

# European Policy Review

Volume 6

Editorial team  
Daemon Ortega Froysa & Dyuti Pandya

## Editor's foreword

Over a year later the war in Ukraine continues to rage, challenging the international order and propelling European states to act in the pursuit of long-term mutual security. This year's volume of the European Policy Review explores these topics, specifically through a focus on European energy security, the European defence market, internal challenges within the EU, and soft-power politics in the Union's near-abroad. Now more than ever it is important to listen to the voices of European youth, as they increasingly continue to determine the EU's future through both the ballot box and debate. EPR 2023 aims to facilitate this in whatever small way it can by giving well-made articles a platform to engage the public with interesting ideas, analyses, and research.

We would like to extend a warm thank you to all the writers, editors, and peer reviewers that worked so hard to make this volume a reality, and who have contributed their knowledge and expertise towards improving the quality of the publication. Finally, we hope that you find the articles prepared in this journal to be informative, engaging, and thought-provoking to read.

Your own submission would also always be appreciated for the next edition of the journal!

- Dyuti Pandya & Daemon Ortega

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# The EU's Role in Preventing a New Conflict and Ensuring Sustainable Peace Between Armenia and Azerbaijan

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## Abstract

The EU launched a Common Security and Defence Policy civilian mission in Armenia on 20 February 2023 to contribute to de-escalation and stability in its border areas, committing to serve as a soft security deterrent through its political leverage and physical presence in the region. It is expected to strengthen Armenia's resistance to military offensives and coercion, and help achieve a sustainable peace during negotiations with Azerbaijan. The EU itself was a passive observer of the 2020 Nagorno-Karabakh war until the second half of 2021, drawing criticism for its lacklustre policy reaction to the conflict. In the past couple of years, however, the Union has stepped in to fill the vacuum generated by the delegitimisation of the OSCE Minsk Group, as well as the growing polarisation between its members: Russia on the one hand, and the EU and US on the other.

Armenia has the highest ranking of democracy and human rights in the region, and is trying to reduce its dependency on Russia, while Azerbaijan is the most autocratic country manoeuvring between the West and Russia, yet committed to contributing to Europe's energy security. The deployment of the EUMA contributes to the stabilisation of the region through its political leverage, restoration of the undermined trust in the international community, and the creation of favourable conditions for ensuring its energy interests and influence in the region. Thus, the EU is walking a tightrope between liberalism and realpolitik, balancing its roles as a normative actor and geopolitical player through both mediation and deterrence.

This paper is the academic and updated version of a policy article published on the day of launching the EU Mission in Armenia (EUMA) (Tatikyan, 2023a). It is based not only on academic research but also practical work of the author as a member of the expert community and civil society involved in peacebuilding, public diplomacy and advocacy. Some of the analyses about the perspectives of the EU officials, the Armenian authorities and the opposition, expert community, civil society and wider public have been made on the basis of the meetings and discussions based on Chatham House rules, following and taking part in the public discourse and monitoring the media and the social media.

## Keywords

EU CSDP, conflict, peace and security, Armenia, Azerbaijan

## Background

The European Union (EU) Mission in Armenia (EUMA) is a monitoring mission, which will strengthen, through patrolling and reporting, the EU's understanding of the situation on the ground (Council of the EU, 2023). It has an initial mandate of two years, and will consist of around 100 personnel, including fifty unarmed observers. Its headquarters is established not in Yerevan, but in Yeghegnadzor, a town and urban municipal community serving as the provincial capital of Vayots Dzor Province in the Southern Armenia, and its field offices in Kapan, Goris, Jermuk, Martuni, and Ijevan. European External Action Service (EEAS) Managing Director of the Civilian Planning and Conduct Capability (CPCC), is the Mission's Civilian Operation Commander, and its Head on the ground will be Dr Markus Ritter, head of the German Federal Police Headquarters in Stuttgart and former Head of Mission of EUAM Iraq (Negi and Pietz, 2023). According to an EU official, as of the end of May, the mission had recruited a total of 60 international staff from 18 EU member countries with Germany and France being leading contributors, and the recruitment will continue to reach its maximum capacity.

The EUMA will follow the two-month EU Monitoring Capacity in Armenia (EUMCAP) which consisted of forty observers drawn from the EU Monitoring Mission (EUMM) in Georgia. This temporary arrangement was based on the statement adopted at the quadrilateral meeting between Armenia, Azerbaijan, France, and the EU on 6 October 2022, in which Armenia and Azerbaijan confirmed their commitment to the UN Charter and the 1991 CIS Alma-Ata Declaration, through which both states recognised each other's territorial integrity and sovereignty ("Statement following quadrilateral meeting", 2022).

The EU is deploying the mission in Armenia upon the request of the Armenian Government. The EU attempted but could not obtain Azerbaijan's authorisation to deploy on the Armenian-Azerbaijani border, and both Azerbaijan and Russia have objected to the deployment of the EUMA. The Ministry of Foreign Affairs (MFA) of Azerbaijan has cautioned that the mission must consider "the legitimate interests of Azerbaijan" and "not be exploited for derailing the normalisation process between Azerbaijan and Armenia" ("Commentary by the MFA of Azerbaijan on the decision of the European Council to establish EU Monitoring Mission in Armenia", 2023).

President Aliyev of Azerbaijan has called the EU's intention to deploy the mission a "very unpleasant fact" ("Президент Ильхам Алиев: Направление очередной миссии ЕС в Армению является весьма неприятным фактом", 2023). Foreign Minister of Russia Lavrov has stated that the deployment of a new mission "could only be counterproductive" in building trust since it would not have the approval of the Azerbaijani side. He has questioned the civilian nature of the mission, warning that the 2,000-strong Russian peacekeeping mission in Nagorno-Karabakh and Russian border guards serving in Armenia

“will react to the behaviour of the EU observers taking into account the situation on the ground” (Kuchera, 2023). He also suggested that the Russian-led Collective Security Treaty Organization (CSTO) had prepared a plan to deploy a peacekeeping operation on the border between Armenia and Azerbaijan, hinting that Armenia preferred an EU Mission (Lavrov says CSTO mission on Armenia-Azerbaijan border can be deployed in one or two days, 2023).

Let us now examine the motivations of each stakeholder in the context of the deployment of this mission.

## Stakeholders analysis

### Armenia v. Azerbaijan

After trying to legitimise the 2020 Nagorno-Karabakh war and its results by the need of restoring its territorial integrity (Tatikyan, 2022b), Azerbaijan started presenting territorial claims to Armenia proper. Armenia is aiming to preserve its territorial integrity in light of Azerbaijan’s military offensives in May 2021 (Tatikyan, 2021a), November 2021 (Tatikyan, 2021b), and September 2022 (“Prime Minister Nikol Pashinyan’s speech in the National Assembly regarding the situation created as a result of the military aggression unleashed by Azerbaijan”, 2022), as well as Azerbaijan’s creeping annexation that is advancing its positions in between military offensives. According to official Armenian sources, as of February 2023 Azerbaijan was occupying at least 150 square kilometres of Armenian territory (“Remarks by Minister of Foreign Affairs of Armenia Ararat Mirzoyan at the Special Meeting of OSCE Permanent Council”, 2022). This number did not include areas that Armenia conceded under political-military coercion in 2021, hoping that Azerbaijan would stop its territorial claims and offensives, such as the Goris-Kapan road (Tatikyan, 2021b). Moreover, while engaging in offensive operations, Azerbaijan’s Ministry of Defence (MoD) spread disinformation blaming Armenia for provoking them on a regular basis. Being far away, EU member countries did not know when to expect a new military escalation and did not know what position to adopt.

Azerbaijan has also been demanding an extra-territorial corridor through Armenia’s Syunik region to connect it with its exclave Nakhichevan through false justifications (Tatikyan, 2022a), and threatening that if Armenia does not agree to it, they would take it by military force (Avetisyan, 2021). Finally, Azerbaijan has been making territorial claims on most of Armenia, including its biggest water basin Lake Sevan, its capital Yerevan, and even calling Armenia “Western Azerbaijan” (“President Ilham Aliyev: Concept of Return to Western Azerbaijan should be an authoritative document”, 2022). Aliyev publicly announced an initiative of historical revisionism in December 2020: “Our books on historical facts need to be updated. [...] We will invite scientists, archaeologists, historians from the countries we

consider our friends to hold a prestigious international conference and present it” (Speech by Ilham Aliyev at the meeting with a group of intellectuals from Western Azerbaijan, 2022).

The Armed Forces of Armenia were not sufficiently prepared, reformed and modernised before the 2020 war, which resulted in their military defeat in defending the right of Nagorno-Karabakh Armenians to live in their homeland and the resulting loss of their role as a security guarantor. In the aftermath of the war, the army faced extraordinary political and security challenges, which hindered the restoration of its defence capacity. The Armenian army struggled to stop Azerbaijan’s military offensives, unable to balance immediate conventional threats with its need for long-term defence reform. Aliyev implied that the Armenian army is in poor shape and that Armenians should accept all Azerbaijani demands, otherwise Azerbaijan would launch another war and destroy Armenia (Tatikyan, 2022a). He also stated that if Armenia tries to restore its Armed Forces, Azerbaijan would immediately launch a military offensive and destroy it (Mehdiyev, 2021). Azerbaijan has been trying to legitimise its military offensive and creeping annexation of Armenia, and delegitimise the right of Armenia to self-defence and restoration of its defence sector. Azerbaijani rhetoric violates fundamental principles of the UN Charter: Article 2(4) prohibiting the unilateral use of force, except for self-defence, and Article 51 on the individual and collective right of each country to self-defence (UN Charter). Each country has not only a right but an obligation to protect its civilian population.

Since the EUMCAP was deployed, Azerbaijani offensives against Armenia, as well as allegations that Armenia is provoking them have decreased. The EU Mission reduced Armenia’s anxiety about the possibility of new military offensives by Azerbaijan.

However, in April 2023 there was further creeping annexation of Azerbaijani Armed Forces in the territory of Armenia, allegedly extending the territories occupied by them up to 215 sq kms (Civilnet, 2023), and provoking a clash with Armenian servicemen resulting in new casualties. Armenia called it “another encroachment on the territorial integrity of the Republic of Armenia” and asked international partners “to condemn Azerbaijan’s aggressive actions through targeted statements” (“Statement of the Ministry of Foreign Affairs of the Republic of Armenia”, 2023), while Azerbaijan once more tried to disseminate disinformation and accuse Armenia for the incident (“Statement on establishment of the border checkpoint by the Republic of Azerbaijan at the starting point of the Lachin-Khankandi road”, 2023). The EU made another neutral statement, emphasising the importance of withdrawing “the forces of either side” to safe distances from the line of contact in the absence of a delimited border (“Armenia/Azerbaijan: Spokesperson statement on the latest incidents at the Armenia-Azerbaijan border”, 2023) in contrast to the more targeted statement by France, which underlined that “Armenia’s territorial integrity must be respected and Azerbaijani forces

occupying positions on the Armenian side of the line of contact must withdraw” (Armenia – Azerbaijan – Border clashes, 2023).

This renewed the wave of anxiety in Armenia in relation to its border security, was used by the illiberal opposition to undermine the confidence in the EUMA presence in Armenia, and thus served the interests of Azerbaijan and Russia. References by the EU officials to the procedure of notifying the Azerbaijani side about their patrols in advance to avoid incidents and physical security risks for the EUMA personnel (Gavin, 2023) were distorted and manipulated by certain circles in Armenia, who even claimed that the EU observers serve Turkish-Azerbaijani interests by sharing the information they collect with the Azerbaijani side (“MP Mkrtchyan’s false and groundless claims regarding the EU mission in Armenia”, 2023).

This showed the danger of unrealistic expectations from the EUMA entertained by extreme pro-Western figures in Armenia, and the lack of understanding of its role by the general public. As the EU delegation in Armenia clarified, the EUMA observers “monitor along the border and see what’s happening around the border, but that doesn’t mean they’re exactly where something is happening at the moment” (“The EU delegation in Armenia issued a clarification regarding Andrea Victorin’s statement”, 2023). As a deterrent for Armenia’s defence, an EU civilian mission is too soft and limited in capacity, and is rather envisaged to support the mediation efforts by the EU. Meanwhile, the Armenian defence sector started recovering, which resulted in its effective resistance to a new attempt by Azerbaijan on May 11 to exert military pressure on the eve of the resumption of high-level talks between the Head of States of Armenia and Azerbaijan facilitated by President of the European Council Michelle (“A briefing was held at the Ministry of Defense”, 2023).

Last but not least, the deployment of this mission can be considered a victory of Armenia’s progressive civil society and expert community, who have been urging the Armenian government to use international multilateral mechanisms, including the OSCE and EU monitoring missions for ensuring border security, and border delimitation and demarcation between Armenia and Azerbaijan. Some advocated for an EUMA domestically and internationally, and they are pleased to see the results of their public diplomacy efforts. At the same time, expectations management in relation to the EUMA’s role in Armenia is challenging, generating unrealistic high expectations by neoliberalist circles combined with attempts to undermine it by illiberal and neorealist circles.

### **Russia and the CSTO**

Even after the 2020 war in Nagorno-Karabakh, not prevented or stopped on time by Russia, Armenia relied on its military alliance with Russia and its CSTO membership for support in defending its territorial integrity until at least the first incursion of Azerbaijan into Armenia

in May 2021. However, neither Russia nor the CSTO fulfilled their commitments, leaving Armenia alone in the face of military blackmail and aggression, not preventing Azerbaijan's military offensives and advances into the internationally recognized territory of Armenia and not even expressing political support to Armenia in 2020–2022. At the CSTO summit in November 2022, Pashinyan pointed out that “Armenia’s membership in the CSTO did not stop Azerbaijan from resorting to aggressive actions”, and the CSTO has not been able “to make a decision regarding its response to Azerbaijan’s aggression against Armenia” (“The confirmation of the CSTO zone of responsibility in the Republic of Armenia is of fundamental importance for us”, 2022). After multiple requests by Armenia between May 2021 and September 2022, the CSTO eventually sent a fact-finding mission to Armenia in September 2022 and offered technical assistance (“The CSTO mission in the Republic of Armenia led by the Secretary General of the Organization Stanislav Zas visited border area with the Republic of Azerbaijan”, 2022). However, it was too late and possibly triggered by an intent to hinder the EU Mission in Armenia—the CSTO had lost its credibility in Armenia, and the possibility of an EU Mission was already being explored.

Since spring 2023 when Azerbaijan resumed escalations in the border areas of Armenia in spite of the presence of the EUMA, Russia has reiterated its offer of the deployment of CSTO observers. Most likely, intensification of the Russian interest in deployment of the CSTO mission in Armenia is conditioned by the intention of neutralising the increased EU interest in the region. On 17 May 2023, Russian Foreign Minister Lavrov said the Armenian government’s last-minute decision to postpone the sending of a CSTO observer mission to the Armenian–Azerbaijani border was a mistake and “if Yerevan had confirmed what had already been agreed and remained ready for signing and entry into force... Armenia would have won and would have received a more stable situation” (Mirzoyan, 2023b). He also accused the West of pressuring Armenia to end Russia’s military presence in Armenia and rely instead on the United States for defence. Pashinian responded that there is no such “agenda” in his administration’s dealings with the U.S. or the EU and that Yerevan is discussing security issues with the Western powers because the Russian-led “security architecture” comprising Armenia is “not working for objective or subjective reasons” (“Russia Warns Armenia Over CSTO Exit Talk”, 2023).

The CSTO’s reluctance to support Armenia is based on other CSTO members’ closer relations with Azerbaijan (Margaryan, 2022)—unsurprising given their common geopolitical interests, common values and similarly autocratic governance systems while, in contrast, Armenia has committed itself to democracy. The lack of Russian support for Armenia in light of Azerbaijan’s military aggression has been conditioned by the growing alliance between Russia and Azerbaijan, formalised in their Joint Declaration of 22 February 2022 (Declaration on allied interaction between the Republic of Azerbaijan and the Russian Federation, 2022).

In May 2023, Aliyev stated during his meeting with Putin in Moscow “today, we already characterise [our] relations as allied, not only de facto, but also de jure” (“Meeting with President of Azerbaijan Ilham Aliyev”, 2023).

While manoeuvring between major actors of the region, including Russia, Azerbaijan has been trying to label Armenia as a Russian proxy (Tatikyan, 2022a). The EUMA’s presence makes it difficult for Azerbaijan and its lobbyists to push that narrative further, especially given both Azerbaijan’s and Russia’s opposition to the mission. Thus, Aliyev has changed its narrative, now blaming Armenia for having “lost the chance to become a really independent country” and “looking now for a new master or masters” (“Ilham Aliyev attended international conference on ‘Shaping the Geopolitics of the Greater Eurasia: from Past to Present to Future’ in Shusha”, 2023). It neglects its own acceptance of the deployment of the Russian-Turkish monitoring centre in Aghdam following its victory in the 2020 war (“Russia and Turkey open monitoring centre for Nagorno-Karabakh”, 2021).

Illiberal opposition and experts of Armenia who are believed to be influenced by the Kremlin, attempted to explain the lack of the Russian and CSTO support to Armenia by the distracted attention and stretched resources of Russia due to its war in Ukraine, as well as through the actions of Armenian authorities, which “angered” Russia. Some of them have questioned the refusal of Pashinyan from the deployment of CSTO observers. Explaining the Armenian reservations in relation to the deployment of a CSTO mission in a press conference on 22 May, Pashinyan pointed out that the organization does not indicate its vision of the territory and borders of Armenia, and “without eliminating this dissonance, the monitoring mission cannot be effective” (“‘The territorial integrity of Azerbaijan includes Nagorno-Karabakh,’ and other statements by Pashinyan”, 2023).

Liberal opposition and civil society of Armenia have been advocating for leaving CSTO, especially since the war in Ukraine. Liberal circles in Armenia refer to Russian officials (Mirzoyan, 2023a) as evidence that it is in the common interest of Russia and Azerbaijan to make Armenia concede an extra-territorial corridor controlled by Russia’s Federal Security Service that would not only link Azerbaijan with Turkey, but would also be used by Russia to bypass Western-imposed economic sanctions. They also suggest that the blockade of the Lachin corridor between Nagorno-Karabakh and Armenia by Azerbaijan in presence of Russian peacekeepers since 12 December 2022 was planned by Azerbaijan and Russia jointly. They believe that Russia and Azerbaijan are trying to make Armenia agree to give an extraterritorial corridor to Azerbaijan controlled by Russian border patrol services without any Armenian checkpoints or customs (Tatikyan, 2022g). The Russian-Azerbaijan common interest in this corridor was publicly confirmed during the exchange between Aliyev, Pashinyan and Putin on 25 May 2023 when Putin explicitly supported Aliyev’s attempt to claim an extraterritorial corridor from Armenia contradicting Pashinyan’s opposition to it

(Ghazanchyan, 2023). Finally, the public discourse in Armenia indicates the common belief amongst its liberal circles that Azerbaijan's military offensives against Armenia receive a green light or are possibly even encouraged by Russia in order to pursue its geopolitical interests or to penalise Armenia for attempting to reduce its dependency on Russia. It is perceived that even through its peacebuilding initiatives, Russia is trying to impose "illiberal peace" on Armenia (Nerses Kopalian, 2023).

There is also a belief among Armenia's civil society and expert community that Russia discouraged the Armenian government in requesting a United Nations Security Council (UNSC) meeting about Azerbaijan's military offensive in May and November 2021. Armenia's urging of a UNSC meeting after the September 2022 military offensive was supported by France and not its formal ally Russia. The Permanent Representative of Russia did not explicitly state at the meeting that Azerbaijan violated Armenia's territorial integrity and presented it as a problem related to border delimitation and demarcation, which echoed the Azerbaijani narrative.

Another controversy is Russia's role in the delimitation and demarcation of borders between Armenia and Azerbaijan. Russia has committed to facilitate that process since 2021, saying that the officially stamped Soviet maps necessary for it are kept in the archives of the Chief of Staff of the Russian Armed Forces (Tatikyan, 2021b). However, after two years, it is not clear whether Russia has provided those maps to Armenia and Azerbaijan, and how it is going to assist both countries in delimitation and demarcation in line with its commitment. Meanwhile, the EU has also offered help in delimitation and demarcation, and hosted meetings between Armenian and Azerbaijani officials on it in Brussels in 2022..

Relations of Armenia with Russia and CSTO have been increasingly strained since 2021, and the possible suspension of Armenia's membership to CSTO has been advocated by liberal experts and civil society and cautiously explored by some senior Armenian officials and parliamentarians. Pashinyan argued once that "Russia's military presence in Armenia not only does not guarantee Armenia's security but, on the contrary, creates threats to Armenia's security" (Avedyan, 2023). Although this is a vague claim that may be interpreted in different ways, it seems to echo the concerns of the Armenian liberal civil society. On one side, Armenia doesn't receive any military assistance from Russia and CSTO in face of Azerbaijani aggression, and haven't even delivered the weapons for which Armenia has paid ("Armenia has not received weapons for which it paid Russia - Foreign Ministry", 2023), and there is even a suspicion that Russia gives a green light to Azerbaijan for its actions. On another side, due to the formal alliance of Armenia with Russia and its membership to CSTO, its defence cooperation with the Western partners and potential military assistance by them is obstructed. Armenia's alliance with Russia and membership in the CSTO also causes a clash of values with its adopted system of democratic governance, stigmatising Armenia in the eyes

of the Euro-Atlantic community. While until May 2023 Armenian officials, such as the Secretary of Security Council Armen Grigoryan were playing with words, saying it is not Armenia that is leaving CSTO but the CSTO is leaving Armenia (Criticism of Russia and the CSTO by the Armenian authorities, 2023), in May 2023 both PM Pashinyan and Secretary of Security Council suggested that Armenia may actually indeed leave CSTO (Jackson, 2023).

Thus, the EUMA's deployment reduces Armenia's vulnerability to the Azerbaijani aggression and military coercion, and decreases Armenia's security dependence on Russia and the CSTO, both of which have become more a strategic partner to Azerbaijan, and a perceived obstacle and even a threat to Armenia than an ally and a security guarantor for Armenia against Azerbaijan. Even if the EUMA is a purely soft deterrent and is not providing Armenia with hard security, its deployment has likely played a role in empowering Armenia to consider withdrawal from CSTO.

### **The European Union**

The EU's prompt action in relation to the deployment of both temporary and long-term missions in Armenia is unprecedented. As some European experts have noted, "no one imagined that this [Prague] meeting would lead to a new two-year civilian EU mission" (Negi and Pietz, 2023).

Why has the EU—and not the OSCE or the UN— deployed a mission in Armenia? UN and OSCE Missions in Armenia would be impossible given Russia's veto power in the UN Security Council; both Russia and Azerbaijan would also oppose such a move in the OSCE. Even in the EU's case, consensus was far from guaranteed due to the opposition of Baku to the mission, and Russia's political and military presence in the area. Between August 2012 and December 2022, Armenia had suspended diplomatic relations with Hungary over the extradition by the latter of an Azerbaijani officer who had brutally murdered an Armenian officer in his sleep during a NATO Partnership for Peace English course in Budapest (Shoshiashvili, 2022). Most importantly, Azerbaijan is considered an important energy supplier for the EU, the significance of which has increased in light of the war in Ukraine, related energy crisis and the need to minimise energy dependency on Russia.

Despite doubts, EU Member States reached consensus on the deployment of the mission both in October 2022 and January 2023. In doing so, they also dispelled scepticism among the Armenian public about the EU pursuing purely energy interests in the region. Still, in mid-2022, most of Armenian experts claimed that only Russia is interested in maintaining a presence in the conflict zone between Armenia and Azerbaijan.

Let us examine the reasons for the EU's interest in deploying a mission in Armenia. First of all, the EU realised the high possibility of a new large-scale war between Azerbaijan and Armenia. While the 2020 Artsakh War did not have immediate consequences for the EU,

it became a precedent for the use of force by a bigger authoritarian country with higher military capabilities towards a smaller democratic country with lower military capabilities for settling disputes. As Freedom House suggested in its 2022 report, “Aliyev’s evident success in using military aggression to reinforce his rule may have contributed to Vladimir Putin’s decision to invade Ukraine” (*Nations in Transit*, 2022). The war in Ukraine became a threat not only to Ukraine’s territorial integrity and sovereignty but also to the security of the EU and associated countries—especially to Finland, the Baltic States, and Moldova. Tackling the consequences of the war in Ukraine will become more difficult if a new war starts in the European neighbourhood. The EU will not be able to stay unengaged, and it will become a new hassle for the EU.

During and in the aftermath of the 2020 Artsakh War, the EU urged “both sides” to stop fighting (“Nagorno-Karabakh: Declaration by the High Representative on behalf of the European Union”, 2022), without identifying the aggressor. It had several reasons for this, such as an unwillingness to intervene in the OSCE Minsk Group’s mandate, its policy of parity between oil- and gas-rich (yet autocratic) Azerbaijan and more democratic Armenia, as well as the success of Azerbaijani propaganda in advocating its narratives about the conflict for more than two and half decades amid failures of Armenian diplomacy (Tatikyan, 2022c). The EU’s approach was perceived as a false equivalence and caused frustration among Armenia’s progressive and liberal civil society about the EU’s lack of support. Given the schism between Armenia’s commitment to democratic values and the hereditary authoritarianism of Azerbaijan, Armenians with a pro-Western orientation expected support from the EU, given its declared commitment to human rights and democracy (“The Current Narratives about the Correlation of Democracy, Human Rights and Security in Post-War Armenia: True or False?”, 2021). It was criticised more harshly by conservative political forces in Armenia, feeding their conspiracy theories about the negative correlation between democracy and national security (Tatikyan, 2022d).

Those who criticise the EU not applying the same attitude to Russia and Azerbaijan neglect a key reality: While Russia is perceived as a security threat not only for Ukraine but also for Europe or at least some EU member countries, Azerbaijan is perceived as a security threat only for Armenia. That can explain the much lower level of interest of the EU in the conflict between Armenia and Azerbaijan. At the same time, if the conflict deteriorates further, it will further undermine the international order, and the EU will find itself overwhelmed to tackle yet another conflict in its neighbourhood. In that light, the EU’s decision to establish a monitoring mission is contributing to both Armenia’s and regional security, and EU’s external environment.

More than a year after the ceasefire, the EU offered to mediate in the peace process between Armenia and Azerbaijan, creating an alternative to the Russian-facilitated track in

place since January 2021. First, it volunteered its assistance in delimitation and demarcation. Armenia's civil society and expert community believed that contemporary norms of human rights and human security should be considered during that process—not just maps drawn by the Soviet authorities with their negligence. They concluded that the OSCE and the EU could provide a more appropriate framework for delimitation than Russia (Tatikyan, 2021b).

The first meeting with the EU's participation took place in December 2021, and was facilitated by French President Emmanuel Macron and President Charles Michel of the European Council. It was followed by trilateral meetings facilitated by the EU between spring 2022 and August 2022. They were not able to prevent the escalation of September 2022 and achieve a breakthrough in the process, with one of the reasons being the imbalance of power between Azerbaijan and Armenia during negotiations. The Azerbaijani offensive of September 2022 showed how fragile the security of the region is. Shelling reached Armenia's resort town of Jermuk, and war crimes were committed (*Video Shows Azerbaijan Forces Executing Armenian POWs*, 2022), such as the brutal extra-judicial execution of Armenian POWs and the mutilation and murder of female service members on the territory of Armenia (Myers, 2022).

Geopolitical experts see the establishment of an EU mission as a competition between Russia and the EU for influence in the region. Some Western experts claim that Russia is trying to turn Armenia into an outpost (Cutler, 2022), while some Armenian experts believe that “now is a good time [for the EU] to use this situation to strengthen its positions and weaken Russia's positions in Armenia” (Mgdesyan, 2023). While those views may be valid, the EU is most likely pursuing a balance between its geopolitical interests and system of values.

The September 2022 offensive followed the gas deal that the EU concluded with Azerbaijan in July. Azerbaijan has promised to double the supply of its gas to the EU through the expansion of the Southern Gas Corridor to 20 billion cubic meters a year by 2027 – the maximum that the existing pipeline network can carry (O'Byrne, (2022). The EU sees that cooperation as creating an alternative to Russian gas supplies and contributing significantly to Europe's energy security, calling Azerbaijan a reliable partner (Statement by President von der Leyen with Azerbaijani President Aliyev, 2022). In addition to natural gas, Baku hosted a meeting of the steering committee of the Agreement on Strategic Partnership in the field of Green Energy Development and Transmission between the governments of Azerbaijan, Georgia, Hungary and Romania in December 2022. Azerbaijan is also making the first steps to export green electricity to European countries from wind farms and solar power plants in Azerbaijan (Spasić, 2023).

The EU was criticised for this deal, not only by Armenian civil society and experts, but also by international human rights watchdogs who have noted that it is short-sighted to replace one autocratic country with another as an alternative energy source (Rankin, 2022). Azerbaijan has also been weaponising energy against Armenians in Nagorno-Karabakh since

March 2022 through periodic suspensions of gas and electricity, especially during its ongoing blockade of the Lachin Corridor (Avetisyan, 2023).

Meanwhile, some analysts have suggested that Azerbaijan doesn't have the supplies of gas that it has committed, or doesn't have the capacity to deliver them to the EU member countries, and even if it does, it will still constitute an insignificant percentage of Europe's energy needs. Experts have also pointed out two facts: First, critical infrastructure needed by Azerbaijan to extract and transport the gas from the Caspian Sea to Europe is co-owned by Lukoil—a Russian oil and gas company (Radečić, 2022). Secondly, Azerbaijan has concluded a gas deal with the Russian Gazprom in November 2022 (“Gazprom could supply up to 1 bcm of gas to Azerbaijan this winter”, 2022) to import Russian gas in order to meet its obligations to Europe, which may indicate that it is partially “laundering” Russian gas to Europe (O’Byrne, 2022). While Russian energy is not sanctioned by the EU and the choice of energy partners remains a sovereign decision of each member state, it seems unreasonable to refuse from the direct supply of energy from Russia to receive it through a third party for a higher price. Besides, the profits from it will likely contribute to the military industry of Russia and prolongation of the war in Ukraine.

Azerbaijan is only one of Europe's partners for the diversification of its energy sources, which prevents it from becoming excessively dependent on one country as it was the case with Russia. Although it may seem that Azerbaijan's role as an alternative energy supplier affords it more leverage over Europe than Europe has over Azerbaijan, but that interdependence can still serve as a deterrent against new military actions against Armenia. If Azerbaijan continues its military offensives, it will invite more condemnation, and Europe will not be able to maintain a spirit of partnership with the perpetrator without a reputational loss.

Even if the EU is becoming a geopolitical actor (Youngs, 2022), it cannot give up on its core values of human rights and democracy. Azerbaijan's President Aliyev most likely understands this and may avoid actions that will bring high political and economic costs. That may be the reason that since the deployment of the EUMA, the Azerbaijani authorities have further intensified hybrid war tactics to stigmatise and discredit Armenia, thus trying to legitimise their further use of military coercion. The deployment of EUMA has reduced but not eliminated the military threat to Armenia by Azerbaijan and is complementary to the mediation role of the EU in the process of normalisation of relations between the two countries.

### **Risks, Limitations, and Challenges**

It is important to manage expectations in relation to the EUMA mandate and capacities. Armenian society is highly polarised, and while its liberal circles have exaggerated

expectations, illiberal groups tend to underestimate or be skeptical of the EUMA's role in strengthening Armenia's security, and some even see it as a potential destabilising factor.

While Azerbaijan will be cautious about inciting large-scale military aggression against Armenia in the presence of the EU monitors, and Russia will most likely avoid direct confrontation with countries, most of which are NATO allies, both may use other measures against Armenia. Azerbaijan has been keeping Nagorno-Karabakh under blockade since December 12, 2022, has cut the supply of gas and electricity periodically through the blockade and established a checkpoint further deepening the blockade in April 2023. It remains to be seen whether Russia will attempt to use Armenia's energy dependency on Russia as a way to penalise Armenia for requesting the EU Mission.

Deployment of EU monitors in an area where Russia has had a significant military presence is perceived as risky by some. Provocations or incidents against the EU cannot be excluded. That is why the EUMA notifies Azerbaijan in advance about the expected patrolling (Canbäck, 2023) that likely decreases its efficiency as a deterrent. Illiberal Armenian experts associated with the parliamentary opposition and the previous government still echo Russian warnings about turning Armenia into yet another scene of geopolitical confrontation between Russia and the West (Moscow accuses EU of fuelling "geopolitical confrontation" with its mission in Armenia. (2023)). Nevertheless, it is worth noting that it is not the first example of such coexistence. The EUMM in Georgia, another unarmed civilian monitoring mission, has been deployed across administrative boundary lines with Abkhazia and South Ossetia where Russian troops have been operating since 2008. Moreover, there have been Incident Prevention and Response Mechanisms (IPRMs) between the EUMM and the Russian presence in Georgia.

One uncertainty related to the role of the EUMA is the fate of the already occupied territories of Armenia by Azerbaijan. Delimitation and demarcation should be accompanied with the withdrawal of Azerbaijani troops from the occupied territories and the creation of a demilitarised zone between the two countries. The EU should also aim to integrate international norms of human rights and human security in the process of delimitation neglected by the Soviet authorities while artificially creating Azerbaijani enclaves without any legal basis and justification in the territory of Soviet Armenia in 1930-1970s (Gyulumyan, 2022).

Along with other territorial claims, Azerbaijan, explicitly echoed by Turkey and indirectly by Russia, have been also demanding extraterritorial corridor to link with Nakhijevan through Armenia (Tatikyan, 2022a). Illiberal experts argue that it is the West that is trying to open a corridor through Armenia to facilitate new links for global markets, referring to pro-Azerbaijani Western analysts advocating for it (Blank, 2022). The corridor will not open communications in the region but will further exclude Armenia from them,

violate its territorial integrity and deepen its insecurity. It seems that the EU and US understand the difference between opening communications and an extraterritorial corridor, and EU and US ambassadors to Armenia have demonstrated their support for Armenia's territorial integrity through activities and visits to the Syunik region. There is also a growing understanding that Russia needs the corridor to bypass sanctions, Azerbaijan intends to further undermine Armenia's sovereignty (Makaryan, 2022) and violate its territorial integrity, and Azerbaijan and Turkey have ambitions for a Pan-Turkic unity (Tatikyan, 2022b).

The most obvious gap not resolved through the presence of EUMA is that it is not mandated to contribute to the security and stability of Nagorno-Karabakh due to Azerbaijan's categorical opposition to an international presence there, as well as to the presence of the Russian peacekeepers. In previous articles, the possible coexistence of a Russian and EU peacekeeping mission has been explored (Tatikyan, 2022f). However, such collaboration is currently unrealistic given the polarisation between the EU and Russia (Tatikyan, 2023b). After months of pause in negotiations since October 2022, President of the European Council Michel facilitated a high-level meeting between Armenian PM Pashinyan and Azerbaijani President Aliyev on 13 May 2023 ("Press remarks by President Charles Michel following the trilateral meeting with President Aliyev of Azerbaijan and Prime Minister Pashinyan of Armenia", 2023) during which Pashinyan went one step further in its recognition of the territorial integrity of Azerbaijan, making clear that it includes Nagorno-Karabakh. At the same time, Armenia is raising the issue of international mechanism for talks between Azerbaijan and Nagorno-Karabakh, and security guarantees and rights for Armenians in the region to prevent oppression and ethnic cleansing of Nagorno-Karabakh Armenians by Azerbaijan ("86.6 thousand square kilometres also includes Nagorno-Karabakh: Pashinyan", 2023). It is unclear whether Azerbaijan will negotiate with the Armenian elected officials of self-governance institutions of Nagorno-Karabakh under international auspices. If Aliyev doesn't agree on the provision of guarantees for security and human rights of Armenians of Nagorno-Karabakh and refuses to accept international presence there, the mediators, including the EU, may share the responsibility for an ethnic cleansing in the European neighbourhood in 2023.

