

EXECUTIVE SUMMARY OF EUROPAPERSPEKTIV 2018

**THE EUROPEAN UNION**  
**IN**  
**A CHANGING WORLD ORDER**

Edited by ANTONINA BAKARDJIEVA ENGELBREKT,  
ANNA MICHALSKI, and LARS OXELHEIM

Santérus Förlag

## EUROPAPERSPEKTIV — NETWORK FOR EUROPEAN STUDIES

Swedish universities have since 1998 cooperated within a national network structure for European studies. This structure comprises networks for political science, economics, and law. The purpose is to enhance the understanding of the European Union in research and post-graduate education. Special resources are made available by the Swedish Parliament (*Sveriges Riksdag*) and are used for a shared infrastructure of courses, conferences, and seminars. The networks together are responsible for the annual yearbook on European studies—*Europaperspektiv*.

For more information on the yearbook project and the research networks, please visit our website: [www.europaperspektiv.se](http://www.europaperspektiv.se).

ISSN 1403-3879

ISBN 978-91-7359-123-3 [for the book]

© 2018 The authors and Santérus Förlag

Cover design: Sven Bylander, London, England

Santérus Förlag also publishes books under the imprint

Santérus Academic Press Sweden

[info@santerus.se](mailto:info@santerus.se)

[www.santerus.se](http://www.santerus.se)

The world is in a state of upheaval. In the last decade, much of public debate has been dedicated to global power shifts away from the United States and Europe and towards countries with strong economic growth or development potential, such as China, India, Brazil, and South Africa. In many respects, this notion has grown stronger in the wake of the financial and economic crisis 2008–2010, followed by the euro crisis in 2010, and relatively weak economic recovery in numerous parts of the western world. New security threats in the form of terrorism and acts of violence by non-state actors are shaking Europe and its neighbours, while instability, poor governance, and climate change have turned over 65 million people into refugees. Meanwhile, major technological shifts are ongoing in the form of digitization, robotization, and artificial intelligence that have already begun to upset traditional patterns of economic and social interaction.

In addition, various challenges to the liberal international order that held firm throughout the Cold War and resulted in the spread of democratic norms and values up to the turn of the millennium are now looming large. Among these external challenges, the growing influence of rising great powers is particularly notable. Many of these great powers do not share western values, and some are now openly advocating alternative world orders. For some time now, equally vociferous challenges to the liberal world order have been coming from inside the West, where populism and nationalism are posing a threat to the very foundations of liberal democracy. Now, in 2018, most European countries and the U.S. are wrestling with anti-democratic forces that are challenging prevailing values and established forms of government.

As the EU stands ready to celebrate in 2018 the 60th anniversary of the entry into force of the Treaty of Rome, the transformation of the liberal order caused by external and internal pressures constitutes the Union's most complex challenge. The EU is at once the product of this world order and a guarantor of the same, and therein resides much of this complexity. The mutual dependency between the EU and the liberal world order is striking in several respects. How should the EU work to maintain international free trade, and how will a protectionist American trade policy affect the EU and the euro? Can the strong waves of neo-mercantilism be stopped, and what effects will economic nationalism have on the advancement of global financial regulation? Can the European-style welfare state survive in the new world order? If multilateralism and global regulation are weakened, how will that influence the EU's capacity to act in the rest of the world? What impact will Brexit have on European cohesion and the future shape of the EU? What influence will right-wing populist parties have on European policy pursued by EU Member States? Can international law and the rule of law survive in an illiberal world order, and how can the consistency of the EU legal order be ensured against nationalist forces? How will the media image of the EU and EU communications policy be affected not only by social media but also by disinformation and propaganda?

This is the twenty-first yearbook in the *Europaperspektiv* series. The book is published at a time when the EU is facing the most complex challenge of its existence: that is, continuing to promote its interests and values in what seems to be, all things considered, an increasingly post-liberal world order. The 2017 edition of *Europaperspektiv* addressed the multifaceted meanings of trust for the EU and European integration, and previous editions have, in various

ways, examined challenges the EU is confronting, such as new security threats and risks (2016), social cohesion in Europe (2015), the economic competitiveness of the EU (2013), global imbalances and climate change (2014), and the growing threat of nationalism linked to migration (2012). In those editions, a liberal world order with the U.S. in a leadership role was assumed to benefit the EU to one extent or another. In this volume, we analyse how a changed world order is affecting the EU's relations with the rest of the world, as well as relations among EU Member States and institutions. Considering the profound changes arising from global power shifts and criticism of liberal values and forms of government, the interdisciplinary, holistic approach we have taken here is particularly apt.

