

The Politics of the European Union
HT week 2
29/01/26



DPIR
DEPARTMENT OF POLITICS &
INTERNATIONAL RELATIONS

Europe in the World: Trade, Aid and Climate Policy

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Structure of the lecture

1. What kind of power does the EU exercise internationally?

- The realist, liberal institutionalist, and constructivist perspectives

2. The EU's trade policy: win-win or zero-sum?

- Is there room for institutional and normative power in a geopolitical world?

3. EU development aid: just another instrument of foreign policy?

- What principles should govern the EU's relations with former European colonies?

4. The EU's climate policy: catalytic action in international climate negotiations

- Interests, norms, and the political foundations of tackling the climate crisis

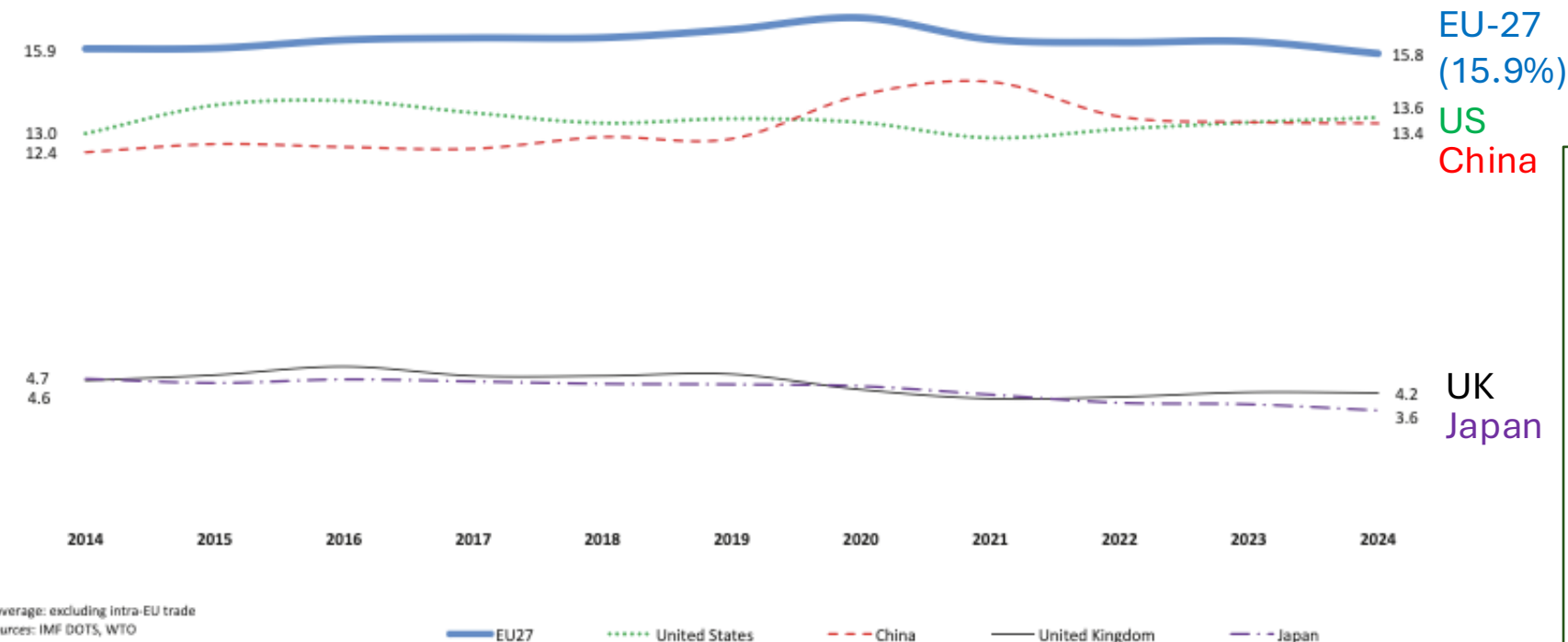


1. What kind of power does the EU exercise internationally?

What are the sources of the EU's power? (1/3)

