Negotiating The New Millennium: The Roles Of The European Union

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Introduction

This paper revolves around a story and an exploration. The story is that of the way in which the European Union (EU) has become a centrepiece of a new 'era of negotiations' in the world arena, and of the questions that arise from this fact. The exploration is of the ways in which these questions might better be framed, and particularly how they might be framed in terms of different 'worlds' of negotiation. My focus is particularly upon the ways in which the EU is implicated in a restructuring of the new Europe and of the global political economy. My general aim is to sharpen some of the enquiries that should be made into the linkage between the nature of the EU as a negotiation and policy-making space, its 'near abroad' in the new Europe and the broader global arena. By this means I hope to provoke as well as to stimulate and possibly enlighten.

Let me begin with the most obvious components of my story. If we take the three-month period between April and the end of June this year, we can identify a wide range of occasions on which the EU was either the progenitor of, the host to or a major participant in European or global negotiations. The catalogue would include:

- The European Conference in London, and the later opening of accession negotiations with candidates for entry into the EU itself.

- The Asia-Europe Meeting (ASEM) in London, and its links with issues of human rights, inter-regional security relations and the Asian financial crisis.

- The meetings of the G-7/8 and the Quad group, with the aim of influencing global financial and trade strategies.

- The first skirmishings of negotiation and agenda-setting in the so-called 'millennium round' of World Trade Organisation (WTO) talks.

- The beginnings of free trade negotiations with countries of central and South America, including Mexico and the MERCOSUR grouping.

- The proposed negotiation of a New Transatlantic Marketplace Agreement (NTMA) centring on the EU and the United States.

- Continuing negotiations with countries of the EU's 'near abroad', particularly in the former Soviet Union and the Mediterranean, in the context of existing partnership and co-operation arrangements.

Of course, this is only the tip of the iceberg. I have confined my attention here (as I will in this paper as a whole) to negotiations that might be described as 'framework-setting', that is to say those that constitute a conscious attempt to establish institutional and other arrangements for the conduct of future relations. It must not be forgotten that the EU is also confronted at any time with a range of actual of potential disputes and crises to which negotiation is a predominant response, or that much of the EU's business is conducted on a day-to-day basis in often intimate and informal ways (Peterson 1996; Elgstrom and Jonsson 1998; Richardson 1996). It should be clear from what has already been said that even on the basis of this limited sample, the EU is both an intensely active negotiator and one that carries a large burden of negotiations, in terms both of activity and expectations.

How does this negotiation activity relate to the onset of the new millennium? A number of preliminary positions can be stated:

- First, the new millennium is already being negotiated, particularly in terms of the framework-setting negotiations which are my major focus. In a less formal sense, the EU is already navigating the waters of the 21st century, since the decisions taken and the negotiating positions adopted will reverberate into the next decade. Indeed, in the case of accession negotiations or the framework of world trade, the formal negotiations themselves may well occupy more than the first decade of the new century.

- Second, the new 'era of negotiations' is taking place in a world profoundly different from that in which Henry Kissinger and Richard Nixon first used that term, and different as well from (and as a result of) the spate of negotiations around the turn of the 1980s and 1990s.
- Third, the EU is a focus of major expectations in the negotiation of the new framework for global and European political economy, but as Chris Hill has pointed out, it suffers still from a 'capability'expectations gap' (Hill 1993, 1998).

- Finally, although the 'capability-expectations gap' is inescapable, it appears to fluctuate according to the issues under negotiation and the policy decisions confronting the EU.

This paper aims to explore the ways in which the key components of this policy context, and of the EU's role, can be clarified. In order to do so, it asks three central questions:

- First, what can we say about the key features of the new millennium and how they relate to the framework-setting negotiations outlined above?

- Second, what can we say in this light about the negotiation capacities and orientations of the EU?

- Third, in the light of the first two questions, what can we say about the EU as an international negotiator and about its roles in the negotiation of the new millennium?

The first part of the paper addresses the features of the new millennium, whilst the second explores some features of the EU as a negotiator. In the third part of the paper, I look more closely at three of the cases listed above: the negotiations with the 'near abroad', the ASEM and the NTMA. In the conclusions, I look not only at the provisional evaluation of these cases, but also at some broader policy implications.