### Conclusions and Expected Outcomes

The deployment of the EU Mission is based on both liberal and *realpolitik* motivations, balancing between the geopolitical interests and core values of the EU. It shows that apart from being interested in the energy supply from Azerbaijan and decreasing the influence of Russia in the region, the EU is also supportive of Armenia's efforts to strengthen its democratic governance, defend its territorial integrity and increase its sovereignty. The

EUMA is a factor that empowers Armenia to become more independent of Russia and the CSTO in its foreign and security policies.

Apart from surveillance of the border security situation, the EU monitors should be sensitive to the human security concerns of the inhabitants of border towns and villages. The presence of the EU Mission in border regions of Armenia should make local people feel supported. For that, the small EUMA needs not only to reach its maximum planned capacity, but consider an increased capacity as suggested by the Secretary of Security Council of Armenia in April (“Yerevan proposes to expand number and capabilities of EU mission”, 2023).

It is important to understand that the EUMA is envisaged to be a small civilian mission that is neither mandated, nor has the capacity to resist any military offensive. Instead, it is a soft security mission expected to be a deterrent to another potential Azerbaijani offensive through its political leverage and physical presence. It will also raise the awareness of EU member countries about the security situation and military provocations, ascertaining which party initiated them.

Armenia should understand that the EU Mission doesn't ensure its defence, is temporary and vulnerable itself, and it should restore its security and defence sector to defend its territory and people. It cannot fulfil that challenging task alone and needs the cooperation of partners, including that of the EU and its Member States. The EU should understand that a peace agreement without the restoration of the military balance between Armenia and Azerbaijan will not be sustainable (Poghosyan, 2022), as asymmetry between parties to any conflict will generate the potential for a new one, and may result only in “illiberal peace” (Kopalian, 2023). The EU may consider provision of security and defence reform advisory support to Armenia. The restoration of the power balance between Armenia and Azerbaijan, and the peace agreement between them are equally important for the EUMA's exit strategy and sustainable peace and security in the region.

The EUMA should examine whether Azerbaijan has the energy resources it has committed to the EU member countries and the infrastructure to deliver them. It should and continue balancing its geopolitical, economic, and energy interests with its core values and principles of human rights and democracy. It should apply conditionality in its relationship with Azerbaijan, which would include a requirement to stop aggressive actions violating Armenia's territorial integrity and the collective punishment of Armenians in Nagorno-Karabakh (Tatikyan, 2022e). Azerbaijan should understand that its energy resources and the offer to deliver them to Europe do not entitle it to use military force and coercion against Armenia and Nagorno-Karabakh Armenians to achieve its goals. If Azerbaijan continues to cross the red lines, the EU should consider sanctions. Otherwise, the use of force or threats and thus, the collapse of international order will be normalised and legitimised further.

The EU should mitigate Azerbaijan's coercive political and military tactics to reduce the current asymmetry of power in negotiations aimed at concluding a peace agreement. The EU should also offer to facilitate the negotiations between Azerbaijan and Nagorno-Karabakh in Brussels or another neutral place, as Baku-Stepanakert negotiations without an international umbrella are impossible due to excessive disparity in power dynamics and Azerbaijan's apparent intent to achieve either subjugation or ethnic cleansing of Armenians without giving them a special status, allow the continuation of self-governance institutions and international presence (Ilham Aliyev met with people who returned to the city of Lachin and presented house keys to them, 2023) . Ultimately, if the EU doesn't exercise pressure on Azerbaijan, it may become responsible for an ethnic cleansing in the European neighborhood whether conducted through soft or hard methods. Instead, the EU should aim at facilitating a comprehensive and sustainable peace agreement accompanied with international guarantees and mechanisms for their implementation.

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# EU Energy Crisis: From Short-Term Volatility to Long-Term Resilience

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## Abstract

The energy crisis, which already began in 2021 and was fuelled further by Russia's invasion of Ukraine, has put energy trade markets in unprecedented shock and therefore many households under the pressure of skyrocketing prices of basic goods. The European Commission reacted expeditiously by releasing the REPowerEU Plan, resulting in the application of fiscal and energy measures across the countries of the union, aiming at softening the adverse effects on their economies. The present paper has the purpose of displaying potential areas for improvement in terms of both fiscal and energy policy areas and serves as a policy paper, recommending initiatives to be undertaken. It starts by discussing the background of the energy crisis and what mechanisms shaped it the way it is now. It then inspects what kind of fiscal and energy policies have been implemented across various member countries and what the REPowerEU plan lacks to achieve. Finally, it concludes with highlighting the deleterious implications of price caps and promotes providing support to the most vulnerable households as well as putting priority to gas demand aggregation and joint gas purchasing.

## Keywords

Energy crisis, REPowerEU, Fiscal policies, Energy policies, Joint gas purchasing

## Introduction

Across the past two years, the world has experienced major, unprecedented shocks caused by an international health emergency (the COVID-19 pandemic) and more recently amplified by an ever-escalating geopolitical crisis (Russia's invasion of Ukraine). Amidst global instability and uncertainty, the European energy market has been faced with historic volatility under both exogenous forces such as extreme weather and energy supply contraction outstripped by surging post-COVID demand, and endogenous restraints such as low levels of European Union (EU) gas reserves, dwindling resources, and electricity price design (Popkostova, 2022). The consequences range from unremitting inflationary pressures prompting a cost-of-living crisis among vulnerable consumers to investment disruptions, negative expectations, and recessionary threats among EU states and beyond.

Undoubtedly, European countries have implemented short-term fiscal and energy interventions to mitigate the far-reaching impact of the energy crisis on social welfare. However, the lack of substantial EU policy coordination threatens the Union's cohesion and the effectiveness of state responses due to competing demand and asymmetric shock absorption (Heussaff et al, 2022).

Thus, considering the repercussions of the ongoing crisis, this research paper seeks to (1) briefly underline the overarching causal mechanisms behind the present emergency, (2) highlight its ensuing effects, (3) critically assess the most widespread fiscal and energy policies adopted by EU members, and (4) call for further policies in favour of enhanced EU intergovernmental collective action in line with the REPowerEU Plan (European Commission COM/2022/230 – document 52022DC0230). With respect to point 3, the paper investigates the main energy policy interventions consisting of gas supply diversification, alternative sources tapping, energy saving and investment in the deployment of renewable energy, as well as the fiscal policy responses including windfall tax, energy tax cuts, price regulation, and consumer subsidies. As for point 4, in order to guard against prolonged risk exposure caused by market volatility and supply disruptions, the EU intergovernmental response should aim at providing support for households most in need and creating a system of joint gas purchasing based on EU demand aggregation. Furthermore, European coordination shall entail extended protection through default solidarity rules in case of individual state emergencies, as well as regional capacity allocation of gas reserves.

Finally, the present research paper attempts to shed light upon the underlying dynamics of the current energy crisis that unearthed the vulnerability of the EU's energy infrastructure and its limited resilience to external shocks. Challenging the liberal assumption of continued welfare through economic interdependence and rather confirming the curse of natural resources contaminating international trade, the peculiarities of today's energy emergency force the EU to rethink its long-term energy strategy, as the Union strives to emerge more united from these troubled times.

### **Causal Mechanisms and Transmission Channels of the Energy Crisis**

The open macroeconomic dynamics and underlying multilateral trade patterns observed on the global energy markets have always accounted for an indispensable indicator for the general outlook of the world's economy. Thus, the stability of consumer prices, the operational and logistical costs of production incurred by private firms, the welfare and purchasing power of households, as well as the aggregate domestic economic performance are partly contingent upon the availability and market value of energy-related goods and commodities. The pervasiveness of energy economics and its far-reaching implications for

the overarching workings of economic systems undoubtedly warrant an extensive investigation of the causal determinants underpinning the present energy crisis.

As a matter of preliminary terminological clarification and conceptual exactitude, this research paper defines the ‘energy crisis’ in question as the period of persistent energy market volatility, concurrent price fluctuations, and widespread energy inflation beginning in the aftermath of the COVID-19 pandemic and extending (at least) to the current date of mid-2023. Bearing in mind the concrete object of the present empirical analysis, a thorough survey of the causal factors behind the crisis shall yield an unambiguous distinction between ‘global exogenous pressures’ and ‘endogenous’, ‘idiosyncratic characteristics’ manifested at the national and regional level. Before proceeding with the investigation of the aforementioned categories, it should be noted that, when taken individually, the external and internal factors can be singled out entirely in terms of their explanatory power. Instead, it is only the entire web of mutually reinforcing causes that may jointly explain the 2022-23 energy crunch and the broader phenomenon.

On the side of ‘exogenous shocks’, the climate change-induced phenomena of extreme meteorological conditions have been placing energy supply chains under severe strains over the past years, thereby exposing the world energy infrastructure to significant security risks. Hence, the exceptionally cold 2020/21 winter season across the Eurasian landmass amplified the transcontinental competition for American liquefied natural gas (LNG), while the freezing weather in energy-strategic United States (US) states brought about drastic contractions in supply capabilities; as such, the scarcity in shipping capacity amidst rising demand for heating prompted a steady rise in LNG prices (IEA, 2022). Furthermore, the unprecedented aestival heat waves across the Atlantic and Pacific resurfaced an exploding demand for cooling devices (European Union Institute for Security Studies, 2022). Corroborated with the droughts that have paralysed critical facilities of hydroelectric generation in South America and with the commercial transit issues in the geostrategic Panama Canal, the unparalleled hot summers of the past years aggravated the high price energy environment. In this largely unstable energy framework jeopardised in part by the unpredictable weather conditions, another external factor played a profound role in severing the energy crisis (Popkostova, 2022).

As an international health emergency of a historic order of magnitude and unforeseen extent, the COVID-19 pandemic has forced governments across the world to implement stringent lockdown policies, curtail civil liberties, and put to a halt normal economic activities with the ultimate purpose of containing the deadly spread of the virus. The sudden drop in energy demand dictated by the restrictive pandemic environment and the abrupt shutdown of certain industrial sectors were mirrored at first by a flagging energy supply niche, which had already been weakened by the growing number of sudden outages and postponed

maintenance repairs. As vaccines became widely available and the health hazard posed by the virus came under a more robust control, states were driven by the impetus to restart the engines of their economies in order to counter mounting political unrest and domestic instability. Thus, the ensuing post-lockdown recovery measures, predicated on extensive state aid schemes and generous fiscal stimuli, produced a noticeable aggregate economic rebounding. Hence, the global post-COVID revival witnessed a soaring demand for energy outstripping by far the outpaced and deeply stifled energy supply, which, in line with free market workings and coupled with reduced capital flows in the hydrocarbon sector, contributed to surging benchmark energy prices.

Lastly, the Russian invasion of Ukraine and the resulting European economic sanctions condemning the act of aggression have expanded the scope of the energy crisis through a negative shock component represented by the perilous energy warfare. Accordingly, Russia has been trying to exert geopolitical leverage by withholding natural gas supplies to Europe, forcing the latter to downsize its military and economic support for Ukraine. In fact, the gas deliveries of the crude producer to the EU were down by 80% as of September 2022 compared against pre-pandemic levels (OECD, 2022). The Russian weaponisation of energy trade, EU's ban on Russian oil and coal imports, and the historic European reliance on Russian gas have worsened the crisis (Popkostova, 2022).

Concerning the regional indigenous factors justifying the current energy market dynamics, it is without doubt that Europe, in particular, has encountered the harsh reality of the energy sector from a strategically weaker and inherently frail position. As Northern European countries are typically relying on wind power generation for one fifth of their electricity supply, the plummeting eolian sources, commonly considered key green alternatives, have caused the continent's renewed demand for undesirable fossil fuels (OECD, 2022). Furthermore, the phasing-out of German nuclear energy, the plunge of operational French nuclear power plants due to technical inspections, and the temporary curtailment of renewables due to inadequate climatic conditions, have collectively shaped the tightness of the EU's energy markets (IEA, 2022). Moreover, Groningen's dwindling field resources of gas doubled by the continent's sheer lack of strategic reserves and inventories via insufficient replenishment levels throughout 2021 have yielded an upward trend in electricity prices. The latter are, in turn, linked to natural gas, which is a critical driver of energy inflation (IMF, 2022).

The immediate consequences of the varying factors examined above have revolved around the exploding average costs of power generation in gas-importing countries. As such, the skyrocketing energy prices caused by the ongoing crisis are lurking beneath the inflationary momentum felt across Europe. More specifically, increasing food prices, motivated by growing transportation costs and booming fertiliser prices, are undermining

the global efforts to avert an impending food accessibility and availability emergency. Therefore, energy inflation is currently eroding the purchasing power of European households, forcing vulnerable demographic segments into severe material deprivation, relative and/or absolute poverty, and social exclusion (European Commission, 2023). As families situated in the lower income percentiles are typically spending a disproportionately higher share of their endowments on energy-related goods and food, the accentuated threat of energy poverty is taking a heavy toll on the already less fortunate strata of European societies (EUROFOUND, 2022). Such disastrous effects on social well-being and community cohesion are paving the way for vigorous and unavoidable state interventions.

### **State-Level Fiscal Interventions Against Energy Inflation**

On the eve of an ever-intensifying cost-of-living crisis driven by rampant jumps in energy prices, EU Member States have resorted to a wide array of short- to medium-term fiscal policy interventions to cushion their consumers and producers from a protracted economic downturn with potentially deep effects on long-term macroeconomic stability and growth prospects. The fiscal responses thus far implemented range from price control measures such as energy VAT cuts, retail and wholesale price capping regulations, and/or rebates on utility bills, to welfare redistributive programs such as means-tested, lump-sum transfers to vulnerable households, targeted energy vouchers and monthly checks, as well as temporary consumer subsidies (Sgaravatti et al., 2023). Besides the above-mentioned policy platforms, European nations have devised exhaustive business support arrangements for the private actors unable to sustain elevated inflationary forces, while applying solidarity taxes on windfall profits reported by dominant energy providers.

However, the most widespread fiscal response to mitigate the repercussions engendered by the energy market crisis boiled down to reducing the household energy bills via direct government contributions. These one-shot state-directed household payments vary between roughly 150 EUR (in Hungary) and above 800 EUR (in the Netherlands); Belgium, by contrast, has relied on monthly transfers for both family-level gas (140 EUR) and household electricity (60 EUR) (European Commission, 2023). Furthermore, certain packages of consumer income support designed across EU members have encompassed a fixed subsidy component per kilowatt-hour of energy consumption, provided that the average costs per month had surpassed a predefined threshold (European Commission, 2023). It has been anticipated, however, that these tentative fiscal reactions currently put in place may dampen the previous progress achieved by the Union in fostering the green transition away from toxic fuel, thereby compromising the bloc's status as a regional climate regulatory powerhouse (OECD, 2023). Consequently, as recorded in the EU PolicyWatch database, European countries have endorsed proactive policies aimed at reducing energy demand and at facilitating the

environmental sustainability of several households. The Baltic states have introduced subsidy schemes that support the acquisition and installation of renewable energy-producing domestic equipment (photovoltaic technology systems). Likewise, Northern European countries are funding “green” mobility plans by subsidising electric vehicles. Following the green lines of reasoning, several northern states (among which the Scandinavians) are seeking to improve the energy efficiency of their municipal buildings by adding further insulation and replacing old electrical appliances. Espousing a similar stance on energy saving and demand reduction, Slovenia and Spain have established ceilings on cooling and heating temperatures within some of their administrative and commercial edifices.

Ultimately, turning to the nearly ubiquitous price support measures, as the OECD policy observation centre contends, such preventative fiscal policies may relieve poorer households from an excruciating inflationary pain and thus lower their expectations of future inflation (Aparicio and Cavallo, 2021); however, excessive price controls may distort underlying free market signals, prevent the energy demand from adjusting to supply restraints, and render the commodity scarcity issue even more acute (Neely, 2022). IMF and OECD-gathered empirical evidence from the largest EU economy (Germany) suggests that the present welfare, social market systems across Europe exert a rather limited capacity of coping with the fiscal burden of elevated energy inflation strictly through means-tested, targeted interventions; adjustments to such income policies may be regarded as indispensable in order to curb budgetary overloads and better address the varying needs of poor citizens (Kalkuhl et al., 2022). Therefore, the largely heterogeneous impact of negative energy price shocks across financially vulnerable families is driven by several other non-monetary components: geographical position and quality of housing facilities, access to public transportation infrastructure, and composition of household may also constitute consistent predictors of consumer resilience to the energy crunch (Blake and Bulman, 2022). The recent microeconomic findings and the expert opinions of intergovernmental economic advisory bodies established within the OECD and the IMF bolster the case for a holistic fiscal reaction that does not rest on household income alone.

### **Energy Policies Undertaken**

The energy crisis induced the European Commission to take action against the surging prices and the exorbitant reliance on Russia’s fossil fuels, which evolved in the creating and proposing of the REPowerEU plan. It aims at diversifying energy supplies, saving energy and accelerating the green transition by investing in renewables. All these targets provided Member States with the opportunity to implement the much-needed energy policies. They could be divided into short-term and long-term ones with the first related to securing energy sources from alternative exporters, tapping into alternative energy sources and bringing

down gas consumption along with increasing efficiency and the latter associated with advancing investment and development of renewable energy sources (Sgaravatti et al., 2022).

In 2021, the EU imported 83% of its natural gas consumption and Russia's imports accounted for approximately half of it (European Commission, 2022). Since the invasion, the European Union requested cutting dependence and securing other suppliers, resulting in the US being the main exporter of LNG (50 bcm), followed by Norway and Algeria, providing pipeline gas plus LNG imports, accounting for over 35% of the overall gas import sources (European Council, 2023). As for the infrastructure, the Baltic pipe and the Southern Gas Corridor faced the highest investments among all other pipeline gas corridors (Eurostat, 2023). Regarding LNG infrastructure, Germany is the leader in financing the construction of TES Wilhelmshaven and Hanseatic Energy Hub terminals, which will provide from 29,3 to 33,3 bcm/year together. In order for the EU supply-demand gap to be filled, fuel switching was an option that some countries undertook. For example, Germany and Italy increased coal as a part of their energy mix, whereas Poland and France decreased it. Overall, the gas-to-coal switching was not as large as expected (Sgaravatti et al., 2022).

Regarding energy saving policies, most EU countries have concentrated on spreading awareness among citizens to reduce energy consumption and on temperature limits in public and private buildings. France, for example, even went a step further by ordering shops not to leave their doors open when heating and air conditioning are on together with banning illuminated advertisements between 1 am and 6 am. Overall, the measures could be split further into voluntary and mandatory ones with policies aimed at households being mainly voluntary and businesses and public administration having to obey more mandatory measures compared to households (Economic Governance Support Unit, 2022). Therefore, this presents a potential area for improvement and focusing more on mandatory initiatives may reinforce demand reduction even more.

The measures taken with the purpose of increasing energy efficiency have varied across countries with renovation of buildings for living and buildings in the tertiary sector being the most common. It includes subsidising households which install modern heating sources, insulate their living spaces or purchase more energy-efficient household appliances. Belgium, for example, relied on reducing the VAT for demolition and reconstruction while Portugal decided to focus on increasing offshore wind power capacity. However, it is estimated that in the short-term (October 2023) setting temperature limits in buildings and cutting space cooling to half will have the highest effect on EU's gas saving potential. The deployment of renewable energy sources and retrofitting buildings will have the highest gas-saving potential by 2030 and interconnectors to the electricity grid will play a crucial role by 2040 (Sgaravatti et al., 2022). This emphasises the importance of energy efficiency measures and relocating financial resources to the development of clean energy.

One crucial target of REPowerEU's plan is to reach independence of Russia's fossil fuels without sacrificing the progress made towards green transition and continue the path towards carbon neutrality. This is why the European Commission proposed the renewable energy target to be increased to 45% by the end of the decade. National governments have undertaken a wide range of policies even before the war in Ukraine, but the conflict had an accelerating effect: some countries decided to rely more on easing regulation and permitting processes, others have turned to fiscal incentives and some undertook investments in certain clean-tech industries. Czechia, for example, devoted effort to make permitting procedures for purchasing a solar power plant easier while Lithuania invested in installation of an offshore wind park in the Baltic Sea (Sgaravatti et al., 2022). All the initiatives had a pivotal effect on electricity generation in the EU, as the wind and solar share of electricity generation now represents 22.28% and has overtaken the share of gas for the first time (Jones, 2023). Furthermore, a substantial increase can be noticed in the imports of solar panels from China, increasing from 885 million euros in February 2022 to almost 2,600 million euros as of September 2022. The purchasing of heat pumps has also experienced an advanced growth (Sgaravatti et al., 2022).

### **Achievements and Shortcomings of the REPowerEU Plan**

In this section we are going to explore the concrete results and the deficiencies behind the REPowerEU strategy. The plan succeeded in inducing member countries to cut down significantly dependence on Russia's fossil fuels and giving a green new start to the energy sector. The European Union went through the winter of 2022/23 safely without any shortages, yet it is of a question how it will perform for the next one.

Yet another undisputed milestone of the Union, the REPowerEU Plan has managed to reduce Community-level gas demand by 15% throughout 2022 as compared against the previous two years (Eurostat, 2023). Under the unyielding nudge and determination of the Commission following widespread political consensus, the comprehensive strategy at hand has managed to partly reduce the Russian pipeline imports as of late 2022, whilst securing higher LNG inflows as part of the energy diversification pillar (European Commission, 2023). Relying on the resolution of Norway to act as a strategic energy supplier and strengthening the partnerships with Northern African and Middle Eastern exporters, the Union has rendered its gas infrastructure better equipped to face potentially excruciating winters under the energy warfare orchestrated by Russia in a bid to weaken the EU. In this regard, not only are fifteen LNG terminals expected to have a commissioning date in 2024, but also EU Member States have improved their bilateral gas interconnectors (DG ENER, 2023). Lastly, the measures prompted under the REPowerEU are gradually yielding the desired results in the energy sector, incentivising European countries to consolidate their energy systems and

adjust their energy consumption behaviour for a more secure and sustainable future. Yet the detailed plan of the Union is not devoid of inherent challenges and downfalls.

As REPowerEU's main three pillars promise a bright future for Europe's energy market, one should keep in mind that they might contradict each other in the sense that diversifying energy supplies could hamper the demand reduction and decelerate the green transition. As more and more countries have already contracted LNG and pipeline gas imports and invested a lot in infrastructure along with the fact that gas is already included in the EU's Green Taxonomy, one could notice the ongoing reliance of the EU on natural gas, which could have a negative effect on achieving carbon neutrality by 2050. In this case, the joint purchasing mechanism presents a good way to pool demand and prevent gas overcapacity. It is projected that in 2030 EU supply of gas will reach 4,500 TWh, which is far more than the demand estimated to be around 2,400 TWh, if the targets of REPowerEU for demand reduction are achieved (McWilliams et al., 2022).

Furthermore, REPowerEU is not an isolated package of policies, but also has major application for the rest of the world and the negotiations related to achieving greenhouse gas emissions reduction. The fierce competition for LNG imports, created by the sudden need of the EU to find alternative energy supply, hindered the participation of other continents such as Asia and Latin America, countries which are still developing and want to depart from oil and coal imports. For example, Pakistan has already returned to coal to meet its energy needs (Kuzemko et al., 2022).

REPowerEU enabled national governments to actively participate in transforming the energy market. In order for vulnerable households and companies to be protected, a lot of countries already implemented various fiscal policies as mentioned previously in our analysis. These policies have been relieving in the short-term, but they also hide some dangers, which will emerge at a later point in time and could harm the integrated European market. One example of this are the price caps for natural gas used in electricity production introduced in Spain and Portugal. The result of this policy are lower transfers between countries and a fragmented market, where subsidies are unevenly distributed across the member states. Such cross-border spillovers lead to benefitted consumers in one country at the expense of the other member states (McWilliams et al., 2022).

Although the EU is making tremendous progress in making electricity generation clean, there is still a lot more to be done. According to the International Energy Agency, the share of renewables will grow to almost 55% by 2027, which is significantly behind REPowerEU's target of reaching 69%. Moreover, the share of renewables in the transport sector and heating and cooling has to double in order to keep up with the plan's aims. The reason behind these worrying trends lies in the fact that governments do not provide enough policy support such as organising competitive auctions for renewable energy producers.

Complex permitting procedures and lack of infrastructure for renewable energy to be transmitted are challenges requiring an immediate solution. In the transport sector, promoting biofuels is a good strategy in meeting the targets and the lack of infrastructure of electric vehicles (EV) should be taken into consideration. Regarding heating and cooling, member countries should focus on providing more renewable heat technologies and further implement informational campaigns related to demand reduction and behavioural change (IEA, 2022).

### **Policy Recommendations**

The energy crisis will remain one of the biggest challenges the EU has ever faced. The lack of gas imports and soaring prices have put many people in energy poverty and hindered them from living a normal life, with the cost of living increasing by 7% compared to 2021 (Ari et al., 2022). The EU as a supranational organisation has contributed to tackling the issue by passing a lot of policy initiatives and support schemes, which already soften the negative economic impact and redirect the energy sector to a greener and a cleaner version of it. However, there is still more to be done and the member countries should be more united than ever to find a solution to this pressing issue.

Our first recommendation for managing the energy emergency is to shift focus away from policies affecting the price of gas, and towards initiatives aiming to support households needing urgent help. Price caps are a tool which could be easily implemented but it carries more drawbacks than positives, suppressing price signals which could be crucial for incentivising households to change their behaviour and lower their demand. Furthermore, a gas price cap may create the impression of lower inflation but because of the fact that demand is not adjusted to the constrained supply, the economy could suffer from unmet demand and therefore higher prices. Energy tax reductions, implemented in numerous member states already, also fall into this category as they do not limit company revenues but still mute price signals and could burden the fiscal stance of governments (OECD, 2022). These policies have a wide range effect and could only increase aggregate demand. Therefore, targeted income support for the most vulnerable households is the most appropriate intervention in this case since it would not cost more than current policies and it would not fuel inflation as lump-sum transfers to all households. Countries with advanced public administration and not so strict data privacy laws could either incentivise people to sign up for the scheme or send financial support directly by using income tax data. Otherwise, a country could adopt the practice of sending lump-sum rebates to all households and then reclaiming the support from high-income households through the tax system (Zettelmeyer et al., 2022).

Because most of the EU countries have already focused on implementing untargeted price policies (217,209 million euros in total) rather than targeted income ones (63,706

million euros in total), we believe that this state of affairs presents a potential room for action from the side of the European Commission as the former policies do more harm than good (Sgaravatti et al., 2023). We therefore see the EU's executive arm as an adequate actor to set the direction and incentivise member countries through the REPowerEU plan to provide tailored income support to the most vulnerable, instead of applying price caps. The European Commission could decide whether to offer guidelines of either more restrictive nature or of rather incentivising one. As of restrictive nature, the REPowerEU could present a list of non-binding policies, which should or should not be followed by the member countries, depending on the state-level contingencies. In the other case, there could be a clause of the REPowerEU plan that allows for exempting expenditure on targeted income support from the fiscal benchmark, which could potentially motivate member countries to undertake this policy intervention.

### **Gas Demand Aggregation and Joint Purchasing Programmes**

Positively receptive and highly welcoming of EU collective action in face of collective problems, the present analysis endorses the policy coordination framework established and staunchly defended by the European Union through the REPowerEU action plan. Thus, the “Energy Platform” of the bloc is predicated predominantly on the principles of “demand aggregation” and “joint purchasing of gas for the 2023/2024 winter and gas storage filling season” (European Commission, 2023).

Under the existing proposal intended to mitigate against high energy prices, EU member states would become responsible for aggregating gas demand whose volume amounts to 15% of their reserve replenishing obligations; percentages exceeding the agreed upon benchmark would be subject to voluntary state actions in line with the same technical specifications. To facilitate the process, the executive corpus of the Union, the Commission, has contracted a service provider whose obligations lie specifically in matching the aggregate demand for gas issued by EU firms with the most competitive supply proposals in preparation for the upcoming storage filling season. Upon the completion of the matching stage, the participating private actors may then enter freely into legal bilateral agreements with the identified gas suppliers, either individually or collectively via “consortiums”. The latter option seeks to aid small- and medium-sized firms in landlocked states, which might lack robust bargaining power or a global outreach on the energy market.

The workings of the joint purchasing programme are supported through an ad hoc Steering Board, several regional groups, and the Industry Advisory Group: distinctive fora where individual member states, competent ‘eurocrats’, major players in the industry, and strategic actors of the Energy Community conjugate their efforts and pool sector-specific knowledge in order to provide technical expertise to the Commission. The interaction among

these expert bodies should yield non-binding, yet highly authoritative, recommendations on gas demand reduction, infrastructural opportunities, and viable supply alternatives that would help strengthen the EU's strategic autonomy from Russian gas. In its first high-level roundtable on joint gas purchasing in December 2022, the EU Energy Platform adopted, via the consensus of the EU Energy Ministers, the “regulation on enhancing solidarity through better coordination of gas purchases, exchanges of gas across borders and reliable price benchmarks” (non-legislative enactment 2022/0393, European Council). Through market corrections, the present legal provision shall guard against sudden bursts of excessively elevated gas prices, safeguard the stability of secure strategic supplies, as well as protect European financial markets. Under the auspices of the EU joint purchasing procedures, domestic energy providers may rely on a significantly more predictable and stabilised environment enriched by the collectively pooled and provided technical infrastructure, the competitive economic edge driven by the bloc's negotiation leverage in contracting suppliers, and by the positive spillovers effects enjoyed by smaller actors in the cooperative scheme (European Commission, 2023).

As for the relationship of the programme with EU's climate manifesto embodied in the Green Deal, demand aggregation prevents the dominant unilateral incentives of singular member states to undertake excessive replenishment of their gas storages, which would lead to an unnecessarily large collective figure of gas over-capacity. The collaborative platform, thus, helps individual EU states achieve the optimal balance of natural gas acquisition, without setting in reverse the green transition ambitions. We believe that the Energy Platform is a good complementary policy response to the REPowerEU plan and will avoid the previously stated shortcoming related to potential natural gas overcapacity.

## Conclusion

Overall, the European Union succeeded in gathering unprecedented efforts to fix the unfortunate energy stance, with the quick issue of the REPowerEU plan as a response to the crisis showed the stable position of the Union. Member States took matters into their own hands and implemented policies which secured alternative energy suppliers, eased vulnerable households, incentivised energy saving along with efficiency and accelerated the transition towards a clean energy sector. As every crisis presents an opportunity, the handling of the energy crisis will be the deciding factor of whether the EU will head in a new direction and take the path to long-term resilience. This will largely depend on how the EU takes into consideration the rising supply of liquefied natural gas and the potential gas overcapacity as a consequence, the impact REPowerEU plan has on global energy trade and the spill-over effects subsidies such as price caps exert on energy industries across the member states.

Therefore, we consider a further emphasis on income support for vulnerable households instead of using measures muting price signals and an advanced refinement of the joint purchasing of gas tools as adequate policies to get through the energy crisis.

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## European Green Diplomacy in Jordan: Mapping Green and Sustainable Investments

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### Abstract

This paper provides a cohesive mapping and understanding of the use of the European neighbourhood Policy (ENP) as a platform of regional cooperation for green investments by using Jordan as a case study. By highlighting the understudied field of green investments as a tool of foreign policy, it aims to understand whether this green regional development in Jordan constitutes a part of an uprising distinct field of foreign policy for the EU respectively called "Green Diplomacy". To do this, the paper begins from the political declarations of the goals of the ENP, and then analyses the extent to which these declarations have been manifested into concrete developments in Jordan. Through the confirmation of this hypothesis, it is ultimately concluded that Green Diplomacy constitutes an uprising distinct field of Foreign Policy for the EU in its neighbourhood.

### Keywords

European Neighbourhood Policy, Green Diplomacy, Climate Policy, EU-Jordan, Jordan, Southern Partnership

### Introduction

As the European Union (EU) continues to push for environmental reform internally, it simultaneously does so externally. With the European Green Deal, the EU set in motion one of its most ambitious policies ever, which includes becoming carbon-neutral by 2050 and reducing greenhouse gases by 55% by 2030 (European Commission, 2020). However, this policy process is not restricted to the EU's borders, as climate change is universal. The EU only accounts for around 17% of global CO<sub>2</sub> emissions (Ritchie, 2019). This means that it cannot limit itself to applying green policies on its interior. For this reason, it has endorsed similar narratives in each regional and international arena of which it is a part. The ENP, which was initially launched in 2003, has grown substantially over the years and went through many waves, to finally today encompass one of the most important external policy arenas for the EU. More specifically, the ENP functions as an arena for bi- and multilateral cooperation in the areas of the Southern Neighbourhood and the Eastern Partnership.

The Arab Spring and the subsequent failure to promote democratisation in the area, made it clear that the EU should invest more in shaping its near-abroad, which was expressed with the 2015 ENP review. The review enhanced the institutional role of the bloc, and aimed to rejuvenate cooperation by expanding the fields of action; thus it was only natural that green

investments and climate change policy became a distinct pillar – at least in the declarations of the paper – in what can be seen as an attempt of the EU to address these issues through the use of diplomatic channels in the region covered by the ENP. However, it is still uncertain whether these declarations are only rhetoric, or if they are actually indicative of a new field of external action. This is the question that we want to answer, by analysing the case study of Jordan. Jordan is an example of an ENP country which has traditionally shown consistency in actively participating in the ENP and signs of Europeanisation (Casier, 2011; Seeberg, 2022), providing an ideal case study for exploring whether Green Diplomacy is a distinct field of foreign policy. But before we analyse Jordan, it is first important to conceptualise what the term “Green Diplomacy” actually stands for.

### **Climate Diplomacy and “Green Norms” in a Changing Environment**

Climate diplomacy’s terminological creation can be traced back to the 1992 Rio United Nations (UN) Framework Convention on Climate Change (UNFCCC) which is often referred to as “the first milestone in the history of climate diplomacy”. While there is no universal definition of what climate diplomacy is exactly, it generally translates to a process through which nation states – and increasingly other actors, like NGOs and regional/local players – aim to condition relations with other countries by introducing climate policy issues as a negotiation arena, to ultimately determine and do their best to achieve their international objectives (Mabey et al., 2013).

Traditional literature usually links any action regarding climate change closely with the United Nations’ and the subsequent UNFCCC’s framework (Elliot, 2013; Venturini et al., 2014; Hsu et al., 2015; Torney & Cross, 2018) or understands it as a procedure of high politics that must involve rational choice and intense bargaining (DeCanio & Fremstad, 2013). Even when this is not the case, there is still a tendency to consider climate diplomacy as part of a dialogue that needs to have a structure or be addressed through the means of formal communication and traditional diplomacy, wherein official delegates interact with each other on terms of equal negotiating power and employ their skills to convey the rationale of the state they represent (Parker & Karlsson, 2010). Yet, climate diplomacy has now shifted from the traditional narrow focus of the UN to a wider array of disciplines that includes new arenas and players, and which also considers a variety of local, regional, and broader areas of interest.

By promoting action through the use of institutional and diplomatic channels, the EU has widened its agenda of foreign and green policy in order to include both bilateral and multilateral settings (Oberthür & Roche Kelly 2008). It should thus come as no surprise that the EU’s own definition of climate diplomacy, which derives from the Council of the EU’s conclusions on climate diplomacy, highlights exactly this flexible nature of climate

diplomacy and underlines four main areas of action. Accordingly, climate diplomacy means (a) addressing climate policy multilaterally, (b) implementing the Paris Agreement, (c) accelerating domestic action whilst raising global ambition, and (d) promoting cooperation in environmental issues through reaching out and advocating (Council of the EU, 2018). One new arena that emerged from this process of expansion and flexibility is the “rimland” around Europe, with which the European Union engages primarily, among others, through the framework of the ENP.