1. A large internal market which makes the EU the world's largest trading actor

Share in total trade in goods and services with world for selected countries (%):



Journal of European Public Policy 19:5 June 2012: 6

Market power Europe

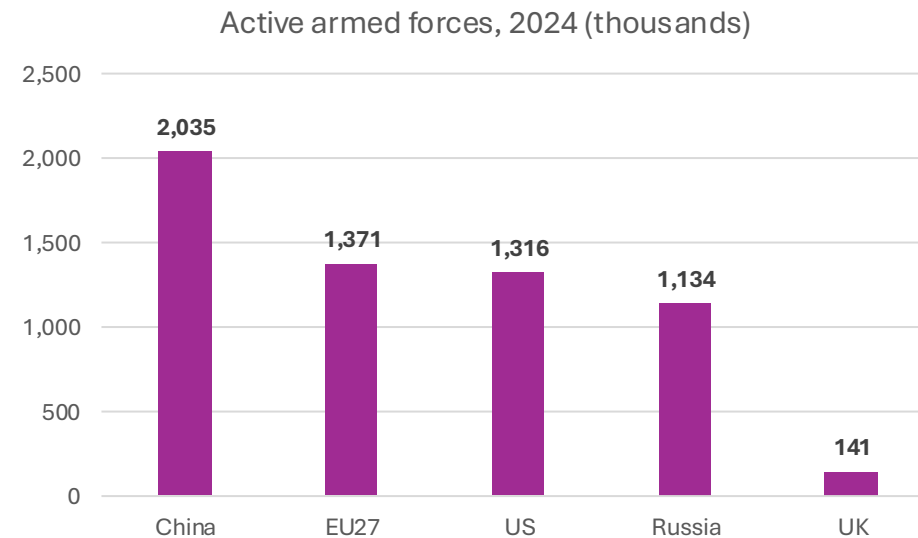
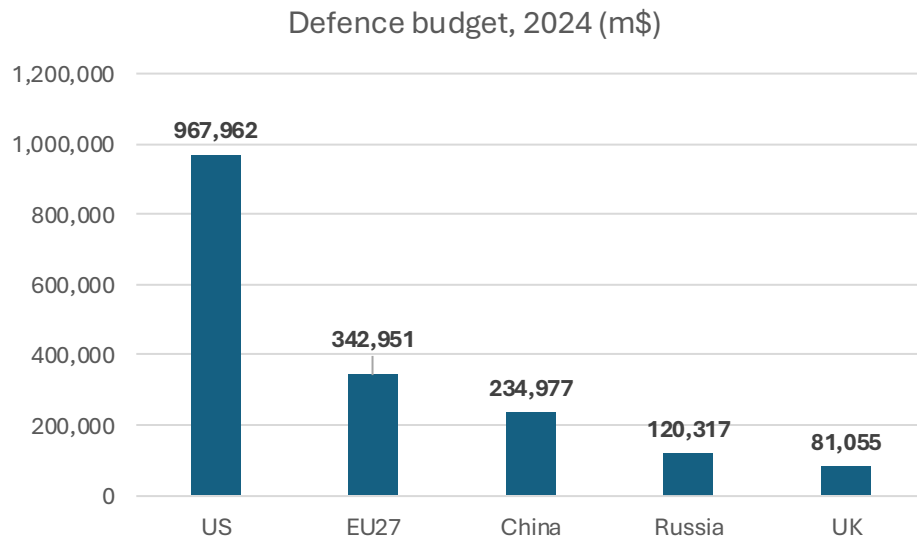
Chad Damro

*“The EU has always been an experiment at market integration... The **common market** and the **common commercial policy** served as original and essential building blocks of European integration and EU identity.”*

Source: European Commission, DG Trade Statistical Guide 2025

What are the sources of the EU's power? (2/3)

2. **Modest military capabilities:** it's not that European countries don't have many active troops and a significant defence budget when added together – but these resources are fragmented across 27 countries and cannot operate jointly (and only France has a nuclear deterrent).



