icelandic Ministry for Foreign Affairs hosted an anniversary seminar, in cooperation with the Institute of International Affairs and the School of Social Sciences, at the University of Iceland. Honorary Speaker was Dr. Paul Collier, Professor of Economics at Oxford University, and Director of the Centre for the Study of African Economies, who gave a lecture titled “Can Africa catch up: and can we help?”.
November 4th, 2011

Seminar VI: What are the Implications of the Financial Crisis on Gender Equality in Europe?

Rachel Silvera, Senior Lecturer at the University of Paris X.

Previous economic down-turns have tended to affect men more than women. The expected effects of this crisis were rising unemployment amongst men, while women’s employment was expected to stay the same or even grow. The reality is, however, somewhat different. For instance, while female unemployment is rising in six EU member states and men’s in eleven, unemployment amongst women is rising more than men’s in three of those member states. Women’s unemployment rates are catching up with men’s, and overtaking them in a few member states. At the same time, the economic role of women has changed since the last down-turn in two dimensions: women are more integrated into the labour market and women’s contribution to household income is now higher (60% of couples are dual earning in the EU).

So, the effect of this crisis will be more shared by women and men than previous recessions. But there are deferred and different gender effects of the crisis:

Deferred gender effects:
• Effects of the media: the financial and economic crisis has above all been shown from the point of view of men.
• Less evidence of the so-called “silver lining” of job segregation protecting women. Men are mostly occupied in industries and construction but the job losses are also in gender-mixed financial services and female public administration.

Different gender effects:
• An increase in insecure jobs for women by development of part-time, temporary contracts; risks of lower pay for women and marginalisation in the organisation; development of involuntary part-time jobs.
• Budget cuts have especially negative effect on gender employment with job cuts or no new recruits in the public sector where women predominate and cuts in services (health, childcare etc.) that benefit women and equality.

Impact on gender equality policies
Negative effects on gender equality policies are numerous. Firstly, there is a risk of stopping the development of equality policies: the gender pay gap (17% on average, based on hourly pay) has not been reduced for years and there is a risk that it will increase. There is also the difficulty of fighting the glass ceiling and calling for gender balance in the job market in times of crisis. Secondly, the development of working time flexibility and “deregulation” (better than unemployment?) could be negative in a gender perspective, because deregulation often means less social security, lower wages, bad working conditions, and so forth. Third, there is a risk of encouraging women to leave the labour market: many women in insecure situations are “discouraged workers”. In the context of the crisis, the pressure of the still existing model of the “male breadwinner” is increased. Finally; cut backs in child and hospital care have a negative impact on women who still care for children, the elderly and the sick.

However, there are several positive effects of the crisis, based on the fact that the position of women in the labour market is definitive and necessary. The development of debates on the place of women in economic decision-making positions has for instance been consolidated by the crisis. Mark Smith (EGGE) finds opportunities in the recovery process with the development of job creation in new sectors (green economy) and with the
challenging of social and tax inequalities; with dual earning and reduced specialisation as a means to share risk: a “dual earning/dual carer model” which can be a real issue for equality.

We can thus have some hope of a positive outcome of the crisis, from the point of view of gender, and also more broadly from the point of view of greater social justice, by denouncing behaviour that is dangerous for the economic and financial system, when there is no social governance.

*The seminar was a part of the International Anniversary Conference of the Centre for Woman and Gender Research at the University of Iceland.*

November 11th, 2011

**Seminar VII: Towards a Second Republic: Politics after the Celtic Tiger**

*Peadar Kirby, Professor of International Politics and Public Policy, Department of Politics and Public Administration at the University of Limerick, in Ireland.*

Ireland’s general election in February 2011 marked the most dramatic political changes since independence. Unlike the waves of protest in Greece, Iceland and Portugal, the Irish had seemed to accept stoically the austerity being imposed on them. However, when they finally got the chance to vote, they calculatedly went to the polls to inflict a dramatic blow to the Fianna Fáil party that has dominated Irish political life since 1932. The party had never received less than 38% of the popular vote since then, it was always the largest party in the Dáil [the Irish parliament’s lower house], and has never been out of power for more than one term. In the general election of 2007, it received 41% of the vote to win 78 seats out of the 166 seats; in 2011 it received 17.4% of the vote and won 20 seats, only one of them in Dublin. With the death of their own member in Dublin, the party now holds 19 seats. Meanwhile, what had been the main opposition party since 1932, Fine Gael, returned as the largest party with 76 seats while Labour received its highest vote ever and won 37 seats (since increased to 38 as it won the by-election caused by the death of the Fianna Fáil member in Dublin). Furthermore, the Dáil elected in 2011 contains by far the largest cohort of left-wing members ever elected to an Irish parliament with various left-wing parties and independents winning 43% of the vote and over 60 seats. Meanwhile, in the presidential election of October 2011, the veteran left-wing campaigner and former chairman of the Labour Party, Michael D. Higgins was elected with the highest vote ever received in an Irish election, over one million votes. All of this indicates major shifts among the Irish electorate but also a lot of volatility as a maverick Fianna Fáil figure and small-time businessman almost beat Higgins in the presidential race through a highly personalist campaign focused on his youth and energy. Major questions remain, therefore, about what the longer-term impact of these changes is going to be. Will Fianna Fáil ever make a comeback or is Irish politics changed forever?