The New Millennium: A Sketch Map

Enough has been written about the nature of the global arena at the end of this century to absolve me from the responsibility for an exhaustive account. The purpose here is to highlight a number of central features which are likely to be particularly relevant to the line of enquiry in this paper, and which will then anable me to develop further arguments about the ways in which the EU as a negotiator might relate to them. One of the key features at the most general level is the coexistence of many trends and levels of activity, which creates a global arena of contradictions, paradoxes and great fluidity. More specifically, one can point to:

- The coexistence of global, regional and local processes of change and development, in a bewildering and rapidly changing political, economic and cultural context.

- The layering of institutions and policy-making contexts, which creates problems of linkage and coordination.

- The ambiguous position of the state and of territorial politics in a period of rapid technological change and transnational organisation.

- The growing consciousness of difference and its politicisation, which can lead to ethnic and political fragmentation alongside economic and technological integration.

It is not surprising in this context that there is a desire to stabilise the global context and to provide frameworks for development, at the same time that such frameworks themselves come under pressure. Such a paradox has been noted in many treatments of the 'globalisation' phenomenon. Equally, in terms of this paper, it is clear that the occasions for negotiation on framework-setting agreements are likely to be frequent and well-signalled, but that the process of negotiation itself, and the implementation of any results, will be difficult. One has only to contemplate the feeling at the end of the Uruguay Round that such negotiations should never take place again with the drive on the part of many governments (maybe but not exclusively those with short memories!) to set up a new 'millennium round', even whilst the implementation of the Uruguay Round agreements is incomplete.

More fundamentally, I would suggest that the difficulties emerge at least partly from the coexistence of 'three worlds' in the global arena. These worlds can be described as those of *boundaries, layers and networks*, and it is in order briefly to explore their implications here.

- In one sense, the world is still one in which boundaries are central. Boundaries can be conceptualised as defining separated spaces or territories, but this is not to see them as identical with a world of territorial states, since they can be associated with substate territories or spaces or with supra-state levels. Negotiations in a world of bounded activities can concern location, security and institutional affiliations. More particularly, they can be seen as having close links to 'inclusions' or 'exclusions' and to the political practices associated with them.

- Yet alongside a world of boundaries can be discerned one of layers. The type of policy or negotiation space defined here is one in which linkage between layers of activity is central, and in which a multilayered diplomatic or other milieu is important. These 'strata' can be defined in terms of historical deposits, through which political cultures and authority systems, and the laying down of economic investments, take place. Negotiations here are likely to concern the ways in which differences of political culture, authority systems and patterns of investment (in the broadest sense) are reconciled, and also the ways in which linked 'audiences' are managed during and after processes of negotiation.

- As well as boundaries and layers, the global arena displays a burgeoning development of networks. Networks here can be seen as defining spaces of connections, whether these be corporate transactions or alliances, relations between cities or between non-governmental organisations. Negotiations in networks or about networks are likely to raise issues concerning the relationship between networks and policy communities, and about the ways in which networks relate to systems of authority and accountability.

I will come shortly to the ways in which these archetypes have implications for the potential and the roles of the EU. At this point, it is important to point out that these are not hermetically-sealed worlds of interaction and negotiation. To be sure, they define distinct types of 'negotiation space' or 'policy space', but they are not mutually exclusive. Indeed, the analytical importance of the disctinctions between them lies at least partly in the fact that they can coexist in any given negotiating situation or stage. There is a mercurial relationship between them, which is accentuated by a global arena displaying signs of 'hyperinteractivity'; this in turn means that the likelihood of unintended outcomes is increased, and the balance between risk and uncertainty, important to all negotiations, is delicate.

To complete this brief exploration of the new millennium as it relates to negotiating contexts, I must go one further step. On the basis of the above discussion, I now wish to suggest that the three 'worlds' outlined above give rise to characteristic modes of negotiation. To be precise:

- In a world where boundaries matter, negotiation is likely to be about inclusions and exclusions, and the process of negotiation itself will take place across boundaries. Outcomes are likely to create or maintain hierarchies, and to reflect processes of competitive bargaining.

- In a multilayered world, negotiation is likely to be concerned with the balance and linkage between layers, and the process will be informed by considerations of coalition building, 'audience management' and the adjustment of preferences at two or more levels.

- In a networked world, the focus of negotiation is likely to be on the identification and treatment of common problems, and the process is likely to reflect problem solving rather than a bargaining or a linkage approach. This being so, it is quite literally the case in some ways that 'it's good to talk', since this establishes common understandings and generates shared norms and values.

