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Synthesising European external functions: Reflections on a multilayer merger and its likely impact on European Development Policy

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SYNTHESISING EUROPEAN EXTERNAL FUNCTIONS:
REFLECTIONS ON A MULTILAYER MERGER AND ITS LIKELY
IMPACT ON EUROPEAN DEVELOPMENT POLICY

Simon Hartmann

JUNE 2010
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Motivation

With the ratification of the Lisbon Treaty by all Member States, substantial changes have entered into force for the European Union as a global actor. The Treaty foresaw a new European Council President and a High Representative of the Union for Foreign Affairs and Security Policy (HR) to preside over European external relations. Catherine Ashton was appointed to the HR post in 2009.

According to the Lisbon Treaty the position of HR is determined as double-hatted. First, she acts on the intergovernmental area of the EU by conducting the Common Foreign and Security Policy (CFSP) and Common Security and Defence Policy (CSDP) while her second role as Vice-President of the European Commission also anchors her at the Community level. In order to support her in fulfilling her mandate, the European External Action Service (EEAS) is currently being established. This service will assist her and, moreover, take on duties in support of the Commission and its President (by cooperating with general and internal services of the Commission) and the President of the European Council (by cooperating with the General Secretariat of the Council); it will appropriately support the European Parliament and “other institutions and bodies of the Union”; and it will cooperate with the diplomatic services of Member States. Interweaving the Common Foreign and Security Policy (CFSP) with substantial parts of three Community policies which have a distinct bearing on foreign relations (Enlargement and Neighbourhood, Humanitarian Affairs, and Development) will enable the new body to achieve greater consistency in external relations. While authority over these policies remains within the Commission, significant issues of planning and strategy will now be handled outside the Community policy level. External relations policy was formerly managed by the Directorate General for External Relations (DG RELEX); this Community structure is being dissolved and – together with the CFSP – merged into the new body and the position of HR.

With regard to European Development Policy, the HR proposal is expected to bring changes in some areas but not in others. First, Development remains the responsibility of the Development Commissioner, but the EEAS will now be in charge of programming external relations instruments. While authority over the instruments (and hence authority over financial scope) is incumbent upon the Commissioners, programming will now take place inside the EEAS. It will be responsible for country allocation and strategy as well as programming the allocation of funds. The Commission will continue to manage the final steps of the programming cycle – the implementation issues which consist of policy formulations and programme implementation. In a recent speech, the HR argued that “[t]he EEAS will follow their [note: their = Directorate General for Development’s (DG Dev)] guidance when preparing the strategic programming” (Ashton 2010). The Development Cooperation Instrument (DCI) and European Development Fund (EDF) are, to a large extent, ODA (for examples, see DCI 2006, Art. 2 para. 4 or the European Development Fund, EDF), and are therefore intrinsically connected with development policy. The transfer of highly determinant parts of these instruments from the Commission to the EEAS is about to bring substantial changes to the work of European Development Policy actors. Inter-institutional accountability mechanisms will be crucial for the future profile of European development policy, but so far the definitive rules for “team” collaboration have not been described in detail. Second, although Development will remain a separate European policy, it is already safe to say that it will gradually move closer to the CFSP. And finally, as development policy will also remain a shared competence between the Community and Member States, the integration of member state staff into the new body may strengthen the Union’s influence in coordinating the Community policy with the individual policies of its 27 member states.
The following analysis begins with a general commentary on organisational and political dynamics from an external relations perspective, and then proceeds to discuss Development policy as part of European external relations, by drawing on the concept of Policy Coherence for Development (PCD). The paper concludes with some reflections on the future of Development policy within the EU.

Organisational and political dynamics

The EEAS comprises an administrative body and Union delegations which are responsible for relations with third countries and international organisations (HR proposal Article 1 para. 4). Although the EEAS is conceived as a “[…] functionally autonomous body of the Union under the authority of the High Representative […]” (see Article 27(3) TFEU), its appearance will clearly shape and be shaped by the institutional structure of the EU. This is due to the composition of the staff and the connectivities between the EEAS and other EU institutions. Both may have an impact on European Development Policy.