**Reform agenda**

With the government’s hands tied by the EU/ECB/IMF bailout introduced in November 2010, focus has shifted to political reform where politicians have still some room for manoeuvre. Parties vied with one another in the 2011 election, pledging the most radical reform agenda since the foundation of the state, including giving greater powers to parliamentary committees to hold the executive and other public office holders to account, a radical reform of local government for the first time since the foundation of the state, and the promise of a constitutional convention to rewrite the Constitution. There has been much discussion of the need for a ‘Second Republic’, re-founding the institutions of the state to make them more effective and accountable.
The reform agenda being proposed, however, is very one-sided. The strong focus on reforming institutions goes hand in hand with a complete silence on models of development even though Ireland’s banking and economic collapse can be directly traced to its extremely free-market development model, based on low-taxes on corporate profits and on wealth, and very light regulation of private-sector activities. Central to Ireland’s crisis was the dependence of the domestic economy on the construction sector, yet there is little robust discussion of what policies are need to build a more productive and innovative indigenous sector, and there is a disturbing consensus on maintaining unchanged Ireland’s low tax on corporate profits despite pressure from European leaders who see it as unfair competition for multinational investment. Furthermore, though the whole banking system is now in the hands of the state, there is little discussion of how the state might avail of this situation to develop a banking sector that could better serve the needs of the domestic economy and of Irish society, something the Irish banks have largely failed to do over decades.

Role of EU
Ireland’s collapse has also raised in a stark way the role of the EU. Ever since joining the then EEC in 1973, there has been a broad-based support for membership, with particular attention focused on the benefits of the extensive funds received through the Common Agricultural Policy (CAP) and the structural and cohesion funds. The restrictions placed by the EU on the state’s attempts to get bondholders to shoulder some of the burden of salvaging the Irish banking system, as well as some of what were seen as draconian conditions attached to the bailout received, have however raised new questions about the ambiguities of EU membership. These centre on the fact that the flow of EU funds over decades permitted successive Irish governments to maintain low taxes as it was German taxpayers who effectively paid for investment in upgrading infrastructure and human resources. As a result, Irish politics could be dominated by ‘soft options’ in a populist political culture obsessed by an agenda of cutting taxes, especially during the Celtic Tiger boom. Furthermore, it has been recognised that Irish membership of the euro helped create the conditions that resulted in the Irish collapse both because Irish banks had easy access to the liquidity to lend recklessly to property developers and also because ECB interest rates were set to stimulate growth in the other countries of the Eurozone while Ireland required high rates to help dampen its booming growth. Paradoxically, it may now be the case that the solutions being developed to save the euro will force a reconsideration of the Irish low-tax model, since closer fiscal and banking oversight will require raising taxes and more effective regulation of the private sector.

Wake-up call
The crisis is therefore a wake-up call. For the first time, Irish people are being forced to choose between low taxes or decent public services, between seeing the EU simply as a source of grants or also as a force that will intrude into domestic policy-making, particularly taxation, between allowing markets to dominate or regulating markets for the public good. There may be anger with the way Ireland has been treated by the EU but there is also a widespread awareness that we need them more than ever. The government elected in February 2011 has been successful in regaining credibility and winning support from EU partners. Yet the Irish faces four more years of austerity to return to balanced budgets. And, as the Eurozone crisis continues, the future looks very unsure. The EU may save us or it may yet sink us if the euro collapses.

October 18th, 2011

**Conference: The Nordic Baltic Small States: Economy, Security, Identity**

The Institute of International Affairs, in cooperation with Nordic and Baltic universities and institutions, hosted a full day exploratory workshop, where current challenges facing the small states of the Nordic/Baltic region were addressed, with a special emphasis on the policy fields of economy. This seminar was the first of three seminars to be held over an 18-month period, focusing on economy, security and identity. The keynote speakers were Gylfi Zöega, Professor of Economics, and Baldur Þórhallsson, Professor of Political Science, at the University of Iceland. Participating partners came from the Baltic States, Greenland, Faroe Islands, Norway and Sweden.
November 25th, 2011

Seminar VIII: Arms Trade from a European Perspective: Challenging the Normative Power

*Tomas Baum, Director at the Flemish Peace Institute in Brussels, Belgium.*

Ever since the Treaties of Rome, arms trade and arms production have been exempted from the functioning of the internal market. A special provision in the Treaty Establishing the European Community allowed member states to take national measures for the protection of their essential security interests which are connected with the production of or trade in arms, munitions and war material. Arms trade has therefore remained under national sovereignty, and was not affected by Community legislation. Influenced by external factors, in particular the globalization and rationalization of the defence industry and the development of the European Security and Defence Policy, economic actors succeeded in shifting intra-community arms trade out of the security area into the conventional European trade policy. In 2009 EU member states adopted the so-called ‘defence package’, which is meant to open up the national defence markets in the EU in order to create a European level playing field. The adoption of the defence package encloses two directives: one on defence procurement and another on intra-community trade in defence equipment. Competence over these policy areas partly shifted from the national to the EU-level. The seminar analysed how EU institutions entered this field, how the choice of policy instruments was decisive for its success, and what convinced member states to transfer competences to the EU level. The policy instruments chosen did not only affect the willingness of member states to transfer competences from the national to the EU-level, but also influences the degree of success of the development of a common EU policy. Current developments seem to reveal that while the rationale for an intra EU liberalization of trade in defence material is indeed well developed, global strategic security dimensions and the notion of ‘Normative Power Europe’ are not accounted for with the same vigour.
Spring Programme 2012

January 20th, 2012

Seminar I: The Bank Collapse and the Regulations of the European Union

Már Guðmundsson, Governor of the Central Bank of Iceland.

The question here centres on the role of the European Union/European Economic Area framework for cross-border banking in the banking crisis in Iceland. This is not the same as asking what caused Iceland’s economic and financial crisis, which also had a strong domestic element, including its fair share of economic policy mistakes.

There was a significant build-up of risk in the international banking system related to foreign currency-denominated balance sheets during the period leading up to the financial crisis. This risk materialised forcefully in the autumn of 2008, after the collapse of Lehman Brothers precipitated a global run on cross-border US dollar banking liabilities as funds were repatriated back to the US. The result was that foreign exchange swap markets became dysfunctional, making it very difficult to transform domestic liquidity into dollar liquidity. Only after the US Federal Reserve opened up FX swap lines for dollars did the situation ease.