Source: own elaboration based on International Institute for Strategic Studies, *The Military Balance*, DOI: 10.1080/04597222.2025.2445483

What are the sources of the EU's power? (3/3)

3. The appeal of the values and way of life that many people believe the EU represents



Protest in Tbilisi, Georgia, 2022 (source: Politico)



Protest in Kiev, Ukraine, 2013 (source: Guardian)

How useful are these sources of power? → The realist answer

Assumptions:

- In the international system, states project power **primarily through military strength** and secondarily through economic prowess.
 - **Power is relative:** when a state acquires more power, it can more effectively assert its will over other states, which thus become less powerful.
- The EU has traditionally been a **weak global actor** reliant on the US for its security. Recently, it has been more willing to pursue its strategic interests coercively (“**the geopolitical turn**”) – but still primarily through economic means.

Civilian Power Europe: A
Contradiction in Terms?

Hedley Bull (1982)

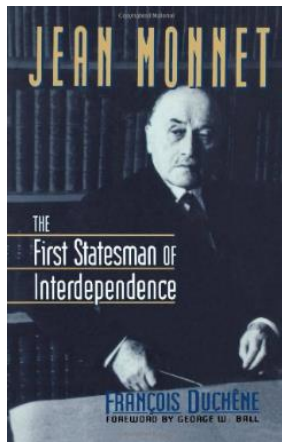
“Possession of scarce resources was a source of power to militarily weak states only for so long as militarily strong states chose not to use their force.”

How useful are these sources of power? → The liberal institutionalist answer

Assumptions:

- States care about **absolute gains** more than relative gains
 - Under conditions of economic interdependence, **international cooperation** can advance many states' interests at the same time.
- As one of the world's top trade powers, which is home to sophisticated institutions enabling cooperation among its member-states, the EU both **substantially influences** and **greatly benefits from** an **open, rules-based global trading order underpinned by multilateral institutions.**

François Duchêne
(1994)



*“The huge effort of regulation to create a Continental market base for business makes [the Union] a political and administrative as much as economic achievement... **One could hardly imagine a more radical change in international relations than to turn them, even partially, into domestic ones.**” (p. 406)*

How useful are these sources of power? → The constructivist answer

Assumptions:

- People's and states' **identities and conceptions of self-interest are not fixed**: “anarchy is what states make of it” (Wendt 1992)
 - The **ability to inspire and persuade** an important source of power in the international system
- As an anti-nationalist postwar creation underpinned by a unique legal order that transcends the norms of sovereign statehood, the EU relies on and benefits from being seen as promoting its **core norms** of **peace, liberty, democracy, the rule of law**, and respect for **human rights**.

Normative Power Europe: A Contradiction in Terms?*

Ian Manners (2002)

“The ability to define what passes for ‘normal’ in world politics is, ultimately, the greatest power of all.”