Surprisingly, this field of green diplomacy is underrepresented in the area of European Studies – green investments or sustainability are usually seen in the spirit of internal economic, industrial, or energy policy. But for an EU that fails to create a full-fledged Common Security and Defence Policy due to different strategic cultures and historical differences, green investments through humanitarian assistance or external development programs can constitute a new field of “green diplomacy”, where the process of creating a harmonised EU-wide foreign policy begins *tabula rasa*. Moreover, since the endeavour to alter a partner’s behaviour in accordance with the EU’s normative narrative lies at the core of the EU’s self-image about its role as an international leader whose power is built around institution building and norms promotion, the environment as a policy area can be seen as an avenue for it to achieve normative change on climate change action – what we could paragon as “green normative power” (Manners 2002; Rayner & Jordan, 2016; Kelemen 2010). Viewed through this lens, the EU’s environmental policy is focused on the expectation of using norms to promote the European ways of “doing business” and the ethical (political) obligations that come with it, respectively. It is thus crucial to analyse the hypothesis according to which the EU has lived up to this expectation, by successfully using the ENP as a platform to establish and promote certain norms on the topic of climate protection (Oberthür, 2009; Groen 2015; Falkner 2007; Van Schaik & Schunz 2012). This article aims to cover exactly this gap in the literature of Green Policy, and expand the understudied field of green investments as a tool of foreign policy and green diplomacy.

## Methodology

The overarching research question, shaped by the lens of green diplomacy and green norms, is: to what extent is there a coordinated European green diplomacy in Jordan that is successful in promoting European norms and achieving sustainable change?

In order to answer this question, the main core is separated into three parts. In the first part, I will try to identify the goals of the EU’s climate diplomacy in the southern flank of the European Neighbourhood (to which Jordan belongs). To do this, I will utilise first-source analysis of the official communications of the European Commission after 2015. Given their holistic scope, the 2015 ENP Review, the 2020 New Agenda for the Mediterranean, and the

Economic and Investment Plan for Southern Neighbours that accompanies the 2020 paper are included in this section. In the second part, I will proceed with singling out the prominent institutional channel and how these act in Jordan. Lastly, I will use quantitative indices (e.g. number of investments, or % use of renewables) to confirm through consistency-checking whether the goals highlighted in the first part (documents) are being executed on the field, and ultimately determine the success of the endeavour.

## **Jordan and the “Green” European Neighbourhood Policy**

### **A. Setting the Agenda**

When Jean-Claude Juncker named “A resilient Energy Union with a forward-looking climate change policy” as one of the European Commission’s ten goals for the period 2014–2019 (European Parliament, 2014), it was undoubtedly the beginning of an era of green activism from European institutions. Today, the momentum of the Juncker presidency has been further advanced under Commission President Ursula von der Leyen, who has given special attention to climate policy. The first of six priorities of the EU for 2019–2024 is now delivering the European Green Deal (EGD) (European Commission, 2022).

Climate diplomacy has been integrated into the goals of the ENP since 2015. This happened mainly in the context of the readjustment of course that occurred with the “2015 ENP Review” paper. This review was perhaps the most pragmatic out of all the other ENP papers, as it makes a notable shift from a rhetoric of civilian power to a securitised approach (Romero & Marin, 2021). For the first time, chasing institutional change and grandiose hopes of fostering democracy were largely abandoned as a result of the massive democratic backslide that occurred as soon as the Arab Spring became an Arab Winter (Furness & Schaffer, 2015; Noutcheva, 2015; Johansson-Nogues, 2018). However, it appears that anything the EU lost in its normative grip on the issue of democracy, it has attempted to regain in the context of its climate diplomacy. The paper states that “the consultation revealed strong support to give energy cooperation a greater place in the ENP, both as a security measure (energy sovereignty) and as a means to sustainable economic development”. Regarding the ENP-South region, the 2015 review observes that a lot of states “face challenges in managing their rising energy demand” (European Commission, 2015).

According to the same document, three overarching green objectives can be identified for the Southern Neighbourhood, where Jordan is situated:

- 1) Achieving enhanced cooperation: including energy efficiency, renewables, and actions to address climate change.
- 2) Integrating the Paris Climate Agreement: the EU focuses on the promotion and implementation of the agreement.

- 3) Conducting joint research: moving forward together through the sharing of expertise, best practices, and research (European Commission, 2015).

The “New Agenda for the Mediterranean” and the more specialised joint working document “Economic and Investment Plan for the Southern Neighbours” were published in 2021, and specifically address the ENP members of the Southern Neighbourhood, including Jordan. Overall, the 2021 Agenda pays renewed attention to environmental issues and green diplomacy by underlining key green goals, which I have combined in five relevant categories to be explored below: (1) financial resilience and green investments, (2) direct investments in renewable energy sources and clean hydrogen/emissions reduction, (3) sustainable food systems, (4) waste management, and finally (5) transition to a circular economy (European Commission, 2021a). An additional overarching aim is to explore different possibilities to deploy flexible and innovative financial instruments, like Green Bonds (European Commission, 2021b). The EU-Jordan Partnership Priorities 2021–2027 document, in the same vein, also underlines the same elements and stresses the need for integration inside the Jordan Energy sector strategy (2020–2030) framework.

## **B. The Financial and Technical Instruments that the EU’s Green Diplomacy Employs in Jordan**

After having identified the key goals that the EU is trying to achieve through its green diplomacy, it is critical to understand the institutional channels it uses to achieve them; as such, four main institutions that are most active in communicating the EU’s Green Diplomacy are identified below:

The first platform is Clima-Med, which constitutes a relatively new endeavour (launched in 2018) that was created with the purpose of spearheading the transition of the EU’s eight ENP-South partner countries towards sustainable development (Clima-Med, 2022). More specifically, it functions by providing specific political analysis and policy recommendations in regard to green investments and energy markets, by identifying pilot actions that could be implemented by national and local authorities, and by simplifying investing and setting up financial mechanisms (Clima-Med, 2022). These are known as Climate Action Coordination Strategies (CASs), and they involve a methodology of statistical review and interviews, which means that their recommendations are tailored and applicable to the local reality. The CAS for Jordan involves two parts. In the first part, the strategy analyses national climate actions and priorities in Jordan’s national policy, as well as the plan for the national coordination of climate policy. In the second part, it makes concrete recommendations for the future continuation and polishing of further strategies and policies and the streamlining of the legal framework (Clima-Med, 2021a).

Part of the CASs’ policy is implemented through Sustainable Energy Access and Climate Action Plans (SEACAPs), in which Clima-Med partners up with local authorities, like

regional municipalities and city councils who request Clima-Med's support to prepare their own SEACAPs (Clima-Med, 2022). Thus, the demand for such expertise appears to be a bottom-up process, not a top-down one. Clima-Med describes the process in Jordan as follows: first, National Coordination Groups (NCGs) were formed, then a Climate Action Road Map was prepared, and lastly, SEACAP Training Workshops were conducted (Clima-Med, 2018).

Secondly, the Union for the Mediterranean is an institution bringing together national governments of sixteen Mediterranean states under an intergovernmental format to enhance cooperation and foster dialogue in the wider area of the Mediterranean. The EU uses it as an arena of cooperation and, for what concerns green diplomacy, as an area where the EU can employ green diplomacy with the aim of re-shaping the region in a more sustainable manner – what could perhaps be called “green spillover”. More specifically, it has a multilateral energy partnership which is called the Renewable Energy and Energy Efficiency Platform (REEE platform for short) and which includes all ENP-South countries except Israel and Syria. Under its auspices operates the Mitigation Enabling Energy Transition in the Mediterranean region platform (meetMED) which is EU-funded and supports the implementation of green projects with technical skills and policy recommendations. MeetMED is of great importance, as its documents include policy recommendations and technical skills. Regarding Jordan, meetMED has published multiple papers concerning energy and green policy, for example, via the provision of assessments on the harmonisation progress of energy efficiency (meetMED, 2020), while in another instance it has looked at the progress, core insufficiencies, and way forward for Jordan's National Renewable Energy Plan (meetMED, 2019).

The third instrument is the European Investment Bank (EIB), the executive arm of the EU that facilitates lending in the areas in which the EU has decided to invest. When it comes to the Southern Neighbourhood, the EIB claims that more than 20% of the local and regional support it provides is channelled into climate actions and environmental projects. In order to implement its plan for more mid-term investments, the Bank's Group is planning to provide 1 trillion euros of investment in climate action and environmental sustainability from 2021 to 2030. One of the goals of doing this is for the EIB to gradually increase the percentage of its annual portfolio related primarily to climate action and environmental sustainability to 50% by 2025. Moreover, the EIB's operations and investments are already guided by obligations to be aligned with the principles of the Paris Agreement (EIB, 2020).

Finally, the European Bank for Reconstruction and Development (EBRD), while not an instrument under the direct control of the EU, finances and implements green projects in Jordan under the framework of EU cooperation and support. The EBRD has seventy-one stakeholders, among them two EU institutions and twenty-seven EU member states (EBRD,

2022). Thus, it cannot be disregarded as a tool for implementing green diplomacy in the areas where it is active. The EBRD typically acts by providing necessary financial liquidity as well as much needed guarantees for the realisation of projects. Increasingly, the investments that the EBRD makes target sustainability, which functions as an umbrella for a variety of different goals, like energy efficiency, health and well-being, renewable sources, clean water, and many more. In the case of Jordan, it has invested in a total of sixty-six projects, with a total cumulative investment of 1.9 billion euros (EBRD, 2022b). Out of these, the current portfolio has a size of 1.22 billion euros, and contains 925 million euros of sustainable investments. For perspective, this translates to around 76% of sustainable investments as a percentage of total investments (EBRD, 2022b).

Overall, the EU supports Jordan through a variety of institutional channels. Highlighted here were four that I consider to be the most relevant in size and volume. It should be noted that the EU also supports Jordan through macro-financial assistance and humanitarian aid, however, these are not included in the analysis, as their primary focus does not revolve around green investments. Nevertheless, they arguably play a role as well.

### **C. Does the EU Deliver?**

In the first section, I highlighted the five key policy areas that I consider important in the official EU communications. Now, I will analyse the progress that has been achieved from 2015 to mid-2023 in the relevant fields.

#### **Goal 1: Financial Resilience and Green Investments**

When it comes to supporting the financial system for green investments, there are two categories: firstly, the exchange of best practices and expertise (technical assistance), and secondly, direct injections towards the Jordanian economy.

Concerning technical assistance, Clima-MED's and meetMED's reports on Jordan have made some policy recommendations regarding how to better bridge the gap between the financial sector and investments. These include measures like a green loan guarantee scheme, defining credit lines on a project's budget, as well as ways to improve credit lines (CAS-Jordan, 2021). This way, Clima-Med is functioning as a platform that proposes policy for the minimisation of risk in green investments. Additionally, meetMED has highlighted an exhaustive list of all financial incentives that have been used in the ENP countries for green investments, thus effectively providing policy makers with a pool of possible policy options to enhance competitiveness through the provision of incentives (meetMED, 2020).

When it comes to direct injections, special attention has been paid to addressing the COVID-19 threat and recovering from its negative financial consequences. The EIB has been

most active in this field, having invested around 601 million euros in promoting resilience for small and medium enterprises, as well as addressing public healthcare needs, and providing guarantees for the Capital Bank of Jordan (Annex 1).

The EBRD on the other hand provides immense support to the financial system and is active in other areas other than COVID-19 resilience, with 11 projects that mostly include supporting Jordan's National Electricity Production Company (NEPCO), the Jordan Ahli, Cairo Amman, and Al Etihad Banks, as well as a micro-fund for women (Annex 1).

As of the last quarter of 2021, Jordan has succeeded in keeping inflation low, while accommodative monetary policy has helped effectively support the economy of Jordan, which can overall be considered resilient (WorldBank, 2021). The positive result of the EU's involvement in this area can also be seen in the public, which responded with a percentage of 62% that the area of health is where Jordan has benefitted the most from EU support (EUneighbours, 2021).

Overall, this area of involvement appears to be working extremely well in tandem with direct investments in renewables. Jordan seems to have tamed the danger of COVID-19, and now appears to be ready to propel local green investments. The EU should continue in that direction, with a special focus on addressing crisis response mechanisms.

## **Goal 2: Direct Investments in Renewables and Clean Hydrogen - Emissions Reduction**

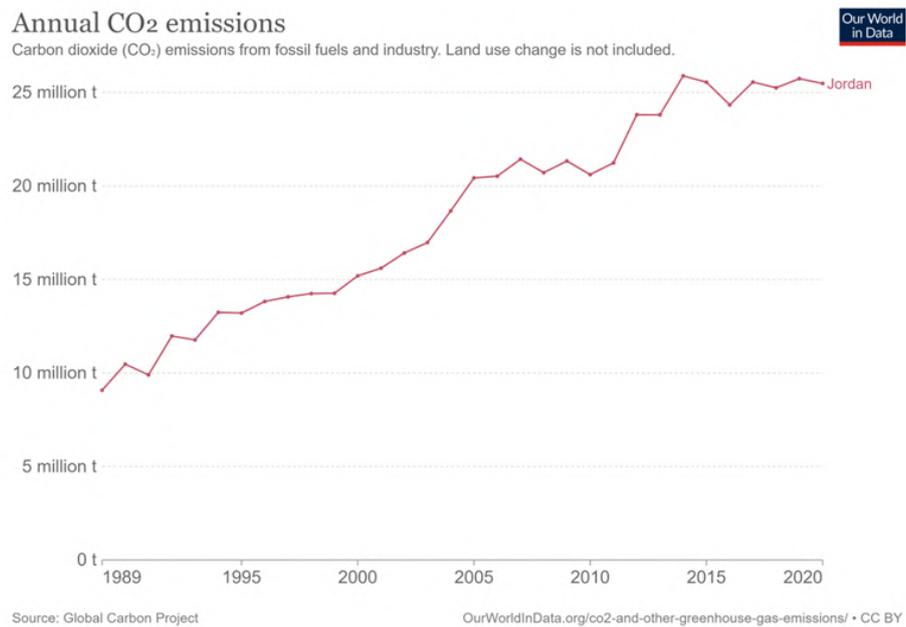
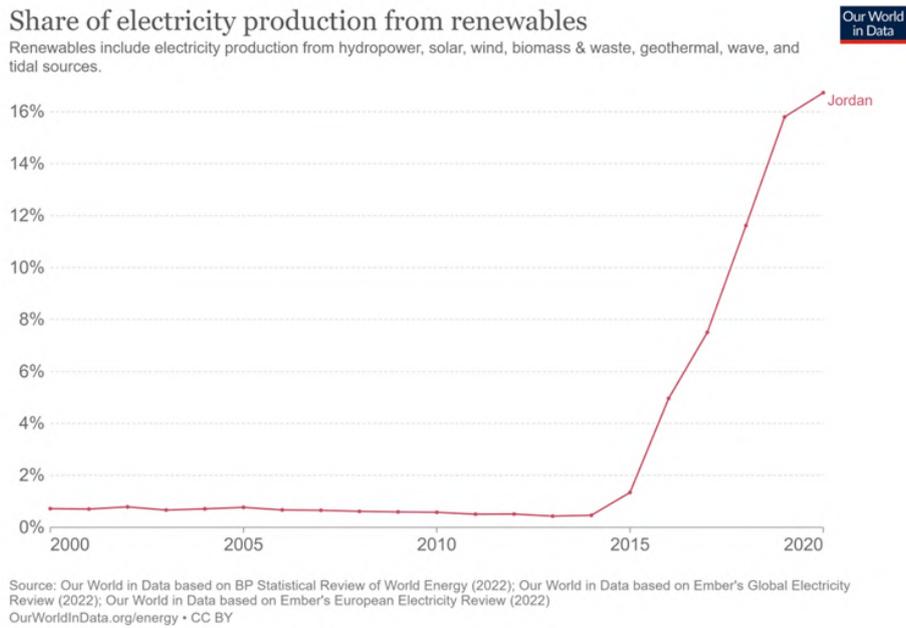
The share of electricity from renewables in Jordan grew from 0.7% in 2014 to over 16.74% in 2020, making Jordan a regional front-runner in renewable energy (OurWorldInData, 2022). The generous investments of the EBRD and EIB with regard to renewable energy explain this: the EBRD supports the green transition with at least nine projects that refer directly to wind and solar energy which are the most effective renewable energy options of Jordan (Annex 2). The EIB has invested a total of 80 million euros in one project, the NEPCO Green Corridor (Annex 1).

Additionally, both the EIB and the EBRD have addressed the issue of emission reduction. Firstly, the EIB has implemented a 45 million euro worth Municipal Energy Efficiency Programme (Annex 1), while the EBRD has contributed with two projects in the capital of Jordan, the Amman Bus Project, which includes low emission buses (EBRD, 2022), as well the Amman Electric Bus Project (Annex 2).

Moreover, through the framework of the Union for the Mediterranean, Jordan has been the recipient of two funding projects, the Catalyst MENA [2] Clean Energy Project, which functioned by providing funding for two solar panel installations (UfM, 2017), as well as a programme that launched in the first quarter of 2023, procuring green grants up to 300,000 euros per project as well as technical expertise (UfM, 2023). On top of that, clima-MED's and meetMED's technical expertise and policy consultancy have helped to guarantee the

implementation of the necessary policies and regulations to support renewables, including solar photovoltaic (PV) and onshore wind development (IRENA, 2020).

All of this has resulted in renewable energy spiking and CO2 emissions stabilising, as shown in the charts below (OurWorldInData, 2022a; OurWorldInData, 2022b).



Overall, the data is very positive, and the EU is highly encouraged to continue in the same pathway of collaborating and providing expertise and legislative advice; perhaps more attention to energy efficiency, which has been cited as the “fifth fuel”, should be paid (*Invisible Fuel*, 2015).

### **Goal 3: Sustainable Food Systems**

A Sustainable Food System can be defined as a functioning system which fulfils its goals of providing food security and nutrition for everyone in such a way that the resources that are used to provide it (from the society, the environment, and the economy) are not compromised for the following generations (FAO, 2018).

With this in mind, the UN's Global Nutrition Report for the year 2020 identified key weaknesses in Jordan, mainly related to obesity, lack of necessary micronutrients, and a serious gender gap in regard to access to sustainable nutrition for women (UN, 2020).

The EBRD has supported Jordan with two projects concerning Agribusiness and an Emergency Food Security Response (Annex 2), however, the most serious problems have not yet been addressed. The main problem is that only around 2% of Jordan is arable land, including a total irrigated area of 800 km<sup>2</sup> (Jordan MoE, 2015).

While the SEACAPS and policy advice of meetMED include recommendations on sustainable food systems, the EU still needs to address this problem as a structural one, as Jordan is a country where the problems of food availability, accessibility, and adequacy will not be addressed by simply investing money; instead, in the wake of the readjustment and specification of the EU's green policy on Jordan after 2020, more attention should be given to maximising efficiency in the arid areas.

In this field, amongst rising food prices as a result of the Russian invasion of Ukraine, it appears that Jordan could potentially be threatened by a disruption of supply lines. The issue of food supply and sustainable agribusiness is very pressing and should be addressed in the following years by the EU through the ENP framework.

### **Goal 4: Water Treatment**

While at first sight Jordan appears to be a relatively advanced economy, and while one would expect access to drinkable water would not constitute a problem, the reality is different. Jordan is ranked as the second poorest country in the world in terms of water resources, with less than 100 m<sup>3</sup> per capita per year of renewable water resources (MWI, 2017). Thus, investments in this field are crucial.

Both the EIB and the EBRD have invested heavily in water treatment and waste management facilities. For its part, the EIB has financed four different projects, with a total combined investment of a little less than 500 million euros (Annex 1). At the same time, the EBRD has financed another four projects concerning wastewater management (Annex 2). These, in combination with other programmes run by external actors, like the Adaptation Fund which aims to increase the resilience of vulnerable communities to water and agricultural stress in Jordan in 2016 (UfM, 2018), have resulted in a notable drop in the

number of people without access to safe drinking water: notably, the number has fallen from 2.33 million in 2015 to 1.46 million in 2020 (OurWorldInData, 2022). Still, investments in this field continue to be necessary and constitute a major area of involvement of the EU.

Thus, concerning the wider agenda of water security, the situation seems to be getting significantly better, and the EU should continue in this direction in order to ensure that no individual is left without access to drinkable water.

### **Goal 5: Waste Management and Circular Economy**

Managing waste is a serious issue in Jordan, where 48% of waste is deposited into landfills, 45% is dumped in open areas, and only 7% is recycled. More alarmingly, any recycling is done by individual waste-pickers, who operate informally and have no operational facility in place (UNFCCC, 2020).

The EU is investing, through the EBRD, in multiple solid waste management installations, as well as a solid waste crisis response programme (Annex 2). However, progress is slow. The main problem is that there has been a lack of a specific legal framework or national strategy for solid waste management in Jordan, a fact that is seriously hampering efforts to resolve the waste management situation. According to the Jordan Green Building Council (2016), “municipalities do not have enough funds to set up modern waste collection infrastructure, recycling facilities, waste disposal systems and waste to energy plants”. Another example of a technical legislative problem is the Al Alkaideer landfill, where industrial waste from Free Trade Areas (FTAs) is not accepted, so the textile scraps are dumped and burned just outside the site’s boundaries.

So long as there is a problem with waste management, speaking about any sort of circular economy is impossible. The idea of a circular economy includes a more complex procedure of not only managing waste but also reusing and recycling it; in the case of Jordan, collecting waste must be solved in the first place before any discussion on circular economy can take place.

Overall, there is therefore a tremendous gap in this policy area. While the field has traditionally been linked more with areas of interest of the United Nations, the EU has significant untapped potential in the field and could get more involved. Since waste management and the issue of circular economy are addressed in the Commission’s 2020 paper, there is already a legal/policy basis to work with; the EU only needs to make use of it.

### **A Distinct Green Diplomacy?**

The evidence suggests that there is a sufficient amount of consistency between the communication and the execution of green policy. Out of the five goals highlighted, the

European Union appears to be consistent in delivering clear positive and visible results in three. Additionally, it could be argued that the goals concerning food security have been derailed due to the Russian invasion of Ukraine and the ensuing risk of a food security crisis, which could not have been in any way predicted. The one sector where the EU's policy is lacking is the goal concerning waste management and circular economy. As mentioned above, it is clear that the EU should not rest on the assistance provided by the UN, but rather keep up intensified efforts for introduction of European legal *acquis* relating to waste treatment and provide expertise for the modernisation of the economic model of Jordan.

Furthermore, the overall model for the promotion is not based on simple investments. As shown, the EU pays special attention to transferring technical expertise, which is important as it is through this that the promotion of green “norms” – which are ultimately social constructs of the day – happen. Moreover, the EU aims to break away from a model of centralisation by also promoting projects like SEACAPs and the meetMED platform which actively engage decentralised actors. These are all indicative of a process that takes sustainability into account and that aims to achieve goals in the mid-to-long term. This is important for my analysis, because the aspect of long-term sustainability indicates a clear link between the communication of the EU's goals and the realisation of them through projects. This means that, rather than trying to “impress” by executing projects in the ENP countries which could be easily done with European experts and contractors, the EU is actively engaged in creating what can be characterised as a green “culture” of sustainability in the country by giving to the local communities the necessary tools to keep sustainability as a learning outcome and overall become independent.

Yet, all of this does not necessarily connote the existence of a “green diplomacy”, after all, critics might argue that it is merely green policy. To that I answer that there is a final argument to be made: in the case of Jordan, the EU's efforts also have political effects, namely the stabilisation of relations and the creation of a positive image of the EU in Jordan. The impact of the EU's activities can first and foremost be seen in the perceptions of Jordanian citizens. In terms of comprehension of the EU (what it is, where it is located, etc.), Jordan ranks second among the countries of the ENP South region, and 70% of Jordanian citizens have a generally positive image of the EU. For reference, this percentage is 57% and 53% for neighbouring Palestine and Lebanon respectively (EUNeighbours, 2020).

Additionally, in responding to what the EU does for Jordan that other actors do not, Jordanians put the EU as providing added value in prioritising a sustainable and inclusive economic development agenda relative to other global players as their first out of ten options, with a percentage of 35% (Rosshandler, 2021). Moreover, the majority of respondents in Jordan (67%) believe that EU support provided is beneficial and effective, while the importance of the EU partnership is widely recognised by a majority (77%) of respondents

(Eurostat, 2022). The creation of a positive image of the EU comes as added value to the EU's effort in promoting green investments in Jordan, and proves the existence of a political dimension that aims to project the EU as a partner that actively shapes its neighbourhood and ultimately separates ordinary "green policy" from genuine "green diplomacy".

## Conclusion

The EU is approaching the Southern Neighbourhood's needs for green investments in a wide variety of ways. Its green policy has evolved significantly from 2015, when it was first publicly introduced into the agenda under the framework of the ENP. Especially with regard to Jordan, the EU has made an exemplary student out of the kingdom. It has steadily created a rising and consistent green diplomacy that mostly revolves around green investments and implementing the Paris Climate Agreement while paying special attention to sustainable development. This paper has identified five key policy areas: financial resilience, direct investments, food systems, water treatment, and the waste management-circular economy.

The EU appears to be successful in implementing the core goals it has set for itself, while public acceptance of the EU in Jordan is at an all-time high. Thus, it seems that not only is green diplomacy a distinct field of European policy in the ENP, but that it can also be used in order to promote the EU's green norms and achieve positive change for the environment on a global scale. This paper is thus significant to the extent that it spearheads an effort to try to understand a new field of foreign policy where the EU can potentially try to implement conditionality to promote green investments and alter its neighbours. However, before proceeding further it is also crucial to explore different case studies; Jordan is a case study of a relatively successful partner, and future research should try to expand this model of green diplomacy in less successful cases to understand whether this model is exportable or only unique to Jordan.

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## The Development of the Green Liberal Party: What Does it Mean for Green Politics in Switzerland and Abroad?

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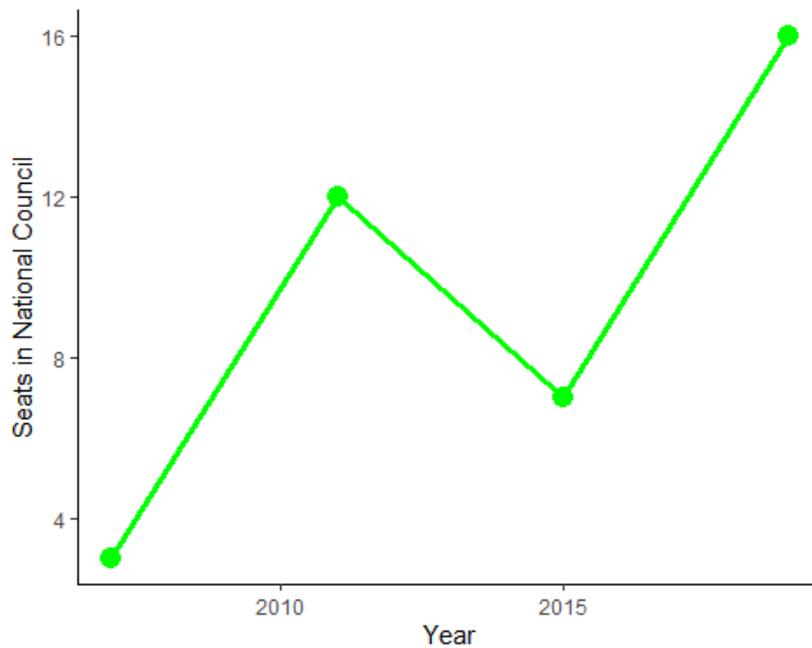
### Abstract

In 2007, the Green Liberal Party was founded in Switzerland. A Green Party had already existed in Switzerland since 1971, however the Green Liberal Party carved out a novel position in national politics by combining the progressive environmental and social policies of the existing Green Party with economically liberal, market-oriented policies in contrast to the Green Party's preference for greater state control and market regulation. Despite the dynamism that the Green Liberal Party has added to Swiss green politics, existing literature on the party is surprisingly sparse. In this paper, I seek to identify what has differentiated the Green Liberal Party from the Green Party in Switzerland in terms of the geography of party support and party policy positions on federal popular votes, and what this could theoretically entail for the development of green politics and green party organisation.

The Green Liberal Party (GLP) emerged in Switzerland in 2007, bringing a new and interesting type of party into the Swiss political landscape. The Green Party (GPS) had existed in the country for well over three decades at that point, having been founded in 1971. The GPS was created during a time when numerous green political parties emerged in various countries, especially in Western Europe. These traditional green parties typically combined a focus on environmental policy issues with liberal social policies and centre-left to left-wing economic policies characterised by state intervention, primarily in order to improve environmental conditions.

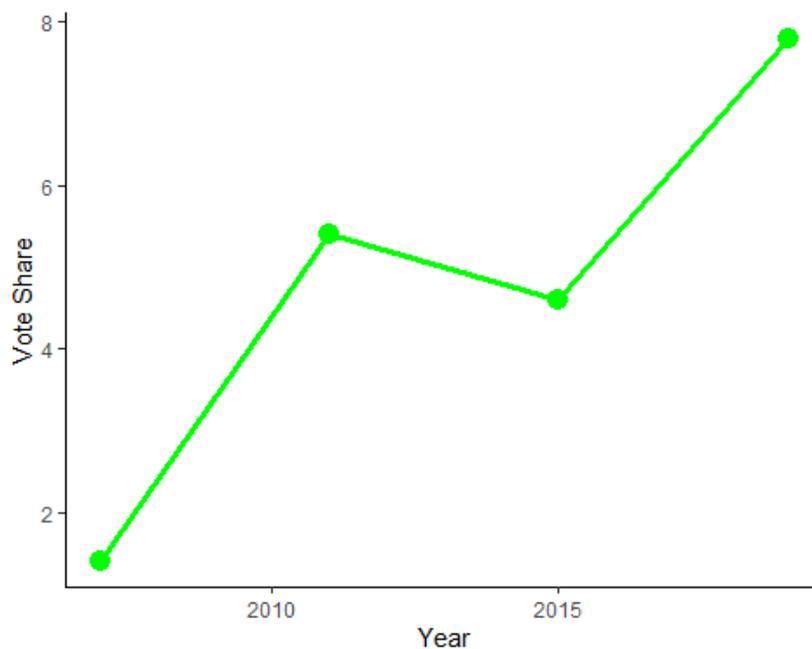
However, the GLP occupies a different space in politics than these more traditional green parties. In 2004, two members of the GPS from Zürich left the party due to concerns over the organisational structure of the party and that the GPS was moving too far left on issues. The party first contested a national election in 2007, however it only ran candidates in the cantons of St. Gallen and Zürich, where it received 3.2 and 7% of the vote respectively (Dardanelli, 2008). Since first running candidates at the national level as a political party in 2007, the GLP has grown in terms of electoral support and seats held in the government.

**Figure 1: Green Liberal Party Seats Held in the National Council 2007-2019**



Notes: Seats in National Council tracks the total number of seats held by the GLP in the National Council from 2007 to 2019.

**Figure 2: Green Liberal Party Vote Share: Federal Elections 2007-2019**



Notes: Vote share is for total percentage share of overall votes in National Council elections from 2007 to 2019.

Figure 1 shows the vote share received by the GLP in National Council elections from 2007 to 2019, and Figure 2 shows the number of seats held by the GLP in the National Council from 2007 to 2019. We can observe here that the GLP has become more electorally successful over time, both in terms of vote share received and electoral seats held in the National Council. In the span of twelve years, the GLP has gone from a breakaway party contesting elections in only two cantons, to an established party with much greater support. The GLP saw their best performance so far during the most recent national elections, in 2019, when it earned nearly 8% of the national vote share and 16 seats in the National Council (Federal Statistics Office, 2023). While still a minor party in comparison to more established parties such as the Social Democratic Party or the Swiss People's Party, the GLP has clearly grown and shown a certain level of durability in Swiss politics.

What could the creation and development of the GLP mean for green politics, and politics more broadly? Could this new party model succeed beyond Switzerland, or is this an isolated case in one country? Is there enough demand in Switzerland and elsewhere for a party occupying such a political space? In this paper, I will attempt to answer these questions through testing four hypotheses on the potential underlying factors influencing the electoral success of the GLP:

1. The GLP is more electorally successful in majority German-speaking cantons.
2. The GLP is more electorally successful in urbanised areas.
3. The GLP is more electorally successful in areas with greater levels of trade exports.
4. The GLP is more electorally successful in areas where the GPS is also electorally successful.

I found support for hypotheses 1, 2, and 4, but not 3. This suggests that the GLP is most successful in the German-speaking areas of Switzerland, in urban areas, and in areas where the GPS is also more electorally successful. Levels of international trade in a region, however, are not associated with GLP vote share, suggesting that the right-of-centre economic policies held by the GLP may not necessarily draw in votes in areas where free trade is important to the local economy. Alongside hypothesis 2, I have also found that the GLP is more electorally successful among rural voters but not in suburban areas, thus gaining much of their support from highly urbanised and highly rural areas, but not the ones in between. Alongside my findings, I conclude by discussing the successes and limitations for the GLP so far, as well as the future trajectory for green liberalism in party politics within Switzerland and abroad.

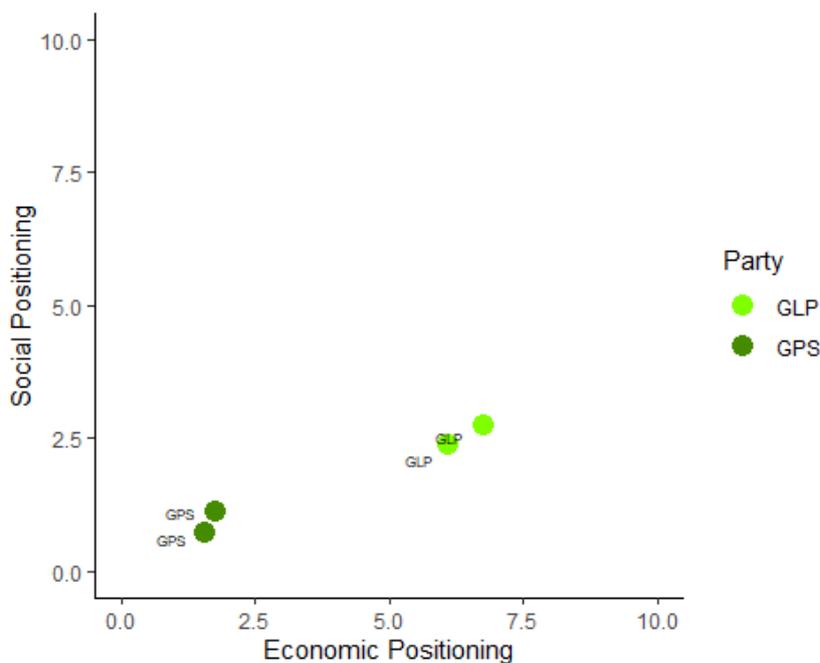
### **Situating the Green Liberal Party**

Literature on the GLP in Switzerland, or on the concept of green liberal parties as a whole, remains sparse. While many scholarly books and articles have been published on green parties, only one published paper by Andreas Ladner in 2012 systematically discusses the GLP.

Ladner had a particularly optimistic outlook for the future of the GLP at the time, noting that it had clearly distinguished itself from other parties and could build upon the lack of organisation by other national parties in 2012. Ladner’s work helped provide an insightful early account of the GLP, however this paper was published nine years ago, and only five years after the formation of the GLP. Since the publication of Ladner’s paper, there have been a number of changes within and outside of the GLP.

In 2012, the GLP did not have a written party programme — Ladner noted the difficulty in pinpointing the positions of the party at the time. As mentioned in the introduction, the GLP specifically aimed to combine traditional green politics and social liberalism with more market-oriented economic policy positions. Figure 3 shows the positions of the GLP in comparison to the GPS in a two-dimensional space, with social left-right positioning along the y-axis and economic left-right positioning along the x-axis, using data from the 2014 and 2019 editions of the Chapel Hill Expert Survey (Bakker et al., 2020; Polk et al., 2017).