My argument is that as the EU faces the new millennium, it faces a fluctuating balance of negotiating contexts and understandings, and that this is likely to shape the nature of its negotiating activity. The other primary influence on such activity is the nature of the EU itself, to which I now turn.

The EU: Equipped to Negotiate the New Millennium?

I indicated at the beginning of this paper that the EU is the centre of high expectations from within and without, and of a great deal of negotiating activity. I also noted that the expectations are not always borne out, and that the activity can be seen as a burden as well as a reflection of the EU's importance to the global arena. The aim here is to look briefly in more detail at the EUs' qualities, and to relate them to the preceding discussion of the global arena, before moving on to look at some cases.

What assets does the EU bring to the type of global and European framework negotiations with which we are concerned? The key asset, it seems to me, is what might be termed the EU order, which provides both the credentials for the EU as a negotiator and some vital resources. Central to this order are:

- Institutional density, backed up by a powerful legal order, and creating both specific competence and broader legitimacy.

- A powerful set of patterns and networks of interaction, clustered around the institutional and legal assets, and involving a wide range of public and private actors.

- A powerful set of common understandings generated by processes of communication and interaction within the institutional and other contexts noted above.

On the basis of these assets, although the EU has no claim to statehood of the 'Westphalian' type, it can claim to be an international state of a novel type, bringing together a wide range of participants in a highly developed yet continuously negotiated order (Caporaso 1996). In the international domain, long-standing involvement in international institutions is allied to grants of competence to give the EU (and often the EC acting as the agent of the EU) a high level of legitimacy (Smith 1999a, 1999b). The logical conclusion is that the EU is not only an obvious negotiator when it comes to international framework agreements, but also a powerful one.

There is, though, a downside to this. The very assets that make the EU logical, legitimate and powerful have also given it what might be described as a conservative bias, and this feeds through into its international negotiating effectiveness. What are the central elements in this conservative bias?

- First, there is the fact that coalitions constructed to support a particular set of

EU context, and therefore that negotiating flexibility is difficult to achieve.

- Second, alongside problems of coalition building there are problems of institutional complexity which mean that the coordination of decision-making and implementation is difficult (perhaps particularly in the international arena).

- Third, there is the - very natural - bias towards stability of the world's most prominent 'trading state', concerned to stabilise its borders and the global commercial environment.

- Finally, there is the normative assumption of what Chris Hill has termed a 'meliorist discourse' in the EU, a belief in progress and in the benign effects of international and transnational interactions - in particular, the benign effects of membership in the EU.

As a result of these factors and forces, it can be suggested, the EU's conservative bias is institutionalised, and is likely to be reflected in its approach to global or European negotiations. The investment made by member states and others in the existing EU order tends in this direction, as do the processes by which grants of negotiating authority are made and through which collective action is secured.

What does this tell us about the EU's likely approach to and role in global and European framework negotiations? In the first place, it seems plausible to argue that the EU will take a lively interest in broad issues of environmental management and stabilisation. Secondly, given what was argued earlier about the nature of the global milieu, the EU is likely to be faced in each such negotiation by distinctive patterns of negotiation demands fostered by the mix of boundaries, layers and networks which is at issue. Finally, this being the case, we should expect tensions between the EU's conservative bias and the demands of adjustment to fluctuating negotiation contexts. For policy prescription purposes, we should expect EU policy-makers to be concerned with the balance and coordination of negotiation processes, but also that they should be confronted from time to time with the limits of collective negotiation outlined above.

Thus far, the discussion has been largely conceptual and abstract. I now move on to look at three cases in which we can use the ideas outlined above as a guide to analysis and evaluation.

Case Studies

The three case studies outlined here are much more in the nature of 'probes' than exhaustive investigations. They should be considered as preliminary tests of the relevance of the ideas outlined in this paper, and as generators of questions rather than providers of answers. As noted at the beginning of the paper, they are: relations with the 'near abroad', the ASEM process, and the NTMA proposal.