It was against this backdrop that Iceland’s three cross-border banks collapsed. They had expanded phenomenally in a matter of few years, facilitated by the EU/EEA framework for cross-border banking. This framework is based on the “European Passport”, which means that, if licensed and headquartered in one country, a bank can operate throughout the EEA. Importantly, however, the safety net of supervision, deposit insurance, lender of last resort (LOLR) function, and crisis management and resolution has remained the responsibility of the national authorities. The focus of this framework has been to create a level playing field in competition, while financial stability concerns were relegated to a lesser role. It ran counter to the underlying principle to consider banks’ size relative to GDP as a metric for concern, as size and location should not matter. The crisis has revealed this line of thinking to be deeply flawed.

From 2002 to 2008, the Icelandic banks grew from two to ten times GDP and were operating all over Europe. Two-thirds of their revenues were in foreign currency, and their foreign currency liabilities amounted to 7.5 times GDP. Meanwhile, the FX reserves and FX swap lines were only one-third of GDP. In the absence of international co-operation, it was therefore impossible for the Central Bank of Iceland to provide enough FX liquidity to counteract the run.

The case of the Icelandic banks provides important lessons that are relevant for the reform agenda. At the EU/EEA level, the EU passport needs to be matched by area-wide supervision, deposit insurance, LOLR, and crisis management and resolution mechanisms. But such mechanisms need only apply to those banks that are truly cross-border or systemic for the whole area. Domestically oriented banks could remain within the domestic system. This, in turn, requires two types of bank licences. In the absence of global and EU reforms, however, individual countries will have to take unilateral action in order to defend themselves against risks in the international activities of domestically based banks.

To conclude, there are substantial benefits from international banking and European financial integration, but there are risks as well. The task is to mitigate the risks without forgoing the benefits.


January 27th, 2012

Seminar II: Large Member State Hegemony? Ten Theses on Germany’s New European Policy

Simon J. Bulmer, Professor of European Politics and Head of Department at the University of Sheffield in England.

Has Germany become the European Union’s dominant power? In exploring this question (based on joint work with William Paterson, Aston University) I argue that Germany has increased its international power through the removal of a range of external constraints that limited its political authority prior to the end of the Cold War and unification in 1990. This removal of constraints did not result in a sudden transformation of Germany’s European diplomacy, as Chancellor Helmut Kohl persisted with a commitment to integration, in partnership with France, symbolized by the Maastricht Treaty commitment to monetary union. However, a greater self-assurance has developed more recently, supported by a reinforced sense of identity a decade or so after unification. German economic power, after a decline in competitiveness in the early 2000s, has been restored through structural reforms and is best captured by the term ‘extraordinary trader’ (Wolfgang Hager) due its very strong export performance. However, it is important not to exaggerate German power. Its strength is greatest in the economic domain, and is reflected in its indispensability to any euro-zone solution. In other policy areas, notably security and defence, it has less power as a result of having fewer assets than France and the UK as well as uncertain domestic consent for military action, as shown in relation to its intervention in Afghanistan. However, it is especially in its domestic politics that constraints remain, or have been strengthened, in recent years. Some of these constraints have been revealed during the euro-zone crisis; others apply more broadly to European policy. These changing constraints are explored in the paper’s ten theses.

The first thesis argues that ‘the love affair’ with integration is over. After the continuity demonstrated by Kohl’s government, Chancellor Schroeder’s European policy was characterized by a discourse of ‘national interests’. More widely, popular identification with the unified Germany has increased. Moreover, following the Lisbon Treaty Germany’s commitment to further integration is no longer present. Future institutional reforms appear to be limited to those necessary to salvage the euro-zone. Inevitably the disappearance of Germany’s previous pro-integrationist discourse has exposed its material interests in the EU more starkly. German power has also come to be more evident because of the changes in the Franco-German relationship (thesis two). Previously the foundation of German European diplomacy, the Franco-German ‘tandem’ has been less stable under Chancellor Merkel and President Sarkozy. A number of disagreements have been noted, for instance over the Union for the Mediterranean, and in the euro-zone crisis Germany ‘went solo’ on several occasions: a rather new development. Together with the less secure position of France’s own public finances, it has become clear that Germany is ‘number one’ in Europe. Thesis three argues that Germany’s new ‘policy of interests’ is less predictable. With the overarching pro-Europeanism having been weakened, a shifting set of diverse interests is evident in German European policy, which has a distinctive coordination system led by two different ministries and by the Chancellor (with different coalition partners involved as well). Thus interests can range from supporting the motor industry to refusing to intervene in Libya in a rather ad hoc manner.
Thesis four highlights how these shifting interests can also be a product of the demands of the German Lander, which secured important powers during the ratification of the Maastricht Treaty in those areas of European policy that are their responsibility domestically. Thesis five reveals a further constraint on German power: the increased importance of the Federal Constitutional Court as a voice adjudicating over the compatibility of further integration (or euro-zone solutions) independent of government. These institutional constraints have been supplemented by other developments in the political domain: the breakdown of public opinion’s ‘permissive consensus’ of support for the EU and integration (thesis six) and a greater party politicization of European policy (thesis seven). Thesis eight highlights that Germany’s own public finances have experienced a growing problem of debt over the last decades, and this has led to its own introduction of a ‘balanced budget’ rule. Not surprisingly, Germany (and its public) is unwilling to offer financial support for euro-zone countries without their demonstrating a strong commitment to similar fiscal prudence, thus providing the ‘hegemonic discourse’ of austerity that has been the hallmark of its influential role in the crisis of the single currency. Thesis nine identifies the way in which eastern enlargement and the euro-zone crisis have brought home the shift in German attitudes to the EU on the part of public opinion and government. With scepticism towards Turkish accession—the first time Germany has been critical of a proposed enlargement—and its hard-nosed position in the euro-zone, Germany’s indispensability to European solutions is clear as never before. Finally, thesis ten argues that some question-marks are arising as to whether Germany is a ‘benign hegemon’, as illustrated by its role in the euro-zone crisis. And yet, its international authority is becoming increasingly constrained domestically. The result is what William Paterson has referred to as a ‘reluctant hegemon’. The consequences of the new situation are seen in contradictory ways: in Greek popular opposition to German ‘domination’, while politicians, such as Polish Foreign Minister Sikorski, have called for more German leadership.