**Figure 3: Green Liberal Party (GLP) and Green Party (GPS) Positions**



Notes: Data for party positioning comes from the 2014 and 2019 rounds of the Chapel Hill Expert Survey (CHES). The social positioning scale uses the 11-point GALTAN variable for party social values. A coding of 0 is strongly liberal on social issues. A coding of 10 is strongly conservative on social issues. The economic positioning scale uses the 11-point LRECON variable for party economic values. A coding of 0 is far-left on economic issues. A coding of 10 is far-right on economic issues.

Regarding social issues, the GLP is quite similar to the GPS. Both parties are firmly centre-left to far-left in this area, although the GPS is further left than the GLP. However, the

parties' economic positions show a greater divergence. GLP is centre-right on such policies, signifying that it is more supportive of free-market economics. In contrast, the GPS, like their position on social policies, supports further-left economic policies. The GLP's distinct position on economic issues reflects their attempts to carve out electoral ground previously unoccupied. Additionally, the data shows the GLP has stuck to its intention to promote a mix of social liberalism and centre-right economics in their brand of green politics.

Beyond the GLP, green parties across Europe have seen rising support in recent years (Pearson and Rüdig, 2020; Reuchamps et al., 2020). This may also facilitate the GLP building up electoral support for their mix of political positions in the future. If, on the demand-side, voters are increasingly looking to support green parties, then the GLP, through its blend of positions, could capture both the votes of those who are looking to support typical green party positions as well as more centrist voters and green conservatives who would favour the GLP's centre to centre-right economic policies. This could give the party greater leverage in government in future years. In the following sections of this paper, I aim to better assess the GLP in terms of voter support, and situate possible explanations for growth of voting base for the party based on existing literature and data. To do this I will outline the four hypotheses and explain the sources of data used, along with my approach to modelling the data and the results from the models which tested the four hypotheses.

## Hypotheses

I hypothesise that there are four primary factors which would influence the vote share received by the GLP. Specifically, I suggest that the GLP is becoming increasingly successful in primarily German-speaking areas, more urbanised areas, areas that benefit from international trade, and areas where the GPS is also successful. Below, I will outline the specific hypotheses and why they were selected.

## Language

**H1:** *The Green Liberal Party will have greater electoral success in areas which are majority German-speaking*

I hypothesise that language will be a key influence for GLP electoral success, specifically that the GLP will be more successful in majority German-speaking cantons. This is primarily because the GLP was formed in the German-speaking canton of Zürich, and only fielded candidates in the German-speaking cantons of Zürich and St. Gallen when it first contested national elections in 2007. Since Switzerland is a multilingual country and the number of citizens speaking a given language as their primary language can vary drastically from canton to canton, I hypothesise that this divide will also materialise in vote share for the

GLP, thereby suggesting that the party's German origins will continue to influence electoral support for the party.

### **Urbanisation**

**H2:** *The Green Liberal Party will have greater electoral success in more urbanised areas*

I hypothesise that the GLP will be more electorally successful in more urbanised areas because of green parties' historic success in such areas (Muller-Rommel, 2019). Additionally, Ladner (2012) also argued that the GLP should be expected to be a particularly attractive choice for urban voters, thereby establishing urban centres as key areas in which the GLP can influence politics. As such, I will test whether Ladner's expectations have proven correct.

### **Trade**

**H3:** *The Green Liberal Party will have greater electoral success in areas where more export production occurs*

I hypothesise that the GLP will be more electorally successful in areas where there is greater production of goods for export because of the GLP's centre-right positions on economic issues. The GLP's support for more market-oriented policies might muster support in these areas as such policies could be more supportive of local economic production and employment.

### **Green Party**

**H4:** *The Green Liberal Party will have greater electoral success in areas where the GPS is also successful*

I hypothesise that the GLP will be more electorally successful in areas where the GPS is successful because I expect that a large block of GLP voters will be those who support the same focus on green politics and socially liberal policies held by the GPS, but may be drawn towards voting for the GLP instead because they hold more centre-right beliefs on economic policies which would make the GLP's positions more appealing than the far-left positions of the GPS.

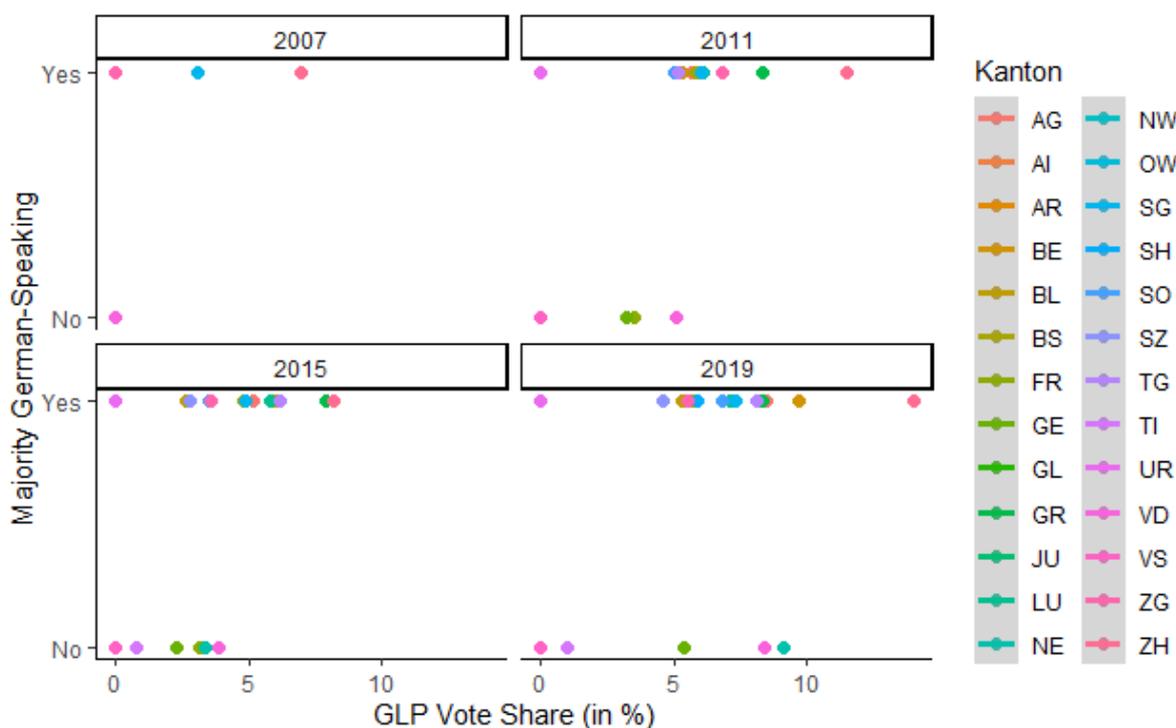
### **Data and Methodological Approach**

Data for this paper comes from three sources. Data on election results from German-speaking areas and pro-GPS areas are drawn from the Swiss Federal Office of Statistics' collection of canton-level National Council election results (2019). Data on urbanisation levels is drawn from the Swiss Federal Office of Statistics' data on the structure of permanent residents by

canton (2020). Data on exports is drawn from the Swiss Federal Customs Administration data on foreign trade statistics by canton (2020).

Methodologically, I will use a multivariate linear ordinary least squares (OLS) regression approach. The main dependent variable for each model is GLP vote share, since we are theoretically interested in electoral support for the GLP. I use a number of main independent variables to test the different hypotheses. To test the hypothesis that the GLP will be more electorally successful in majority German-speaking areas, I will use a binary variable for whether a canton is majority German-speaking or not. Figure 4 displays the canton-level vote share for the GLP from 2007 to 2019, and whether the canton is majority German-speaking or not. We see that across all national election years, the GLP performs better on average in cantons that are majority German-speaking, which suggests preliminary support for the first hypothesis.

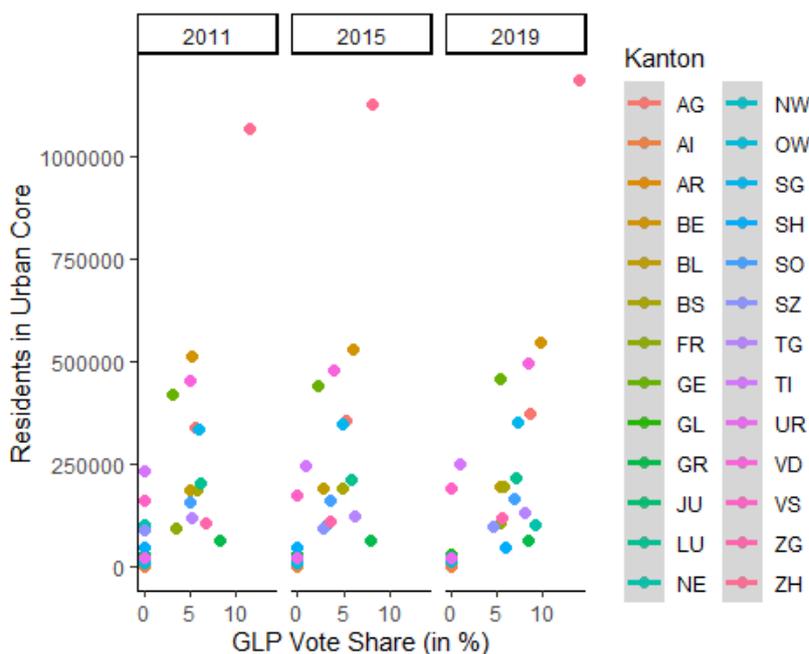
**Figure 4: Green Liberal Party Vote Share and German Language Population**



Notes: The y-axis presents whether a kanton has a majority of citizens whose primary language of use is German. The x-axis presents GLP vote share in Federal Council elections in the given canton for the year specified.

The main independent variable designed to test the second hypothesis — that the GLP will be more electorally successful in more urbanised areas — is the number of residents in an urban core area within each canton. Figure 5 presents the relationship between the number of residents of a canton in an urban core area and vote share for the GLP. We can see from the figure that there is once again support from descriptive statistics for the urbanisation hypothesis, as we can observe that the GLP tends to receive a greater share of votes as the number of residents in an urban core area increases.

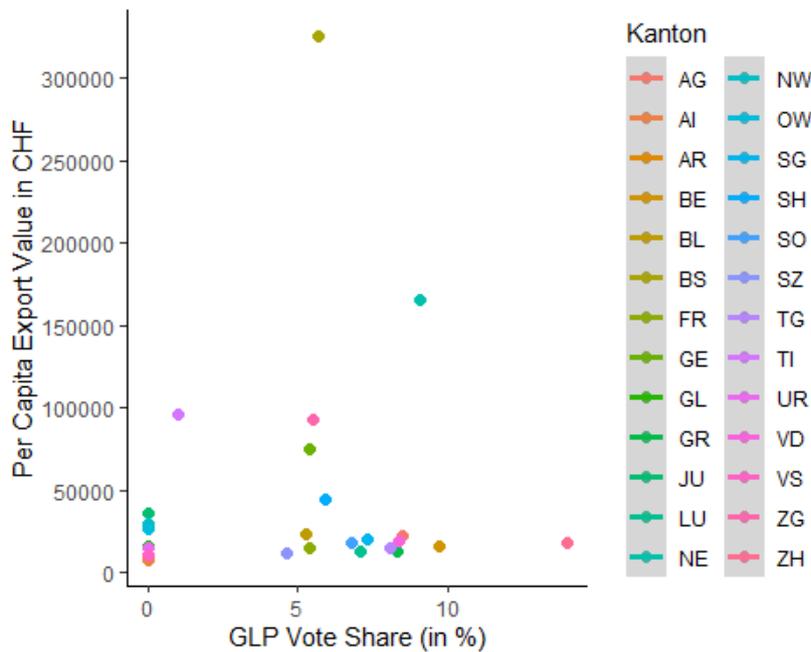
**Figure 5: Green Liberal Party Vote Share and Canton Residents in an Urban Core**



Notes: The y-axis presents the number of residents in a given canton who live within an area classified as the urban core. The x-axis presents the GLP vote share in Federal Council elections in a given canton for the specified year.

The main independent variable to test the third hypothesis, that the GLP will be more electorally successful in areas with higher levels of export production, is the per capita value of exports for each canton. It is expected that cantons which handle greater levels of export production will have voters who are more supportive of market-oriented economic policies that would tend to favour international trade and the production of exports. Figure 6 shows the relationship between GLP vote share and per capita value of exports for each canton in Swiss Francs. The figure gives some support for the export hypothesis, as there are a number of high-export value cantons which support the GLP to a greater degree, but there does not appear to be clear support for this hypothesis yet, as there are also a number of cantons with low levels of per capita export value which give the GLP high levels of comparative support.

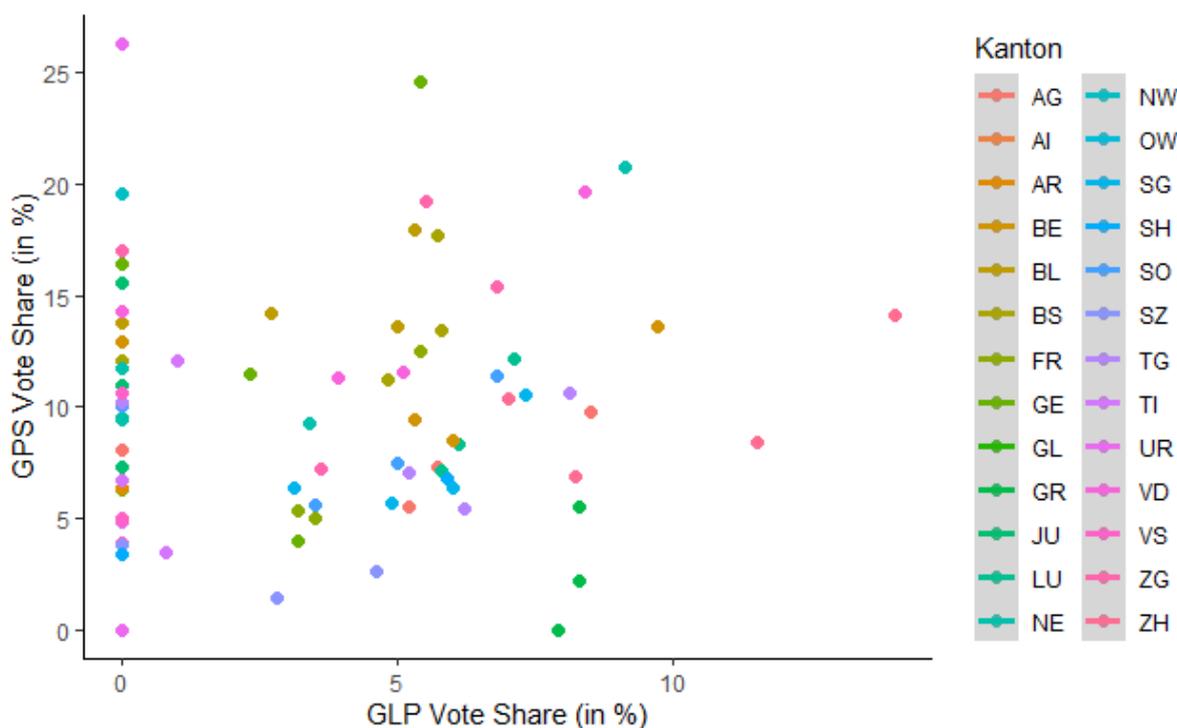
**Figure 6: Green Liberal Party Vote Share and Canton Per Capita Exports: 2019**



Notes: The y-axis presents the per capita value of exports from each canton in 2019. The x-axis presents GLP vote share received in each given canton in the 2019 Federal Council election.

Finally, to test whether the GLP is more electorally successful in areas where the GPS is also electorally successful, I will use GPS vote share as an independent variable. Figure 7 displays the relationship between GLP vote share and GPS vote share for each canton. The figure does appear to present support for this hypothesis, as it shows that rising GLP support is generally associated with rising GPS support as well, however it should also be noted that there are a number of cantons which give no electoral support to the GLP, but support the GPS in relatively high levels. This is likely the result of the spread of the GLP over time, contesting national elections in only two cantons in 2007, to contesting national elections in nearly all cantons by 2019.

**Figure 7: Green Liberal Party and Green Party Vote Share by Canton: 2007–2019**



Notes: The y-axis presents GPS vote share received in each given kanton in National Council elections from 2007 to 2019. The x-axis presents GLP vote share received in each given kanton in National Council elections from 2007 to 2019.

In the next section, I will present the results of the multivariate OLS regression analysis using GLP as a dependent variable and the additional independent variables designed to test the four hypotheses outlined previously. This will be followed by further discussion of the results, and concluding remarks about what this means for the GLP and green liberalism in Switzerland and abroad.

### Results and Discussion

Table 1 presents the results using the data and methodological approach specified in the previous section. We observe that the first hypothesis, that the GLP will be more electorally successful in majority German-speaking areas, is supported by the regression analysis. There is a significant, positive relationship between a canton being majority German-speaking and support for the GLP. This suggests that the party continues to garner most of its support from German-speaking areas, which may be the result of the party's origins in the region of Switzerland which is majority German-speaking.

**Table 1: Green Liberal Party Vote Share Models**

	(1)	(2)	(3)
Majority German Speaking	1.97 **		
	(0.69)		
Green Party Vote Share	0.23 ***	0.13 **	0.32 *
	(0.05)	(0.05)	(0.13)
Urban Core		10.06 **	
		(2.96)	
Influenced by Urban Core		-1.51	
		(2.62)	
Beyond Urban Core		4.50 **	
		(1.46)	
Exports Per Capita			-8.64
			(23.87)
Exports X Green Party Vote Share			0.30
			(1.34)
N	104	78	26
R2	0.20	0.53	0.33
logLik	-261.87	-177.07	-67.07
AIC	531.73	366.15	144.13

\*\*\* p < 0.001; \*\* p < 0.01; \* p < 0.05.

Notes: For all models, the dependent variable is Green Liberal Party vote share. All models use multivariate OLS regression.

The second hypothesis, that the GLP will be more electorally successful in more urbanised areas, holds up. There is a strong, positive relationship between GLP vote share and urban core location. Interestingly, there is also a significant, positive relationship between

GLP vote share and location beyond the urban core, which would correspond with highly rural areas. While the regression analysis cannot fully tease out the underlying influence of this relationship, this may suggest that rural voters concerned about environmental issues tend to be more supportive of the GLP and could be more aligned with the centre to centre-right economic policies of the GLP in comparison to the further left economic policies of the GPS.

In areas influenced by the urban core, which would be suburbanised areas, there is an insignificant, negative relationship suggesting that the GLP performs worse in suburban areas in comparison to urban and rural areas. This is a notable finding, and future work should continue to focus on geographic divides in GLP support. One possibility for this divide is that the GLP draws in two different sets of voters. One set of voters are those in urban areas which are highly considerate of environmental policies, yet also are more focused on globalised economic markets and conditions associated largely with urban cores. The other set of voters are those from rural areas who are also considerate of environmental policies, associated closely with developments in the agricultural and land development sectors particularly, but also favour more free-market oriented policies which the GLP has aligned themselves with as a party compared to the GPS, which is also environmentally-focused. In contrast, suburban voters may be more likely to focus on other issues associated with more traditional centre-right or centre-left values captured by the Swiss Peoples' Party and Swiss Socialist Party.

We further see that the third hypothesis, that the GLP will perform better in areas with greater levels of per capita export production, however, is not supported by the regression analysis. Instead, we can see that there is actually a negative relationship between per capita export value of a given canton and GLP vote share. As a result, it appears that the market-oriented policy positions of the GLP does not necessarily make it more electorally appealing to voters in areas where international trade has a larger effect on the local economy.

Finally, we can observe that across all models GPS vote share is significantly and positively associated with GLP vote share. This provides robust support for the fourth hypothesis that the GLP performs better electorally in areas where the GPS performs well electorally. This finding also suggests that the GLP and GPS split the green vote in many areas and in other areas support for both parties is low. This also appears to suggest that GLP and GPS voters are not necessarily very different, as the parties' voter bases are in similar areas, which suggests voters may generally see them as substitutes for one another as opposed to parties that are fully in competition with one another.

### **Concluding Remarks**

What has the development of the Green Liberal Party shown in Switzerland, and what might it mean for green liberalism abroad? Evidently, the GLP has certainly become more influential in Swiss national elections. The party has steadily improved its support in terms of vote share

received, as well as seats in national government. Based on the evidence presented here, there is reason for both greater optimism and caution for the future of the GLP and green liberalism.

In terms of greater optimism, the growing electoral support for the party in recent years could signal that the GLP is entering the mainstream and could build on this growth. This should give the GLP optimism insofar as they have been able to expand their base over time, clearly indicating there is an appetite for their style of green politics. Additionally, within Switzerland, the party appears to be drawing support from both urban and rural bases. This may reflect that the party is able to gain support from a broader base than simply urban voters, and so their future voter base could consist of both rural and urban voters abroad, this could also mean greater support and visibility of the GLP, which might bolster demand for green liberal parties and inspire similar movements in other countries, particularly in Western Europe where green parties have performed well in recent elections.

There are, however, a number of reasons to approach these expectations with caution. The GLP is still not as electorally influential as the GPS in Swiss politics, and traditional green parties are more established and accepted in European countries and globally. It seems that it will be difficult for the GLP to hold influence in the long-term if they are unable to amass power or support equal to or better than the GPS. Furthermore, the GLP still gains a disproportionate amount of its support from German-speaking areas in Switzerland, where the party first began. This could suggest that within Switzerland there still are some demographic limits to support for the GLP which the party has not been able to overcome. Finally, the party has existed for less than two decades. While this is not necessarily a short amount of time, it still remains to be seen whether the party has a lasting presence for decades to come. However, the GLP has adopted a unique position within Swiss politics in comparison to its competitors, suggesting that it may be difficult for other parties to draw in GLP voters in the future. This could contribute to a more stable voter base for the GLP moving forward.

Overall, the GLP appears to still be in the process of growth as a party, but has become more established in Swiss politics and is more electorally successful at this point than at any prior point in the party's history. However, two major questions still remain for the GLP and green liberalism more broadly. Firstly, for the GLP, what leverage can the party hold in government? Although the party has grown in electoral support, it is not yet apparent that the party can hold significant influence over government decisions at this point. For the party to remain viable in Switzerland, they may need to find a way to avoid being stuck at the level of support which they currently hold. Second, for green liberalism, can this party model be exported to other countries? Although the GLP has developed and grown in Switzerland, it has not yet been proven that this party model is becoming popular in other countries to any noticeable degree. As a result, it still remains to be seen whether the GLP will remain a unique

party in combining green politics and social liberalism with market-oriented economic policies, or whether this model will take hold in other countries as well.

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## A Case for Open Borders: The Possible Solution to Global Inequality

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### Abstract

This article will explore the ways in which immigration policies lead to global inequality by fueling populism, justifying human rights abuses, and hindering economic development. It also presents relaxed immigration policies and open borders as a potential solution to the aforementioned problems. The available literature on the economic effects of free movement shows overwhelmingly positive effects on the global economy. Hamilton and Whalley (1984), Moses and Letnes (2004), Klein and Ventura (2007), and Kennan (2013), consider a wide range of scenarios, ranging from a modest growth to a more than doubling of the Gross World Product. Iregui (2005) is the first to use a fully developed AGE model, and to take into consideration the educational background of workers, yielding a GWP growth between 13–67%. Docquier et al. (2015) foresees a 7–18% increase in GWP, but a cumulative impact that is four to five times greater in the long term (Docquier et al., 2018). This research is highly relevant considering the populist discourse centred on immigration and its consequences on the Western democracy. The results show that immigration could in fact be a solution for global problems, rather than a problem to be contained. The article will also present the moral consequences of the current immigration policies, in the form of human rights abuses.

### Keywords

Free Movement, Populism, Migration Policy, Human Rights, Global Development

### Introduction

General attitudes towards immigration remain as bad as ever in the developed world, although data shows that recent migration flows have been beneficial for 69% of the non-migrant OECD population, and for 83% of non-migrant citizens of the richest OECD countries (Docquier et al., 2016). This contradiction should make one wonder about the root causes of the current immigration policies, whether they are grounded in facts or prevailing attitudes, and what consequences they have in the long run. This article will provide a historic frame for the first immigration policies, as grounded in racism and lacking economic foresight. It will also present how immigration can be the solution for the declining population of the developed world, the productivity problem of the developing world, and the poverty caused by the lack of opportunities and financial flows towards poor countries.

Immigration is often presented as a problem, with the European Commission (*What do people in Europe think about migrants?*, 2018) finding that 56% of European responders view immigrants as a burden on the welfare system, 55% think immigrants increase criminality, and 39% think that immigrants take away jobs from workers in the country. According to Gallup (*Immigration*, 2022), 41% of American responders are very worried about illegal immigration, and 47% see large numbers of immigrants as a critical threat to the vital interests of the United States (US). These attitudes are empowering populists to come up with solutions and gather support for their cause, causing shifts in the public debate, and putting pressure even on moderate politicians to adapt their discourse. Immigration restrictions are presented as a solution, enabling governments to promote human rights abuses, such as the detention of asylum seekers and the exploitation of temporary migrants.

### **The Populist Perspective**

This section aims to debunk some myths related to immigration that are still used by populists and reinforced by the media. Populist assumptions are just half-truths, most often contradicted by sociological and economic studies. For instance, the assumption that immigrants depress wages does not consider their impact on global productivity (Klein and Ventura, 2007; Moses and Letnes, 2004). The “brain drain” effect espoused by politicians in the origin countries does not consider the increase in opportunities and resources resulting from the money sent back home by emigrants (Cazachevici et al., 2020). The perceived antisocial behaviour of some immigrants is the most heated topic of debate, but studies do not show any correlation between crime rates and immigration (Ousey and Kubrin, 2018). The first three paragraphs will present a short history of immigration policies with a focus on the United Kingdom (UK) and its Commonwealth. They will show how immigration policies are rooted in racism, and provide a background for the human rights abuses presented in the last section.

Borders are perceived as natural, and immigration controls are viewed as necessary. However the first immigration controls were introduced only in the 20th century as a way to secure the wealth of developed nations. Europe has built its wealth and power between the 16th and 18th centuries through the mercantilist practices of importing raw materials from the colonies and exporting refined products within what is now called “The Atlantic System”. This economic paradigm claims that wealth and potential are limited and that one can prosper only at the expense of another (Pincus, 2020, p.3–4). Capitalism, on the other hand, claims that potential and knowledge are unlimited, therefore, new technologies enhance the potential to discover and extract new resources (Harari, 2014, p.343–348). By the 19th century, Europe had secured its domination worldwide and established profitable trade routes, performant means of transportation, and technological know-how. As a result,

Europe started to promote free trade to its advantage. After their domination was challenged at the beginning of the 20th century, European countries started imposing immigration controls (Hayter, 2004, p.37–38). The ideological justification for exploitation was that resources are limited, and they should be assigned to people who have more potential to use them correctly.

The first immigration policies were related to race, exclusion, and nation-building. The 1882 Chinese Exclusion Act was the first piece of American immigration policy, banning Chinese migrants for ten years, although the ban eventually remained in place until the 1940s (“Chinese immigration and the Chinese Exclusion Acts”, 2015). Supporters of this piece of legislation claimed that the Chinese people were taking jobs away from US citizens and, more importantly, were corrupting their ways of living and morals (“Chinese immigration and the Chinese Exclusion Acts”, 2015). The 1905 Aliens Act was the first British immigration policy, banning Jewish people that were escaping pogroms from Russia and Eastern Europe (Garner and Watson 2015, p.209–210). Around 120,000 of them settled in the UK between 1875 and 1914 (Hayter, 2004, p.38). This Act was superseded in 1914 by an even more restrictive piece of legislation aimed at keeping out potential spies and subversive groups during wartime (Garner and Watson, 2015, p.211). Racist views were considered normal at that time, reinforced by scientific and anthropological studies. Only after the Second World War racism has become a controversial topic in the Western world.

The second historic event that inspired harsh immigration policies in the UK was the process of decolonisation. According to Hayter (2004, p.45–49), the 1962 Commonwealth Immigration Act increased immigration controls from the Commonwealth towards the UK, but it actually backfired and increased immigration in the short term. As a result of this Act, residents of the Commonwealth started to come to the UK not for jobs, but in order to secure this opportunity in case tougher measures were put in place. They started to settle permanently and bring their families as well. Hugh Gaitskell, the leader of the opposition at that time declared before the Act was passed:

*The rate of immigration is closely related, and in my view will always be related, to the rate of economic absorption... As the number of unfilled vacancies goes down, the immigration figures go down, and as the number of unfilled vacancies rises, the immigration figures go up. It is, in my opinion, an utter and complete myth that there is the slightest danger or prospect of millions and millions of brown and black people coming into this country.*  
(Hayter, 2004, p.45–49)

The sharp rise in immigration from the Caribbean region between 1961 and 1962 was for the first time against the economic indicators. In the first eighteen months after the Act was passed through Parliament, 66,000 immigration vouchers were issued, yet only 35,000 were

used, suggesting emigration from the Caribbean to the UK had little to do with money and more to do with security. The Treasury gave clear advice that, on economic grounds, there is no justification for introducing immigration controls between the UK and the Commonwealth (Hayter, 2004, p.45–49). Although the current situation is different from the 1960s, the lack of restrictions usually leads to an equilibrium. It is possible that millions of immigrants would come to developed nations if borders would suddenly open, but it is also very likely that most of those who will not find jobs will return to their home countries.

One of the main arguments used against immigration in our times is that immigrants depress wages. This is a rather simplistic approach that does not take into account productivity and its effects on a macroeconomic scale. Various studies show that migration does not reduce wages in the long run. If immigration restrictions are removed gradually, by taking into consideration the growth of the effective labour supply and adjusting it to the capital stock, wages will not fall on the short run either (Kennan, 2013). The supposed decrease of wages would be a result of the supply and offer, therefore should offer no justification for policy making. Economic policies should be based on concerns over equity and building human capital (Clemens, 2011). As a result of open borders, the effective labour supply would double, from around 800 million workers to over 1.5 billion (Kennan, 2013). Also, there are numerous studies that show a direct correlation between emigration and increased productivity, some of which will be presented in the next section.

The catchphrase “brain drain” is used to describe the emigration of skilled labour affecting less developed countries, but the effects of skilled emigration have to be further researched. Mountford (1997), Stark, Helmenstein, and Prskawetz (1997) theorise that emigration to high-wage countries is, in fact, raising the value of the human capital stock at home because of the existence of an emigration option that could increase wages and opportunities. Those who decide to remain because of reasons that have little to do with economics could be a driving force for better performances and working conditions. Some studies suggest that the increase in value of the human capital stock is large enough to balance the departures in some settings. (Beine et al., 2008; Chand and Clemens, 2008). For example, the African countries that are exporting the most healthcare professionals have systematically better health conditions that cannot be explained by foreign aid (Clemens, 2007). The negative effects of emigration on nonmigrants have proven difficult to observe, due to a large number of variables, their theoretical basis is unclear, and their use to justify policy remains shaky (Clemens, 2011, p.90). New developments, such as AI and climate change, could have a much larger impact on the labour force and may become the priority of moderate politicians. Macroeconomic studies have to consider a lot of variables, especially when dealing with something that can be investigated from so many perspectives. Politicians,

on the other hand, have to present to the public with simplistic and catchy ideas that are in line with common sense and popular assumptions.

Another myth used by populists is that immigrants engage in ‘antisocial’ behaviour, a claim contradicted by many sociological studies. Immigrants are often blamed for scrounging off welfare (while taking jobs away at the same time) and increasing crime rates (Dustman and Frattini, 2014). Taking Brexit as an example, European Union (EU) immigrants have paid into social security more than they took out, and those arriving since 2001 have added by 2014 almost five billion pounds (Dustman and Frattini, 2014). Shaw and McKay (1942) did find a correlation between social disorganisation and higher incidents of crime, meaning that factors such as residential mobility, ethnic heterogeneity, and low socio-economic status could lead to higher crime rates. However, an influential meta-analytic study involving fifty-one immigration studies does not support claims about a link between immigration and crime rates (Ousey and Kubrin, 2018). Organised crime and terrorism are mostly caused by social exclusion and disorganisation, which can be dealt with by governments through targeted policies. Moreover, past years have shown that ideas spread faster than migrants, so radicalisation and criminality are now being done online as well, without the need of crossing borders. One important function of immigration controls is deterring terrorism and criminality, but preventing crimes can be done in more efficient ways through targeted social policies.

Development funds and reinforced border controls are perceived as a reasonable plan to combat both poverty and immigration, being supported by both moderates and extremists (Hayter, 2004, p.164–168). In fact, the efficiency of development funds is now put into question, since studies have shown that more immigration could be caused by “pull factors” such as economic growth, than by “push factors” such as poverty. Clemens (2014) established that for countries with a GDP per capita between 7,000 and 9,000 dollars, economic growth leads to increased emigration. The population growth of some regions such as North Africa and the improving standards of living in developed nations will probably not translate into fewer economic migrants, even though many North African countries have a GDP per capita close to or above 9,000 dollars (Dadush et al., 2017). This combination of development aid and tougher immigration controls was supported even by extremist leaders, such as Jean-Marie Le Pen, the former leader of the French National Front (Hayter, 2004, p.164–168). In return for development aid, North African governments were pressed to accept the enforced return of irregular migrants and to increase border controls (Hayter, 2004, p.164–168). In fact, the money sent by immigrants to their families left behind could prove to be a much more efficient development plan for these countries while inflicting no direct costs on developed economies.

Although borders are considered natural in our times, people and resources used to flow largely unrestricted for most of our history, until the beginning of the 20th century. The first border controls were related to nation-building, exclusion, and race. Racist views struggle to become once again the mainstream of Western politics. They use half-truths about immigration that are largely contradicted by scientific studies. The ambivalent discourse of most politicians is reflective of how misguided the public debate really is. A larger perspective on immigration, based on scientific research, shows no correlation between immigration and crime rates nor between immigration and economic decline. It could be argued that once a clearly assumed pro-immigration agenda makes its way to the public, it will set a new paradigm for the public debate.

### **The Economic Perspective**

This section will present how immigration could lead to job creation and increased productivity in destination countries, and to increased opportunities and economic growth in origin countries. The productivity of migrants increases as they move to more developed countries due mainly to greater opportunities and better work conditions (Klein and Ventura, 2007; Moses and Letnes, 2004). Services are at the centre of developed economies, and demand for them increases proportionately to population growth, creating more job vacancies. Economic migrants save money and send them to their origin countries, remittances have thus become one of the largest international financial flows, surpassing threefold all foreign aid worldwide (Cazachevici et al., 2020). That money is being used to stimulate economic growth and increase opportunities for nonmigrants. There is an acute need for more research about the economic effects of emigration since most research focuses on immigration, a major concern for the public debate in developed countries (Clemens, 2011).

Developed economies are centred on the tertiary sector, which usually expands when the population is increasing. Remote work could be used to limit the immigration of the workforce in some of its sections. According to Eurostat (“Glossary: Tertiary Sector”, 2019), the tertiary sector of the economy includes a range of activities such as commerce, administration, transport, real estate, education, healthcare, and social work, and population growth also increases demand for these services and consequently job creation, with around 70% of the EU’s GDP and employment being generated by the tertiary sector. Emigration could be balanced by remote work, which since the COVID-19 pandemic is seen as a viable alternative to physical attendance at the workplace in some settings. Remote work, if properly regulated, could decrease the need to emigrate for many professionals within the tertiary sector.

Economic migrants are more productive in destination countries due primarily to greater opportunities and positive selection. Klein and Ventura (2007) estimate that the productivity of economic migrants increases on average by 68% when they move to a developed country, while Moses and Letnes (2004) estimate scenarios where this number is anything between 20% to 100%. According to Bradford (2021), open borders would have the same economic impact as a total factor productivity growth of around 69% in origin countries. Such a massive growth is unlikely to happen in the foreseeable future. It seems that greater opportunities and better work conditions play an important role in increasing the productivity of migrants. Rigorous economic studies have yet to identify a pair of countries where differences can be mostly accounted for by the positive selection of workers (Clemens, 2011). Employers should be the ones making the positive selection of workers, while the governments should continue to deal with increasing opportunities and preventing tangible security threats.