Organisational dynamics

There has been considerable discussion about the organisation and functioning of the EEAS, but no final organogram has yet emerged. From the limited information currently available, it seems likely that the EEAS will be headed by a corporate board consisting of an executive Secretary General and two assistant Secretaries General. The service as a whole will be grouped into three domains: administration, geographic desks and operations (Deletroz 2010). It is obvious that Member States will be involved in human resources decisions at this level but – unlike the HR selection process – the appointment of the Secretary General will lack democratic legitimacy (such as co-decision by the European Parliament, Brantner 2010).

In general, EEAS staff will be recruited from the General Secretariat of the Council, the Commission and Member State delegations. EEAS staff from Member States are classified as temporary, whereas it is anticipated that EU officials will probably serve longer periods in the EEAS. Although the HR proposal formally recommends that all positions in the EEAS shall be offered to all staff members “under equivalent conditions” (regardless of whether they are temporary or long-term), Member States representatives are concerned about their real influence in shaping the functioning of the service.

The merger of Commission, Council and Member State staff will highlight several aspects of organisational dynamics, and will probably indicate areas of potential conflict in the new body, arising from the divergence in interests of the actors involved. There is evidence from organisational studies that, when political departments are merged, one organisation may be subsumed into the structures of another organisation and, in doing so, lose its former organisational objectives. Additionally, individual behaviours within the EEAS will probably be influenced by the routines of the organisations they come from: the Commission, the Council Secretariat and (governmental) organisations in Member States. The initial phase of formation of the EEAS – which will be dominated by Commission and Council staff – will strongly influence the organisational culture and routines of the new body. However, over the years they will be joined by staff from up to 27 Member State organisations, and the EEAS is therefore likely to become a melting pot of different organisational cultures, which will introduce considerable unpredictability into the organisation’s development (for examples of problems of post-merger integration in complex organisations, see Bligh 2006). As Member States are expected to be underrepresented during the initial phase of the EEAS, they are unlikely to put their own mark on the organisational structure of the EEAS; rather, their work will be largely shaped by the existing organisational structure. Although the HR proposal
claims that the EEAS staff “… shall carry out their duties and conduct themselves solely with the interests of the Union in mind” (HR proposal, Art. 6 para. 2), the staff structure is likely, however, to provoke “turf wars” (Ollivier 2010) between diverging member state traditions and member state and Union interests. Success will very much depend on convincing staff members to “believe in the underlying ideology of the merger” (Bligh 2006, 408) of Community and Member State entities, and the ability to demonstrate that improvements to their work will flow from the changes that the new body will bring. Considering the frequent divergence between the interests of the Union and those of Member States, it would be no surprise if, during the implementation process, some of the HR proposal’s recommendations fell victim to political realities (for further discussion on this topic see Thomas 2009).

Organisational design is likely to have significant implications for development. Hence, to guarantee the continuation of a meaningful European Development Policy, firstly those Commission staff with development expertise must be deployed in both the administrative part of the EEAS and the EU delegations. Secondly, as there is no higher-ranking entity for development within the EEAS (at least no higher-ranking than for other policy areas), the strategic orientation of future European development policy will largely depend upon the development expertise and development commitment of the EEAS staff as a whole (executives included). Thirdly, the performance of development policy will largely depend on effective collaboration and alignment between the EEAS strategic planning desks and the Development Commissioner. There are currently no details about how the Commissioner could effectively apply “authority” over strategic development programming which is now – as previously mentioned – located within the EEAS. In principle, members of EEAS staff may not take instructions from actors outside the EEAS (with some exceptions in the case of Union delegations).

Summing up, staff members from the Commission’s DG-Dev will bring development expertise to the EEAS, but it is not clear to what extent. Development strategies and programming could increasingly be influenced by actors other than development experts. In particular, the initial composition of EEAS staff and the organisational culture which subsequently emerges will very much determine the significance of development as a European policy and – from a broader perspective – shape the future perception and role of the EU as a global actor.