To conclude, the paper argues that in seeking to capture German power in the EU it is vital to balance Germany’s changing international position in the EU with a grasp of the domestic politics of the Berlin Republic. The initial appeal of seeing Germany as the EU’s hegemon is counter-balanced by a set of important constraints on playing such a leadership role.

February 3rd, 2012

Seminar III: The EU as a Global Actor: Facing the Current Challenges

Anna Jardfelt, Director of the Swedish Institute of International Affairs.

The EU is facing a number of challenges. At present the focus is mostly on the financial crisis, which is bound to have consequences for the future of the EU, both with regards to its internal workings but also when it comes to its role as a global foreign and security player. It is not clear what kind of an EU we will see in the future. The role of the Commission is evolving and the role of the larger member states seems to be expanding. There is the risk that smaller and medium size member states will face new challenges when trying to influence EU foreign policy making. The current crisis is furthermore likely to shift attention away from foreign policy matters in general.

The European Security Strategy from 2003 calls for a globally active EU. The world is facing new international challenges that need the EU’s immediate attention and action. This includes challenges related to the Arab Spring, located in the Union’s own neighborhood. The EU’s reaction to the Arab Spring shows that the Common Foreign and Security Policy has a long way to go. The early signals from Brussels on money, mobility and market access proved difficult to deliver. Some money was delivered, but increased mobility proved difficult because of fears of mass immigration into the EU, and increased market access became difficult when it had to be combined with the Common Agricultural Policy. Finally, the EU’s role in the region has become more complicated because of strained relations with Turkey, a central player in the region.

Other challenges include the EU’s policy towards Russia, which is now diverging from the United States’ (US) policy, with the US seeking agreement with Russia on a number of issues while the EU it taking a more strategic approach, due to its proximity to Russia. The main lesson for the EU in 2011 was that the US still plays a key role in the EU’s neighborhood, demonstrated clearly by the US’ role in the Libya mission. The US’ focus is however shifting away from Europe and the Middle East towards Asia. This is bound to have an impact on European foreign and security policy and should not be underestimated. The EU also needs to respond to the rise of developing countries, most importantly China.

Can the EU deal with these challenges alongside the financial crisis? The most important factor of EU foreign policy is this notion of soft power, which has always been at the core of EU foreign policy. This has been based on the EU’s ability to lead by example and project economic power, show institutional strength and cohesion, and a strong value agenda. These characteristics have been very much affected by the crisis, which will have consequences, both for future EU enlargements and the Union’s attractiveness as a global partner.

The Lisbon Treaty installed a new structure for foreign affairs, with the establishment of the European External Action Service and the post of the High Representative of the Union for Foreign Affairs and Security Policy. The treaty does however not foresee a transfer of power from the member states to Brussels. The goal was to move the agenda setting from the rotating Presidency to the institutions, more specifically to the High Representative, currently Catherine Ashton. The larger member states have, however, taken the lead, a trend that has been strengthened by the financial crisis. Ever since the introduction of the Lisbon Treaty the United Kingdom, France and Germany have been playing a more important role in the foreign policy sphere, increasingly through bilateral arrangements, with fewer key foreign policy issues coming to Brussels. Larger member states are thus increasing their influence both outside and inside the EU framework.

According to the Lisbon Treaty all member states are equal when it comes to foreign policy matters. To respond to the quickly evolving global situation there has to be a discussion between all 27 member states on a future EU foreign policy, with a focus on creating a future vision. This has to be a discussion on substance, not just on technical aspects. The small and medium size member states have to identify where their interests lie and what
they want the EU to do. Then they need to identify a strategy for how to make that happen, to increase their influence in the EU agenda setting.

February 19th, 2012

Seminar IV: The EU and the Aftermath of the Arab Spring

Jordi Vaquer i Fanés, Director of the Barcelona Centre for International Affairs in Spain.

Less than a year after the surge of enthusiasm in the EU for the so-called ‘new 1989 moment’ in the Arab world, elections in Tunisia, Egypt and Morocco in autumn and winter 2011-12 brought Islamist parties to power, raising concerns amongst Europeans that the spell of democratic awakening in 2011 may result in the simple substitution of one form of authoritarian rule by another – one which may be more hostile to the EU. Libya and Yemen are far from stability after the demise of their former Presidents; the rulers of Bahrain and Syria are still exerting unrelenting repression over a population that has largely lost trust in them. The region is in flux and, one year after the fall of Mubarak, the EU is still coming to terms with the great transformation that the Arab world is undergoing.

The term Arab Spring has been used widely in Western Media, partly based on historical analogies such as the 1848 ‘Spring of Peoples’. Many commentators in the Arab world have rejected the term for imposing European templates on Arab realities, grouping extremely diverse phenomena under one simplifying banner and using a beautiful name for dreadful events. But the term has the virtue of grouping events that were clearly related across the Arab region and of giving a positive outlook on the Arab region, which inspired protesters around the world. Perhaps the best option is to restrict the term ‘Arab Spring’ to the extraordinary first ten weeks of 2011, when a local revolt in the Tunisian uplands created a wave that shook each and every Arab country. After that extraordinary moment, each country went its own way.

European reactions were not unanimous: empathy in some corners, fear (of chaos, migration, Islamism) in others, even cynicism (denying the real scale of the transformation) by some. Both bureaucratic instincts and geopolitical interests also shaped the response. Eventually, the EU was better at recognising and correcting some mistakes of the past than at offering a substantial package that could make a difference, because none of the 3 Ms offered, Money, Mobility and Market access, could reach the necessary critical mass to actually influence the evolution of Tunisia, Egypt or any other country.