Order at the international level, however, is a complicated concept. In various ways, the authors of this book address how a changing world order is affecting the EU and how the EU is trying to shape it. In the introduction, we would therefore like to discuss the impact on the EU of a changed, less liberal world order and thus shed light on how tightly the EU and the liberal international order are entwined.

### **The EU and the emergence of the liberal world order**

The establishment of the European Economic Community (EEC) as the Rome Treaty came into force in 1958 was a key step in the creation of what are now the EU and the internal market. A customs union was established through the EEC among the six original Member States: West Germany, France, Italy, the Netherlands, Belgium, and Luxembourg. Consequent upon the creation of the customs union, the EEC also drew up a common external trade policy. The customs union and the trade policy can both be regarded as important aspects of the American post-World War II goal of promoting economic exchange between the countries in the "free" (western) world. U.S. efforts to strengthen the liberal order, primarily through the Bretton Woods Institutions, were advanced by several significant free trade talks in the 1940s, '50s, and '60s within the framework of GATT (General Agreement on Tariffs and Trade), in which the EEC was able to negotiate as a unified party. Moreover, countries like France, Belgium, and the Netherlands had not only strong interests in maintaining economic influence but also a responsibility to ensure efficient trade with the former colonies in Africa and Asia through the establishment of trade and cooperation agreements with the same, from Yaoundé (1963–75) to Lomé (1975–2000).

As economic integration within the European Community (EC) deepened, more western European countries joined, including the United Kingdom, Ireland, and Denmark in 1973. This was soon followed by the accession of the southern European countries to the EC, starting with Greece in 1981 and later Portugal and Spain in 1986. For these three new EC Member States, but perhaps especially in regard of the Iberian enlargement, the decision to seek and obtain membership was aimed at achieving democratic consolidation and socioeconomic modernization. The EU was established through the Maastricht Treaty in 1993 after the end of the Cold War and the collapse of communism in Central and Eastern Europe, and Sweden, Finland, and Austria became members in 1995. The "EFTA enlargement" that

brought in these members of the European Free Trade Association was succeeded by a long period of adjustment to conditions of membership for the ten countries in Eastern and Central Europe, Cyprus, and Malta, which acceded to the EU in 2004 and 2007. In a way, the role of the EU as a stabilizing force in Europe came to fruition with this major eastern enlargement. That the EU had, in a sense, found its geopolitical calling in a united continent was apparent in the increasingly explicit conditions imposed on countries that applied for membership, which were compelled to demonstrate a functioning market economy, democratic government, and the effective rule of law. The European integration process and the role of the EU in the emerging liberal order were thus entwined from the outset, and in that sense the process of market integration in Europe and the regulation of international trade can be regarded, from a European perspective, as two sides of the same coin.

But European integration has obviously not served only a strictly economic purpose. The safeguarding of liberal democracy in Europe has been equally important, partly in the attempt to prevent the return of fascism to countries like Germany and Italy and partly as a way to counteract Soviet influence in Europe. The refusal to allow the authoritarian regimes in Spain, Portugal, and Greece to join the EEC is thought to have helped garner support for democratization among national elites, and EU membership has thus become strongly associated with liberal democracy and the rule of law. U.S. support, primarily in the form of economic aid to rebuild Western Europe after World War II and later as a guarantor of national security during the Cold War, also played a significant role in reinforcing the impression that European integration and liberal democracy work hand in glove. This was further reinforced by the EU enlargements in 2004 and 2007, which were made possible by several years of democratic and free market reforms in Central and Eastern European countries supported by the EU's pre-accession policy. In this process, the EU worked with other regional organizations dedicated to democracy, market economy, the rule of law, and human rights, such as the Council of Europe, the European Bank for Reconstruction and Development (EBRD) and the Organization for Security and Co-Operation in Europe (OSCE).

However, the US and the EU have not always seen eye-to-eye on foreign and security policy, and they have tended to put economic and political considerations above their inclination to defend human rights around the world. Although the U.S. and the EU have diverging views on matters including power, global governance, and national obligations in the global community, they have nonetheless been driving forces in the spread of liberal democracy and free trade that the world has witnessed since the end of the Cold War. The EU and the U.S. are thus both essential components of the liberal world order. The question of whether this world order is still viable is therefore crucial, as is the question of what the EU can do to safeguard important advances on the international level.