Immigrants save money and send them to their families left behind, who use them to stimulate the local economy. Remittances have become one of the largest international financial flows, reaching over 762 billion USD annually, according to the World Bank Database (“Personal remittances, received”, 2023). According to Cazachievici et al. (2020), their volume has surpassed triple the volume of all foreign aid worldwide. Remittances have a big impact on the GDP of low-income countries, “for countries such as Haiti, Kyrgyz Republic, Nepal, El Salvador, Tajikistan, the ratio of remittances to GDP exceeds 20%”. Some studies suggest that this effect is lowered by the negative effects of emigration. A qualitative survey of 538 estimates reported in ninety-five studies found 40% of estimates showing positive effects, 40% showing no significant effects, and 20% showing negative effects. The survey also found publication bias in many studies, and discrepancies between the impact of remittances on Asian and African economies (Cazachevici et al., 2020). This underlines the need for more research on the impact of emigration on each exporting country, as well as the need to find solutions to increase productivity in order to balance emigration in some settings.

Immigration reforms would greatly increase wages in low-income countries, while high-income countries could also benefit in the long term from increased global productivity and competition. Open borders would increase yearly wages by about \$10,000 per worker in poor countries, which would mean a doubling of their average (Kennan, 2013). Also, in many developed countries incomes have been growing at a much slower pace than productivity. In the US, wages have increased between 1979 and 2020 by 17.5%, while productivity increased by 61.8% (*Why American wages haven't grown despite increases in productivity*, 2022). The lack of competition between the labour markets of different countries could be one of the factors related to this discrepancy. Because of strict immigration policies, it could be argued that governments are setting quasi-monopolies on the workforce. Employees are competing for

jobs, while employers from different countries rarely compete with each other. Immigration policies designed to encourage economic migration should be centred on the equitable competition between employers in order to avoid a race to the bottom regarding wages, while immigration policies designed to discourage economic migration are offering too much leverage to employers, which could result in lower wages.

Most developed nations have an ageing population and labour shortages, meaning that immigration would improve their economies as well. According to Marois et al. (2019), stimulating birth rates would be a very difficult and expensive task, while immigrants would not require large investments in education and healthcare, associated with an increased birth rate. The economic burden associated with an ageing population is widely seen as a major problem leading to higher social security costs, relatively lower economic growth, or even stagnation and decline. The EU, alongside other comparable regions, could face serious problems by 2060. Assuming a “middle of the road” scenario regarding fertility, mortality, migration, education, and labour-force participation, the age-dependency ratio in the EU will increase by 62%. The increase will accelerate after 2025, when the large baby boom generation will reach the age of 65. The labour-force dependency ratio will be 20%, due to the expanded participation of women and older workers in the workforce and to higher levels of education (Marois et al., 2019). The hard core of the EU has secured a cheap and reliable workforce from the newcomers, but in the future the EU will probably need to relax its immigration policies in order to avoid economic decline.

Complete freedom of movement could have a huge impact on the Gross World Product (GWP) and would benefit poor countries much more than the free movement of goods and capital. The available literature uses six studies that simulate free movement, some indicating a more than doubling of the GWP. Hamilton and Whalley (1984), Moses and Letnes (2004), Klein and Ventura (2007), and Kennan (2013), consider a wide range of scenarios, ranging from a modest growth to a more than doubling of the GWP. Iregui (2005) is the first to use a fully developed AGE model, and to take into account the educational background of workers, yielding a GWP growth between 13–67%. In each case, the optimist scenario would require half of the population of poor countries to migrate. Docquier et al. (2015) takes into consideration the Gallup surveys (*Gallup Country Data Set Details 2008–2013, 2014*) that implies one sixth of the movements presumed in other studies, 274.5 million potential new migrants. He also assigns a higher importance to the private costs of migration. His results are a 7–18% increase in GWP, but a cumulative impact that is four to five times greater in the long term (Docquier et al., 2018). Restrictions on migration have a big negative impact on the world economy, just like restrictions on trade had in the past. In simple terms, they hinder development by reducing the potential of the human capital from developing countries, and blocking resources from where they are needed the most.

There is a huge need for research on the economic effects of emigration since most research is focused on immigration. There is also a need for a new mindset and a new agenda to drive this research. According to Nobel Prize laureate Theodore Schultz (1978), the preoccupation with the suspected negative effects of immigration is reminiscent of mercantilism, of protecting the domestic labour market at the expense of global development. Michael Clemens (2011), a former research manager at the Center for Global Development, drew attention to the problems that researchers face when looking for official data on emigration. He underlined in 2011 that even basic statistics on international migration are often unavailable to economists:

*Detailed statistics are either held confidential by governments or not collected at all, and publicly-released data can be a mess of incompatible periods, modes of migration, and definitions of occupations...Publicly available international migration statistics have roughly the quality of international trade statistics in the 1960s.* (Clemens, 2011)

The first meta-analysis of the worldwide effects of remittances was done only in 2020 (Cazachevici et al., 2020). According to Bradford (2021) the literature regarding the economic effects of free movement is still limited. Most economic research starts and ends with politics. Politicians usually decide the direction of research by having an agenda of what matters, and what deserves funding. This can have adverse effects, in some cases assumptions are validated simply because the results are influenced by how questions are formulated.

Relaxing immigration policies is a must for the future advance of developed countries, and for avoiding economic problems associated with an ageing and declining population. The developing world would greatly benefit from remittances and new opportunities associated with migration. Mass migration would have complex socio-economic and political consequences that have to be further investigated. Researchers often encounter difficulties in searching for publicly available statistics, while the hostile public view towards immigration translates into less research and more bias. The current approach used by most developed countries is to reap the benefits associated with immigration by encouraging temporary migration while making the positive selection of workers with little regard for their rights, needs, and opportunities.

### **The Human Rights Perspective**

One of the most important lessons that democracies could teach is that the inclusion and participation of everyone within the society leads to progress, while exclusion and exploitation are detrimental to everyone in the long term. Temporary labour is a way of protecting the domestic workforce at the cost of migrant rights, who often end up underpaid, vulnerable, and exploitable (Nutti, 2018). The domestic workforce is also affected by temporary migration, and it can end up with less leverage in asking for their rights from

employers and politicians. Asylum seekers are kept “available” in immigration detention centres while their cases are being assessed, an infringement on the basic right to not be subject to arbitrary detention (*Universal Declaration of Human Rights*, 1948). Instead of generating huge costs for the government and facing cruel abuses, asylum seekers should be integrated into the workforce and live the life they envisioned. Immigration detention centres are privately run, and the companies running them are making huge profits while governments turn a blind eye to their abuses (*G4S to leave immigration sector after Brook House scandal*, 2019). This section will introduce the concept of justice focusing on two examples, the abuses done by G4S in the British immigration detention centres they used to run until 2019 and how *caporali*, the illegal Italian recruiters, are exploiting temporary agricultural workers (*G4S to leave immigration sector after Brook House scandal*, 2019; *Agromafie e Caporalato*, 2020).

Fair policies require some degree of impartiality, which cannot be expected from politicians that only represent their electorate while excluding under-represented interests. Justice is often defined as “parity of participation”, meaning that all individuals ought to be in a position to participate as peers in society (Fraser, 2009, p.16). As the world becomes more globalised, viewing justice as something local is no longer possible (Fraser, 2005, p.70). The principles of justice are chosen behind a “veil of ignorance”, meaning that people’s true potential—their natural assets and abilities, such as intelligence, strength, and the like—are hidden from anyone else (Rawls, 1971, p.11). The “veil of ignorance” also means adopting rules in a position of complete impartiality, assuming that one’s role within society has not been decided yet and that one could be assigned any role (Rawls, 1971, p.11). Therefore, just policies should not be made by politicians who represent the interests of some people while excluding others. Economic immigrants and asylum seekers are underrepresented, and they are often victims of discrimination.

The current immigration policies are encouraging temporary immigration in order to cover the gaps in the workforce while making temporary immigrants vulnerable. Within the EU “migrants tend to turn to temporary recruitment agencies which usually provide part-time and/or precarious employment that leads to economic instability and vulnerability.” (Nutti, 2018). Such agencies operate under preconceptions about physical and behavioural characteristics often grounded on ethnic and national stereotypes. On top of that, trade unions cannot collectively make demands on behalf of temporary workers (Nutti, 2018). Since their work is temporary, their living conditions are secondary to employers. Temporary status can continue for years without the possibility of gaining further benefits and rights (Hennebry and Preibisch, 2012). The way temporary workers are being treated seems to protect the domestic workforce at the cost of infringing on immigrant rights. On the other hand, the domestic workforce is also affected by not perceiving temporary workers as

competition. Employers and politicians gain leverage on the domestic workforce and make infringements on some rights (e.g., to unionise) a precedent.

In some settings, temporary labour can turn into labour exploitation. In Italy, *caporalato* is a term used to describe how temporary workers can end up in forced or bonded labour, a process that starts with an exploitative system of recruitment (Di Martino, 2015). *Caporali*, the Italian term for illegal recruiters, are often accused of elusive practices facilitated by the many irregularities of a long and unethical supply chain (De Martino et al., 2016). According to *Agromafie e Caporalato* (2020), a document authored by Osservatorio P. Rizzotto, there are reported cases of *caporali* connected to organised crime throughout Italy. Between 2016 and 2020, around 355 of them have been either reported or arrested in more than eighty different locations, with a total of 163 cases throughout the country. Around 100,000 of the farmworkers employed by *caporali* throughout Italy are subject to labour exploitation, varying from inadequate housing to lack of access to potable water. Farmworkers employed by them earn daily wages that are about 50% lower than those paid according to nationally and regionally agreed collective contracts. However, in extreme cases, wages can be as low as one euro per hour (*Agromafie e Caporalato*, 2020). The right to equal pay for equal work is inscribed in the *Universal declaration of human rights* (1948). The system that is bringing temporary migrants to Italy also keeps them tied to deceiving contracts which used to look like a great opportunity back in their origin countries.

Asylum seekers are also treated in a manner that is not only a violation of human rights but is also economically unfeasible for destination countries. Asylum seekers are being denied basic human rights, the most obvious one being the right to not be arbitrarily arrested and imprisoned. They are not allowed to work, although access to employment is a human right (*Universal declaration of human rights*, 1948). Asylum seekers receive very small allowances, forty-five pounds per week in the UK, even less than that in other European countries (O'Dowd and May, 2022). According to French NGO Migreurop (Cantat, 2020), it is hard to estimate how many asylum seekers are detained in the EU because such statistics depend on how detention is governed and defined by national legislation. Many times de facto detention is not officially recorded as such (Cantat, 2020). Instead of helping the economy they are generating huge costs for developed countries. The same countries that are detaining asylum seekers employ temporary workers to meet labour shortages. This situation is generated by the irrational fear that making immigration easy (even for refugees) will lead to a wave of immigrants that will automatically suffocate the economy.

The treatment of asylum seekers is made worse by the fact that private security companies are in charge of most immigration-related detention centres (IRCs). This is encouraging target setting and impacts living conditions and rights. In 2010, Jimmy Mubega's death at the hands of three G4S guards has led to the public uncovering of over 300 allegations

of abuse by security staff (*Deportation death raises questions over “proportionate force”*, 2010). In 2019, G4S decided to leave the immigration sector after the Brook House scandal, when guards were filmed attacking asylum seekers.

*Between 2012 and 2018, G4S made a gross profit of £14.3m from running Brook House, and there were claims it had been inaccurately reporting its activities to generate profits of up to 20% of revenues. It has managed the facility, which holds up to 508 adult men since it opened in 2009 under a Home Office contract. (G4S to leave immigration sector after Brook House scandal, 2019)*

G4S is the third-largest private company in the world and is accused of abuses across the Middle East, the UK, Australia, and the many prisons it manages worldwide (Garner and Watson, 2015, p.225). It seems that viewing the detention of asylum seekers as a necessary evil is the starting point of such abuses. Politicians are influenced by public opinion as much as they influence it, and outsourcing immigration removal centres is, unfortunately, a profitable business paid for by government funds. Emotionally charged events such as the death of Jimmy Mubega can bring some changes, but as long as the public views the detention of asylum seekers as something necessary, systemic changes are unlikely to happen.

Governments are well-informed about the abuses committed in privately-run immigration centres, but until these scandals are uncovered, they tend to protect their political and financial interests. The UK government decided in 2010, when Jimmy Mubega died, to end the detention of children based on evidence of exposure to violence, racism, and attempted suicides (*Nick Clegg: ‘shameful’ detention of children in asylum centres to end by May*, 2010). The detention of children already contravened the *UN Convention on the Rights of the Child* (1989), but no measure was taken for more than twenty years. The British government was already informed by The Human Rights Joint Committee (*The Treatment of Asylum Seekers*, 2007, p.5) that the way asylum seekers are being treated in the UK reaches Article 3 of the European Court of Human Rights threshold of inhuman and degrading treatment three years before the death of Jimmy Mubega, but no conclusive action was taken. The treatment of refugees is usually not seen as a systemic problem, therefore changes are usually limited to assuaging public opinion. Human rights are not properly enforced, sometimes due to weak or inexistent institutions, and the outsourcing of immigration detention centres is worsening this situation.

Justice is not the mercy of the powerful towards the weak, and it should involve less emotion and more reason. By being allowed to participate as peers in society, asylum seekers and economic migrants could become a driving force for progress, both in host and origin countries. Temporary labour is just a temporary solution to the declining population of the developed world and is setting precedents for abusive practices that could also affect the

domestic workforce. Asylum seekers, unlike economic migrants, are outside the utilitarian assumption that people are naturally seeking to maximise outcomes. Discouraging them from coming to the EU is ineffective as a method of restricting their numbers since most lack even the self-preservation instinct of not crossing the Mediterranean Sea on overcrowded boats. The current immigration policies are infringing on basic human rights such as the right not to be discriminated against, the right to work, the right to equal pay for equal work, the right to unionise, the right not to be arbitrarily detained, the right to not being subject to degrading treatment, and sometimes, as in the case of Jimmy Mubega and many others, even the right to life (*Universal declaration of human rights, 1948*).

## Conclusion

Border controls were introduced at the beginning of the 20th century, and were from the very start a form of exclusion and a source of injustice. The detention of asylum seekers violates human rights, and discouraging them from seeking asylum is not a way to reduce their numbers since they are often escaping far greater abuses. The selection of economic migrants should be made by employers, who have the legitimacy to assess their productivity, while governments should only deal with tangible security threats. Security issues and criminality are separate matters, and immigrants, as well as natives, should be judged with the same measure, while prevention should be the best policy.

Increasing immigration will not lead to smaller incomes in destination countries if it happens gradually and is correlated with the labour market demands. The labour market can expand almost indefinitely, estimations show a doubling of the workforce if immigration restrictions are eliminated. This, combined with an increased productivity, and the flow of remittances towards the developing world, could lead to a near doubling of the Gross World Product in the long term. Making a case for open borders should change the public debate on the topic of immigration from one based on populist and racist assumptions, to something based on economic data and moral assertions.

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# The EU and the Refugee Crisis: Sources of Failure to Adequately Respond to the Refugee Crisis and the Need for a Common European Migration and Asylum Policy

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## Abstract

The unprecedented number of refugees and migrants seeking refuge in Europe over the past decade has created political turmoil in the European Union. Catastrophic scenes at the European borders exposed a severe gap in the EU's ability to provide a unified response to collective problems. This paper argues that the Dublin III Regulation, implemented to establish a common asylum policy in the EU, has contributed to worsening the situation. By placing disproportionate pressure on countries such as Italy and Greece and thereby establishing an uneven distribution of responsibility for asylum applications, the regulation has undermined solidarity among the Member States. As a result, asylum seekers find themselves in inhumane living conditions and overcrowded refugee camps, which have become widespread across Europe.

## Keywords

Refugee Crisis, Dublin III Regulation, European Foreign Policy

## 1. Introduction

Hardly any other topic has raised tensions in Brussels and the European capitals as much as the unprecedented number of people seeking protection in Europe from war, persecution, and poverty in the last decade. In fact, nearly 5.2 million refugees and migrants crossed the Mediterranean into Europe between 2015 and 2016, giving rise to the term *refugee crisis* (UNHCR, n.d.a). These migrants, mainly fleeing the Syrian civil war, entered a politically divided European Union (EU). This led to catastrophic scenes at the external and internal borders of the Schengen Area and in the non-Schengen transit countries on the Balkan route. As a result, the term “refugee crisis” conjures up images of overcrowded reception centres, migrants climbing fences and barbed wire, drowning migrants in the Mediterranean, and washed-up corpses on coastlines. The crisis of borderless Europe represented the inability of the European asylum and migration policy to respond to this new dimension of immigration (Börzel, 2016). As Jean-Claude Juncker, in a speech in September 2015, dramatically put it: “Our European Union is not in a good state [...] There is a lack of Europe and a lack of Union. We have to change that, in a joint effort” (Juncker, 2015).

To understand the background of the apparent failure of the EU's common asylum and migration policy, this paper looks at the research question: *Why was the EU unable to adequately respond to the refugee crisis, and what was the role of the Dublin regulation?* Based on White's (2018) approach to foreign policy analysis, this paper argues that the EU confronted a challenge that demonstrated severe gaps in its ability to provide a unified response to collective problems. While the Member States struggled to cope with the influx of immigrants and differed in their degree of solidarity towards them and each other, the Dublin III Regulation aggravated the situation by establishing an uneven distribution of responsibility for asylum applications.

For analysing the interconnectedness between Member States and EU foreign policy, White (2018) identifies six key components in foreign policymaking which guide this paper: (1) actors, (2) processes, (3) issues, (4) instruments, (5) context, and (6) outputs. To this end, this paper begins by providing an actors-based analysis, followed by examining the contexts and instruments deployed in migration and asylum policies. Subsequently, the major issues contributing to the failure are scrutinised, the outputs generated by this migration policy are examined, and finally, a conclusion is drawn.

## 2. Analysis

### 2.1 Involved Actors

In line with White's (2018) framework, this section examines the relevant actors and their impact on European migration and asylum policy to understand why the EU has failed to respond to the so-called refugee crisis adequately. Overall, all institutional actors work towards "a common policy on asylum, immigration and external border control, based on solidarity between Member States, [and] which is fair towards third-country nationals" (Article 67(2) TFEU). Thereby, the Union's competence co-exists with that of the Member States, as the latter aspire to maintain their influence in matters pertaining to migration policies (Neframi, 2011).

Today, the EU's migration governance is scattered across many legal and policy instruments of various institutions. Particularly significant are the European Commission and the European Council. The Commission plays an essential role by proposing legislation and setting policy guidelines. For instance, the Commission has the competence to negotiate agreements with third countries on the readmission of irregular migrants, subject to the mandate received from the Member States. During the refugee crisis, the Commission emphasised the need to manage legal immigration and integration better, offer shelter to immigrants, and curb irregular migration by protecting the EU's external borders (European Commission, n.d.a). Moreover, to deal with the overwhelming influx of migrants, the

Commission highlighted the importance of solidarity and burden-sharing among the Member States. Broadly speaking, the Commission aims to create a European migration and asylum policy that is solidary, humane, effective, safe, and guided by fundamental rights (Rossi-Longi & Sanchez, 2008). In this effort the European Council plays a significant role in setting strategic priorities and guidelines enshrined in the Lisbon Treaty (Neframi, 2011). Its position in the refugee crisis has been rather security-driven, one primary objective being the issuing of mandates for negotiations with third states to establish stronger cooperation.

The actual limits of the European Commission and European Council's action lie in the competence of EU Member States. While these institutions have a significant role in proposing and implementing EU policies, they ultimately depend on the support and cooperation of the Member States to achieve their objectives. Migration-related issues are still considered part of EU Member States' core sovereignty. Therefore they cannot be a direct objective of the Union without impacting areas where the Member States want to retain their power (Farahat & Markard, 2016; Neframi, 2011). Thus, the EU and its Member States share competence on migration and asylum issues. In fact, growing opposition from some EU Member States to the Commission's proposed measures to manage the refugee crisis led the Commission to ultimately move its approach towards closer cooperation with countries outside the EU to intercept migration flows (Gürkan & Coman, 2021). In other words, when the Commission, for instance, strives to improve the integration of accepted refugees, it can only use soft power and provide recommendations and guidelines for the Member States. Consequently, the implementation of domestic asylum and migration policy is left to the States (Rossi-Longi & Sanchez, 2008). Nonetheless, it remains crucial for the Member States to guarantee that their domestic legal provisions align with Union law, human rights, and international agreements (Neframi, 2011).

## **2.2 Instruments and Contexts**

This paper examines why the European migration system failed and how the Dublin Regulation contributed to the failure. Therefore, the EU's migration policy is scrutinised, considering the contexts in which it was formed and the instruments it uses. The origins of European cooperation on migration can be traced back to 1985 when the Schengen Convention was signed (Faure et al., 2015). Back then, the gradual deepening of integration among the Member States, the dismantling of internal borders, and the increase in asylum applications in the 1980s and 1990s led to the assessment that migration and asylum require common, EU-wide regulations (Wiesbrock, 2016). Hence, the Maastricht Treaty (1992) integrated asylum and immigration policies into the legal framework of the EU and deemed these to be of common interest. However, within this policy realm, only non-binding

resolutions and recommendations were put forth, lacking judicial or parliamentary oversight (Wiesbrock, 2016).

This was to be changed by the Amsterdam Treaty, which brought about a further Europeanisation of asylum and refugee policies by emphasising a European “area of freedom, security, and justice” (Wiesbrock, 2016). Furthermore, the Amsterdam Treaty established the legal basis for the EU to create a common European immigration and asylum policy. Concretely, this entailed that Member States were required to inter alia enshrine a minimum legal standard in their migration policies, such as the provisions of the Geneva Refugee Convention. Therefore, the competence for migration policies was located at both the national and EU-levels (Wiesbrock, 2016).

Before the Amsterdam Treaty entered into force in 1999, the Schengen Agreement was implemented in 1995. As a result, border controls were abolished and created free movement across Europe. Moreover, the signatory states agreed to cooperate closely on migration, asylum, and visa policies (Wiesbrock, 2016). Yet a significant challenge emerged from this arrangement – while the Schengen agreement eased the movement of Europeans within Europe, it also facilitated it for individuals coming from outside the EU. Therefore, creating a Europe without internal borders required establishing common legal rules governing asylum provisions for third-country nationals.

This was the context in which the Common European Asylum System (CEAS) was created. The CEAS’ main objective was to harmonise the asylum system of the EU and the Member States so that asylum seekers would be treated equally in all Member States (Faure et al., 2015). The cornerstone of the CEAS was the Dublin Convention, signed in 1990 and enforced in 1997 (Faure et al., 2015). The convention occurred in the context of the collapse of Yugoslavia, followed by the disintegration of the Soviet Union and the opening of the EU’s borders with the Schengen agreement. These developments triggered migration flows across Europe and called for a unified European response (Mol & Valk, 2016).

The primary objectives of the convention were to guarantee that every asylum applicant is granted a fair asylum procedure and ensure that only one country would be responsible for examining the content of the asylum application. As stipulated in Article 13 of the Dublin Convention, this responsibility lies with the country where the migrant first seeks asylum. This principle of first country of arrival was designed to address the issue of ‘asylum shopping’, which refers to asylum seekers lodging multiple asylum applications in different EU countries to increase their chances of being granted protection. Moreover, the principle aims to establish clear responsibilities for processing applications. However, due to evolving migration patterns, shifting political landscapes, legal considerations, and changing social dynamics, the Dublin Convention was eventually replaced by the Dublin Regulations II and III to better serve its intended purpose (Dublin III Regulation, 2020). Despite changes in the

Dublin System's legal foundations and geographical scope over time, its underlying objective essentially remained the same, ensuring that the criteria for determining which European state should process an asylum request endured (Maiani, 2016). Consequently, the Dublin system serves as an instrument to harmonise European asylum policies by outlining a consistent way of processing asylum applications (Wiesbrock, 2016).

Nevertheless, the Dublin system revealed some flaws in practice, and the European Union remains far from having a truly common European migration policy (Wiesbrock, 2016). Particularly, the refugee crisis in 2015 brought to light the inability of the CEAS and the Dublin III regulation to harmonise migration policies effectively. This was primarily due to a new context. Millions of people requested asylum in Europe, most of them having escaped from war and persecution in Syria, Afghanistan, and Eritrea (UNHCR, n.d). As a result of the unprecedented influx of migrants and refugees, the EU Member States most affected by the influx have been subjected to significantly disproportionate burdens (Kimara, 2020).

Other mechanisms the EU employs to regulate and decrease illegal migration include funding and the European Border and Coast Guard Agency Frontex. For instance, the European Asylum, Migration and Integration Fund (AMIF) supports the Member State's capacity to make migration management more efficient, enhance solidarity and responsibility-sharing between Member States, and reinforce common immigration and asylum policies (European Commission, n.d. b). Although these instruments hold legitimate intentions, it is noteworthy that particularly the Dublin Regulation is marred by a fundamental conflict between state security and migrant protection, with the former typically taking precedence over the latter (Estevens, 2018).

### **2.3 Issues & Process**

To provide an in-depth analysis of these tensions and why the Dublin System fell short in the 2015/16 refugee crisis, it is essential to examine the domestic and institutional factors. On an institutional level, the Dublin Regulation can be claimed to lack solidarity. This is important to emphasise as solidarity and fairness are fundamental normative and functional requirements in the European asylum policy. Accordingly, Member States are expected to equally share both the advantages, such as prosperity, and the burdens associated with hosting and integrating refugees and asylum seekers (EurWORK, 2011). However, within the framework of the Dublin System, the responsibility for processing asylum applications often falls heavily on countries located at the EU's external borders, such as Greece and Italy, which face significant challenges in managing large influxes of arrivals. Meanwhile, other EU Member States, particularly those in Northern Europe, enjoy the benefits of greater prosperity and are less affected by the refugee crisis. Consequently, the Dublin System contradicts the principle of solidarity by failing to address the unequal distribution of

responsibilities among Member States to process asylum claims based on their geographic location (Farcy et al., n.d.). It thereby places an unfair burden on countries in Southern Europe, responsible for processing the majority of asylum requests and providing conditions to the immigrants in compliance with international humanitarian law (Küçük, n.d.).

Evidently, the Dublin System is out of touch with reality. The number of asylum seekers reaching Europe during the refugee crisis overloaded the local authorities. Consequently, states found themselves unable to comply with international humanitarian law. The media effectively captured the consequences of its failure, illustrating overcrowded reception camps and inhumane conditions not in line with international humanitarian law (Küçük, n.d.). Therefore, it can be claimed that when a system of common standards imposes disproportionate pressure on one state compared to others, it does not function properly.

Simultaneously, the refugee crisis unveiled a lack of harmonisation among EU Member States, stemming from divergent domestic preferences concerning immigration. This complicated the EU's approach to migration policy. Notably, Germany pursued an open-border policy which allowed refugees to seek refuge in their country. Conversely, other Member States such as Hungary and Austria, led by conservative and right-wing parties, adopted anti-migration measures that contradicted the principles of solidarity and burden-sharing. In fact, they closed their borders and reinstated border controls to stop irregular immigration (Wagner, 2015). Steadily, more and more countries adopted a rigid stance towards asylum seekers, ultimately leading to the Balkan Route's closure from Greece to Germany in 2016 (Fruscione, 2018). The reluctance of many EU Member States to accept asylum seekers emerged from concerns that their arrival could potentially jeopardise the social order, internal security, and economic stability, thus infringing upon national sovereignty. These immigration-related concerns encompass fears of increased public spending, job competition, and potential difficulties in providing social services. Driven by uneven refugee distribution and perceived burdens on certain countries, these concerns over immigration played a significant role in fuelling the rise of populism and Euroscepticism. Moreover, the Islamic terror attacks that hit several European cities intensified anti-immigration sentiments within public discourse and political arenas (Shanaah et al., 2021). Consequently, states *inter alia* tried to limit or completely prevent immigrants from entering their territories. The unwillingness of many EU Member States to accept refugees ultimately developed into an impasse on the domestic level.

With the closure of migration routes, fewer migrants arrived in Central Europe. However, this also implied that more asylum seekers became stranded in Greece, exacerbating the strain on the system and aggravating the conditions in the already overcrowded refugee camps (Yassen & Hassan, 2021). The unwillingness of other EU Member States to share the burden and the subsequent growing pressure on Greece and Italy led to

increasingly dismissive attitudes towards asylum seekers (Yassen & Hassan, 2021). As a result, a humanitarian crisis unfolded as authorities were no longer able to treat refugees according to international humanitarian law and rejected distressed refugees at sea to enter their countries (Roberts et al., 2016). For instance, in November 2022, Italy denied access to a rescue ship carrying 230 migrants (Gatinois et al., 2022). In an exceptional move, France allowed the vessel to dock but later decided to suspend its plan of accepting 3,500 refugees currently residing in Italy. Additionally, Italy's right-wing government implemented a mandatory code of conduct in early 2023, stipulating that ships have to disembark immediately after the first rescue operation without prolonging the search for additional migrants who may still be lost at sea (Liboreiro, 2023). Ultimately, the EU's goal of building bridges instead of walls and fostering free movement all over Europe failed, resulting in a quandary in which protection from refugees rather than protection for refugees determined and still determines the course of events.

Another problem constitutes the failure to return rejected migrants. Since not all asylum seekers qualify for refugee status, countries have the right to return those not meeting the asylum criteria to their countries of origin (European Commission, n.d. c). However, although this is the legal framework at the EU-level, it does not necessarily translate into action. Returning migrants to their home countries or other safe places outside Europe requires close cooperation with these states. As the number of people crossing European borders increased rapidly in 2015, coordination became exceedingly difficult. Consequently, only a small number of migrants were returned (European Commission, n.d. d).

The Member States' inability to return rejected migrants, coupled with a rapid surge in asylum applications, led heavily affected countries to circumvent the Dublin system (Fruscione, 2018). Hence, some countries attempted to prevent migrants from staying in their territories by allowing them to move forward without being registered. However, this approach can result in pushbacks, which imply that refugees or migrants are forced back over a border, generally immediately after crossing it, without registering them or allowing them to apply for asylum (Fruscione, 2018). Pushbacks *inter alia* violate the 1951 Geneva Convention's principle of non-refoulement, which prohibits returning anyone to a state where their life or freedom would be in danger (Noll, 2021). In this context, the European Commission, on behalf of the EU, negotiated agreements with third countries such as Libya and Turkey to curb migration into Europe. While those deals may have had some success in reducing the number of arrivals, they also raised serious human rights concerns and exposed the EU to accusations of outsourcing its responsibilities and undermining the principle of non-refoulement (Sunderland, 2019).

## 2.4 Outputs

After having examined the actors involved, the instruments deployed, and the issues in place, an evaluation of policy outputs constitutes the final step in White's (2018) approach to foreign policy analysis. The CEAS was established following the European Council's decision that asylum and migration are a common concern and should be subject to European law (Faure et al., 2015). The ultimate goal was to create a common and harmonised European asylum system, encompassing refugee protection and common refugee status in line with EU values and international law. A cornerstone of the CEAS constitutes solidarity.

However, this analysis reveals a lack of solidarity on the institutional and domestic levels, as asylum and refugee issues involve a complex interplay between human rights, sovereignty, and internal security. This correlates with the concept of intergovernmentalism (White, 2018). Due to the emphasis on national sovereignty and autonomy in decision-making, intergovernmentalism can hinder coordination and cooperation between states when dealing with complex and contentious issues like migration. Therefore, member states may resist taking on refugees or implementing EU-level integration policies due to their national interests. Since states are not obliged to take in refugees, their national interest, which might follow an anti-immigration stance, shape the overall outcome of integration efforts (Gürkan & Coman, 2021). Consequently, the intergovernmental approach impedes the effective and comprehensive implementation of migration-related solutions within the EU. The initial objectives of the CEAS have not been achieved. Instead, discord, national self-interest, and a geographically unfair Dublin regulation have resulted in a political and humanitarian crisis.

To counter this crisis, the Council devised an emergency instrument that called for relocating asylum seekers from Italy and Greece to other Member States (Küçük, n.d.). Accordingly, a platform for joint and targeted action was provided, and the European Union Agency for Asylum (EASO) assisted the authorities in carrying out these relocation procedures (Guild et al., 2017). However, this arrangement was voluntary and thus ineffective due to insufficient engagement of Member States, who, guided by realist self-interest, did not fully participate. Hence, the CEAS and the Dublin Regulation could not provide an adequate approach to managing large numbers of asylum seekers in line with the Member State's interests.

Five years after the refugee crisis began, the Commission introduced a new 'Pact for Migration and Asylum', which supposedly replaced the Dublin System and was a response to the failure of previous asylum policies (European Commission, 2020). This new approach promises an equal burden-sharing of responsibility based on principles of solidarity. However, as Bendel argues: "Building a bridge between the widely differing interests of states and remedying the humanitarian disaster of European refugee policy is undoubtedly a

Herculean task” (Hüttmann, n.d.) Therefore, it remains to be seen when, or even if, a robust legal framework will be established. Until then, refugee camps and detention centres will continue to be overwhelmed by the ongoing challenges.

### 3. Conclusion

The refugee crisis that confronted Europe in the second half of the last decade undoubtedly presented a fundamental challenge to the European Union. Applying White’s (2018) framework to analyse the EU’s migration and asylum policy yielded that there has been an abject failure of political leadership and a lack of solidarity among the Member States. The failure was clearly visible: the Schengen Agreement was undermined by re-established border controls and closed borders while thousands of refugees found themselves stuck in refugee camps, living under inhumane conditions. While migrant flows into Europe from the Middle East have decreased in the past years, overcrowded refugee camps still serve as a reminder of a humanitarian crisis for which the EU is not entirely innocent.

A major reason for the CEAS’ failure has been the implementation of the Dublin regulation. The analysis reveals that it failed because it disproportionately burdened countries located at the external European borders, such as Italy, and undermined solidarity among the Member States. Consequently, the Dublin regulation’s principal objective, namely to prevent an applicant from submitting asylum applications in multiple Member States, resulted in a row of unintended consequences. With Italy and Greece overwhelmed with their responsibility to process the majority of asylum applications, human rights were disregarded, conditions in reception centres worsened, and refugee camps grew. Simultaneously other states adopted rigid policies towards migrants, not because they denied the universality of human rights or their commitment to them, but rather due to their reluctance to relinquish part of their sovereignty by keeping their borders open for migrants to enter. This implies a lack of solidarity towards other Member States to share the burden towards incoming migrants seeking refuge. As a result, there was and still is an incapacity of the European Union to provide a fair and coherent approach to the refugee crisis, as well as a lack of solidarity among the Member States to share the burden. Looking ahead, international migration is expected to surge rapidly in the coming decades due to environmental stresses, conflicts, and economic pressures. In fact, scholars anticipate that as many as 1.2 billion people could be displaced globally by 2050 due to climate change and natural disasters, many of them becoming “climate refugees” (McAllister, 2023). Therefore, future research should focus on developing effective strategies to prepare for these profound changes in migration flows.

This is crucial as the EU risks leaving itself vulnerable to future crises if it fails to implement a cohesive and effective migration policy. Moreover, the lack of a unified policy that treats migrants fairly across different Member States could undermine the EU’s values

and unity. Finally, in the long run, the failure to integrate its migration policy could damage the EU's reputation as a global leader and its ability to shape the global agenda on issues such as human rights and international development. Therefore, this analysis is relevant insofar as it lays out the failures of the past to prevent them from being repeated in the future.