2. The EU's trade policy: win-win or zero-sum?

The evolution of the EU's trade policy

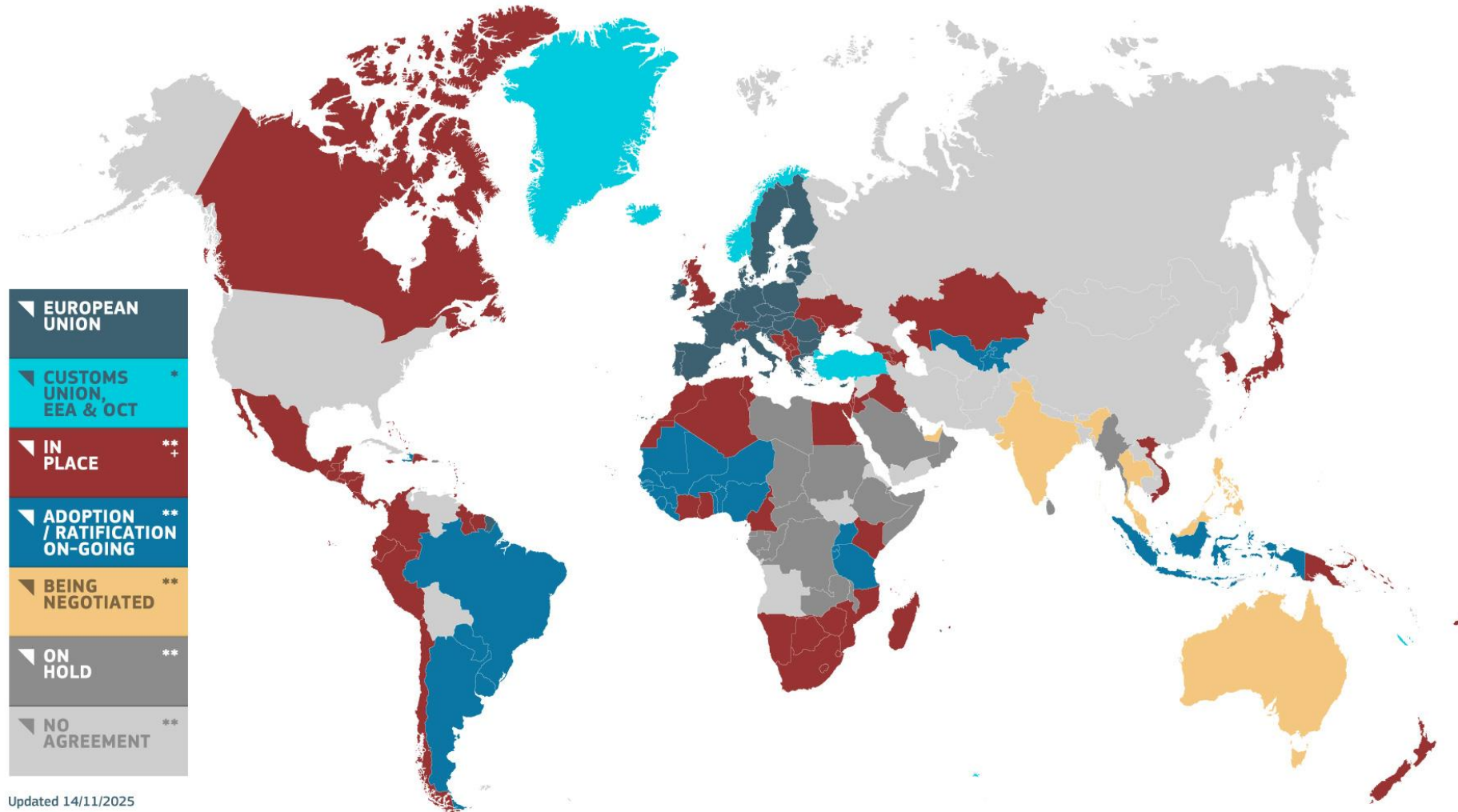
- “Trade is the EU’s raison d’être. The objective of the **1957 Treaty of Rome** was to create **a customs union between the original six members** of the European Community in which there would be **no barriers to trade** and a **common external tariff** would be applied to imports from third countries.” (Meunier and Nicolaidis 2023)
- Common Commercial Policy under **supranational competence** from the start of European integration:
 - Initially included trade in **goods**
 - Gradually came to include trade in **services** (Nice Treaty, 2003)
 - Extended to encompass **Foreign Direct Investment** (Lisbon Treaty, 2010)

How EU trade policy works

- Trade deals are **negotiated through one agent**, the European Commission
- The Council authorises the Commission to begin negotiations with a third country or bloc and provides a **negotiating mandate**
- The Commission conducts the negotiations while keeping the member-states closely informed
- Once a deal is concluded it must be **ratified** by the **Council** and the **European Parliament** if it falls under the EU's areas of exclusive competence, and also by **each member-state separately** if it is a “mixed agreement” (i.e. it touches on policy areas of shared competence)



EU Trade agreements 2025



Updated 14/11/2025

* European Economic Area (EEA) / Overseas Countries and Territories (OCT).