**Political dynamics**

**Inter-institutional cooperation**

The EEAS shall improve *inter-institutional cooperation*, which means the convergence of intergovernmental CFSP and supranational policies. Alongside the organisational concept of combining Commission staff (Community level) and Council personnel (who are principally closer to intergovernmental cooperation), the integration of programming into the EEAS represents another level at which the Commission’s external policies and the intergovernmental level are now becoming more closely linked. According to the HR proposal, Commission policy budget lines such as the Development Cooperation Instrument (DCI), the European Instrument for Democracy and Human Rights (EIDHR), the European Neighbourhood and Partnership Instrument (ENPI), the Instrument for Cooperation with Industrialised Countries (ICIC), the Instrument for Nuclear Safety Cooperation (INSC) and the EDF will all be integrated within the EEAS. This change will tie policy in the areas of Enlargement and European Neighbourhood, Humanitarian Aid and Civil Protection and Development directly to the CFSP. In making this proposal, the HR seems to be striving for greater coherence between these externally oriented policies. Furthermore, the integration of Member State delegations into the service might contribute to improved coordination among Member State policies and thereby improve consistency in Union-wide external policies.
Since entirely aligning member states with European external relations objectives is – from the perspective of political reality in Europe - not very likely, the most important challenge for the EEAS will be to bring more order to the plurality of traditions and to aggregate forces wherever it is practical and worthwhile.

This could be achieved by drawing CFSP closer to the Community level (as favoured by Parliament), which could potentially create a new European body with the ability to initiate legislation in a broad field of European external relations. Smaller Member States usually prefer this scenario, as their weight in intergovernmental negotiations is limited; larger Member States mostly advocate intergovernmental cooperation, because power structures and negotiation procedures are often in their favour, and allow them to dominate the agenda (Reiterer 2009, 11). As the HR proposal argues for transferring parts of the Commission competences into a “functionally autonomous” EEAS, it can be foreseen that some elements of the relevant Community duties will soon be eroded; or, as Franziska Brantner (2010) warns: “What should be avoided in any event, however, is a hybrid of the two approaches, which would obscure competences, swell staff, and lead to a reversal of already communitized policies” (Brantner 2010). As mentioned above, the EEAS proposal moves Development policy closer to the intergovernmental method of the EU, which apparently means undermining the influence of the European Parliament in Development issues.

**Consistency and Development: Policy Coherence for Development (PCD)**

Looking at PCD on a European level, it is important to remember that Development policy is a shared competence between Community and Member States. Hence coherence within European policies (horizontal coherence) and coherence between European and Member State policies (vertical coherence) are two separate perspectives which must both be taken into account.

Vertical coherence largely concerns the coordination of 27 Member State policies with one Community policy. The integration of Member State diplomatic staff will facilitate the coordination of development policies. The relocation of substantial development-related Commission duties supports the expectation that the EU’s role as policy coordinator probably becomes more important than its role as a 28th donor. Making the aid system more efficient and – from the perspective of structuring comparative advantage – more effective will be the main practical goal.

Looking at horizontal coherence, the most striking omission (and hence drawback) is that Community policies such as trade and agriculture do not seem to be included within the scope of the EEAS. Both have a strong bearing on external relations and therefore on EEAS policies. As the HR lacks any references on this issue, the HR’s role as Vice-President of the Commission will grow in importance. Currently the Commission still favours the “status quo” instead of striving for greater links between Community policies and the new diplomatic body. Long-term success in building consistency in external relations and improving policy coherence requires an EEAS with complete familiarity with all external impact of European policies (see Brantner 2010). Hence, based on the HR proposal, the EEAS has to be developed further in this regard. Assessing the work of the EEAS in terms of policy coherence must take political realities into account: the political system is pluralist, so to call for perfect coherence between every policy is unrealistic. In the case of PCD, concentrating on “win-win solutions” would be a practical orientation (as there will always be some necessary incoherencies “from the aggregation of legitimate conflicting interest”, Carbone 2008, 4 drawing on Koulaïmah-Gabriel 1999, Hoebink 2004, Picciotto 2005). The most important dynamic in terms of the PCD issue is the way development and other policy fields relate to each other and hence European Development Policy actors shall keep the recently published suggestions of the European Think-Tanks Group in mind: “[O]nce development
policy allows itself to have an opinion about other policies, these policies will subsequently allow themselves to have an opinion about development policy” (European Think-Tanks Group 2010, 22).