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## A False Dawn: Reviving the European Defence Market

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### Abstract

The defence industrial dimension and procurement have traditionally eschewed integration in the European Union setting for sovereignty, strategic, economic and dependence reasons as well as tensions amongst groupings of member states. However, since 2016 something has started to move, generating enthusiasm and momentum which resulted in various initiatives, including the activation of the Permanent Structured Cooperation and the establishment of the European Defence Fund, which have the potential to become game-changers for the European defence market. Thus, this paper aims to deepen the features and dynamics of the EU defence market, whose significance has exponentially increased since the Russian invasion of Ukraine in 2022. Consequently, the paper begins by analysing the supply and demand sides and the different national specificities. It next examines the role and rationale of the member states before delving into the legal framework surrounding the European defence market. Thereafter, the paper assesses the incentives for further cooperation and the critical conjuncture that emerged in 2016. Finally, it concludes by looking at considerations on intergovernmentalism and the two most salient defence initiatives.

### Introduction

The European Union (EU) has long been hindered by an inefficient and fragmented defence market, (Keukeleire & Delreux, 2022). Integrating this side of the market into recovery is no simple task due to numerous reasons, ranging from national sovereignty, to interstate relations, to governmental philosophies, yet something must be done. Fortunately, since High Representative Federica Mogherini acknowledged in 2017 that more had been accomplished over ten months than in the previous ten years, enthusiasm for change has never been stronger (“The EU Global Strategy: Translating vision into action”, 2017). With that said, there is still more work to do, which this paper will address. By assessing the features of the European defence market and the current obstacles to integration, along with the European Defence Fund (EDF) and the Permanent Structured Cooperation (PESCO), this study hopes to inspire timely action that does not come another decade too late.

## The European Defence Market

From 2014 to 2021, the European defence market (EDM) generated well over 118 billion euros in revenue and employed more than 1.2 million people (Ciucci, 2021; “2022 Facts and Figures: Annual Report”, 2022). This data indicates that the importance of the industry extends beyond its mere security goals. In fact, in years past, the defence market innovated civil society as well, both developing technologies such as internet and GPS and laying ground for private sector developments, like Apple Inc’s Siri operating system (Bachmann et al., 2017; Sabatino, 2022).

Those results are gathered by more than 2,500 defence-related small and medium-sized contractors and certain industrial giants, including seventeen of the top 100 global defence companies, distributed in EU countries as follows: France (six), Germany (four), Italy (two), trans-European consortiums (2), Sweden (one), Poland (one), and Spain (one). These countries account for more than 70% of today’s EU military expenditures (“Defence SMEs”, 2021; “SIPRI Military Expenditure Database”, 2023). The national defence spending reflects the European technological and industrial base, which is clustered in France, Germany, Italy, Spain, Sweden and the UK. In 2020, these countries generated almost 80% of the defence industry’s total revenue, further reflecting the concentration of competences within the market and the uneven distribution of the European defence industry (“2021 Facts and Figures: Annual Report”, 2021).

In this regard, Calcara (2020a) classifies European states based on the merit of their industrial defence sector, which depends on the market’s internal capacity for domestic weapon systems as well as the national arms enterprises’ position in the defence market. Thus, France, Germany, and the UK can be considered first-tier arms producers capable of producing a spectrum of weapon systems thanks to their large and highly technical domestic market. In turn, Italy, Spain, the Netherlands, Poland, and Sweden rank as second-tier states, considering their smaller markets and greater dependence on subsidies and exports. All remaining European nations are third-tier states which, due to their small national markets, specialise in sectors for unsophisticated weapons while enjoying comparative advantages.

Despite differences between sub-sectors, the European defence industry’s fundamental structure follows a top-down model, with very few companies controlling most of the market. These entities are responsible for the entire defence system and serve as prime contractors with governments. The remainder of the industry consists of extensive supply chains with many tiers – valued between \$2 to \$10 billion – also known as mid-caps and small or medium enterprises, called SMEs for short (Theodosopoulos, 2019). Notably, SMEs are crucial for their sectoral knowledge and technical expertise, which explains their doubling in number over the past fifteen years. However, with these enterprises mainly working as national subcontractors, they often experience many diplomatic problems due to various

legal, linguistic and geographic barriers hindering cooperation and integration (Sabatino, 2022). Therefore, the supply side of the defence market presents an oligopolistic structure, characterised by few firms with a special relationship with the state, and high knowledge-based, financial and technological entry barriers (Calcara, 2020b).

Despite common regulations and protocols for defence procurement, corporate partnerships and stable alliances, the European defence industry remains fragmented. Consider data on EU weapon transfers, for example. Exports are crucial for their revenues, which enable industries to reach the production volumes necessary to finance research and development and remain competitive. Between 2015 and 2019, the exports of EU states amounted to 26% of global exports, while only 12% of those EU country exports were directed to Union members, leaving intra-EU arms transfer percentages rather low. In fact, only Germany and Italy delivered more than 10% of their arms exports to other EU countries, 26% and 11% respectively. Moreover, a majority of exports were and still are directed towards states in Asia, Oceania, and the Middle East/North Africa region (“EU arms exports”, 2020; “SIPRI Yearbook 2022”, 2022).

In 2021, most arms imports came from the US (41%), while Germany (14%) and Russia (10%) provided much less support (“SIPRI Yearbook 2022”, 2022). This distribution is not for a lack of trying, however. As it turns out, although US defence contracts are highly sought after in the EU, the reverse is not the case for European contracts in America (Fiott, 2019). For some European countries “buying American” is even considered a defence strategy, helping strengthen relations with the White House and increasing interoperability with NATO, while also providing Union contractors access to advanced military technology (Fiott, 2018). This logic explains why some Member States, the UK a previous leader, often prioritised Washington imports, resisted defence integration efforts, and refused to accord a defensive role to the EU (Biermann & Weiss, 2021; Tardy, 2018).

There are many reasons behind the European defence market’s present fragmentation, including everything from differing Member State defence philosophies, varying defence requirements and perceived threats, as well as unsynchronised arms procurement cycles, to something as small as employment parameters, transfer laws and technological gaps (Hartley, 2011; Sabatino, 2022).

### **The State's Role**

Overall, the European defence industry’s fragmentation is the fault of its states. The defence industry is at the core of state survival and sovereignty, hence, governments protect them and are not inclined to concede or share control (Fiott, 2020). Notwithstanding the EU is an economic and political project differing from NATO’s more security-oriented agenda, it

makes sense why the European project in the defence area even now struggles to gain traction (Karakas, 2021; Tocci, 2018).

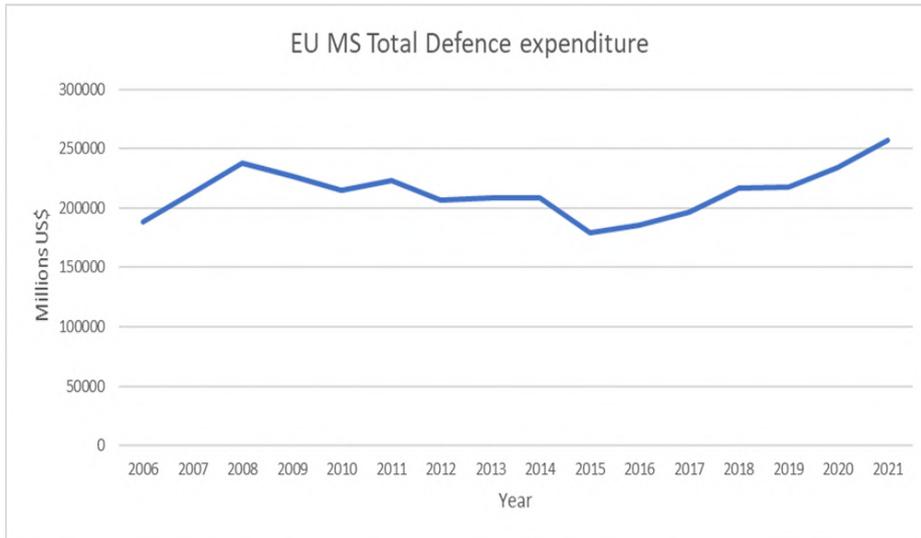
States remained the most influential actors in the defence market, through initiatives within and outside the EU framework. They create a monopsony defence market where they are the only buyers by virtue of holding the monopoly of force and being the only actors authorised to purchase war materials. Also, states are the sole defence regulators and sponsors, whose procurement decisions shape the defence industry and the labour market as well as finance the most needed research and development (Calcara, 2020a; Hartley, 2011; Theodosopoulos, 2019).

Despite their prevailing influence, governments decide usually to not cooperate in order to protect their defence industry; hence, they generally abide by the principle of *juste retour* which ensures a fair industrial return on state investments and guarantees the preservation of essential defence-industrial capabilities (Fiott, 2020; Biermann & Weiss, 2021). Moreover, reasons of prestige, external dependence, security of supply, information access, technology, and employment discourage defence cooperation and integration (Calcara, 2020b; Hartley, 2011; Keukeleire & Delreux, 2022). Besides, states eschew free market principles because specialisation could reduce military capabilities and open procurement contracts may harm domestic enterprises. Finally, furthering cooperation in the defence market will inevitably lead to winners and losers; therefore, future defeated industries, states and individuals lobby to maintain or increase the level of protection by leveraging on potential problems of burden-sharing, free-riding, and market failure (Fiott, 2020; Hartley, 2011).

To give a quantitative measure of EU Member States' activism in the defence sector, Graph 1 shows that, in 2021, they invested a total of 257 billion USD in defence which corresponds to 1.64% of GDP on average (Graph 2). This rise in spending was in line with more dangerous threats and the growing trend started in 2014 after the prolonged decrease due to the 2007–2008 financial crisis. Furthermore, national defence spending has risen higher than GDP since 2017 and resisted recent pandemic-related economic pressures (“Defence Data 2019–2020”, 2021). Such spending on defence can sometimes generate economic spillovers and yield substantial benefits, contradicting the “guns versus butter model”, which illustrates the relationship between national defence investments and civilian goods. Thus, in wealthy countries often large military budgets tend to generate great long-term benefits. In fact, potential returns on civilian investments are usually lower than in poorer countries; hence, in the most developed ones, funds can be directed to the defence industry with smaller costs (“What Bigger Military Budgets Mean for the Economy Russia’s War Has Shown That We Live in a Guns-and-Butter World”, 2022). Moreover, benefits to the civilian sectors coming from military research and development (R&D) and the defence economic multiplier

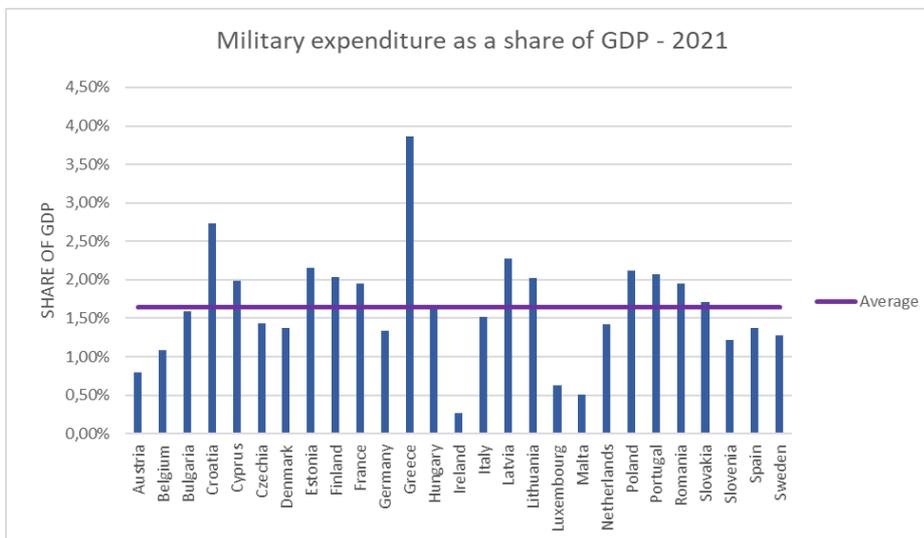
favour investing in the defence sectors. In particular, in 2010 each euro invested in the defence sector led to a GDP increase of 1.6 euros, while the multiplier of R&D is set at 6.3 (Bachmann et al., 2017; “What Bigger Military Budgets Mean for the Economy Russia’s War Has Shown That We Live in a Guns-and-Butter World”, 2022).

**Graph 1: Member States’ total defence expenditure**



Source: SIPRI (2023b) Military Expenditure Database

**Graph 2: Military Expenditure as a Share of GDP**



Source: SIPRI (2023b) Military Expenditure Database

Theoretically, 257 billion USD would be enough for EU defence and ambitions, defence fragmentation inevitably leads to a lack of competition, small-scale productions, difficulties in attaining economies of scale, negative repercussions on innovation, and duplication of efforts, thereby limiting interoperability of national armies (Keukeleire & Delreux, 2022;

Hartley, 2011; Sabatino, 2022). In this regard, in 2017, McKinsey estimated that pooling procurement could save up to 30% of national investments – i.e., 15 billion USD per year (Bachmann et al., 2017).

Duplication and fragmentation of Europe's defence industrial landscape are evident by looking at the enormous bulk of weapon systems; EU countries finance twenty-seven armies, twenty-three air forces and twenty-one navies, which had led them to operate six times more major weapons systems compared to the US – 178 against thirty in 2016. However, inventories of major military equipment were reduced in size since the end of the Cold War, leading to a sort of consolidation in Europe's defence sector (Bachmann et al., 2017). Similarly, disarmament activism influenced the end of several partnerships, plant closures and few mergers and acquisitions which led to the creation of sectoral national champions and domestic monopolies (Hartley, 2011). Nonetheless, according to Juncker, in 2017, around 80% of defence procurement and 90% of research and technological investment were executed at the national level, without coordination among states – resulting in a still not open defence-industrial market. This deeply jeopardises the efficiency of the Union considering that, by collectively spending less than half of what the US spent, EU countries only achieved 15% of their efficiency, hampering the “value of money” that Europeans put on defence (“Speech by President Jean-Claude Juncker at the Defence and Security Conference Prague: In defence of Europe”, 2017; Tocci 2018; Sabatino, 2022).

As a result, the EU defence market appears to be slightly more than a collection of the national ones, in which protectionism, rivalries among firms and governments, and oligopolistic strains impair the development of a cohesive defence market. Despite recent developments, cooperation in defence procurement remains the exception and not the rule when states decide how to procure weapons between cooperating with partners, maintaining national defence procurement or purchasing armaments “off the shelf”. Therefore, in defence-industrial matters, inter-state competition and European cooperation coexist, albeit in very unequal shares (Calcara, 2020b).

### **The Legal Framework**

The defence sector and defence-related industries have always been an exception to the single market and regulations on mergers, monopolies and procurement owing to Article 346 TFEU, which states that “Any Member State may take such measures as it considers necessary for the protection of the essential interests of its security which are connected with the production of or trade in arms, munitions and war material” (Treaty on the Functioning of the European Union, 2012). Thus, governments frequently invoked such a clause to protect their firms, leaving de facto the defence industries outside of the internal market's regulatory

framework and leading to fragmentation of the defence market (Keukeleire & Delreux, 2022; Biermann & Weiss, 2021).

Dissatisfied with the degree of flexibility implied within this section and states' common practice, the European Commission attempted to intervene in defence research by using it for both military and civilian applications. Later on, it continued to call for cooperation using a more restrictive interpretation of Article 346 that emphasised similar exceptions not being so automatic (Haroche, 2020). In 2009, the Union used this case to adopt a defence package composed of Directives 2009/81/EC and 2009/43/EC, which together established more transparent defence procurement rules as well as set common procedures for the transfer of defence materials within the EU. Despite the potentiality of the directives, their application rate is still considerably low, and they had only limited effects since cross-border procurement did not increase (Keukeleire & Delreux, 2022). This is primarily due to exemption clauses, particularly recourse to Article 346 TFEU, and lack of harmonisation in requirements and procedures at the EU level for transfers, as well as the fact that weapons and defence exports are a matter of national responsibility and sovereignty (Sabatino, 2022).

Thus, the European defence industrial policy framework is characterised by legally established competences, shared policy, and contrasts between the prerogatives of the member states and the intention of the Commission to regulate the defence market. It embodies elements of regulation, information-sharing, cooperation, and market liberalisation, and entails cooperative initiatives to lower defence costs for EU countries (Calcara, 2020c; Fiott, 2020).

### **Reasons to Cooperate**

In the current panorama, there are possibilities and incentives for further cooperation and integration of the common defence market. Indeed, enhanced defence-industrial cooperation would bring not only more sophisticated weapons systems but even positive repercussions in political, operational and economic terms. In particular, it will strengthen the European identity and enhance cooperation in security and defence at the EU level. In turn, it will increase interoperability and advance the standardisation of military equipment. Also, from an economic perspective, it will help generate economies of scale while reducing the cost of production and procurement. Thus, more EU cooperation would lead to overall benefits, notably for France and Germany, which need more collaboration to reach the required critical mass to compete with other worldwide providers (Calcara, 2020a). Furthermore, increased cooperation in defence matters is advocated by a large majority of 85% of European citizens ("Eurobarometer: Europeans set defence and energy autonomy as key priorities for 2022", 2022).

Besides, the creation of a strong, cohesive, and competitive European defence and technology industrial base is necessary to maintain state-of-the-art defence capabilities and develop innovative equipment. In turn, this is instrumental to fulfil European ambitions of integration and common defence, as well as to better face international threats and challenges together, especially in a time of high pressure on national budgets, fiscal constraints and other public policy priorities. Moreover, it would induce cross-fertilisation of competences and expertise (Sabatino, 2022; Svendsen, 2019).

Finally, non-cooperation is extremely damaging given technology's central role in armament and equipment production, increasing costs and complexity – added to the technology gap with the US and China – as well as Member States' decline in defence spending, capabilities, and inventories, in part spurred by fiscal austerity and low economic growth. Notwithstanding the benefits, European countries continue to prioritise the protection of their national defence industrial base and employment benefits over more efficiency and weapon systems effectiveness (Bachmann et al., 2017; Sabatino & Marrone, 2020).

Traditional international relations academic literature on cooperation in the defence-industrial sector failed to explain the coexistence of competition and cooperation in the EU defence-industrial sector. Indeed, according to the theory of realism, governments will try to maximise their security and pursue autonomy because the international system is intrinsically anarchic; also, since the early 2000s, discussion focused on whether European security calculations and actions are due to a balance or bandwagoning approach to the US. In turn, liberalism highlighted the progressing liberalisation of the defence market, the role of transnational companies as main promoters of cooperation as well as the elimination of the security dilemma between EU members. Finally, recent academic literature has focused on the role of EU institutions and post-Brexit community initiatives (Calcara, 2020a; Svendsen, 2019).

A more practical approach to understanding cooperation drivers entails focusing on national market size and public or private governance of the industrial suppliers. Regarding the latter, the state-industry relationship has to be assessed through the degree of: (1) government protection, (2) interpenetration between public and private sectors elite network, and (3) status and autonomy of the procurement agency from the influence of the defence industry. In public governance systems, firms – which are strongly interrelated with the state – can influence to a large extent the decision-making process for their own benefit, while in private governance systems – where the state is more autonomous and distant from companies' influence – governments can seek more cooperation at the EU level.

Moreover, market size influences the firms' degree of autonomy and predisposition to cooperation. Indeed, in large markets enterprises are more autonomous and prefer not to

cooperate in order to maintain their full spectrum of capabilities and technological edge; in turn, in small and medium markets companies have to specialise in limited sectors of defence supply chains to obtain a comparative advantage and will be more prone to collaborations involving technology transfers (Calcara, 2020a; 2020b). Finally, the feasibility of collaborative projects is influenced by calculations on future exports which may diminish after the cooperation, as well as concerns regarding technological outflows to other firms which may become stronger competitors (Kluth, 2019).

### **Favourable Conjuncture**

The evolution and deterioration of the security environment incentivised cooperation and activism in defence at the communitarian level, especially since 2016, leading to the recent communitarian initiatives. The two most important events, for which there is almost a consensus in the academic literature, were the Brexit referendum and the advent of the Trump administration, which both catalysed previous trends. Alongside them, a plethora of other endogenous and exogenous causes created the conjuncture for greater defence integration and EU initiatives.

Notably, EU members must adapt to an increasingly unstable multipolar order and address an ever more dangerous neighbourhood while confronting new and returning security threats, such as terrorism – which even prompted France to invoke the Lisbon Treaty's defence clause after terrorist attacks in 2015 – and climate change. Moreover, the Union must deal with such threats with shrinking defence budgets; thus, the restart of the Franco-German engine, as well as the new-found role, initiative, and interest of the Commission in defence, are crucial for the future of Europe (Calcara, 2020c; Tardy, 2018; Tocci, 2018).

On the one hand, Brexit weakens the EU's military, technological, and industrial capacities, and deprives the Union of its largest and strongest military power as well as an important member in terms of population, expertise, GDP, and budget contribution (Sweeney & Winn, 2020). On the other hand, the departure of the UK allows for increased speed in defence integration, given London's historical obstructionism in the defence realm, especially since the return to power of the Conservative party in 2010; evidently, this is a direct consequence of its Atlanticism, relations with the US, and fear that stepping up EU security and defence would undermine NATO.

Moreover, the referendum strengthened the commitment of the continent to work together and, given the increasing Euroscepticism and populism, as well as the rise in internal divisions on matters like migrations, the security and defence sectors became the perfect candidate to show unity and concrete benefits to the citizens (Stabile et al., 2017; Tocci, 2018). Furthermore, with the UK pulling out of the EU, pro-Atlanticist Member States reluctant to

give the Union a defence role or further integration in security and defence lost a vocal and valuable partner to rely upon (Pedi, 2021).

Adding to the shock of Brexit, Trump's election and presidency reignited doubts in EU governments and bodies on US commitment to European security, which started with the Asia Pivot under Obama; therefore, exacerbating the European sense of insecurity (Sweeney & Winn, 2020). At the same time, the US insistence on burden-sharing and allies' increment of military expenses has stimulated European defence and awareness of having to take greater responsibility in the defence field, as well as pursuing EU strategic autonomy (Bellou, 2021).

### **True Intergovernmentalism?**

Overall, defence remains a prerogative of the states, which are typically inclined to protect their strategic industry and reluctant to transfer authority to the EU; indeed, they prefer to collaborate either through EU initiatives to reinforce the European defence technological and industrial base or intergovernmental agreements outside the European Union framework – as shown by the joint production of different groups of nations of Eurofighter jets, military transport aircraft Airbus-A400M and the Airbus-A330 MRTT (Keukeleire & Delreux, 2022).

Being an essential expression of sovereignty explains the slow progress in this area since states have traditionally looked at it through intergovernmental lenses. According to the “classical” intergovernmentalism theory, national interests largely hinder integration and when states enter into cooperation it is because of self-interest. Furthermore, when states collaborate, governments work towards maintaining a narrow control of the integration process, especially when vital matters are at stake. In turn, in line with the “new” intergovernmentalism approach, Member States still have a central role which is exercised through the European Council and via delegation to old and new bodies, whereas EU initiatives towards shared problems can benefit all the participants.

In the defence field, cooperation principally benefits the preservation and development of industrial capabilities and sectoral expertise, thus reinforcing national defence technological and industrial bases while decreasing dependencies on external suppliers. In this process, EU countries will combine national expertise while safeguarding strategic competences (i.e., maintaining exemption clauses). Moreover, the Commission and the High Representative can play a central role in driving initiatives to spur cooperation while at the same time leaving defence policy and decision-making at the intergovernmental level – according to their mandate and Member States' expectations. Hence, there may be a partial shift from a pure intergovernmental model of governance towards one where also supranational players perform a role. For instance, the supranational logic entered the defence realm is the creation of the European Defence Fund (EDF) – potentially a game-

changer since, for the first time, a small part of the EU budget was directed towards supporting and encouraging defence cooperation (Sabatino, 2022).

Various authors have highlighted the development of a “new supranationalism” since the Commission has influenced intergovernmental bargaining and shown leadership to advance integration, even in areas where it lacks formal power – as in the case of the Common Security and Defence Policy (CSDP). Indeed, the Commission in part exported supranational governance to the defence area by exploiting changes in the international security environment and intergovernmental cooperation dysfunctionalities as well as operational links between defence industrial cooperation issues and its economic competences. In other words, via an offensive functional spillover from economy to defence (Haroche, 2020). Although the influence of the Union has clearly grown over the years, overall, we can still recognise defence as a primarily intergovernmental area with some supranational elements (Calcara, 2020c; Chappell et al., 2020).

### **Main EU Initiatives**

Numerous new initiatives were established to develop the European defence industrial base, ensure the attainment of EU strategic autonomy, and promote competitiveness in the defence procurement field. In order to achieve the objectives of the 2016 European Global Strategy, the Union launched various initiatives in the security and defence fields. These actions encompass the activation of the dormant Permanent Structured Cooperation, the development of the European Defence Fund, the Coordinated Annual Review on Defence (CARD), and the Military Mobility funding envelope. Moreover, to complete these initiatives, several endeavours were undertaken, including the creation of the Directorate General for Defence Industry and Space, the Military Planning and Conduct Capability, as well as the launch of the European Peace Facility, and the redaction of the Strategic Compass, etc. Notably, the EDF and PESCO represent a significant step-change in European defence integration.

The EDF, proposed in 2016 and approved in 2019, aims to support cross-border cooperation in the development and procurement of defence capabilities (two-thirds of the budget) and R&D (one-third) through its 8 billion euro budget for the Multiannual Financial Framework 2021–2027. Currently, it is the most ambitious effort to sustain defence cooperation at the EU level since at least three firms from different states must partner to receive funding. The EU funds will amplify and supplement national budgets, not substitute them, since financing covers only up to 20% – 30% if it is also under PESCO – of the projects, and ownership remains national. In doing so, the EDF reverses the traditional defence-industrial cooperation logic from looking for money to fund projects to looking for projects to be financed (Haroche, 2020; Sabatino, 2022).

PESCO provides a cooperation framework where groups of states can deepen defence cooperation and integration without the other member states. Although envisioned in Article 42.6 of the Lisbon Treaty, the necessary consensus was reached only in 2017, when it was launched. The bonus funding rate of 10% coming from the EDF for PESCO projects allows to increase synergies among EU initiatives, reinforces the European defence industrial base, and connects the supranational initiative to a more intergovernmental one; moreover, its scope is to enhance collaboration in investment, capability development and operational readiness. Within this long-term initiative, sixty projects are currently being developed by varying groups of nations. Therefore, PESCO has been seen by some as a case of a “coalition of the willing” or an instance of differentiated integration, potentially leading to a Europe of different defence speeds (PESCO, 2023; Svendsen, 2019; Sweeney & Winn, 2020).

## Conclusions

The deterioration of the international security environment underway for more than a decade, and recently culminating in the Russian invasion of Ukraine, enhances the necessity of backing the will, initiatives and diplomacy of the European Union with adequate military capabilities. Therefore, the common defence market emerged as a critical sector, but is unfortunately marked by various shortfalls. Thus, the Union, and especially the Commission, must find a way among the complexities of the defence realm to improve coordination and reduce duplication of efforts, fragmentation, and the factors discouraging collaboration among Member States – especially the perceived loss of sovereignty. Something has begun to move with PESCO and the EDF, and only time will tell whether it is just a few stones or an avalanche. For now, the EU is mainly investing limited resources and providing a framework to deepen defence collaboration between interested parties. Nevertheless, the Russian invasion might represent a window of opportunity to create a common defence market capable of meeting the needs of European security. However, this must be done with care, continuing along the line already drawn and considering all the issues displayed in the present paper to untangle the complexities and avoid a false dawn in European common defence.

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## Moonlighting in the European Parliament: Do Outside Activities Affect MEPs' Parliamentary Effort?

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### Abstract

Most democracies allow 'moonlighting', which is the practice of legislators pursuing paid or unpaid jobs next to their political mandate. Whether outside earnings affect legislators' behaviour has been a bitterly debated topic in both academic and popular literature: when legislators engage in outside employment next to their mandate, a trade-off arises between how much time and effort to devote to either activity. This study aims to examine the prevalence and implications of moonlighting among MEPs. The 2022 "Qatargate" scandal highlighted the importance of studying the phenomenon in order to understand the potential conflicts of interest and ethical concerns that may arise. No evidence was found for an effect of moonlighting on effort shown by MEPs, measured by eleven different activities connected to the legislative practice of the European Parliament. Moonlighting MEPs do not put less effort into their legislative duties than their non-moonlighting peers. This finding has important implications for how to understand the practice. The implicit popular assumption is that outside activities are carried out at the expense of parliamentary engagement, but it should not necessarily be seen as a shady practice for the purpose of securing additional income. Instead, literature shows that moonlighting can actually offer positive side effects for democracy. There is a need to better understand the effects of the practice and what role the phenomenon plays in politics. If it does not take time away from legislative duties, it may actually offer positive side effects for democracy.

### Keywords

Moonlighting, European Parliament, outside earnings, parliamentary effort

### Introduction

In 2011, an investigation for corruption was opened by the European Commission's Anti-Fraud Office after a newspaper reported that three Members of the European Parliament (MEPs) had accepted offers of up to €100,000 per year in exchange for tabling amendments to legislation. The newspaper went undercover and contacted sixty MEPs while pretending to be lobbyists interested in offering money in exchange for supporting a specific legislative proposal (Euractiv, 2011). This facilitated the 'cash for influence scandal'. In the ongoing scandal in the European Parliament (EP), allegations have been put forward that MEPs,

lobbyists, and families have been influenced by and taken bribes from the governments of Qatar, Morocco, and Mauritania (European Parliament, 2022). Although several transparency mechanisms were put in place after the 2011 scandal, Qatargate proved that more has to be done. However, it is important to make a distinction between moonlighting and corruption: moonlighting is a legal practice for MEPs, while corruption and abuse of power or position for personal gain are illegal. While moonlighting can raise concerns of conflicts of interest and ethical breaches, it is not inherently corrupt.

‘Moonlighting’ is defined as “any paid or honorary outside job executed by a politician in addition to his/her ‘job’ inside parliament and/or government” (Geys & Mause, 2013, p.76). It is common among politicians, as eighty percent of democracies allow the practice (Weschle, 2022, p.1). Opponents to moonlighting worry that the practice affects politicians’ legislative behaviour negatively and that it could lead to conflicts of interest. Engaging in outside jobs may also take time away from legislative duties, thus facilitating an opportunity cost problem between deciding to work or shirk (Geys & Mause, 2013, p.88). Proponents argue that politicians may gain a better understanding of the world outside politics, and a better feeling for how their legislation affects the sectors they regulate. It allows politicians to stay in touch with society, thus bridging the information gap between companies and regulatory authorities (Campbell & Cowley, 2015, p.63). Retaining contacts with professionals outside parliament can also be a safeguard that allows politicians to not let re-election prospects affect their political independence (Geys & Mause, 2013, p.82).

This study looks at whether moonlighting affects MEPs’ effort in legislative activities in the EP. Moonlighting politicians face an opportunity cost problem from the consequence of choosing one activity over the other, as they have to prioritise their limited resources. For this reason, it is expected that moonlighting MEPs participate less in parliamentary activities than their non-moonlighting peers. The existing literature is inconclusive and ambiguous due to differences in results and ways of measuring the phenomenon. This study tackles the inconclusiveness by employing a quasi-experimental difference-in-differences research design that compares the change in parliamentary effort between MEPs who change their job or income level during the mandate to MEPs who do not. Examining changes during the mandate facilitates a panel data structure, where each MEP is examined at different points in time.

### **Review of the Existing Literature**

Whether moonlighting politicians put less effort into parliamentary activities compared to their non-moonlighting peers is a question that has gained traction in the political science literature in recent years due to the increasing transparency of parliamentarians’ activities in and outside of parliament. Hurka et al. (2018) and Staat & Kuehnhanss (2017) have analysed

moonlighting's effect on parliamentary effort in the EP's 7th session (2009–2014). Both papers study the same topic, but come to different conclusions. The differences in results illustrate that the inconclusive empirical evidence is not only apparent in the broader moonlighting literature, but also in the literature on the EP itself. Given that both papers use cross-sectional data, this article aims at offering one of the firsts studies on moonlighting in the EP using panel data. The empirical evidence on moonlighting remains inconclusive and the scholarly consensus on its effect on parliamentary effort uncertain, particularly due to three main limitations in the literature.

A first limitation is that most studies analyse moonlighting on a single-country basis. This limits the ability to generalise findings in a specific national context to other parliaments. The inconclusiveness in the literature could be caused by country-specific contexts, such as discipline, institutions, political cultures, and differences in reporting (Geys & Mause, 2013, p.76). The supranational nature of the EP offers a unique venue to study moonlighting, as it enables a cross-national analysis without country-specific biases, which is something single-country case studies cannot emulate. The literature lacks a comparative research agenda to understand the overall characteristics and exact mechanisms of the phenomenon (Geys & Mause, 2013, p.80).

Another limitation is focusing on only a few measures of parliamentary effort. There are various ways for legislators to show effort in their legislative duties, such as exerting oversight by writing questions, reading up on legislative initiatives, building coalitions, or informing media/constituents about current topics. Because effort cannot be measured directly, this study relies on proxies (variables that indirectly measure the effort shown). To capture this complex concept and increase measurement validity, eleven different legislative activities to measure MEPs' parliamentary effort are used, thus avoiding overreliance on single measures.

The final limitation has to do with data. Most studies rely on cross-sectional data, thus facilitating the continuing problem in political science literature of omitted variable bias. This means that selection dynamics are captured together with the effect of holding an outside job. A study by Weschle (2022) is the most comprehensive one yet, as this is the only to include changes to legislators' outside employment status over time. The issue of omitted variable bias is addressed by observing each MEP in the current 9th session (2019–2024) of the EP every six months to set up panel data and to obtain both within-unit and between-unit variation. This allows to include both MEP- and time-fixed effects in the empirical model, thus removing unit-invariant and time-invariant confounders that may affect both outside employment and parliamentary effort (Kropko & Kubinec, 2020, p.9). With this approach, selection effects are controlled for and avoid the challenge of disentangling the effects of moonlighting and individual ability. This study provides the most detailed analysis yet of

moonlighting in the EP by drawing on comprehensive data and a quasi-experimental research design.

In that sense, this study fills the research gap by drawing on the supranational nature of the EP, by relying eleven different measures of parliamentary activities, and by using a panel data setup to use a quasi-experimental research design. Besides contributing to the academic literature, the results contribute to a better understanding of the practical implications of moonlighting.

## **Description of Moonlighting, the Data, and the Research Design**

### **Moonlighting**

Moonlighting is an umbrella term describing any job (remunerated or not) held by a politician next to their political mandate (Geys & Mause, 2013, p.93). This means that having an outside job is taken as a homogenous effect. However, when analysing the effect of moonlighting on parliamentary effort, it is obvious that some moonlighting activities require more time and energy than others, and some activities may simply be easier to hold next to a political mandate. For this reason, it is likely that only certain types of outside activity affect parliamentary effort. In part because of this, this study focuses on moonlighting's effect on legislative effort, not legislative content. It would be necessary to segment each type of outside activity (paid/unpaid, private/public, lobby/non-lobby) to examine the different effects (Geys & Mause, 2013, p.93).

As outside activities are not distinguished, it is difficult to explain why MEPs engage in outside activities and why outside employers hire MEPs. Employers may gain information on the development of certain files and a chance to explain their position to actors who can change legislation. MEPs may receive monetary gains and a relationship with employers who can offer them a different career path in the future. But they may also gain valuable information relevant to the files they are working on and a better understanding of how EP policies affect society and the sectors they regulate. MEPs can use this expertise in legislation to improve the output of public policy. In many ways, the relationship between MEPs and outside employers is mutually beneficial. To give a sense of which types of jobs MEPs hold, Table 1 shows the top ten outside earners in the 9th session ranked by outside income per month.