** Free Trade Agreement (FTA), Deep and Comprehensive Free Trade Agreement (DCFTA), Enhanced Partnership and Cooperation Agreement (EPCA), Partnership and Co-operation Agreement with preferential element (PCA).

+ The updated agreements with Tunisia, and Eastern and Southern Africa are currently being updated; the updated agreement with Chile is under ratification. The DCFTA with Georgia does not apply in South Ossetia and Abkhazia.

The designations employed and the presentation of material on this map do not imply the expression of any opinion whatsoever on the part of the European Union concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

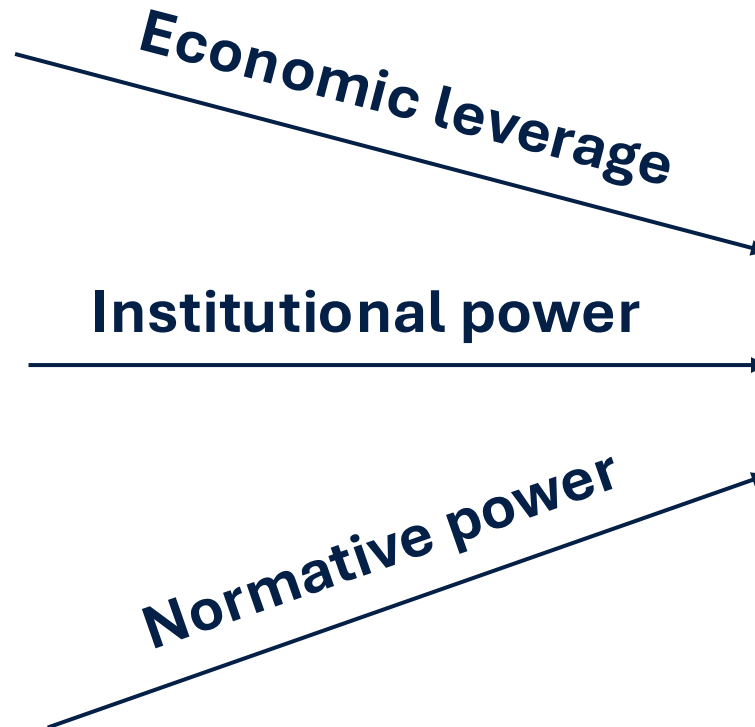


The sources of the EU's trade power in the liberal world order

It is one of the world's three **large, globally integrated single markets**

It acts with **one voice** and has acquired extensive **expertise** in trade negotiations

It is **aligned with broadly accepted global norms** on free trade and the rule of law



- It concludes trade agreements that are win-win but also **well-tailored to its interests**
- It **exports its regulatory standards**
- It builds a **global trade order in its image**

The geopolitical turn

- The “end of naiveté” (Juncker, 2017) → the EU will no longer solely focus on promoting multilateralism, but will **assertively defend its own interests through unilateral action** whenever other actors don’t play by the rules
- Causes:
 - Distortions from Chinese state subsidies (& China becoming too innovative?)
 - US unilateralism
 - Globalisation backlash in public opinion
- Tools:
 - EU investment screening mechanism
 - Foreign Subsidies Regulation
 - **Anti-Coercion Instrument** (response to the **weaponisation** of interdependence)

Is the geopolitical turn effective? The Greenland example



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Trump's Davos speech backed off escalation in Greenland. That will not prevent an EU rush for strategic autonomy

The Greenland episode taught important lessons: strategic autonomy must be accelerated to stop a haemorrhage of sovereignty; And the Anti-Coercion Instrument can be a powerful weapon in a new geopolitical era.