As analysts and policy makers take stock of the events that mesmerised the world and those that went almost unnoticed, the EU must re-assess its policies towards the Arab region to face the new challenges, but also to seize the moment of opportunity that started one year ago. Four challenges need to be overcome before it can do this: the economic crisis, which erodes both financial capabilities and the image of success, the weakening of Mediterranean EU member states and the diminished attractiveness of the EU; the need to rethink conditionality, after its obvious failures in the region; the past record of intense involvement with the despised deposed dictators; and the difficult relationship with Turkey, which has become a key player and a possible model for the new democracies, and whose people and government are frustrated and alienated by the impasse in Turkey’s road to EU membership.
February 17th, 2012

Seminar V: Is the US Listening to Europe?

Michael T. Corgan, Associate Professor at the Department of International Relations at Boston University, United States.

It has become a commonplace among US practitioners and analysts of foreign affairs to speak of a ‘pivot’ from concerns about and focus on Europe to concerns about and focus on Asia. This notion can be found across the political spectrum. The emphasis in this lecture is about the manifestations of this shift, some quite hyperbolic, in the rhetoric of the (then) candidates in their campaigns for the Republican presidential nomination. All candidates denounced the supposed European ideas or “European-ness” that they attributed to President Obama and sometimes in each other (for example, a Gingrich TV advertisement accused Romney of speaking French). Besides reflecting this ‘pivot’ away from Europe, the attribution of alien and un-American ideas to President Obama served the purpose of characterizing him as not holding traditional American values nor being genuinely American in a way that was not overtly racist. He is “other” than us because he is European. Thus we saw the following: Romney: “Obama wants to turn the US into a “European welfare state,” or Gingrich: “[Obama] is a natural secular European socialist,” or Paul: “America should no longer subsidize “socialist Germany.” At the same time, non-partisan elites regularly comment on the failure of European efforts to achieve closer integration and the left in the US argues that Europe can take care of its own security and should adopt stimulus plans rather than austerity. At least part of the explanation for this across-the-board criticism of Europe, besides the obvious growth of Chinese power, is the relative decline of American power. In the ensuing general American unease about this shifting of power balances there have arisen attempts to define the US by what it is not. And what it is not is European.

February 24th, 2012

Seminar VI: Climate Change and Europe

Navraj Singh Ghaleigh, Lecturer in Public Law at the University of Edinburgh in Scotland.

This paper explores EU climate change law, policy and practice over the past decade. The discussion considers approaches, successes and failures and emergent dynamics. In so doing two competing narratives and ways of understanding the European Union’s legal response to anthropogenic climate change are apparent. The first of these, which has something of the “official history” about it, characterises the EU as the leading global actor in the fight against climate change. Building on its energetic role in the UNFCCC negotiations – their initial phases, the ‘Kyoto moment’, its implementation and beyond – the EU has adopted a series of mitigation measures which commit it to reduce its GHG emissions by 80% by 2050. These steps, consistent with the science of climate change and the principle of common but differentiated responsibilities, have at their heart the EU Emissions Trading Scheme (EUETS). A conceptually straightforward cap and trade system, it has borrowed from the toolkit of the US Acid Rain program and built a €140bn regime which sits at the heart of the global carbon market, and leads it. This is, so the story goes, a rational response to liberal market theory and free of the flaws of discredited ‘command and control’ approaches to pollution control. Buttressed by its wide ranging Climate and Energy
Package (CEP) and having created a polity-wide carbon price, the EU ETS will drive the low carbon reconstruction of the European economy.

The alternative history is both less optimistic and more complex. Rather than a Damascene conversion to the merits of marketisation at Kyoto, this narrative considers that the shift in instrument choice owes much to political compromise at the third Conference of the Parties and a broader phenomenon internal to the EU – the ‘new governance’. Moreover, rather than seeing the EU ETS as a resounding success it has been plagued by problems of over allocation, lobbying, fraud and windfall payments. Claims as to the effectiveness and efficiency of market based mechanisms look somewhat different in this light. And can a carbon price of €7 per tonne (in early 2012) really drive low carbon investment? The answer is self-evident and rather than rely on invisible green hands, European policy makers have recently resorted to a further round of climate change measures, to further political tightening of the emissions cap and to unilateral measures aimed at coaxing those that have failed to follow the European lead.

In unpacking these issues the discussion starts with a short account of the EU’s historic approach to environmental law and regulation. The substance of the EU’s extant climate regime, the CEP and its major component, the EU Emissions Trading Scheme, is then analysed. The EU’s approach to marketisation – the use of economic instruments in pollution control – is addressed in Part III. Describing a remarkable transition from suspicion of market-based mechanisms to one of whole scale adoption, this section considers the wisdom of that volte face. Part IV considers the recent and current legislative initiatives of the EU in the climate change area. Do these efforts indicate that the CEP has run into difficulties? Or that the EU’s faith in regulatory markets has been ill judged? Indeed, can the claims made on behalf of regulatory markets be supported in the light of the EU’s experience?

March 2nd, 2012

Seminar VII: Iceland and the EU’s Common Security and Defence Policy

Alyson JK Bailes, Adjunct Professor at the Department of Political Science at the University of Iceland.

As a peaceful small state with no armed forces, Iceland may well feel sensitive about the security implications of joining a European Union that has claimed the right since 1999 to launch its own military missions. However, NATO has accepted non-military Iceland as a partner for 63 years already and there is no reason why the EU should act differently. In fact, studies show that no other small state joining the EU has been pressured to change its preferred security choices in any significant way.