## What does world order have to do with geopolitics?

Order has multiple meanings. In the everyday sense, “order” usually refers to something that occurs regularly and is relatively formalized. Regular cooperation that arises spontaneously when individuals have similar interests or shared problems constitutes a kind of order, even if it naturally does not uphold the same measure of formality as the legal order through which the rights and obligations of citizens are regulated in modern nations governed by the rule of law. The term “world order” can be said to encompass both aspects. First, there is the notion that a world order is apparent in the regularity with which nations and other important actors interact with each other, which can be regarded in terms of social praxis and is manifest in things like the diplomatic code of conduct. Secondly, the term refers to the structure of the international system, which in its liberal version is informed by generally accepted norms and organizations, such as UN bodies and the World Trade Organization (WTO). According to the realist perspective on international politics developed by political scientists, including Kenneth Waltz and Robert Gilpin, however, it is problematic to imagine an international order as anything more than a balance of power among the global great powers that dominate geopolitics in any given epoch. According to this perspective, prospects for achieving a permanent international order are dim, and if one such order were to arise, such as in the nineteenth-century Congress System in Europe, it would be subordinate to great power politics and the nations’ balancing of territorial claims and military resources. Historically speaking, order was often ultimately upheld by a hegemonic power, such as Spain in the sixteenth century, the United Kingdom in the late nineteenth century, and the United States since 1945.

The liberal perspective on international politics instead indicates that an international order is created when nations and other actors, especially economic actors, believe there are advantages to common rules and institutions. What also distinguished the liberal world order as it emerged after World War II was that the interests, values, and vulnerabilities (particularly the common threat from the Soviet Union) of the U.S. and leading Western European nations coincided. After the end of the Cold War, which marked the downfall of the Soviet worldview, the liberal world order expanded through free market and democratic reforms in many areas of the world. In connection with this transition, the American scholar Francis Fukuyama expressed the idea in *The End of History and the Last Man* that liberal democracy and the free market model had settled all ideological battles about which model of society can best meet the needs of humanity. Geopolitical developments have, however, shown that liberal norms and values are not easily transferable to countries where they do not have a natural habitat, and may even be perceived as a threat to the status of national elites. In addition, political developments in western countries since the 2010s have laid bare the vulnerability of pluralist political systems to domestic criticism and populism, where citizens’ anxiety about the future must clearly be addressed.

Unlike many western thinkers, such as John Mearsheimer, who have been concerned about the ongoing global power transition from the West to Asia, American political scientist John Ikenberry argues that the odds that the liberal international order will survive are good, despite fears to the contrary. While Ikenberry does not deny the force of this power shift, he

contends that the liberal order should be able to persist even if the U.S. loses its hegemonic position. His argument is based on the assumption that rising great powers like China and India will ultimately benefit by preserving the order because it provides for a range of public goods in the form of common rules for world trade and institutions for collective action to manage shared challenges such as security and climate change.

According to Ikenberry, it would be much easier (and more advantageous) for the rising powers to embrace the liberal international order than to overturn it. A prerequisite for Ikenberry's scenario, however, is that the U.S. and the EU integrate the new great powers into liberal institutions and concede that they are going to affect the structure of these institutions, for instance, through an adjustment of the current rules. Even though the EU and its Member States have demonstrated a relatively high degree of flexibility on this issue, such as by supporting China's membership in the WTO and its right to vote in the International Monetary Fund (IMF), the U.S. has shown reluctance to give rising powers, China in particular, a place at the table. Consequent upon Donald Trump's accession to U.S. president, the American attitude has hardened with regard to its role as a world leader. Paradoxically enough, the Trump administration's repudiation of the liberal world order and aversion to standing by previous agreements has considerably weakened the international stature of the U.S.

But the actions of the American president are not the only reason that faith in the political success of the liberal world order has recently been displaced by uncertainty and increasingly pessimistic visions of the future. The Russian annexation of Crimea in 2014 is a violation of international law and a breach of the security order in Europe, which relies on the norm of the inviolability of national borders. But in Russian rhetoric, its actions are merely a response to the threat it perceives in post-Cold War EU and NATO enlargements. In addition, the governments of several EU Member States, such as Hungary and Poland, have been actively working for some time to undermine the liberal government and, above all, the rule of law, in their own countries while painting the EU as a threat to their national sovereignty. Populist politicians like Marine Le Pen in France and Geert Wilders in the Netherlands also depict the EU as a threat to the sovereignty of the French and Dutch peoples. What unites these actors is their explicit opposition to the values and principles that are the pillars of the liberal world order.