“The Anti-Coercion Instrument allows Brussels to respond to coercion with targeted countermeasures in areas such as services, procurement and investment – sectors where US firms are deeply exposed to the EU single market... [It] provides the EU with the tool to weaponize, in its turn, others’ dependencies on its single market.”

Is the geopolitical turn effective? Carney's perspective

“It seems that every day we're reminded that we live in an era of great power rivalry, that the rules-based order is fading...

As a result, many countries are drawing the same conclusions that they must develop greater **strategic autonomy**. And this impulse is understandable. A country that can't feed itself, fuel itself or defend itself, has few options. When the rules no longer protect you, you must protect yourself.

But let's be clear eyed about where this leads. A world of fortresses will be poorer, more fragile and less sustainable...

The question for middle powers like Canada is not whether to adapt to the new reality – we must. The question is whether we adapt by simply building higher walls...

Middle powers must act together, because if we're not at the table, we're on the menu.”

Canadian PM Mark Carney, Davos, 20 Jan. 2026



3. EU development aid: just another instrument of foreign policy?

What principles ought to govern EU development policy? Some historical context (1/2)

Map of the European Economic Community



- The EU is increasingly treating development policy as a **normal instrument** through which it can achieve its foreign policy goals
- In evaluating whether this is appropriate, one ought to keep in mind that **European colonialism** is not a phenomenon of the distant past, but of the recent past.
- Does the legacy of colonialism create a **responsibility** for the EU's development policy that goes beyond normal foreign policymaking towards third countries?

What principles ought to govern EU development policy? Some historical context (2/2)

The example of the Congo:

- King Leopold II of Belgium acquired the Congo as his personal property in **1885**. **Millions of people died doing forced labour under Leopold's tenure**, primarily extracting rubber, ivory, and palm
- In **1961**, soon after the Congo gained independence, **its first democratically elected leader Patrice Lumumba was executed with the involvement of Belgium and the CIA**. Belgium had previously encouraged the secession of the mineral-rich Katanga region.



Cobalt mine in the DRC
Source: [NY Review of Books](#)