The EU’s new Lisbon Treaty consistently stresses that ‘national security remains the sole responsibility of each Member State’. The EU accepts many different security statuses among its members – from interventionist global powers to neutrals – and can afford to do so because it uses military means only to help in other people’s conflicts, rather than defending Europe’s own territory. True, Lisbon contains a clause (Article 42.7) committing EU members to assist each other following a military attack. But this is robbed of practical effect by language making clear that the neutrals need not change their policies, and that NATO members would act through NATO in such a contingency. The clinching point is that the military organs in Brussels have neither mandate, intent nor capacity to do anything about planning to make Article 42.7 a reality.
The EU does set standards for its members to improve their defence capabilities and group together for more effective crisis interventions. Yet it expects each to contribute according to his ability, and all national inputs to its capability schemes are voluntary. Iceland has provided and could continue to provide purely civilian personnel for EU missions, as most small EU members also do. New EU operations are decided by unanimity and states choose separately whether to take part on the ground. Permanent costs of the CSDP are light. Lisbon allows groups of states who are ready to work harder on defence to develop their own schemes, without either burdening or excluding the others.

One area where Member States make very different levels of input is the European Defence Agency, a civilian, inter-governmental body that works on armaments collaboration and invites states to enter specific R+T projects. All EU states but Denmark (which has a general opt-out from CSDP) have so far joined it, but the smallest states are mostly passive in practice. If Iceland confirms its wish not to join, this is unlikely to surprise or upset anyone.

CSDP has so far produced over 20 EU peace missions, mostly using police or other civilians. They have had strategic value, at least in the Balkans, and in general have ‘done no harm’. The present economic mood, experience of Libya, and other factors are putting a damper on EU defence ambitions generally and this is unlikely to change for a while. However, the EU remains important in the broader strategic sense as a non-aggressive power working for global peace and cooperation, and offering much support to its members in internal, non-military security. Article 222 of the Lisbon Treaty contains a new commitment for members to help each other to the utmost in any non-military crisis (e.g. cyber-attack or natural disaster), and one day this could be the most interesting aspect of all for Iceland.


March 9th, 2012

Seminar VIII: Norm Entrepreneurship and Norm Advocacy: Small State Strategies in the EU

Annika Björkdahl, Associate Professor at the Department of Political Science at Lund University in Sweden.

In a troubled world some small states stand out as holding on to a humanitarian internationalism and a principled foreign policy. They provide peacekeepers to distant conflicts, contribute foreign aid to the world’s poorest countries, lead global campaigns against landmines, support UN Security Council Resolution 1325 on enhancing the role of women in peace and security, mediate in conflicts and broker peace accords. Some small states promote human rights in international institutions and project human rights in their foreign policy, where as others champion peaceful conflict resolution and act as mediators in conflicts. These small states may also act as norm entrepreneurs by promoting norms and practices that may introduce new understandings of “the right thing to do” in the international community. Their influence has been deemed critical for transforming the international normative architecture according to the research on small state foreign policy analysis, which maps
the performance of small states as value promoters, and demonstrates a positive record of small states influence even during times of wavering hegemonic promotion. This talk introduces norm entrepreneurship as a concept to capture the activities of small states to gain influence on issues they normally would fail to affect. In general norm entrepreneurship is regarded as a way for small states to create a niche for themselves in world politics. Tracing the processes of Swedish promotion of conflict prevention in the EU setting illustrates how a small state acting as a norm entrepreneur promoting a powerful and attractive idea may be able to punch above its weight in the EU. The EU institutional setting provides ample opportunities for exerting normative power also for a small state, and in areas where great powers generally are regarded to dominate, such as the Common Security and Defence Policy. In the talk norm entrepreneurship is conceptualized as a strategy for value-based foreign policy and as an addition to traditional diplomatic strategies to influence world politics. The main argument is that small states acting as norm entrepreneurs may gain a constructive and effective influence on the international arena on issues relating to international peace and security by using normative power. Consequently, the norm entrepreneur is considered an agent for change. First, Björkdahl explores how norm entrepreneurs construct norms by using framing as a mechanism to construct a resonating norm that appeals to a global audience and a normative ‘fit’ with the existing normative context. Secondly, she examines the strategies used to promote norms in a contested and crowded normative space to mobilize norm supporters. Thirdly, the cumbersome process of institutionalization of new norms is investigated. Insights from the broad constructivist research on foreign policy and norm advocacy assist us in analyzing Sweden as a norm entrepreneur in the EU. Empirically, this talk sheds light on Swedish efforts to promote the norm pertaining to the prevention of violent conflicts in the EU. Furthermore, she analyzes the following strategies used by Sweden in its role as norm entrepreneur: norm construction, agenda-shaping, coalition-building and support of institutionalization. In short, this talk challenges conventional wisdom and power-based theories of IR that claim that small states have not much choice other than to accept the authority of large states in the European Union, particularly in the field of peace and security.

March 16th, 2012

Seminar IV: The Adaptation of Estonia and Finland to EU Foreign and Security Policy

Kristi Raik, Researcher at the Finnish Institute of International Affairs.

Finland and Estonia are two small and relatively new EU member states in the periphery of Europe, bordering a large Eastern neighbour that inevitably occupies a central place in their foreign and security policy. The two countries have followed somewhat different trajectories in their foreign policy adaptation to EU membership, but have gradually moved closer to each other and share largely similar positions today. Both believe they have much to gain from a stronger common European foreign and security policy, but are also wary of losing national control and can thus be characterized as ‘constructive skeptics’. The lecture examines the evolution of their positions through the concepts of downloading, uploading, empowerment and socialisation, drawing on the academic literature on EU foreign policy integration.

Contrary to some expectations that national diplomacies of EU member states would lose relevance as a result of foreign policy integration, I argue that EU membership has actually strengthened national foreign
policies of both countries. National diplomatic structures and policy-making processes have been adapted to the EU context (‘downloading’), but there is a strong degree of continuity when it comes to the security concerns that dominate the foreign policy agenda, giving prevalence to the triangle of Russia, Europe and the transatlantic relationship. Both Finland and Estonia have sought to ‘upload’ their Russia relations to the EU framework, seeking support and empowerment in handling problematic issues, be it Russian export tariffs on timber or Moscow’s accusations of mistreatment of the Russian-speaking minority in Estonia. The ‘bronze soldier crisis’ in Estonia in spring 2007 was an important event that tested EU solidarity and proved the importance of empowerment provided by EU membership against a hostile neighbour.