The EU and its 'near abroad'

During the 1990s, the EU has been engaged constantly in large-scale negotiations with its 'near abroad' (Piening 1997: chapters 3-4). This is a domain in which there are two main and interrelated areas of concern for the Union. The first arose from the collapse first of the Soviet bloc and then of the Soviet Union itself. To this major set of geopolitical and economic changes, the EU's response was first to negotiate 'Europe Agreements' with the countries of central and eastern Europe, then to move towards Partnership and Cooperation Agreements with major countries of the former Soviet Union, particularly Russia and the Ukraine, and later to respond to the central and east European countries' demands for accession to the Union itself (Allen and Smith, 1994-98; Allen 1997). The other set of negotiations affecting the 'near abroad' concerned the relations between the EU and Mediterranean countries, which were encapsulated in the Barcelona Declaration of 1995, establishing the basis for a wide-ranging multilateral partnership (Edwards and Philippart 1996, Gomez 1998). By the late 1990s it was clear that these coexisting yet disparate efforts were likely to play a major part in the shaping of relations for the new millennium, and also that they were to a significant degree interdependent:

towards membership, less obviously but nonetheless importantly in the case of the balance between Mediterranean partnership and the attention paid to the former Soviet bloc.

In terms of the framework discussed earlier, it is clear that in both these areas, boundaries were a central feature of the negotiations that took place. A predominant element in the drive to negotiate was considerations of geopolitics and geoeconomics, with the EU concerned to maintain - or at least control the modification of - the boundaries between itself and the 'near abroad' and its diverse partners equally concerned with the ways in which the EU's boundaries impacted upon them. Thus, the access granted under the 'Europe Agreements' to central and east European countries was considerable but also conditional, with the EU reserving the right to close off access both to the economic and the political assets of the Union. As the CEEC have become in varying degrees 'internalised' into the Union,it has become apparent that there is a clear bargaining hierarchy among the candidate members, and also that presumptions about the eastward displacement of the EU's boundaries have a distinct impact on negotiations with the Russians and the Ukrainians in particular. Both phenomena fit broadly into the assumptions that here we are dealing with the exercise of bargaining power in a (modified) world of boundaries and their maintenance.

The modifications are important, however. Whilst a good deal of the negotiation between the EU and its eastern neighbours (whether candidate members or not) can be explained in terms of boundary establishment, modification and maintenance, this does not capture all of the EU's activity or of the negotiating processes at issue. For example, there are many areas of negotiation between the EU and candidate members which take on the appearance of a two- or three-level game, with the EU needing to 'sell' its negotiation stance and the product of negotiation simultaneously to the candidates and to constituencies ranging from the German government to EU steel or agricultural interests. This mediating role, carried out most continuously and consistently by the European Commission, means that at least some of the negotiation activity with which we are dealing must be evaluated in terms of the balance between and the linkages between 'domestic' and 'external' constituencies.

At the same time, it is apparent that this distinction, in the case of the candidate members expecially, is increasingly blurred. Part of the EU's negotiation strategy has been to effectively 'internalise' parts of the political, economic and administrative systems in the candidate countries, and part of this has been expressed in the promotion of networks across the formal boundaries between the EU and its neighbours. Nor is this simply a case of the EU insisting on 'good government' and dealing with favoured political groups: the context is also actively changed by the activities of private groupings such as the farmers who have invested in Hungary and elsewhere in the expectation that at least some of the Common Agricultural Policy's benefits will be extended to new members. It is clear here that we can see the extension of networks across the formal boundaries, both with the active encouragement of the EU and its members and through the responses of private agents, in such a way that it modifies the formal bargaining and negotiation milieu.

With the countries of the former Soviet Union, and particularly Russia and the Ukraine, it is evident that negotiations have been carried on in a rather different register. The Partnership and Cooperation Agreements have been hard-fought, influenced by geopolitical and geoeconomic imperatives, perceptions of threat on both sides and the possibility of sanctions. To this extent, they have been far more about boundaries, and about the discontinuities between systems and territories. Arguably, they have been far more about security, albeit in a modified 1990s sense. There has been an active effort on the part of the EU to structure its relations with partners who are seen as needing discipline; the terms of the PCAs themselves begin from the presumption that what is being developed is part of a broader set of relations between the (expanding) EU and outsiders, who are unlikely to be seen as potential members of the Union.

This does not mean that these are negotiations purely and simply within the 'world of boundaries'. At many points in the process, it has become apparent that the role of the European Commission as a broker between interests within the EU is important (for example, between the positions of the Germans and the French), and that important 'domestic' constituencies have to be reconciled. But the instruments of negotiation themselves, PCAs, are by their nature less part of the 'internal' EU process, not subject to the same processes of ratification as treaties of accession, for example. Although it would be logical to suppose that the 'world of networks' is marginal to these negotiations, and to a large extent this is the case, it would be misleading to ignore the fact that certain quite threatening networks play a significant role in the negotiation context between the EU and the former Soviet Union - for example, the

negotiation in networks is an underdeveloped part of the process, negotiation about networks is not irrelevant to it.