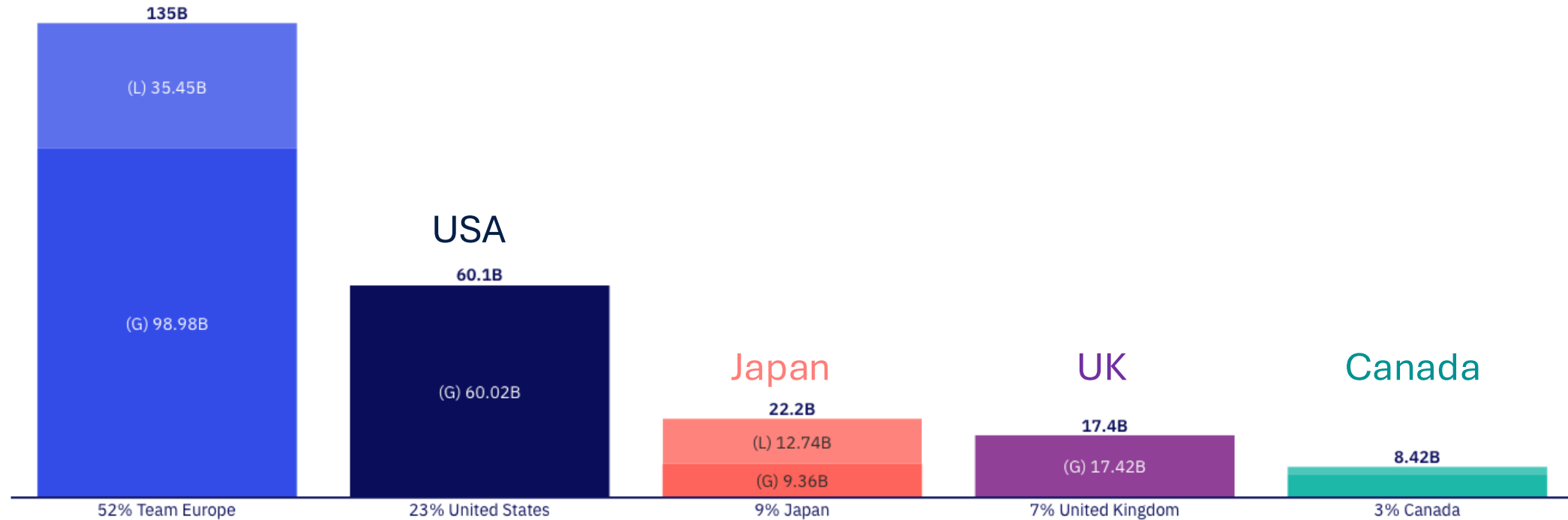
The EU's development policy today

Top Individual Donors

Bilateral Official Development Assistance (total), 2023

Based on bilateral ODA gross disbursements of Team Europe and the top individual donors in euros. (G=Grants, L=Loans, E=Equity Investment)

Europe (MS + EU institutions)



Team Europe includes the ODA from the Team Europe actors: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Denmark, EU Institutions, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden

Source: European Commission

The evolution of the EU's development policy

- **Lomé Convention, 1975** → based on a **special relationship** between Europe and the African, Caribbean, and Pacific (ACP) group of postcolonial states
 - Foreign aid allocated based on entitlement (**needs**)
 - **Non-reciprocal trade regime** allows preferential access to European markets
 - Compensatory schemes for commodity price fluctuations
- **Cotonou Agreement, 2000** → towards **normalisation** of the relationship with ACP
 - Foreign aid allocated based on needs and **conditionality** (effective use of resources, implementation of reforms, democracy/ human rights/ rule of law, cooperation in migration and security policy)
 - Preferential trade regime replaced to be replaced by **free trade agreements** (many of which stalled)

Challenges today

- Should the EU act as a **realist** or a **normative actor** in international development?
 - **Severe frictions** over the migration conditionalities & the Commission's emphasis on trade liberalisation
 - **Gaps between rhetoric and practice** cause disillusionment
 - Growing influence of **China** in Africa
- Continued search for **policy coherence** as member-state interests diverge and development remains a **shared competence**
- Continued search **for a development policy paradigm that actually works** in terms of delivering development





4. The EU's climate policy: catalytic action in international climate negotiations

The EU as an international climate champion



Energy policy: where norms and interests collide?



- **Dependence on Russian energy sources** challenges European norms
- Following the 2022 invasion of Ukraine, **temptation to revert to fossil fuels**
- Even **international deals on renewable energy** could clash with other EU norms



The Noor Solar Complex in Morocco

Two approaches to promoting international climate cooperation

Reducing greenhouse gas emissions as a problem of...

- **...providing a public good:**

- Assumption: The main obstacle to cooperation is free-riding
- Implication: Cooperation requires **binding agreements** backed by **effective sanctions** (the [Kyoto Protocol approach](#), 1997)

- **...progressively expanding the global green coalition:**

- Assumption: Cooperation is not static; **early cooperative actions can have catalytic effects**, progressively inducing growing cooperation (Hale 2020)
- Implication: Normatively-driven actors should focus on **winning over the most willing/ least hesitant cooperators** (the [Paris Agreement approach](#), 2015)



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Conclusion

Key take-aways

- **Realist, liberal institutionalist, and constructivist** theoretical perspectives evaluate differently the effectiveness of military and economic capabilities, international regimes, and norms as sources of power for the EU.
- The EU's trade policy is **by necessity becoming more assertive**, but there are limits to how far this can go without compromising the benefits that the EU derives as a trade power in the medium and long terms.
- When seeking to balance **strategic and normative considerations in the EU's development policy**, the colonial historical context should be kept in mind.
- Despite resistance from powerful domestic and international constituencies, the EU has been a **global climate leader**.