**Table 1***Top 10 outside earners in the 9th session*

Name	Political group	Outside income per month (€)	Number of jobs	Main outside activities
Jérôme Rivière	Unaffiliated	27,000	11	Board membership, consulting
Guy Verhofstadt	Renew Europe (RE)	24,750	6	Board membership, consulting, speeches
Tomasz Frankowski	European People's Party (EPP)	18,000	3	Partner in a company
Marek Belka	Socialists and Democrats (S&D)	16,500	6	Board membership and consulting
Asger Christensen	Renew Europe (RE)	15,500	3	Farmer
Luis Garicano	Renew Europe (RE)	15,000	2	Visiting professor
Antonio López-Istúriz White	European People's Party (EPP)	15,000	6	Secretary-General in Partido Popular (ES)
Engin Eroglu	Renew Europe (RE)	11,000	7	Board membership, real estate
Angelika Niebler	European People's Party (EPP)	9,750	16	Board membership, consulting
Angelika Winzig	European People's Party (EPP)	9,000	7	Owner of powder coating company
Alexis Georgoulis	The Left (GUE/NGL)	9,000	4	Actor, author

Source: calculated from the MEPs' financial declarations as of May 2022.

### **Dependent Variable: Parliamentary Effort**

Parliamentary effort is a multi-faceted concept that cannot be defined with one single measurement. This is in part because most measures capture only the quantity of parliamentarians' work, not necessarily the quality, time, or energy MEPs invest in the activity (Geys & Mause, 2013, p.90). To circumvent this issue, eleven different types of legislative activities are examined, acting as proxies for effort shown by MEPs. With this inclusive strategy to include every available measure of legislative effort, parliamentary effort is measured in several ways to fathom the concept. Naturally, one should remain cautious

when comparing the different activities, as some are more time-consuming and prestigious than others, but grouping the measures would take away the uniqueness of each individual measure. Therefore, the measures are analysed separately. Table 2 is an overview of the eleven measures.

**Table 2**

*The 11 types of legislative activities*

Variable	Mean	Median	Max.
Participation rate in roll-call votes	97.2 %	98.3 %	99.8 %
Number of reports	1.2	0	54
Number of shadow reports	5.3	3	103
Number of opinions	1	0	35
Number of shadow opinions	4.7	3	39
Number of written questions	44.8	32	190
Number of questions for oral answer	2.7	2	16
Number of speeches	39.1	31	349
Number of motions for resolution	1.2	0	33
Number of joint motions for resolution	26,5	2	213
Number of amendments	34.4	31	207

Source: calculated from the MEPs' financial declarations as of May 2022.

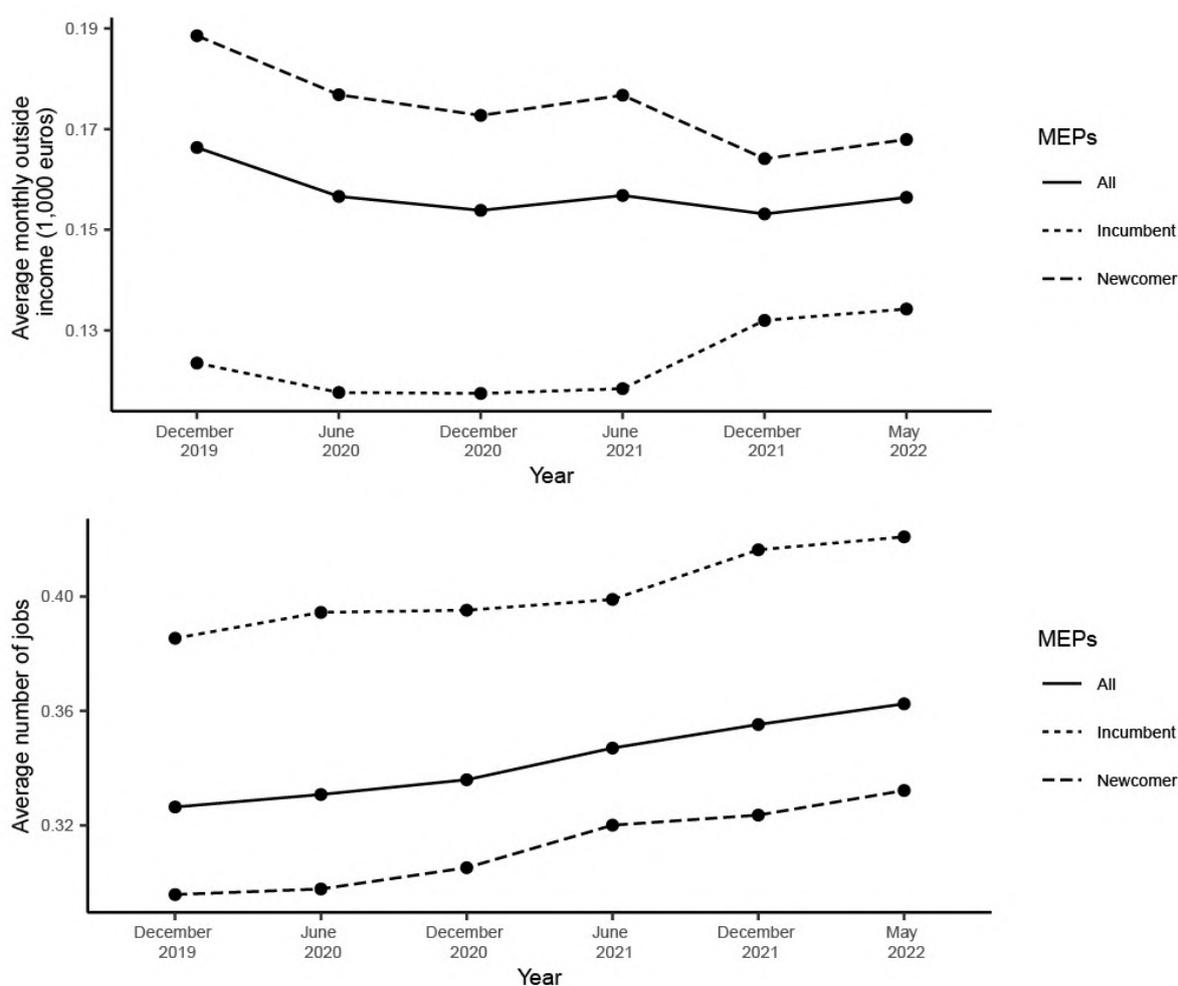
### **Independent Variable: Moonlighting**

The EP's Code of Conduct obliges all MEPs to submit a declaration of their financial interests and assets and file an updated version if any income or job change occurs during the mandate (European Parliament, 2012). For this reason, all MEPs have filed at least one declaration, but only MEPs with a change in jobs or income have reported an updated version. The content of these declarations was used as the independent variable by analysing all MEPs' declarations every six months of the mandate to see if any changes occurred in the period. This allows to create a panel data setup with each MEP's amount of outside income and number of outside jobs every six months in the period July 2019 to May 2022. The focus is only on MEPs who served the full period between July 2019 to May 2022 in order to avoid a possible bias caused by some MEPs only spending a short period in the EP, as the results may be influenced by a potential learning curve when starting the mandate.

From every declaration, two indicators were deducted: the number of jobs held and the amount of money received outside the mandate. The first indicator is a simple aggregation of the number of jobs. The second is more complex. If an activity is paid, the MEP must declare the income in one of the following categories (in euros per month): (1) 1-499, (2) 500-1,000, (3) 1,001-5,000, (4) 5,001-10,000, and (5) >10,000. This means that MEPs' outside income is not provided in exact amounts, but in gross ranges. For categories 1-4, an average of the bottom and upper thresholds is taken. For category 5, where there is no upper bound, the choice is a bit more arbitrary, as the figure can be either €10,001 or >€999,999. It was chosen to measure category 5 as €15,000, as this provides a roughly linear combination of each category (250; 750; 3,000; 7,500; 15,000).

### Descriptive Statistics

Figure 1. Changes in total outside income and jobs for 9th session MEPs (2019–2024)



Source: calculated from the MEPs' financial declarations from the start of the mandate to May 2022.

Figure 1 shows the development of MEPs' average amount of income (top half) and average number of jobs (bottom half) during the mandate. Newcomers to the EP had more outside income on average compared to incumbents, but taking the average amount for all MEPs, outside income actually dipped from €166 to €156 per month during the mandate. Newcomers made €189 per month on average when they started the mandate, but this number fell to approximately €168 per month in May 2022. Conversely, incumbents actually saw an increase in outside income during the mandate from €118 per month to €132 per month on average. The reason for this difference could be that newcomers may start the mandate with an income from a previous employer, most likely a mandate held in national politics or a job in the private sector. The income thus decreases during the mandate because newcomers quit their previous job or stay on with a lower salary. The reason for the incumbents' increase in outside income could be that with increasing experience and responsibility, they attract more outside employers interested in acquiring influential legislators.

The development of the average number of jobs held during the mandate tells a different story. MEPs collectively held 0.32 jobs on average when starting the mandate, but this number rose to 0.36 in May 2022. Both newcomers and incumbents increased their number of jobs held on average. A likely reason for the increase in the number of jobs is that both newcomers and incumbents get more opportunities for taking on outside jobs as they gain experience in the EP.

The finding of less income, but more jobs, is somewhat puzzling, as one would expect the two variables to follow the same trend. A reason for the divergence could be due to the fact that the jobs MEPs take on are not necessarily remunerated. The divergence once again illustrates that moonlighting is an umbrella term that is poorly defined; an increase in outside jobs is not necessarily an indication of legislators' filling their pockets. As will be shown, the results differ depending on whether the amount of outside income or the number of outside jobs is used as an explanatory variable. Figure 1 provides a good explanation for this; engaging in remunerated outside activities may not be equivalent to engaging in unremunerated activities. Figure 1 furthermore illustrates the feasibility of using the difference-in-differences design, as it indicates that changes in moonlighting during the mandate are apparent.

## Research Design

The panel data structure is exploited to set up a difference-in-differences design to compare differences in parliamentary effort between MEPs who change their outside employment status during the mandate to MEPs who do not. By conceptualising the latter as the counterfactual situation in which the treated MEPs did not experience a change in employment, the effect of a change in employment can be isolated; i.e. what would have

happened to the treated MEPs had they not changed their employment status. This empirical strategy is a quasi-experimental identification strategy for estimating causal effects (Cunningham, 2021, p.406).

Each unit (MEP) is compared to itself in a different period of time (every six months of the mandate). By exploiting within-MEP variation to account for time-invariant characteristics of each MEP, potential confounders that do not vary over time (such as gender, nationality, political group, level of education) or unmeasurable differences (such as personality, skills, IQ, wealth, or ambition for a future career) can be eliminated (Cunningham, 2021, p.405). This makes it possible to compare changes in parliamentary effort of MEPs who either take on or leave an outside job to changes in effort of MEPs whose outside employment status does not change during the mandate. Comparing differences in changes between MEPs solves the challenges that arise with possible pre-treatment, as the model is measuring differences and not the exact levels of treatment (Angrist & Pischke, 2014, p.183). And by comparing changes instead of levels, fixed differences between the two groups that might otherwise generate omitted variable bias are eliminated (Angrist & Pischke, 2014, p.203).

The classic difference-in-differences design takes only one treatment period. But in this case, MEPs do not necessarily change their outside employment status at the same time or with the same number of jobs, and some MEPs may change their status multiple times during the mandate. To facilitate a generalised difference-in-differences model, two-way fixed effects are incorporated, including both time-fixed effects and unit-fixed effects (Cunningham, 2021, p.464). The time period fixed effect accounts for changes across all units; whether the units in the treatment group receive a treatment increase or decrease in the outcome relative to the units in the control group. This is done to control for period-specific and unit-specific shocks. The difference-in-differences estimation strategy is a two-way fixed effects specification as follows:

$$Y_{i,t} = \beta \text{moonlighting}_{i,t} + \lambda X_{i,t} + \alpha_i + \omega_t + \varepsilon_{i,t}$$

$Y_{i,t}$  denotes the outcome variable, which is the parliamentary activity of interest for MEP  $i$  in year  $t$ .  $\beta$  is the treatment effect, i.e. whether MEPs change their level of moonlighting during the mandate or not. The expression  $\text{moonlighting}_{i,t}$  is the main independent variable, taking the value 1 if MEP  $i$  changed her outside employment in year  $t$ , and the value 0 if otherwise.  $\alpha_i$  is a unit-specific fixed effect eliminating any potential time-invariant differences between MEPs.  $\omega_t$  is a time-specific fixed effect that eliminates temporal effects such as elections or overall trends during the mandate.  $\lambda X_{i,t}$  is two time-variant confounders consisting of a set of dummy variables indicating whether an MEP holds a high-standing position in either the

group or the committee. Only two controls in the model are included (role in group and role in committee), because the fixed effects specifications remove the effect of time-invariant confounders such as group membership, seniority, age, etc.  $\varepsilon_{it}$  represents unobserved causes for MEPs' parliamentary effort.

## Results

The study estimates whether MEPs' parliamentary effort changes when a change occurs in either of the two independent variables: MEPs' outside income, or MEPs' number of outside jobs. Each variable takes the value of 1 when the MEP is moonlighting in the given period and 0 if not. All regression models include MEP and year fixed effects and the two aforementioned controls. Standard errors are clustered at the MEP level as each MEP appears multiple times at different points in time in the data (Angrist & Pischke, 2014, p. 208). The theoretical expectation for all models is that the difference in moonlighting between the two groups of MEPs affects parliamentary effort differently, more precisely that a change in moonlighting decreases parliamentary effort. A negative coefficient indicates that the direction of a possible effect is in line with the theoretical expectations.

**Table 3**

*Difference-in-Differences: Effect of Outside Income on Parliamentary Effort (1/2)*

	Participation Reports Shadow reports Opinions Shadow opinions				
	(1)	(2)	(3)	(4)	(5)
Outside income	-0.003 (0.01)	-0.02 (0.04)	-0.2 (0.2)	-0.1 (0.1)	-0.04 (0.2)
Y mean	0.95	0.16	0.84	0.12	0.65
N	3,882	3,882	3,882	3,882	3,882
Adjusted R <sup>2</sup>	0.3	0.3	0.3	0.2	0.3

\*p < .1; \*\*p < .05; \*\*\*p < .01

**Table 4***Difference-in-Differences: Effect of Outside Income on Parliamentary Effort (2/2)*

	Written Qs	Oral Qs	Joint motions	Motions	Speeches	Amendments
	(6)	(7)	(8)	(9)	(10)	(11)
Outside income	0.5	-0.03	-0.3	0.03	-1.0*	-0.3
	(1.1)	(0.1)	(0.7)	(0.04)	(0.6)	(0.7)
Y mean	6.98	0.37	4.43	0.18	6.49	3.7
N	3,882	3,882	3,882	3,882	3,882	3,882
Adjusted R <sup>2</sup>	0.7	0.2	0.6	0.6	0.7	0.5

\*p &lt; .1; \*\*p &lt; .05; \*\*\*p &lt; .01

**Table 5***Difference-in-Differences: Effect of Outside Jobs on Parliamentary Effort (1/2)*

	Participation	Reports	Shadow reports	Opinions	Shadow opinions
	(1)	(2)	(3)	(4)	(5)
Outside jobs	-0.02	-0.1	-0.2	-0.1	-0.1
	(0.01)	(0.1)	(0.1)	(0.1)	(0.1)
Y mean	0.95	0.16	0.84	0.12	0.65
N	3,882	3,882	3,882	3,882	3,882
Adjusted R <sup>2</sup>	0.3	0.3	0.3	0.2	0.3

\*p &lt; .1; \*\*p &lt; .05; \*\*\*p &lt; .01

**Table 6***Difference-in-Differences: Effect of Outside Jobs on Parliamentary Effort (2/2)*

	Written Qs	Oral Qs	Joint motions	Motions	Speeches	Amendments
	(6)	(7)	(8)	(9)	(10)	(11)
Outside jobs	1.1	-0.000	-1.7	-0.002	1.6*	0.01
	(0.7)	(0.1)	(1.4)	(0.1)	(0.8)	(0.8)
Y mean	6.98	0.37	4.43	0.18	6.49	3.7
N	3,882	3,882	3,882	3,882	3,882	3,882
Adjusted R <sup>2</sup>	0.7	0.2	0.6	0.6	0.7	0.5

\*p &lt; .1; \*\*p &lt; .05; \*\*\*p &lt; .01

Two measures of moonlighting are used on 11 parliamentary effort measures, resulting in 22 models in total. None of the models are significant at a 95 % confidence level. This means that moonlighting, as measured by either a change in outside income or outside jobs, does not have a strong significant effect on any of the 11 measures for parliamentary effort for MEPs in the 9th session. Table 3 and 4 show the effects of a change in outside income on the 11 parliamentary effort measures. Table 5 and 6 show the effect of a change in outside jobs on the measures.

Two models show a significant effect at a 90 % confidence level. The two models indicate that a change in both outside income and outside jobs has an effect on the number of speeches held at plenary sessions. Interestingly, the effect differs according to the independent variable used. A change in outside income leads to 1 *less* speech held at plenaries every six months, which is in line with the theoretical expectations. But a change in the number of jobs held leads to 1.6 *more* speeches held at plenaries every six months.

The difference in the effect depending on the independent variable used is interesting in itself. One could argue that MEPs who take on a new job during the mandate need to keep up their appearance for their new employer, and speaking at plenary sessions is one of the most visible activities for the MEP to show her employer that she is taking part in the legislative duties. Rational MEPs would realise this, which could be why MEPs actually hold more speeches at plenaries when a change in jobs occurs: it maximises the utility of the MEP (Black, 1972, p.145). A change in outside income does not necessarily lead to a change in jobs, so the employer may already be aware of the MEP's effort in parliament. But as explained in the descriptive statistics section, the differences in results may simply be caused by the fact that engagements in remunerated outside activities are not equivalent to engagements in unremunerated activities.

Moonlighting MEPs were expected to participate less in parliamentary activities compared to their non-moonlighting peers. The argument was derived from the existing literature and from the theoretical expectation that when faced with an opportunity cost problem, rational MEPs would have an incentive to shirk their legislative duties. Engaging in legislation is a time-consuming task, and moonlighting MEPs face higher opportunity costs than their non-moonlighting peers. For the results to be reliable, the different measures of the same phenomenon (parliamentary effort) should yield the same results (King et al., 1994, p.151). Using 11 different effort measures, enough evidence was not found to conclude that outside income or outside jobs cause a lower effort in legislative activities for MEPs in the 9th session of the EP.

## Discussion and Conclusion

### Methodological Pitfalls

A limitation of the difference-in-differences design is that only data for 9th session MEPs is looked at. Since the session is still ongoing (2019–2024), there is a lack of temporal variation. Nevertheless, it is still important to use a quasi-experimental research design to reach conclusions closer to causal empiricism than the previous literature has produced (Samii, 2016, p.949). It is relevant to remove time- and case-invariant omitted variables, as this is a recurring problem in the moonlighting literature (Kropko & Kubinec, 2020, p.9). Some have attempted to solve it by including more control variables, but failure to include the right or enough controls still creates selection bias and omitted variable bias (Angrist & Pischke, 2014, p.69). In some cases, controls can be incomplete proxies of the true omitted variable (Oster, 2019, p.187). For example, previous studies' argument for including seniority in the EP as a control variable is to control for expertise and probability of being chosen for rapporteurships, but this proxy does not fully capture the omitted variable, as MEPs may have gained expertise from previous political mandates or jobs. Following the advice of Clarke (2005, p.349), research design was substituted for control variables, and departed from the prevailing conventional wisdom in the literature. This framework provides more convincing evidence than regressions weighed down by control variables, and providing convincing evidence is pivotal for compelling science (Clarke, 2005, p.350).

The empirical analysis rests on the assumption that an outside job has a homogenous effect on parliamentary effort. This means that the characteristics of the job (sector/influence/role) are not taken into account. Some outside jobs may be easier to carry out next to a political mandate than others, and the outside jobs MEPs hold are not equally time-consuming. It is likely that a board membership of a large company is more time-consuming than a board membership of a homeowners association. The homogenous-assumption was necessary because not all of the financial declarations contain information on the characteristics of the job. The assumption once again reflects that moonlighting is an umbrella term covering any type of outside activity, varying from zero to large amounts of remuneration and contractual obligations (Geys & Mause, 2013, p.93). A deeper segmentation of job traits would be a valuable contribution to future research.

MEPs' declarations of financial interest are not subject to independent audits to check if the information matches reality. Thus, this study had to rely on MEPs' honesty in publishing the correct and updated material. The EP's Code of Conduct is rarely enforced, meaning that breaches are rarely sanctioned. Before the current scandal, there had been no sanctions issued by the President of the EP for breaching the Code since 2014, even though there were 25 cases where MEPs were deemed to have broken the rules (Pearson, 2021).

Sanctions range from reprimands to punishments including fines, suspensions, and removal from office, but sanctions mean little if breaches are rarely enforced. The absence of sanctions can be seen as a poor safeguard against moral hazard (Geys & Mause, 2012, p.14).

### **Theoretical Implications**

The fact that no evidence was found for an effect of moonlighting on MEPs' parliamentary effort has important implications for democracy and how to understand legislators' outside engagements. Moonlighting in politics has been the subject of heated discussions on the ethical aspects of engaging with outside employers. And these discussions may be reasonable considering that the existing literature suggests that moonlighting does affect legislators' effort in parliament (Geys & Mause, 2013, p.83). The results of this study should make observers less worried, as no evidence of this was found. If moonlighting does not affect the effort politicians put into legislation, it can actually be a boon to democracy when legislators engage in outside activities, and the expressed concerns in the literature may thus be unmerited. Legislators might gain experience from the world outside politics and get to see how their regulations affect the life of ordinary people. They could get sector-specific knowledge and professional experience which they can use in their legislative activities to improve the quality of public policies (Geys & Mause, 2012, p.2). There are reasons for voters to consider moonlighting as an indication of expertise and diligence. When outside interests are undisclosed, moonlighting should not be a problem for citizen-principals, as they can punish misconduct at the ballot box.

Popular discussions of moonlighting have mostly revolved around individual cases of misconduct. While these do play an important role as a 'policing' function, they may just be individual outliers or the tip of the iceberg. It is necessary to uncover general and representative effects of moonlighting by using larger samples of legislators. The null-finding of this study is different from the results in the existing literature, as most studies find an effect (Geys & Mause, 2013, p.83). This study shows why the expressed concerns of moonlighting's effect on parliamentary effort are somewhat unmerited, as no evidence for an effect of moonlighting on legislators' effort in the EP was found. The literature lacks strong evidence that either supports the claimed benefits or justifies the popular criticisms of the practice.

Due to potential conflicts of interest, some have called for a total ban on moonlighting practices, as the US has done (Geys & Mause, 2012, p.18). But this is not a good enough argument given its claimed benefits. Moonlighting potentially facilitates a positive sorting into politics due to lower opportunity costs, as the possibility of keeping current jobs or taking on new jobs makes it more attractive for highly-skilled people to run for public office (Fedele & Naticchioni, 2015, p.2). Political careers are insecure, and a ban might deter experienced

professionals from running, which would make it harder for legislators to bring outside expertise into parliament. Instead, legislators should set up clear ethics rules for conflicts of interest and an independent ethics body to ensure compliance. Work is currently ongoing in the EP to introduce new anti-corruption measures, which is a step in this direction (European Parliament, 2023). Overall, the results of this study provide new insights into why the moonlighting practice may not deserve its sketchy reputation.

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# Towards a Transnational Party System? A Comprehensive Literature Review of European Political Parties: Origin, Institutionalisation, and Evolution

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## Abstract

Transnational European political parties, or "Europarties", have struggled to be politically competitive in the EU: they are not represented in the European executive and also struggle to gain enough votes in European parliamentary elections for significant standing in the legislature. Certain processes have been introduced to remove the barriers faced by Europarties, including the Spitzenkandidaten process, as well as Transnational Lists for European elections which are being actively considered. These processes would strengthen the role of the Europarties as the only political parties able to represent the electorate at the EU level through promoting transnational candidates for European institutions. However, numerous constraints on their political activity continue to exist such as a high dependency on national parties for electoral activity and lack of visibility by EU citizens. As such, the aim of this paper is to analyse the creation of these party federations and examine how they have evolved over time, alongside new institutional reforms of the EU's political system. The focus on Europarties is justified for two main reasons: they facilitate the information sharing of national parties at the supranational level, and they have become increasingly important due to Spitzenkandidaten and Transnational Lists.

## Keywords

Europarties, European democracy, Spitzenkandidaten, transnational lists

## Introduction

It is often assumed that the key prerequisite for true European Union (EU) democracy is a strong European *demos*. Whilst important, a singular focus on this omits an understanding of the supply-side of politics, and particularly the role of political parties, in creating a functioning democracy (Follesdal & Hix, 2006). Indeed, a functioning representative democracy requires the existence of political parties and party competition (Downs, 1957; Sartori, 2005). Parties have two key functions: representation and governance, the former helps to connect voters to politicians, whilst the latter connects voters' representatives to real political power (Mair, 2009; Lindberg et al., 2008). Competition is a crucial part of this since it gives voters an opportunity to assess which political party they feel best fulfils these functions.

Strong political parties are required for such competition to exist, and especially for it to become institutionalised. Political competition at the EU level is exercised by three actors: political groups in the European Parliament (EP), Europarties, and national parties (van Hecke et al., 2018). In the electoral arena, national parties affect the selection of members of the European Commission (EC), Council, and EP. Europarties do not play a role in the Council and EP, and have only limited powers with regard to the selection of the Commission (Lindberg et al., 2008). Consequently, national parties dominate EU political structures. One of the main arguments surrounding the existence of an EU democratic deficit concerns the Europarties' lack of ability to perform the representative function at the European level (Sozzi, 2013), where there is an absence of both institutional instruments of direct influence in EU policymaking and direct communication with voters (Peshenkov & Zhukovskiy, 2016). However, the Europarties have the potential to develop as one of the main actors in addressing the deficit by promoting closer approximation of citizens' interests at the transnational level through transnational political competition (Hix & Høyland, 2011). The development of party politics at the EU level requires a reform of European institutions which promotes Europarties as true competitors for the EU executive as well as being a key force within the EP (Hix & Høyland, 2011). Additionally, in order to improve democratic accountability in the EU, Europarties need to be "brought into line with the locus of much decision-making at the EU level" (Youngs, 2022, p. 203).

This paper will focus on Europarties as participants in political competition at the transnational level. The main objective of this piece will be to track the evolution of European political parties from loose 'umbrella' organisations of national parties at the transnational level to participatory and influential actors in EU political and institutional processes (Hecke, 2010; Johansson, 2018). As it is a relatively new topic with a small but increasing amount of literature, I will undertake a literature review in order to identify how Europarties – and their role in European politics – has been conceptualised. This review will also tackle the *Spitzenkandidaten* (2014 and 2019) and Transnational Lists (2018) processes as factors for Europarty institutionalisation and political legitimacy. I will also provide a concluding remark regarding the Europarties' role in the upcoming 2024 European parliamentary elections.

### **The Origin of the Europarties**

A Europarty is an organisation composed of national parties and individual members that are represented by "members of the European Parliament, or by members of national parliaments, regional parliaments or regional assemblies" from several Member-States (European Parliament, 2018). While national parties control candidate selection and carry out electoral campaigns for European elections, Europarties, as parties of parties, serve as networks that bring together, coordinate, and facilitate information exchanges and dialogue

between political elites in Member States at the EU level (Johansson & Raunio, 2019; Lelieveldt & Princen, 2011). Europarties usually belong to a party family in the European Parliament referred to as a ‘political group’.

The first direct elections to the European Parliament (formerly known as the European Parliamentary Assembly) were held in 1979. These inaugural direct elections coincided with the emergence of the first Europarties, who seized on these elections as justification for their existence (Johansson, 2009). During the 1970s and 1980s, national parties were represented in the European Parliament (EP) through Europarties (Kosowska-Gąstoł, 2017). These federations have been officially legitimised in EU treaties, starting with the Maastricht Treaty of 1992, where they were classified as ‘political parties at European level’: Political parties at European level play an important role as a factor for integration within the Union. They contribute to forming a European awareness and to expressing the political will of the citizens of the Union (Maastricht Treaty, Article 138-A)

Although the first elections to the EP took place in 1979, transnational party organisations started to emerge in 1974, most notably the Confederation of Socialist Parties in the European Community (CSPEC). Soon after, the European People’s Party (EPP) and the European Liberal Democrat and Reformist Party (ELDR) were created in 1976. Of the three Europarties, CSPEC changed its name to the European Socialist Party (PES) in 1993 and the ELDR was renamed the Alliance of European Liberals and Democrats (ALDE) in 2004. Nowadays there are ten registered Europarties operating within the EU’s institutions (APPF, 2019). Two Europarties, the European People’s Party (EPP) and the Party of European Socialists (PES), dominate the voting plenaries due to their large numbers of seats.

As was alluded to in the introduction, a prerequisite for the democratic and electoral development of the EU is the creation of political parties with a transnational character (Bardi & Calossi, 2009). The formation of political parties at the EU level represents the ongoing evolution of the EU’s model of representation from a more technocratic one to a more traditionally representative one (Hix & Lord, 1997).

### **Europarty Institutionalisation**

The year 2003 was a landmark period for the consolidation of Europarty institutionalisation within European politics. The introduction of the European Commission regulation number 2004/2003, which provided a funding mechanism for the Europarties from the Union’s budget, as well as the strengthening of the European Parliament, offered the Europarties more opportunities to influence the EU policy process. Even before the regulation, some Europarties (like the EPP or the PES) were able to coordinate networks of party families to exert influence during treaty reforms. For example, Europarties took part in Intergovernmental Conferences during the preparations for the implementation of the

Maastricht and Amsterdam Treaties in order to influence the national political leaders towards adopting the Europarties' positions (Johansson, 2016; Lightfoot, 2003). While the degree of influence varied, as domestic issues often collided with transnational interests, there was a transnational influence promoted by the Europarties during the preparatory stages of the treaties, in particular the facilitation of personal relations, collective agreements, and development of joint policies (Johansson, 2016).

After the adoption of the EC regulation number 2004/2003, studies have considered the growth of Europarties in several ways. Europarties received support from more pro-integrationist national governments such as France and Luxembourg, as well as the European Commission (Johansson & Raunio, 2005). Intra-party developments such as new statutes, new logos, new premises, and new staff helped their legitimacy and credibility as political actors (Lightfoot, 2006). As they gained more resources and additional recognition, Europarties could assert their authority with more vigour than in the past – both as actors in the EU political system and in relation to their member parties (Johansson, 2009).

The institutionalisation of party systems is important for democracy, and this is no different in Europe. Recently, Edoardo Bressanelli, adapting from a previous study conducted by Vicky Randall and Lars Svåsand, classified Europarty institutionalisation through two components: a structural component based on 'organisation' and 'autonomy', and another more attitudinal component consisting of 'value infusion' and 'reification' (Bressanelli, 2014; Randall & Svåsand, 2002). In terms of organisation, Europarties have a structured organisation of several national party (and non-party) members, but their autonomy is conditioned by the freedom of national parties in intra-party decision-making (Sozzi, 2013). In other words, the more Europarties cooperate with their national members and are free to make decisions on their behalf, the more they will achieve a condition of 'systemness' (or coherence), and, as a result, the more they will be institutionalised (Sozzi, 2013). In terms of attitudinal elements, 'ideological cohesion' considers Europarty institutional development as being dependent on its cohesion between national parties based on common programmatic goals, or the common underlying ideology of its member parties. In terms of their reification, Europarties are recognised by the European Union and its institutions thanks to their inclusion in the Maastricht Treaty through Article 138-A, the subsequent treaty reforms that enhanced the existence of these federations, and the implementation of the EC regulation number 2004/2003, that allowed for greater legitimacy of these organisations in European politics. These components increased Europarty institutionalisation over the years, most notably, according to Bressanelli, during the biggest EU enlargement to new Member States in 2004 (Bressanelli, 2014).

### **Europarty Contribution to European Politics and Policymaking**

Unlike their partners in the EP, the Europarties' political activity is not restricted to the Parliament since they also operate in other European institutions such as the European Commission and the European Council. The creation of multiple arenas of activity for these Europarties reflects the prevalence of an optimistic view regarding their potential beyond the EP (Hix & Lord, 1997).

In terms of activity with the Council, studies point out that the Europarties attend Intergovernmental Summits in order to work closely with chiefs of government from the Member States, as a means to mobilise their (the Europarties) interests within the supranational sphere (Lightfoot, 2003; Tallberg & Johansson, 2008). At the EU level, mobilising national political leaders remains the best way for Europarties to influence policy (Lightfoot, 2003). Europarties are most effective when they are relatively cohesive and able to mobilise their networks of national parties and political leaders (Johansson, 2017). While cooperation between Europarties and the Commission is less visible, existing research points to Europarties being able to exert some influence when their electoral pledges coincide with the European Commission's legislative priorities (Kostadinova & Giurcanu, 2018).

After the greatest enlargement of new EU Member States in 2004, the structural and ideological expansion of the Europarties was consolidated thanks to the entry of new member parties that challenged the Europarties' intra-party ideological and structural cohesion (Bressanelli, 2015). Such challenge proved to be, somewhat, a success: with the greater integration of several members from Central and Eastern Europe, the Europarties and the EP political groups centralised decision-making powers and introduced new mechanisms of coordination between the committee and the plenary levels, and, as a result, the Europarties had stronger organisations in the EP and were formed by ideologically more cohesive members (Bressanelli, 2014).

One of the greatest successes of Europarties in Central and Eastern European (CEE) countries was to help professionalise the newly-integrated national member parties from the CEE, helping to adapt their elites to the new realities of democratic politics (Pridham, 2014). Indeed, studies suggest that the new member parties became more similar to established Western European parties in terms of their intra-party behaviour (von dem Berge, 2017). Despite these advances, Europarties still faced several constraints to their institutionalisation.

### **Institutional Constraints on Europarties**

While there has been considerable institutionalisation and development of Europarties, there are still significant institutional constraints that pose a barrier to the development of a true European party system. Despite a regulatory framework introduced in 2003, as well as increasing the legitimacy of these party federations through treaty reforms and political

activity inside the European institutions, Europarties are still struggling to gain influence, especially in the electoral arena (Youngs, 2022).

Multiple studies have questioned the Europarties' ability to influence the electoral outcomes of European Parliament elections. Luciano Bardi and Enrico Calossi (2009) stated that even after the adoption of the 2003 Europarties' regulation, national parties have preserved their dominance. Indeed, some provisions of the regulation effectively give EP groups control over Europarty funding and, even more importantly, make national parties indispensable due to their role in co-financing. The same authors highlight that Europarties share certain characteristics with cartel parties, including their reliance on state sources as well as the bureaucratisation of intra-party regulations.

Fabio Sozzi suggests that Europarties are still weak organisations controlled by national parties; despite having greater autonomy than in the past, they remain highly dependent on national members for electoral purposes. National parties dominate the electoral arena during EP elections since they are the only actors that campaign for European elections and nominate candidates for the EP (Sozzi, 2013). David Hanley suggests that national parties grant limited autonomy to transnational parties, with the main objective being the facilitation of some information sharing and strategic concertation between national political parties at the EU level (Hanley, 2008). As a result, Europarties' visibility to EU citizens is severely constrained by their own national party members during EP elections.

It is argued that the lack of institutional instruments of direct influence, as well as the absence of direct communication with voters, impose a considerable limit on the autonomy of Europarties in the electoral arena (Peshenkov & Zhukovskiy, 2016). The congruence between EU citizens and EP policy makers depends mainly on the congruence between national parties and the Europarties that national policy makers join (Lefkofridi & Katsanidou, 2014). In terms of cooperation between Europarties and their national member parties, certain Europarties (especially the PES) face an inherent difficulty which is that the individual national parties which constitute it might come apart. Diverging institutional, ideological, electoral, and economic incentives are the strongest explanatory factors for this kind of cooperation problem in the EU (Külahci, 2010).

### **The Next Step: the Spitzenkandidaten and Transnational Lists**

Although their role remained in its infancy, Europarties were eager to expand their mandate during the European parliamentary elections (Day, 2014). The increased powers of the European Parliament with the ratification of the Maastricht, Amsterdam, and Lisbon treaties offered a greater role given to party actors at the transnational level to participate in the European legislative process and decision-making. In order for them to be able to exercise

this capacity, policies which both promote Europarty participation in institutional processes and increase their electoral visibility are needed (Van Hecke et al., 2018).