In spite of the continuity of key issues, EU membership has opened up new space for foreign policy activity. Especially in the case of Estonia, EU accession reduced the dominance of matters of national survival and encouraged the country to build up a new foreign policy profile as an EU member state. The new issues promoted or ‘uploaded’ by Estonia in the EU context include closer relations with the Eastern neighbourhood and the establishment of the Baltic Sea Strategy, while the most notable initiative of Finland has been the Northern Dimension.

The co-existence of deepening foreign policy integration in the EU on the one hand and the strengthening of national agency on the other poses a key puzzle for research on EU foreign policy. The concepts of socialisation and common identity-building provide important insights here, as they look at the formulation of national positions in the European context, through processes where the dividing line between the national and European levels is increasingly blurred. Finland and Estonia are an interesting pair of countries with very close bilateral links and a lot of learning and ‘crossloading’ taking place while the countries position themselves in the EU foreign policy context. (This is not to deny that significant differences continue to exist between their foreign policies.) Both countries are likely to remain firm supporters of efforts to strengthen EU foreign policy, while following with concern recent signs of ‘re-nationalisation’ and the difficulties in setting up the new EU foreign policy structures established by the Lisbon Treaty.

March 23rd, 2012

Seminar X: Development in Global Governance: The Role of the G-20 and the EU

Juha Jokela, Programme Director at the Finnish Institute of International Affairs.

In my lecture, I focus on the role of the European Union (EU) in global governance and in particular in informal governance forums such as the Group of Twenty (G-20). Firstly, I suggest that the increasing role of the G-20 is symptomatic for two current but conflicting trends in global governance. On the one hand, increasing interdependencies underline a joint management of common global challenges. No single country is able to address some of the most pressing challenges – such as global warming, water and resource scarcity, financial crises and macroeconomic imbalances – or move towards a more sustainable development alone. On the other hand, global action and response have proven difficult to achieve partly because the number of important players on the world stage is increasing. Relatedly, the shift towards a more multipolar world has made it increasingly difficult for the US and the EU to lead the way in global governance. Secondly, I sketch out some of the key characters of the emerging global governance system. I suggest that the turn towards informal forums does
not represent a break with multilateral tradition. However, a more pragmatic and interests based notions of multilateralism seem to dominate the current developments. Thirdly, I argue that this poses a challenge for the EU. First, it does not favour the EU’s external action based on deep and formal type of multilateralism. Second, the current focus on major powers and their interest has highlighted the role of major EU powers instead of EU institutions. In the light of all this, I conclude that the key question for Europe is whether it will manage to Europeanize the G-20 and gear it towards the multilateral principles which lie at the heart of European integration; otherwise we might witness the opposite development, namely a ‘G-ization’ of the EU in the sense of major (European) powers dominating increasingly informal European and global decision-making.


March 30th, 2012

**Seminar XI: EU Enlargements and the Balkans**

*Julie Herschend Christoffersen, Former Researcher at the Danish Institute for International Studies.*

In spite of the recent crisis of the EU, enlargement is still an important policy area. Since the first enlargement in 1973, the EU has managed to reunite Europe. Based on the three “Copenhagen-criteria” the former communist countries were transformed into stable market-oriented democracies. The lecture focused on the EU’s current enlargement policies towards the countries of the Western Balkans.

The criteria were a guidebook on how to become a stable democracy with a functioning economy. A cornerstone of this policy is called the Principle of Conditionality: The more reforms a country would adopt – the more rewards it would get. For the Western Balkan countries the roadmap is called “the Stabilisation and Association Process” (SAP).

The SAP roughly consists of five steps:

1. No contractual relations with the EU/ “Potential candidate” – status
2. Adoption of the Stabilisation and Association Agreement
3. Candidate Status
4. Accession negotiations begin
5. Membership

The countries move from one step to another based on the principle of conditionality and are being judged on conditions stemming from the Copenhagen Criteria. However, the process is not always as objective and clear cut as one could wish for. Whereas the annual Progress Reports on each country are conducted and written by

---

1. Croatia, Bosnia-Herzegovina, Serbia, Montenegro, Kosovo, the Former Yugoslav Republic of Macedonia, Albania
the Commission, the decision on whether to “promote” a country to the next steps is taken based on unanimity in the Council. This procedure often leads to complications. The criteria, on which the evaluations are based, are relatively loosely formulated and this gives a lot of room for interpretation for the member states. This has been done both in a restrictive way and softening way. A well-known example is the Dutch position on Serbia’s cooperation with the ICTY; the Netherlands insisted on having the most wanted war criminals arrested and brought to the Hague, before they would move Serbia to the next step towards the EU. However, examples on rewarding countries in spite of poor performance have also been seen.

Another aspect is the so-called bi-lateralisation of the enlargement process which has been evolving over the later years. The term covers a situation where an EU member state uses its position in the Council to prevent an applicant country from moving up the ladder. A classic example; in spite of the Commission’s recommendations to begin negotiations, Greece has been blocking F.Y.R.O.M.’s way to the EU due to the “name issue”.

The flexibility of the enlargement policy has sometimes shown useful. It has also shown to be a very effective instrument in influencing some of the Western Balkan countries.

However, it can also lead to a less credible enlargement policy where the perception of threats and rewards becomes fuzzier. In the long run this could affect the applicant countries’ willingness to comply with EU demands and therefore the EU’s influence in the region. The EU is sometimes perceived as being more interested in ensuring short term stability rather than insisting on the principle of conditionality.

But most importantly one could fear that the applicant countries move away from a European agenda. And if there is anything which the EU cannot afford in the middle of the current crisis, it would be to lose the Western Balkans again.

Reading material: A DIIS Report: “Politics Prevail in EU Enlargement Serbia’s road to the EU is still influenced by the question of Kosovo”, by Julie Herschend Christoffersen. http://diis.dk/sw113487.asp

April 13th, 2012

Seminar XII: NATO as the Canary in the Mine of Liberal World Order

Trine Flockhart, Senior Researcher at the Danish Institute for International Studies.