The proposal at hand provides vertical and horizontal PCD with some room for manoeuvre. This largely relies on those in charge within the EEAS; it depends on their commitment to Development, and in particular their assertiveness and expertise in development-related issues. Relations between the EEAS and the Commission could be conducted under the HR as an authority in both bodies. Teamwork and informal relations between EEAS and Commission staff will develop alongside her ability to unite both functions, and will largely depend on the priorities of her work. Although the new EEAS staff will find its own informal routines for working with the Commission and other EU bodies, Commission staff will play a key role in the establishment of those routines. Since initially at least one third of all EEAS staff will come from the Commission, much will depend on using existing channels of communication, and on the cooperation between those staff remaining at the Commission and former Commission staff now working within the EEAS. From the horizontal perspective, the existing HR proposal raises two important issues which are yet to be resolved. The first concerns the importance of development policy within the EEAS (the degree development experts manage to “developmentalise” the EEAS), and the second relates to inter-institutional relations and the mechanisms for consultation between the EEAS and the Community level.

Summing up, the successful implementation of the PCD concept is subject – from both perspectives – to theoretical constraints and political realities. The overall management of all Union actions will be incumbent on the HR, supported by the Heads of the new EU delegations (HR proposal Art. 5 para. 2). To be successful, HR Ashton will need a sound sense for European traditions in external relations, and will hopefully detect both the dangers and opportunities that may arise from the division of labour in Development.

Concluding remarks

The capacity and role of the EEAS will largely depend on successful organisational development and effective cooperation between institutions. From the current HR proposal, the European role as a coordinator of development policies among all Member States probably offers the greatest opportunity; and the proposal moves the issue of the division of labour in Development to the top of the agenda. Beyond the formal HR concept of its operation and organisation, the performance of the EEAS will be significantly influenced by the complexities of European policy mechanisms.

As expected, the concept does not propose an overarching Development view. Hence the future of Development as a European policy largely relies on the culture of the new hybrid organisation. At least from the perspective of the staff structure the EEAS will be a hybrid and this bears dangers but also considerable prospects as the intended kind of overlapping and tight interworking of Foreign Policy and Development Policy staff members in a common organisational body will be rather unique. The intra-organisational assertiveness of development experts and their commitment to development principles and goals will both prove crucial. Embedding the CFSP within a long-term strategic development framework would clearly be very different to an EEAS – withdrawn from the influence of Parliament – with a development policy subordinated to overarching CFSP interests. Therefore – and for many other reasons besides development policy – the European Parliament continues to clamour for influence and rights over the EEAS, and to thereby drag it into the light of democratic accountability.
Finally, PCD will remain a difficult issue in terms of implementation, because the HR proposal failed to include the important issue of links between the EEAS and influential policies such as trade and agriculture. Just as the implementation of PCD would be highly desirable, neglecting political realities could be highly damaging (particularly in the current environment of political and economic crises). The importance of a European foreign policy and greater consistency in external relations is obvious (and therefore little contested). Rival perceptions and interests make the realisation of this project a significant accomplishment. Hence the future of European Development Policy is closely tied to success in positioning and assuring Development as an essential European interest. Repeated communications on the anticipated benefits for Europe of a European development policy will probably be unavoidable; emphasising this point will remain an ongoing task.

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i Although the Commission strove to retain the development policy-making process within the Commission, the EEAS is now taking charge of all country desks for all regions worldwide. Recently a memorandum prepared by the international law firm White & Case LLP suggested that the HR proposal is hardly consistent with the Lisbon Treaty. They argue that the new body "cannot alter areas of competence as defined under the treaties, such as the 'exclusive competence' of the Commission in development co-operation activities" (Vogel 2010; the exclusive competence being stipulated in Article 208 TFEU). Simon Duke and Steven Blockmans, in a legal brief for the Centre for the Law of European External Relations (CLEER), conclude that the "Council decision of 25 March 2010 does not constitute a violation of the spirit or letter of the Lisbon Treaty". In line with ECDPM conclusions (2009) they see a potential to ‘developmentalise’ European external relations and - as development is a policy with "cross-cutting political and legal issues" - they argue that insisting on the autonomy of development "would fly in the face of the spirit of the Lisbon Treaty which remains the creation of a more coherent, effective and visible Union on the international scene" (Duke/Blockmans 2010, 14 drawing on ECDPM 2009).