### **The Spitzenkandidaten Process: A Fleeting Opportunity for the Europarties**

One of the main issues regarding the EU's democratic deficit is the lack of political competition to elect a supranational executive (Hix, 2008). According to Andreas Follesdal and Simon Hix, a European democratic identity may well form through the practice of democratic competition and institutionalised cooperation (Follesdal & Hix, 2006). For Europarties to develop competitively in the electoral arena, they need to form clear positions and policy platforms (Bressanelli, 2014; Klüver & Rodon, 2013; van Hecke et al., 2018).

Following the results of the 2014 elections, the election of the President of the EC was carried out through the *Spitzenkandidaten* election process, which marked a 'constitutional innovation' in EU politics (Laffan, 2019). That is, five of the seven Europarties that make up the largest parliamentary groups nominated a head of list to compete for the presidency of the Commission (Hobolt, 2014). The winner would be the member of the party with the most votes through the 2014 European election results – in this case, the party with the most votes was the EPP, with the party's proposed candidate, Jean-Claude Juncker, being elected. This mechanism brought the role of the Europarties closer to their national counterparts by enabling them to nominate a leading candidate for the presidency of the European Commission, generating a more central role for them in electing a European executive (Put et al., 2016). Going into the 2019 European elections, the *Spitzenkandidaten* process was again adopted; but it was challenged by the European Council, who had the most power to select a candidate before the process was introduced. The results of the 2019 European elections gave victory to the EPP, so the candidate Manfred Weber was supposed to be elected EC President under the *Spitzenkandidaten* process. However, the EPP did not obtain an absolute majority and the Council argued that the *Spitzenkandidaten* process was non-constitutional (it was not stipulated in the Lisbon Treaty), so the institutionalisation of this process was not formalised (Heidbreder & Schade, 2020). Thus, without reaching a parliamentary agreement, the Council decided to nominate the non-*Spitzenkandidat* Ursula von der Leyen for the EC presidency.

The latest European parliamentary elections of 2019 had the largest turnout since 1994 (50.62%), compared to the previous election of 2014 which had a turnout of 42.61% (Statista, 2020). Campaigning was more Europeanised, in the sense that political debates and party campaigns revolved around more EU-related themes than domestic ones, and the Europarties seemed to present voters with a clearer set of policy choices on both Europeanist and Eurosceptic sides (Youngs, 2022). However, both Europarties and the EP political groups failed to unite to safeguard the *Spitzenkandidaten* process. The EPP's candidate, Manfred Weber, was weak since he had not previously held any executive position; but, instead of

supporting another candidate for the Commission presidency, party self-interest prevailed in the EP and a unity candidate was not found. The EP elections of 2019 had every opportunity to further develop the EU's party system and provide a clearer competition for the supranational executive position, but ultimately failed.

### **Transnational Lists: True European Candidates for the EP**

Another EU institutional reform mechanism that could help Europarties establish their autonomy and influence in the electoral arena would be the introduction of Transnational Lists (Crego, 2021; Van Hecke et al., 2018). This method would replace the traditional method of voting on national lists, giving voters an opportunity to vote for European (and not only national) candidates in a truly pan-European contest (Crego, 2021, p. 4).

The debate on the proposal of transnational lists occurred following the 2016 British referendum on EU membership and the future of the seventy-three vacant seats that would be left by British MEPs in the European Parliament was being considered. At the time, Emmanuel Macron, president of France, declared that he was in favour of such lists for the next European elections, since it would allow candidates to campaign for votes on a pan-European basis (Verger, 2018; Youngs, 2022). In doing so, it is argued that transnational electoral lists would help overcome the mismatch between the institutional role of the European Parliament as an EU institution representing EU citizens, and the fact that EU citizens are asked to vote for national parties and leaders, who do not have a visible role in European politics.

This mechanism would promote a kind of third wave of EU electoral reform policy aimed at introducing a pan-European constituency with a transnational character (Charvát, 2019). According to Christine Verger, these lists would meet the desire to give the EP election campaign a more European focus, and to avoid, during the legislature, national prejudices encroaching on a firmly European institution (Verger, 2018). In other words, there is a need to Europeanise EP elections by introducing candidates for the EP that adopt a more transnational role, rather than electing national candidates in what is, supposedly, an EU level election. In this sense, the introduction of Transnational Lists would increase the relevance of Europarties in EP elections, which could increase citizens' interest and their perception that their voice counts in the transnational arena (Van Hecke et al., 2018).

However, the Transnational Lists proposal was not approved by a majority of MEPs. In the EP plenary, the members who voted against cited concerns about using a purely federal election model in a non-federal political system such as the EU. MEP Carlos Moedas, from the EPP, who voted against the lists, expressed the main concern of most dissenting MEPs: "If we are not a federation, why would we need such lists?" (EURACTIV, 2018). Transnational Lists

seemed to represent a step too far for MEPs who remain more sceptical of further European political integration.

### **A Bright Future for Europarties? The 2024 European Elections**

Europarties' legitimacy in European politics has evolved over the years. The introduction of the Europarty regulations implemented in 2003 (Johansson & Raunio, 2005) and the 2004 enlargement process, which expanded the membership within the Europarties and (re)structured their internal organisation and ideology (Bressanelli, 2014, 2015), were among the first steps towards the political legitimacy of these transnational party federations. More importantly, the *Spitzenkandidaten* process and the possibility of introducing Transnational Lists would allow for a higher visibility of Europarties in the electoral arena and generate greater party competition at the European level (Van Hecke et al., 2018).

However, with the failure to formally institutionalise the *Spitzenkandidaten* process, as evidenced by 2019 and the rejection of Transnational Lists in 2018, one would ask: "Is it possible for Europarties to have a bright future in EU politics?". Or maybe: "Why should we care about these European parties if they have barely any voice in the electoral arena?". These questions can be somewhat optimistically answered thanks to the latest proposal on reforming electoral procedures for the upcoming EP elections of 2024. In May of 2022 the proposal of a direct election of twenty-eight MEPs via Transnational Lists for the upcoming 2024 European parliamentary elections was approved in the European Parliament plenary. This means that, for the first time in the history of European elections, not only will we vote for national candidates, but we may have the chance to vote for candidates directly nominated by Europarties. In other words, we will vote for purely European transnational candidates.

The proposal comes with conditions that prove vital for strengthening the Europarties at the electoral level (European Parliament, 2022):

- transforming the European elections in a single Union-wide constituency;
- increasing the visibility of the Europarties and their candidates through media campaigns, on ballot papers, and in all election materials;
- that Europarty funding, whether through the EU budget or national provisions, can apply to campaign materials;
- all European voters should be able to vote for their preferred candidate for President of the Commission, and that lead candidates should be able to stand in all member States on Union-wide lists, nominated by a European political party.

If these provisions set out in the legislative proposal are adopted in their entirety, we may be moving towards a true European Union in electoral terms. However, while the proposal has been accepted by the EP, it has now been sent to the Council of the EU for voting. Even if the proposal will be unanimously approved, its introduction in 2024 is still uncertain. Either it

will prove to be a success, moving towards a European public sphere; increasing the transparency of the representation of European citizens; and, as a result, mitigating the effects of the democratic deficit and the problems of the EU's political legitimacy. Or it could fail, indicating the limited impact of European parties' increased visibility on EU citizen's political preferences and the likelihood of European elections' continued secondary importance (Reif & Schmitt, 1980; Van der Eijk & Franklin, 1996) and, perhaps, invalidate the very existence of an EU party system.

### Concluding Remarks

Whether or not we think that Europarties matter, a key question is how the current transnational party federations can become true political parties, similar to their national party counterparts. This matters because it may provide incentives to tackle their institutional deficiency. More importantly, as noted in the introduction, it is crucial to realise that the introduction of estimated processes to deal with the European democratic deficit requires consensus among the elites in the European space.

Even with their limited autonomy and lack of visibility by the European citizens, the Europarties do present some advantages for the EU political system. They are suitable for national parties seeking some rewards from the European political system, such as seats in the EP and the post of Commission President (Hix & Lord, 1997); they are the only party federations to operate inside and outside the European Parliament (Johansson & Raunio, 2019); and, when internally cohesive, they are able to mobilise their networks of parties and national political leaders at the Intergovernmental Conferences in the Council (Johansson, 2016). Europarties have the potential to develop as real political parties at the transnational level if the EU is able to carry through institutional reform incentives, taking the *Spitzenkandidaten* and Transnational Lists as examples of their potential for development. Even with the existing body of literature surrounding the institutionalisation of a EU level party system, there is still much to shed light on Europarties regarding their political activity in the EU. With the upcoming 2024 EP elections and its possible consequences for developing the EU's political system, further research on the internal development of the Europarties and how it will impact their role in EU politics is essential.

The experience of the *Spitzenkandidaten* indicates the extent to which elites at the domestic and European level can limit reforms which they observe to be against their interests. The way the implementation process of the Transnational Lists will be taken will be affected by how the national members of the Europarties are willing to accept the reform procedures of the supranational electoral landscape, as it will also affect, inevitably, the national arena.

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# Scapegoater Brexit? An Anthropological Analysis of the Political Utilitarian Component of the 2016 UK EU Membership Referendum

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## Abstract

The controversial UK Referendum to leave the European Union has been extensively studied since its occurrence in 2016, which resulted in a narrow victory for the Leave campaign. Many are the causes behind this outcome that have been identified thus far; these include concerns over immigration, sovereignty, and a desire to regain control of the country's borders and laws, amongst several others. However, the referendum and the Leave campaign have seldom been analysed through an anthropological lens. The paper attempts to do this, and finds that Brexit has arguably enabled pro-Leave politicians to enhance their political standing amidst unstable times by advancing a solution to the country's economic and social hardship. The argument defended by advocates of Brexit placed its emphasis on the manifold benefits that the UK would allegedly draw from its departure from the bloc. Seven years after the historical vote, which has reportedly had significant negative immediate, short-term, and long-term effects on the country's economy, the Leave campaign can be argued to have constituted an instance of contemporary political scapegoatism, which is a dynamic that has been widely researched by past anthropological literature. Studies of scapegoatism are spearheaded by René Girard's work, who argued that the 'scapegoat mechanism' represents an innate human tendency. The following paper thus aims to advance a possible anthropological analysis of the sociopolitical phenomena related to the 2016 UK EU Membership Referendum. The paper proposes the argument that the EU was subject to this mechanism within the UK's Brexit politics by highlighting how Brexit responded not only to a political, economic, and social utilitarian component, but also to an anthropological type of utilitarianism.

## Keywords

Brexit Referendum, Scapegoatism, Utilitarianism, Populism, 2008 Financial Crisis

## Introduction

In an unprecedented move in the European Union's history, the United Kingdom withdrew from the bloc through a controversial referendum held in May 2016. An extensive amount of research has been conducted on the historical and social factors that led to Brexit. This article attempts to contribute to the existing research by shedding light on the possible

anthropological aspects behind this phenomenon. The paper studies the utilitarian component of Brexit within an anthropological framework, which it argues becomes especially clear in light of the fact that the socioeconomic expectations of Leave proponents and voters were ultimately disappointed by the reportedly negative immediate, short-term, and long-term effects on the British economy (Dhingra et al., 2022; Giles, 2017; Shrimley, 2021). The paper attempts to demonstrate this by showcasing how Brexit constituted an instance of utilitarian scapegoatism against the European Union. The first section of the paper looks at the origins and briefly summarises the history of scapegoatism to present research on the dynamics of scapegoatism in order to better grasp its historical recursivity and, as some have claimed, its universality (Riordan, 2021; Girard, 1986). It indeed appears necessary to provide a framework as broad as possible of the research in this field to showcase how Brexit can be argued to fall within this type of mechanism, which is what the other sections of the paper attempt to do.

The paper is divided into three sections. The first section studies the sacrificial origins of scapegoatism and attempts to draw a parallel between pre-Christian immolations and Girard's "scapegoat mechanism." It then examines the role that scapegoatism has played in contemporary politics, arguing that it has oftentimes been resorted to as a political tool to account for national financial struggles. The section subsequently analyses the concept of populism and how the simplistic discourses derived from it revolve around scapegoatist logic for utilitarian political ends, albeit often unconsciously. The second section studies the events that led to the Brexit referendum from the 2008 financial crisis until the end of David Cameron's first term as Prime Minister, and argues that the referendum constituted an instance of contemporary political scapegoatism. The section then examines the immediate pre- and post-Brexit period and attempts to show how Cameron's failed 'modernisation' strategy led to an intensification of the scapegoatist rhetoric. The third section showcases how the benefits that pro-Leave politicians have drawn from such a strategy are substantial, as they gained back considerable public trust, and argues that it is in part thanks to this that the pro-Leave branch of the Conservative Party could retain the majority and win the following 2019 general election. The section then points out that, unsurprisingly, now that the effects of Brexit are becoming more apparent and that the EU can no longer be blamed for the UK's hardship, the Conservatives' approval rating has slumped and Labour's has soared. Nonetheless, the paper equally acknowledges that several other factors have negatively impacted the Conservatives' political standing in recent times, and pinpoints some examples. Lastly, the paper analyses 'Bregret' and the realisation by many Leave voters that several of the slogans circulated by the Leave campaign spread misinformation. The paper concludes that large parts of the British political stage have been Eurosceptic because of the European Union's potential as an effective scapegoat for the UK's post-2008 crippling economic

situation, allowing pro-Leave politicians' public support to recover following David Cameron's strategic failure.

### **An Introduction to Scapegoatism**

An interesting parallel can be drawn between the act of scapegoatism and the ancient practice of sacrifice in European agrarian societies, as it has often been argued that scapegoatism is nothing but the evolution of pre-Christian immolations (Alonso & Fernández Rodríguez, 2021; Girard, 1986; Riordan, 2021). The term "scapegoat" itself comes from the biblical events described in the Book of Leviticus, which narrates the ritualistic release of a goat that metaphorically carried all of the sins of Israel (Leviticus 16, New International Version, 2011). René Girard, a prominent researcher on scapegoatism, asserted that human beings have an innate propensity to mimic and imitate each other (Girard, 1986). For this reason, his work has often been referred to as "mimetic theory", a major part of which revolves around the "scapegoat mechanism" (Riordan, 2021; Girard, 1986). In this regard, Girard argued that humans, as a result of this inclination, spontaneously tend to imitate one another in blaming, or scapegoating, certain individuals or groups, thus 'achieving agreement at the victim's expense' (Riordan, 2021; Girard, 1986, p. 139). Freud also studied this propensity, albeit more marginally, in his analysis of *primaevae* societies and the "totemic meal," which he defined as the metaphorical devouring of generational and societal impurities (Hassan, 2020). Similarly, in later classical cultures, sacrifices to the gods and other rituals were mostly functional and apotropaic (Carvalho Porto, 2020; Hitch, 2009). These would particularly be needed in times of instability or crisis, as they commonly served the purpose of pleasing and propitiating one or multiple deities in order for these to produce good auspices or omens and ward off what was believed to have enraged them (Hitch, 2009; Riordan, 2021).

Girard's "scapegoat mechanism" therefore defines the intent, inherent in pre-Christian sacrifices, of exorcising a crisis by purging sins through an innocent victim (Janowitz, 2011; Riordan, 2021). In other words, animals and, occasionally, humans immolated in these rituals were regarded as the incarnation of the evils that their sacrifice was believed to ward off (Alonso & Fernández Rodríguez, 2021; Janowitz, 2011). The practice of sacrifice may appear as a remote ancient custom, but it has evolved over the centuries. Although it began to wane with Christ's 'final sacrifice' and ultimately came to an end with the eventual spread of Christianity across Europe, several scholars have showcased how it has merely become increasingly sophisticated and 'metaphorical' over the centuries in concomitance with the parallel sophistication of European societies (Alonso & Fernández Rodríguez, 2021; McClymond, 2017; Riordan, 2021). Thus, whilst pre-Christian sacrifices and immolations have been absent from Europe for millennia, the "scapegoat mechanism", which this paper shall refer to as 'scapegoatism', continues presenting itself regularly at

present, though in a substantially different fashion (Alonso & Fernández Rodríguez, 2021; McClymond, 2017; Riordan, 2021). For the purposes of this paper, ‘scapegoatism’ shall be defined as the ‘propensity to respond to adversity by blaming arbitrarily selected individuals’ or entities (Riordan, 2021, p. 242). The last large-scale episode of scapegoatism of the modern age in Europe was the mass murder of the Jewish population in Germany, who were blamed for the national economic struggles stemming from the Great Depression (Bursztyn et al., 2022).

In the contemporary age, scapegoatism can still be correlated with economic crises, and has presented itself numerous times in Western democracies as a political tool to account for and address national financial hardship (Alonso & Fernández Rodríguez, 2021; Bursztyn et al., 2022). These instances are interlinked by a common denominator consisting of anti-minority narratives supplied, at times unconsciously, by certain political ideologies (Bursztyn et al., 2022). Due to this, many minorities have been subject to harsh discrimination, being unfairly held responsible for their country’s economic hardship when, often, this is in part even beyond the capacity of politics to handle, and can either be defined as a symptom of the ‘systemic instability of contemporary capitalism’ or, simply, *force majeure* (Alonso & Fernández Rodríguez, 2021, p. 7; Bursztyn et al., 2022). It is, nonetheless, crucial to note that however immoral and unethical these acts may be considered, they have proved to be highly effective rhetoric, particularly in recent times (Muller, 2021). This partly explains the recent surge in populism and nationalism in the international scene as a largely irrational reaction to the crisis phenomena related to globalisation (Muller, 2021).

Populism can be defined as ‘resulting from the attempt to cope with the complexity of society with simple everyday thinking’ (Vobruba, 2019, p. 102). Before an increasingly complex national and international reality fraught with crises of unclear origins and open-ended consequences, simplistic narratives and reductive explanations of problems have become tempting rhetoric in many countries (Vobruba, 2019). The crises that once used to be relatively contained and of limited geographical scope now constantly risk escalating into global-scale phenomena, amplified by worldwide interconnectedness derived from globalisation (Razin, 2021; Watson et al., 2020). This complexification has entailed a widespread feeling of a ‘loss of control,’ which populism has attempted to respond to with a seductively comforting promise of simple answers and solutions to complex questions and problems (Vobruba, 2019, p. 103). Unsurprisingly, as has been claimed earlier in the paper, this promise extensively avails itself of markedly scapegoatist discourses (Muller, 2021). Despite the highly complicated and partly inevitable nature of contemporary crises, as inherent symptoms of an imperfect capitalist economic model applied to an increasingly interdependent world, intricate interpretations of all-encompassing issues by politicians have largely not been welcomed by struggling and frustrated populations (Alonso &

Fernández Rodríguez, 2021; Vobruba, 2019). Finding a scapegoat has often proved to be the easiest way for utilitarian political trends to provide a simple, straightforward answer to citizens' pressing questions (Muller, 2021). A connection with pre-Christian sacrifices may be drawn: immolations were similarly regarded by agrarian societies as a means of offsetting the natural limitations of human action and ability to tackle crises (Janowitz, 2011; Riordan, 2021).

The two social groups that have been most subject to Western contemporary political scapegoatism are arguably migrants and Muslims (Muller, 2021). In Europe, migrants have repeatedly been blamed of "stealing jobs" and causing a job-market paralysis, with this discourse reaching its peak during the 2015 European migrant crisis (Heizmann & Huth, 2021; Niyimbanira & Madzivhandila, 2016). A more recent instance is former U.S. President Donald Trump's blaming of Muslim and Mexican immigrants for middle-class economic stagnation, and, in the first few months following the outbreak of the COVID-19 pandemic, for spreading the virus (Bursztyn et al., 2022). Migrants have also frequently been accused by Western states of exhausting societal resources and eroding national cultures, to the point of plotting a 'Great Replacement' (Bellovary et al., 2020; Ekman, 2022).

### **Scapegoater Brexit**

In light of the foregoing introductory section, the paper argues that recurring attempts to explain Brexit in a solely demographic, economic, or historical light overlook a fundamental irrational component triggered by the populist rhetoric that characterised the Leave campaign, and that the referendum constituted an instance of contemporary political scapegoatism (Mahmud, 2021). This paper does not aim to refute widely accepted causes of Brexit. It is undeniable that British Euroscepticism cannot exclusively be accounted for through the anthropological lens of scapegoatism and encompasses frequently mentioned factors. These include historical elements, such as Britain's longstanding wariness on the European project and the country's traditional ties with the Commonwealth and the Anglosphere, demographic factors of voters, including age and education level, and, perhaps most importantly, claims of sovereignty, of control over immigration, and economic autonomy (Dorey, 2017; George, 1998; Goodwin & Heath, 2016; Mahmud, 2021; Schmidt, 2020; see Churchill, 1946). It is argued in this paper that, besides these commonly acknowledged causes, the potential for effective scapegoatism that the European Union presented was a decisive factor in the advocacy of the Leave option.

At the time when the possibility of a referendum on the UK's membership of the European Union emerged in the months prior to the 2010 general election, the UK population was grappling with the crippling effects of the 2008 financial crisis (Treanor, 2017). Despite then-Prime Minister (PM) Gordon Brown's controversial fiscal measures and cuts in

response to the crisis, the population was “disillusioned” and had lost “faith in structures and authority”—in former Chancellor of the Exchequer, under PM Brown, Alistair Darling’s words (Theakston, 2011; Treanor, 2017). Following exacerbated public frustration and political discontent, populist Eurosceptic branches of the opposing Conservative Party saw their rationale to assert anti-European discourses greatly increased (Mahmud, 2021; Treanor, 2017). For this reason, then-Conservative Leader David Cameron—who, despite not being a staunch Europhile, did not support the prospect of a referendum—faced considerable pressure to include a referendum on the Lisbon Treaty of the EU in his 2010 campaign promises by his Eurosceptic backbenchers only a few months after the treaty had been ratified (Cameron, 2012; Farrell & Goldsmith, 2017).

Furthermore, Cameron’s campaign workhorse, namely a ‘modernisation’ plan of the Conservative Party, equally played an important role in the planning of the referendum. This is because it involved the necessity to bring together a divided party by mediating with its Eurosceptic branch and its Eurosceptic Liberal Democratic Coalition partners, and prioritising unity over confrontation on the European dilemma (Cameron, 2019; Dorey, 2017; Newman & Hayton, 2022). This necessity grew more and more following Cameron’s subsequent election, as the number of Conservative backbenchers protesting on the UK’s EU membership soared from 60 in late 2011 to over 100 in mid-2012, thus further widening the gap between them and the leadership (Bale, 2016; Cameron, 2019; Farrell & Goldsmith, 2017). Exhuming Cameron’s traumatic memory of his early years as special advisor to former Home Secretary Michael Howard, when he had watched this same gap harm then-PM John Major’s premiership after the Maastricht Treaty was signed, the intra-party rift pushed the PM to maintain his commitment (Cameron, 2019; Farrell & Goldsmith, 2017). The pressure from Cameron’s Conservative colleagues was so severe that it has been argued that they would have initiated a search for a new leader if they had not managed to ascertain that he fulfilled his commitment on the matter (Craig, 2016).

Despite Cameron’s 2015 re-election and the relative improvement that the UK’s economy had seen during the second half of his first term, his Eurosceptic backbenchers’ anti-European discourses did not relent, but rather intensified (ONS, 2018; Parker & Barker, 2016). This was arguably because the economic and social circumstances continued to favour anti-European scapegoatism, as the post-crisis growth was still sluggish compared to the pre-crisis years (Chen et al., 2018; ONS, 2018). Moreover, 2015 marked a sizable slowdown in the country’s economic growth compared to the previous years of its post-crisis recovery with a 2.3 percent increase in GDP as opposed to 2.7 percent in 2014 (Chen et al., 2018; ONS, 2018). The situation for Cameron’s second cabinet was not any less sombre (Byrne et al., 2017; Newman & Hayton, 2022). Although Cameron had unexpectedly managed to secure a second term at the 2015 general election, not only did new challenges arise, but he was also plagued

by the ones that he had failed to address in his first term (Byrne et al., 2017; Dommett, 2015). For many voters, Cameron was the ‘lesser evil’ in the political landscape at the time, which accounts for his relatively low electoral authority of 36.8 percent, 27 percentage points of which were provided by his opponents’ electoral collapse (Byrne et al., 2017; Clark, 2015). Moreover, the success of Cameron’s second term was equally undermined by a series of systemic deficiencies of his ‘modernisation’ of the Conservative Party, ranging from inherent ontological contradictions to the lack of regime resilience and consensus that he had failed to construct during his first term (Byrne et al., 2017; Dommett, 2015; Newman & Hayton, 2022).

Faced with this dual economic and political downturn, which was not conducive to Cameron’s already disadvantageous upstream stance on Europe, the ever more numerous and overwhelming Eurosceptic Conservative backbenchers viewed the intra-party crisis as the ideal occasion to intensify their rhetoric (Lynch, 2015; Mahmud, 2021). Similarly, pro-Leave politicians from other parties, extending from the UK Independence Party (UKIP) to pro-Leave Labour, equally spotted the government crisis as an opportunity to reinforce their political standing (Lynch, 2015). This was also driven by the increasingly real prospect of the referendum, particularly after the enactment of the European Union Referendum Act in May 2015, which laid the legal basis for the vote to take place (Zaidi et al., 2017). It has been claimed that the opinion shared by pro-Leave politicians—amongst which was a strong majority of Conservative backbenchers—boosted an element of inevitability of the victory of their stance (Parker & Barker, 2016; Thompson, 2017). However, this is also partly ascribable to Cameron’s avoidance of his responsibility to confront his own party through constant changes in his stance and palliative tweaks to his commitments (Parker & Barker, 2016; Thompson, 2017). With a resounding majority of pro-Leave Conservatives and a failing pro-Remain leader, David Cameron resigned only three weeks after the vote, given his apparent irretrievable loss of intra-party consensus. The resignation equally came after Cameron proved no longer capable of handling the UK’s severe economic crisis and the ensuing public discontent expressed, in particular, by specific sections of the population (which have sometimes been indiscriminately grouped together as ‘the Left Behind’) (Byrne et al., 2017; Goodwin & Heath, 2016).

### **Post-Brexit Britain and ‘Bregret’**

The political benefits that pro-Leave politicians drew from Brexit are substantial. Thanks to the success of the populist Leave campaign largely supported by Conservative and UKIP politicians, not only did the Conservative Party prune the dry branch of pro-Remain Conservatives by leading to Cameron’s resignation, but ultimately also gained back considerable public trust (Byrne et al., 2017; Gamble, 2021; Smith, 2017). Yet, if there is something that the Leave campaign ignited more than trust, that is hope. The hope that the

European Union may actually have been the cause of the country's economic stagnation by means of its bogus benefits, spanning from an inherently flawed common market constantly destabilised by the so-called 'PIGS' (Portugal, Italy, Greece, Spain) to unbridled freedom of movement (Dorey, 2017; Mahmud, 2021). The hope that a newly 'independent' UK would swiftly recover from the crisis once it 'took back control' (Schmidt, 2020).

It is this collective emotional movement that evokes the connection with scapegoatism. Indeed, it may be interesting to wonder whether this sentiment, if stripped of its sophistication, would appear to be akin to the hope that an ancient animal sacrifice would generate by propitiating a deity to win the war. And it is, arguably, in part thanks to this widespread sentiment that the pro-Leave branch of the Conservative Party could retain a landslide majority and win the following 2019 general election (Gamble, 2021; Sloat, 2019). This appears particularly evident when considering that the date when the UK would leave the EU was fast approaching and the sand of the hourglass to strike the deal on which UK-EU relations would be based thenceforth (or, in other words, "get Brexit done") was running out (Gamble, 2021). In the eyes of a population increasingly concerned by Theresa May's failure to conclude a deal, Boris Johnson appeared by far as the most suitable candidate to achieve this by the forthcoming deadline (Gamble, 2021). Whether Cameron's two Eurosceptic successors would have made it to Downing Street in the first place had it not been for the distressing ticking of the Brexit deal countdown could be an interesting subject of debate.

Not everyone's benefits, however, were long-lasting. Whilst Brexit enabled UKIP, which 'has largely been identified as a populist right-wing single-issue party,' to quickly rise to prominence in the British political scene, the party began to face a steep decline only a few months after the referendum, as large portions of its voters shifted their support to the Conservative Party (Brusenbauch Meislova, 2018, p. 3; Goodwin & Cutts, 2017). This decline has often been ascribed to the party's 'single-issue' nature and its failure, contrary to the Conservative Party, to preserve its political standing throughout the process for the implementation of Brexit, receiving scant public attention since the vote (Brusenbauch Meislova, 2018). In 2021, UKIP lost all representation in the UK outside local government in England, and, in local elections in May 2023, it lost its last six council seats, which ended all of the party's representation at any level (Quinn, 2021; Wingate, 2023).

The European scapegoat—or the broader 'foreign' scapegoat, as has also been argued—has reportedly not played in favour of the population, which is now experiencing the bitter economic and social consequences of Brexit after a two-year pandemic. However, there is little doubt that it has for the Conservatives by aiding them in overcoming Cameron's failed strategy almost unscathed (Barker, 2016; Dhingra et al., 2022; Fraser, 2023; Gamble, 2021; The Economist, 2023). Yet, if it proved difficult to gauge the economic impact of Brexit immediately after the end of the transition period, as it had become intertwined with that of

the COVID-19 pandemic, there is now a notably broad scholarly agreement that the impact has been detrimental (Dhingra et al., 2022; Fraser, 2023; The Economist, 2023).

As early as November 2017, one of the earliest studies of the effects of Brexit found that its result had pushed up inflation by 1.7 percent, whereas later studies published the following year estimated that the economic costs of the referendum were 2.5 percent of the GDP, namely nearly £500 million a week (Breinlich et al., 2017; Reuters, 2018; Springford, 2018). More recently, the UK government's Office of Budget Responsibility (OBR) calculated that, over the long term, Brexit has cost the country 4 percent of its GDP per annum, equivalent to £32 billion a year, which is over two and a half times as much as the UK's EU membership fee in 2020 and which OBR Chairman Richard Hughes stated is worse than the cost entailed by the pandemic (Cooper, 2021; Keep, 2022). It is therefore unsurprising, as the effects of Brexit are becoming more apparent and there are no more viable 'scapegoat wild cards' to play to account for the looming economic recession and placate a once-again struggling and frustrated population, that the Conservatives' approval rating has slumped and Labour's has soared (Forrest, 2022; The Economist, 2023). On 25 November 2021, Labour surpassed the Conservatives' in national parliament voting intention and has since stayed in the lead, according to a poll (Politico, 2023).

There are, nonetheless, several other factors that have negatively affected the Conservatives' political standing in recent times aside from their ineffective policies against the current crisis and the devastating long-term economic repercussions of the referendum for which they long advocated (Dhingra et al., 2022; Shrimpsley, 2021). A prime example of this is Liz Truss' controversial performance in her short-lived premiership, at the end of which forecasts showed that, if an election had been held, Conservatives' seats would have dropped to 48 seats, down from 365 in the 2019 election (Fiedler, 2022; Kutllovci, 2022). Another striking example of the other factors that have benefitted the Conservatives is the current energy crisis (The Observer, 2022). Yet, even this, to some extent, has been described as a long-term consequence of Brexit. Indeed, it has been partly ascribed to the UK's hitherto failed attempt to secure an energy deal with the EU owing to the dispute over the implementation of the trade rules in Northern Ireland to which the Johnson cabinet agreed in its 2020 Brexit deal (Gallardo, 2022).

For the population, the post-Brexit and post-pandemic prospects have not been any brighter. As early as 25 June 2016, only two days after the vote, some voters stated they regretted voting Leave as they realised that "reality is kicking in" (The Courier, 2016). Many voters did not truly believe Leave was going to win in the first place, and became aware of the implications of the vote only after what they believed was an unrealistic scenario became a reality (Dearden, 2016; The Courier, 2016). Some felt as though they had been deceived by the charming slogans of the Leave campaign, one of which was reneged on by then-UKIP leader

Nigel Farage only a few hours after the result was announced (Baines et al., 2020; The Courier, 2016). The claim, which was amongst the most circulated slogans, was that “the money saved from leaving the EU [would] result in the NHS getting £350m a week” (Bergmann, 2020, p. 258). This particular assertion incited the othering of the EU by exacerbating the dichotomy between “us” (our NHS) versus “them” (the alien EU), which further demonstrates UKIP’s scapegoatist rhetoric (Bergmann, 2020). Other pieces of misinformation that were instrumentalised by the Leave campaign include the statements that “a free-trade deal with the EU [would] be the ‘easiest thing in human history’,” and that “Brexit does not mean that the UK will leave the single market” (Independent, 2018). Some claims even verged on conspiracism, as they went as far as to juxtapose the EU with Nazism. An example of these is former PM Johnson’s statement that “Napoleon, Hitler, various people tried this out, and it ends tragically. The EU is an attempt to do this by different methods” (Bergmann, 2020, p. 259).

In retrospect, many voters felt disillusioned. Polls published on 30 June 2016, a week after the vote, suggested that Remain would have won by 6 to 8 percentage points if another referendum had been held on that day (What UK Thinks, 2023). Most of the following polls found similar data: only 14 in a series of 115 polls conducted between 28 June 2016 and 4 February 2022 suggested a higher Leave percentage than Remain (What UK Thinks, 2023). The term ‘Bregret’ was thus coined amidst the spread of this sentiment of disenchantment and deceit, which ultimately led to framings of Brexit as a ‘policy fiasco’ (or ‘policy deception’) (Baines et al., 2020; Dearden, 2016; The Courier, 2016). A recent poll has found that the number of ‘Bregretters’ has risen until today, with nearly two in three Britons believing that Brexit has damaged the UK economy at present (Forrest, 2023). Today, nearly seven years after the vote, current Prime Minister Rishi Sunak has praised Northern Ireland’s ‘unique’ location for having ‘privileged access’ to both the EU and UK markets. The remark has triggered overwhelming criticism from both Remain voters and ‘Bregretters’, who nostalgically pointed out that the entire UK once enjoyed full access to the single market before Brexit (Forrest, 2023).

## Conclusion

Seldom has Brexit been analysed from an anthropological perspective. In an attempt to do so, the paper has found a connection between Eurosceptic politicians’ calls for a referendum, and the outcome thereof, and scapegoatism. Firstly, the paper has drawn a parallel between Western pre-Christian sacrificial rituals and the “scapegoat mechanism”—described by René Girard as an innate propensity of human beings to imitate each other in scapegoating certain individuals or groups—which it has argued keeps presenting itself in a sophisticated and metaphorical fashion. The paper has then looked at how scapegoatism has been often

unconsciously resorted to by certain contemporary political trends as a populist political instrument to explain national financial struggles through blaming social minorities, despite the fact that the reasons behind crises are sometimes beyond their reach. Secondly, the paper has attempted to describe the events that have resulted in the Brexit referendum from the 2008 financial crisis until the end of David Cameron's first term as Prime Minister. The paper has then analysed the immediate pre- and post-Brexit period, arguing that Cameron's failed 'modernisation' strategy led him to resign, and later showcased the main benefits that the Conservative Party has drawn from such a strategy by gaining back public trust and hope and retaining the majority in the 2019 general election. Lastly, the paper has outlined the current political consequences of the Leave campaign while acknowledging that several other factors have negatively impacted the Conservatives' political standing in recent times, of which the paper has provided some examples. The paper has equally provided a brief analysis of 'Bregret' and the realisation by many Leave voters that several of the slogans circulated by the Leave campaign spread misinformation. In conclusion, this analysis of Brexit based on the anthropological theme of scapegoatism has found that large parts of the British political stage have been Eurosceptic because of the European Union's potential as an effective scapegoat for the UK's post-2008 crippling economic situation, allowing pro-Leave politicians' public support to recover following David Cameron's strategic failure.

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