The Euro-Mediterranean partnership, as in the case of the eastern 'near neighbours' is partly informed by considerations of possible accession, in this case relating to Cyprus. Paradoxically, as it may appear, this has the effect of concentrating attention more firmly than ever on the issue of boundaries, given the geopolitics of Greek-Turkish-Cypriot relations. A significant part of the incentive for the EU to negotiate partnership with its Mediterranean neighbours lies in the security issues attaching not only to the problem of Cyprus but also to political instabilities elsewhere. As a result, the Barcelona Declaration manifests at least two important features confirming the importance of the boundary dimension: first, the ways in which it is based on a set of principles effectively enunciated by the EU and its members, rather than evolved on the basis of multilateralism and reciprocity; second, the fact that it is explicitly based on the lack of membership prospects for all but a tiny minority of the Mediterranean partners. The difficulties experienced in putting flesh on the bones of the Barcelona process, in the light of increasing demands from central and eastern Europe and recurrent political tensions, for example generated by the Arab-Israeli conflict, have served to underline the key characteristics of this process.

Again, this does not mean that the worlds of 'layers' and 'networks' are redundant; rather, they are of secondary significance but capable of creating important issues in the negotiation process. Thus, the EU has found itself in the position of mediating between the interests of the French, with important domestic reasons for concern about Mediterranean issues, the Italians, with equally pressing concerns about the national and regional impact of migrations, and those who see the issues in more detached and more distant terms. This demonstrates - if such demonstration were necessary - the ways in which layers of political authority, historical experience and cultural interchange can come to bear on the negotiation of such 'near neighbourly' relationships. Equally, the fact that networks and processes of interaction in the Mediterranean are often uncertainly subject to governmental or EU control has a direct impact on the negotiation not only of Euro-Mediterranean agendas but also of the internal EU order (for example, in the context of Italy's accession to the Schengen arrangements for free movement in the Union).

As a very provisional conclusion, it seems that this case study bears out the value of exploring the EU's negotiations with and about its 'near abroad' in terms of 'boundaries, layers and networks'. Each of the areas examined seems to illustrate not only the coexistence of milieux and modes but also the issues arising from the 'conservative bias' of EU negotiation stances. Two further points should be added. First, it cannot be assumed that these domains are in some way insulated from broader global forces - although negotiations about them have often proceeded from the apparent assumption that settlement of the EU-near abroad issues can be detached from the broader global arena. Consider in this context the global dimensions of organised crime, or the views of influential third parties such as the USA on the trade and investment effects of EU enlargement. Second, it is not possible to say that a given negotiation process, or set of processes, falls wholly or finally within one of the three 'worlds' of negotiation. For the purposes of EU policies, the most taxing feature of these situations is that the balance between 'boundaries, layers and networks' fluctuates between sectors and over time. I shall return to this later.

The ASEM

An enduring feature of the EC's and now the EU's external relations has been the propensity to form inter-regional relations (Edwards and Regelsberger 1990): in other words, to deal with international partners on a group-to-group basis, both for reasons of European advantage and as an expression of principles of mulilateralism. During the 1990s, there has been an intensification of this process, with the development of important new inter-regional connections linking the EU to South America, the Caribbean and other parts of the world. Prominent among the new or newly-formalised connections is that with the countries of the Asia-Pacific; these were initiated during the early 1980s under the guise of EC-ASEAN dialogue, and have taken on new dimensions first with the development of the regional security forum in ASEAN itself and then with the establishment in 1996 of the ASEM (Smith 1998; McMahon 1998). This process, bringing together the 15 EU members and the 'Asia 10' (ASEAN plus China, Japan and South Korea), thus represents the elaboration of a multilateral