ii According to the outcome of the Foreign Affairs Council (26th April), the HR shall be represented politically by the three Commissioners during debates in the European Parliament (EP) and, in the case of the HR’s absence from debates relevant to CFSP/ESDP, she shall be represented by the foreign minister of the country currently in charge of the EU presidency. The European Parliament claimed that no civil servant – such as the Secretary General could represent the EEAS vis-à-vis the Parliament.

iii Until now no detailed recruiting procedure has been made available, but Article 6 para. 9 of the HR proposal suggests a selection procedure which "shall be based on merit and on the broadest possible geographical basis, in conformity with the Staff Regulations and the Conditions of Employment of Other Servants, with due regard for gender balance" (HR proposal, Article 6 para. 9).


v There are only ambassadors from three member countries – the current and next two presidencies (Spain, Belgium, and Hungary) - directly involved in the HR working groups (Vogel 2010).

vi She cites a survey involving 218 major US organizations carried out by Hewitt Associates during the year 1999. They concluded “integrating corporate cultures" was the “top challenge for 69 per cent of surveyed companies” (Bligh 2006, 1 drawing on Troiano 1999).

vii Potential conflict areas in organisation mergers include issues such as: "company identities, communication difficulties, human resource problems, ego clashes, and inter-group conflicts... often grouped under the umbrella term of 'cultural differences'” (Bligh 2006, 2)

viii Article 6 para 2 of the HR proposal stipulates that "[t]he staff members of the EEAS [...] shall neither seek nor take instructions from any Government, authority, organisation or person outside the EEAS or any body or person other than the High Representative". The exception applies for areas where the Treaty confers powers to the Commission (for example in development issues). In this case the Commission can instruct the members of the delegation they originally deputed (for example Commission development staff in delegations). During the debate in the Foreign Affairs Council on 26 April 2010 there was a debate on this issue. HR and foreign ministers agreed that, in the case of Commission instructions, copies of the contents must be forwarded to the Heads of the Delegations and EEAS staff (Busse 2010).

ix To date, the EDF is the only instrument which has been directly funded by Member State contributions.

x Although the Lisbon Treaty generally makes co-decision the general legislative procedure, the CFSP still remains a domain in which the Council has exclusive competence. The choice of method is determined by the willingness of Member States to transfer competence to the common level. The intergovernmental method puts Member States in a position to block changes. Larger members usually dominate this method with their superior relative strength in intergovernmental negotiations. The alternative community method could force Member States to implement measures they are opposed to.

xi She is responsible for external relations and at the same time she holds the position of Vice-President of the Commission.

xii Cultural development of organisations is strongly determined by "daily procedures, routines, and relatively mundane events". Hence Michelle C. Bligh, referring to Schein’s work (1985, 1992), argues that “researchers and practitioners may [...] overemphasize the role that changes in formalized rules and structures play in this process” (Bligh 2005, 417).
### List of Abbreviations

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<th>Abbreviation</th>
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<tr>
<td>CFSP</td>
<td>Common Foreign and Security Policy</td>
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<td>CLEER</td>
<td>Centre for the Law of European External Relations</td>
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<td>CSDP</td>
<td>Common Security and Defence Policy</td>
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<td>DCI</td>
<td>Development Cooperation Instrument</td>
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<td>DG RELEX</td>
<td>Directorate General for External Relations</td>
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<td>EDF</td>
<td>European Development Fund</td>
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<td>EEAS</td>
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<td>EU</td>
<td>European Union</td>
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<td>HR</td>
<td>High Representative of the Union for Foreign Affairs and Security Policy</td>
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<td>ICIC</td>
<td>Instrument for Cooperation with Industrialised Countries</td>
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<td>Instrument for Nuclear Safety Cooperation</td>
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<td>Official Development Aid</td>
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<td>PCD</td>
<td>Policy Coherence for Development</td>
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Resources

Ashton, Catherine (2010), Speech to the European Parliament's foreign affairs committee, SPEECH/10/120, Brussels, 23 March 2010.