The lecture was an attempt to answer where NATO is heading and what aspects of NATO need to change in an international system that seems set to change from uni-polarity to multipolarity – a systemic change that is assumed to also lead to change in the current primary institution of the system – the Liberal World Order.

The point of departure of the lecture was the English School distinction between primary and secondary institutions, where it identified the primary institution of the international system as the Liberal World Order, and NATO as one of several secondary institutions designed to support and implement the primary institution. Primary institutions are seen as durable and recognized patterns of shared practices rooted in values held commonly by the members of the order or society and embodying a mix of norms, rules and principles. It was argued in the lecture that as a secondary institution, NATO’s role in the current climate is to insure the continued relevance and survival of the Liberal World Order in an altered international system.

The lecture outlined five different views by prominent political figures or NATO analysts (Sean Kay, Ivo Daalder, Oksana Antonenko, President Obama and G. John Ikenberry) for how NATO must change for the
Alliance to remain relevant and able to support the continued existence of a Liberal World Order. By referring to the five different visions of change, the lecture set out to demonstrate that the international system does not need a new primary institution, but that the Liberal World Order and along with it NATO will have to change in order to survive.

NATO needs to forge new strategic bargains and to establish new relationships that can allow the Alliance to continue to support the Liberal World Order. This will include some perhaps unwelcome changes such as a re-defined transatlantic relationship in which European allies in NATO will have to increasingly become security providers rather than just security consumers, and which will necessitate changed strategic relationships with external actors based on ‘give and take’. The current initiative to start a cooperative relationship with Russia on missile defence was used as an example of a new strategic bargain.

The lecture concluded that as long as NATO understands what is at stake and how to utilize the remaining time of unipolar power to achieve maximum – though negotiated – influence, the prospects for the survival of an albeit changed Liberal World Order are good. However, without a changed Liberal World Order, and without subsequent major change in NATO, the Alliance will struggle to remain relevant.

April 20th, 2012

**Seminar XIII: A European Public Sphere: The Un-Likelihood of Transnational Debate**

*Maximilian Conrad, Assistant Professor at the Faculty of Political Science at the University of Iceland.*

Democracy in the European Union is sometimes said to suffer from the absence of a European public sphere, which in turn is considered to be due partly to the absence of European mass media and partly to a lack of European collective identity. On the other hand, many also argue that the democratic functions of a public sphere can also be performed by a public sphere which in form may be quite distinct from the traditional model of the national public sphere. A transnational public sphere can perform its democratic functions even if it is neither rooted in a strong sense of collective identity nor based on a European media system. In order to create a European-level communicative counterweight to institutional decision making in the EU, it does however need to be based on lively transnational debate on issues of European concern. Whether such transnational debate is in fact possible is foremost an empirical, not a normative question. This lecture considers this question by discussing the findings of an empirical analysis of debates on EU constitution making in six Swedish and German daily newspapers, spanning the period from Joschka Fischer’s speech on the finality of European integration (2000) until the relaunch of the constitutional project in the spring of 2007.

April 27th, 2012

**Seminar XIV: The Politicisation of European Integration**


European integration was for a long time primarily a cooperation among governments, supported by a supranational technocratic administration. The emerging system was to some extent a polity without politics. There was certainly a growing political production, but it remained uncontested and poorly debated. The legitimacy of the system was achieved through the logic of the so-called ‘permissive consensus’. In essence, this notion meant that citizens entrusted their national political leaders and thereby leaving them room for maneuver at the European level. This notion has been increasingly challenged. The first signs of a reaction against the EU came in the early 1990s when a number of referenda about European affairs were contested (and sometimes lead to a negative outcome). Public opinion has become increasingly Eurosceptic and the vote support for Eurosceptic parties has increased in many countries. Still, there is a considerable mis-match between the public opposition to the EU and the support for parties adopting this stance. While mainstream parties have been supportive of European integration, opposition is primarily found in the fringes of the party systems. New political actors, often populist parties, have started to exploit European integration as a dimension in political competition.

Political parties can be seen as linkages between the electorates and democratic decision-making. Parties are at the one hand expected to be responsive to public demands and on the other hand be responsible by taking up government. Mainstream parties have only to a limited extent been willing to respond to the public malaise with European integration. The voter-party incongruence has endured. Today, there seem to be a growing divide between those parties that are committed to fulfilling governing roles and thereby being responsible, but who find it harder to connect to the electorate responsively and those parties who do not engage themselves in government and make little claims of responsibility, but who answer to public concerns responsively. In the wake of the crisis of the Eurozone, a number of steps towards more European coordination of economic policy have been taken. These steps tend to limit the room of maneuver at the national level. The mismatch between public opinion and elite orientations towards European integration was for a long time relatively unproblematic due to the low salience of issues concerning the EU. In light of the current crisis in Europe, the process of unification has been increasingly politicized and has come to play a more central role as electoral theme. The question is whether the political system of the EU is ready to handle the kind of tensions that may be the outcome of an increased politicization of the EU.
The Institute of International Affairs (IIA) at the University of Iceland is a research, teaching and service institution. It was established in the year 1990. When the Centre for Small State Studies (CSSS) was created in 2001, it was brought under the auspices of the IIA and both are operated by a joint Board of Directors. The IIA and the CSSS carry out research on various subjects, host conferences, seminars and lectures concerning international affairs and publish books and papers on the same subject and on Icelandic foreign affairs. The CSSS runs two reviewed publication series: occasional papers reflecting researches that are complete and working papers that give a shorter account of research that may still be in process.

International cooperation and interdisciplinary discussions are important factors in the work of the IIA. Over one hundred scholars with various fields of expertise participate in the work of the IIA and the CSSS, and the institutes have ties to a number of foreign research bodies.

Pia Hansson is the Director of the Institute of International Affairs and Centre for Small State Studies.