Given this broad framework, it might well be expected that compared with the 'near abroad', the ASEM linkage would not be focused so overtly on boundaries and their management. This is clearly true in the most obvious sense, that the countries of the Asia-Pacific are not near neighbours of the EU, and that there is no compelling need to establish a distance between them or to control their boundary-crossing activities. Whilst in this directly geopolitical sense there is less to be said about ASEM in terms of boundary-maintenance, this is not to say that boundaries are not important. In the first place, much analysis of ASEM, including that in the EU's strategy papers, starts from the assumption that the Asia-Pacific represents an arena for competition with the USA and Japan, and thus that what is being discussed is at least in a very informal sense a sphere of influence. It is of course the case that such a view is very differently received in the Asia-Pacific, and that there have been suspicions that the EU is involved in a strategic exercise which sess the ASEAN countries, for example, as stakes in a broader competition. Another link to boundaries is also important: in an abstract but also at times in a very immediate sense, ASEM has raised the issue of the boundaries of 'civilisation', most directly through the issues of human rights and most specifically in the case of Burma(Myanmar). If the issues for ASEM are couched in terms of the acceptability of negotiating partners and on implicit boundaries to acceptable behaviour, this again raises questions about the bargaining relationships established and the extent of control wielded by the parties to the negotiations.

If boundaries are less salient but still significant in the case of ASEM, what can we say about the negotiating world of layers? In my initial discussion of this approach, I indicated that these layers could be historical and cultural as well as spatial or administrative. In the case of the 'near abroad' we saw that these historically-deposited layers could be important in shaping the negotiating positions both of the EU and of its member states, thereby feeding into the issues of coordination and linkage experienced in dealing with either candidate members or other partners. No less is this the case with the ASEM process. After all, many of the EU's members have important links with countries of the Asia-Pacific - more or less painfully - through colonialism and decolonisation. These have created and left deposits of economic investment, of cultural linkages and elite interaction. But those deposits are not evenly spread; as a result, there are significant variations between the linkages and the responsiveness attaching to specific EU members. Not only this, but when it comes to contemporary layers of activity and investment, there are again very different experiences in the EU - for example, the contrast between the UK's experience and that of France or the Nordic countries.

As a result of these layers of experience and involvement, the ASEM process has demonstrated marked differences of approach from EU member states, which then have to be managed or coordinated within both the ASEM and the broader EU processes. These have been most pronounced in the case of Burma(Myanmar), where both the EU-ASEAN relationship and the ASEM itself have been racked by tensions. But there have also been important variations between EU member states' approaches to the problem of China, and to the ways in which the impact of financial turbulence on investment and market access should be handled. Niether of the two latter issues lies entirely within the ASEM framework, and indeed, it can be seen that the ASEM 'layer' is stretched pretty thinly at times over a diverse and politicised relationship.

Alongside the impact of multilayered negotiation and policy generation in the ASEM has gone a distinct effort to sponsor and promote the formation of EU-Asia Pacific networks. As well a regular meetings of economics ministers and officials, the ASEM has spawned its own business dialogue, and there have been efforts to enhance networks in the areas of technical assistance and scientific development. Not only this, but there has been a conscious attempt to address the issues of culture and values, both through the encouragement of contacts in education and business and through the establishment of the Asia-Europe Foundation. There are limits to this network extension and development, however, and they are to be found especially in issues already mentioned: the tensions over human rights and their links to resiprocity and mutual respect, and the impact of economic turbulence, which has had a major impact on the negotiation context. This, of course, is precisely what the attempts to sponsor network development are designed to counter, through the development of a more consistent and cumulative 'infrastructure' for EU-Asia Pacific relations.

This second brief case study thus demonstrates in the first place the value of analysis in terms of 'boundaries, layers and networks'. It also demonstrates a rather different balance between the three 'worlds' with a greater role for the historical and other layers of involvement

lies in distance; despite the impact of globalisation, there is simply more geopolitical and psychological distance between negotiators, less concern with direct physical contact, less perception of specific threat on the part of the EU or its members. This might mean first that layers, linkage and coordination are likely to be more important than boundaries in shaping the negotiation milieu, and second, that there is a need explicitly to bulid networks where these have not existed before. The effects of the latter process on the negotiation milieu are likely to be extremely long-term, but their importance is not to be discounted.

The NTMA

In January 1998, Sir Leon Brittan proposed via a Commission Communication that there should be a major negotiation effort dedicated to the creation of a New Transatlantic Marketplace (Agence Europe 1998). In particular, this initiative should aim to eliminate restrictions on trade in services between the United States and the EU, and pursue further significant trade liberalisation as well as enhancing the mutual recognition of standards and testing procedures. A number of major areas of regulatory policy, including for example competition policy and anti-trust, would be the subject of intensive concultation and continuing negotiation. This initiative, of course, did not occur in a vacuum: the 1990s have seen a substantial institutionalisation of EU-US interactions and negotiations, first through the Transatlantic Declaration (TAD) of 1990, then through the New Transatlantic Agenda (NTA) and Transatlantic Action Plan (TAP) agreed in December 1995 (Smith 1998 forthcoming). Nor did the initiative receive universal welcome, either within the EU or elsewhere. The US government was cautious, particularly if the trade liberalisation negotaitions did not include agriculture and other sensitive areas; the French were decidedly standoffish, fearing precisely that agriculture and cultural policy, for example, might be included. Athough at present the initiative is effectively on hold, we have certainly not heard the last of the NTMA.

Here we have, on the face of it, another explicit attempt to provide a stabilising framework for EU external relations, and to generate the infrastructure for continuous mutual adjustment of policies. It is difficult, though, to conceptualise this process in terms of the world of boundaries. Because of the continuous and growing mutual interaction generated by previous institutional initiatives, and because of the intense development of both public and private networks in transatlantic economic relations, there is a distinct 'who is us?' problem. Crudely put, in many areas it is not clear where the EU ends and the US begins, because of the development of interpenetration and continuous consultation. This is not to say that boundaries are irrelevant. Two examples will have to suffice. First, the reactions of the French to the potential inclusion of agriculture and cultural policies in the process demonstrated important national and institutional conceptions of inclusion and exclusion. Second, the attempt in the NTMA to leave security and geopolitical issues out of the process illustrates an important boundary not only in functional terms but also in institutional terms; the division of labour in security politics between national governments, the EU's CFSP and the competing international institutional contexts of NATO and the OSCE represents what can be seen as an important boundary area, not yet finally defined.

Much of what I have said, though, indicates that in analysing this negotiation process we should be focusing on layers and networks. In terms of layers, it has been clear that EU-US relations during the 1990s have reflected a highly-developed and multilayered policy milieu (Hocking and Smith 1997). From the perspective of EU policies, this has meant a growing sensitivity to the dispersion of political and economic authority in the United States, just as it has also implied a sensitivity to the historical and contemporary linkages between EU member states and the USA. For example, in the tangled story of airline alliances and the transatlantic airline market, it has been possible to see historical linkages such as those between Britain and the USA, institutional linkages between competition policy authorities, regional linkages and competition between airline 'hubs' and clearly the complex interconnections between governments and public or privately owned flag carriers. In public procurement, it has been sometimes painfully evident that agreement at the 'central government' level on mutual recognition and access to bidding procedures does not commit sub-central governments or local authorities. We are faced, that is to say, with a negotiating space characterised by strong historical deposits and investments, by authority systems in which layering of powers is common, and by consequent problems of coordination, both in negotiation and in the implementation of agreements. And let us not forget that this space is implanted in the broader

world trade regimes constituted by the WTO and other bodies (a fact recognised by those who see the strong linkage between the NTMA and a new 'millennium trade round').

Not only this, but in EU-US relations there is a pervasive growth of networks. The Atlantic area is perhaps the most intensely networked space in the global arena, and this is inseparable from the EU-US negotiating process. The discussion above has indicated that private corporate networks, for example in the aviation industry, have profound implications for the pattern and outcomes of EU-US negotiations. With the advent of EMU during 1999, we will not simply be confronted with a sharply-defined EU-US currency boundary; we will see the power of existing and emerging transnational financial networks to generate shared norms and to learn the informal rules of the new system. I referred above to the 'who is us?' problem faced in the transatlantic negotiation milieu; Susan Strange has also defined this as the 'who are EU?' problem, expressing the extent to which the EU is penetrated primarily (but not only) by US capital, and the extent to which this creates a single market whether or not the EU and the US can agree that it is (Strange 1998). There is formal institutional expression of this feature in the Tranatlantic Business Dialogue (TABD), which has come to exercise an important voice in the areas of mutual recognition agreements and related issues, and which has become embedded in the EU-US negotiation process (Green Cowles 1999).

This combination of powerfully layered negotiation milieux and equally powerfully networked contexts means that in dealing with the NTMA we are far from the world of the 'near abroad' and some distance from the ASEM. Whilst boundaries and bargaining are not unimportant, it appears from this brief case study that multilayered diplomacy and heavily networked problem-solving are the key features of the negotiation process. The framework for management of the EU's external relations is set to a certain extent by intergovernmental bargaining, but to a far greater extent by the linkages and coordination between layers of economic activity and by the construction of croos-national networks in the private sphere.

Conclusions

At the start of this paper, I stated my intention to explore the implications of the story provided by the EU's international negotiating activity. It is clear from what I have argued that there is a great deal more than one story to be told. Indeed, the challenge for analysis of the EU's role in international negotiation is to differentiate relatively systematically between the stories to be told in different types of negotiation mliieu. I have focused particularly on the 'framework setting' negotiations which in many ways present the EU at its most potent: they deal with broad principles as well as specific rules, they concern the stabilisation of the EU's operating environment, and they generate the long term commitment of at least most of the EU's members most of the time. As noted at the beginning of the paper, samples focused on other parts of the spectrum would produce rather different, and rather less encouraging, results.

What I have done is this:

- I have suggested that in pursuing 'framework setting' agreements, the EU as a negotiator must take account of the three 'worlds' of international negotiation, those of boundaries, layers and networks, and of the different negotiation modes they are likely to privilege.

- I have noted that the EU's role as an international negotiator in these conditions is likely to be conditioned by a 'conservative bias' shaped by the EU's internal order and external priorities.

- I have explored the negotiation processes generated in three areas of EU external concern: the 'near abroad', the ASEM and the NTMA.

My general conclusion is that the approach does enable us to discriminate between the three cases, and thus to capture some of the complexities inherent for the EU in 'negotiating the new millennium'. My initial conclusions about the patterns to be observed in each case, in terms of the salience of boundaries, layers and networks, are presented in Table 1 below.

	Near Abroad	ASEM	NTMA
Boundaries	High	Med/Low	Low
Layers	Med	Med/High	High
Networks	Low	Med	High

The 'measurement' of the salience of boundaries, layers and networks in the negotiating milieu is of course purely impressionistic, reflecting the discussion of the cases. Much greater depth of analysis and evidence would be needed to make anything more than a speculative and suggestive assessment. What the table does suggest, though, is that EU policy-makers and negotiators are likely to be more effective in a given negotiating milieu if they recognise the balance of forces between the three 'worlds' and the modes of negotiation they generate. The roles they play, and the effectiveness of their strategies, will reflect the accuracy of such recognition and the capacity of negotiators to develop ways of coping with different yet cross-cutting milieux.

The assumption of a 'conservative bias' also enables us to explore the ways in which the EU and its negotiators have attempted to deal with the challenges presented by different negotiating contexts, and the ways in which the search for stability has been conducted. In the 'near abroad' case, the conservative bias is salient in terms of a sharp paradox: on the one hand, strong awareness of the political and security risks entailed in not negotiating; on the other hand, equally sharp perceptions of the potential costs of the negotiations entered into and the implications of either maintaining or modifying boundaries. The ASEM presents a different picture, in the sense that there is a clear desire to stabilise relations with an area of growing importance, and to establish the EU as a player in the region, alongside a clear limitation on the extent to which the EU can exercise direct leverage. In the case of the NTMA, we are presented with a strong awareness of the interpenetration between economies and societies and the limitations to 'governmental' power, but also with a desire among some members to defend the boundaries of EU-US integration and to maintain the distinctivenss of the EU policy space.

The table also suggests some questions about the impact of the EU on global and European negotiations. Writing about the EU's international role in the specific context of the 'capabilities-expectations gap', Chris Hill has identified a number of possible roles for the EU as it approaches the new millennium: a replacement for the USSR in the world balance of power; a regional pacifier; a global intervenor; a mediator of conflicts; a bridge between the rich and the poor; a joint supervisor of the world ecomony (Hill 1998: 34). Hill is particularly concerned with the extent to which the EU's institutional and other assets enable it to perform these roles. From the point of view of this paper, however, it is possible to add to what Hill is saying. First, although he differentiates between realms of international activity, this paper enables us to say something more precise about what goes on in those realms, and what kinds of policy and negotiating spaces they are. Second, a focus on negotiation enables us to ask some targetted questions about the relationship between the EU order and the broader order its negotiators are trying to frame for the new millennium. By doing this, we can put some additional flesh on the bones of the 'capability-expectations gap', and also indicate important ways in which the EU can and cannot hope to emulate other 'superpowers' in the early years of the new millennium.

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