### **The role of the EU in a changing world order**

For most of the EC's existence, the question of its role in the prevailing world order was never made explicit. From a geopolitical perspective, its obvious place was to implicitly facilitate peace and stability in Europe and spread democracy and market economics as fundamental components in the process of post-World War II modernization and development. With the Maastricht Treaty and the creation of the EU, the Union's foreign and security policy role was strengthened. In the major geopolitical shift in the early 1990s caused by the fall of the Soviet Union, the EU's role became more explicitly to promote security and

stability in Europe, but this time in relation to the countries of Central and Eastern Europe. The inherent symbolism that the EU, with the accession of these countries to the Union, would span essentially the entire European continent was profound, and led to greater self-awareness of the role of the EU in the global system.

What role was the EU meant to assume? In academic debates, the EU has often been called a normative power, to use a term coined by British political scientist Ian Manners. Manners argues that the power of the EU is derived from the values and norms upon which the Union was created and that are written into its treaties. But “normative power” is more a description of the EU’s self-image as a foreign policy actor than an accurate description of its actions. Nonetheless, the EU is something of an anomaly in the international system: an actor that is not a state and yet displays clearly state-like features and whose actions can in many ways be equated with those of a state. It would therefore be more accurate to describe the EU in terms of a post-sovereign actor called upon to uphold aspects of the liberal system that further its interests and reflect its specific composition. The EU is therefore expected to assume special responsibility for disseminating values such as human rights, democracy, rule of law, and international law, as well as principles of global governance, such as multilateralism and a rules-based international system. These values and principles are the framework of the EU’s approach to international cooperation and bilateral agreements with countries and international organizations. The EU’s climate change policy, development assistance, and neighbourhood policies are notable expressions of this. In addition, the EU has demonstrated a predilection for multilateral negotiations and close cooperation with international organizations, like the Organization for Economic Cooperation and Development (OECD), the World Bank, and UN bodies that approach global issues in a similar way.

Nevertheless, the EU’s rules-based, functionalist-oriented approach has come under increasing pressure since 2003, when power politics and ideologically motivated interests once again dominated the international system, partly as a result of the U.S. invasion of Iraq. Power politics is also the clearest driver of Russian foreign policy and coincides well with how international politics is understood in the BRICS countries (Brazil, Russia, India, China, and South Africa). In addition, a number of non-state actors that are propelled by ideology with religious overtones are having profound influence on security in Europe and surrounding regions. But power politics and self-interested orientations have also advanced their positions in areas other than security and stability and have changed the conditions of global governance. World trade is now dominated by regional or bilateral trade agreements, international development assistance is increasingly regarded as a foreign policy tool, and rich countries like China are enticing poorer countries with investments, loans, and direct financial aid, thus influencing the global political economy. Finally—and not least importantly—the liberal system is being challenged by several countries with populist governments in the western sphere that are touting economic egoism, isolationism, and nationalism as answers to widening domestic income gaps.

This development is challenging the EU on several fronts. It has even been couched in terms of existential survival by the Union’s representative for foreign and security policy, Frederica Mogherini, in the EU Global Strategy of 2016. In this context, the EU has been forced to



navigate between a multilateral, rules-based international system and increasingly bold power politics. Thus far, the Union's approach has been informed by two principles. The first can be regarded in terms of a balancing against the prevailing power perspective in which the EU has chosen a middle way, where this power perspective is acknowledged but multilateralism is simultaneously presented as—to quote former President of the European Commission, José Manuel Barroso—“the right mechanism to build order and governance in a multipolar world.” This can be seen in the EU's success at making association and partnership agreements with South Korea, Canada, Japan, and, not least importantly, Ukraine, and at initiating talks with New Zealand and Australia, as well as in EU support for the Paris Climate Change Convention, even though its logic was not the one primarily championed by the Union.

The second position can be expressed in terms of the EU considering it necessary to solidify its position in the international system by reinforcing its identity and agency, and by strengthening its capacity to act through the more effective use of common resources. The foreign policy identity of the EU is being expressed with increasing clarity in terms of opposition to the policies of the Trump administration, solidarity in the face of Brexit, and in more forceful action against Polish and Hungarian reforms of the judicial system and media. Its agency has been reinforced by building bilateral agreements with key states in “strategic partnerships” and by taking a more realistic position in the fight against terrorism, organized crime, and illegal immigration. Moreover, the EU has taken new initiatives aimed at strengthening the Union's external border controls.

## **Structure of the book**

In various ways, the nine chapters of the 2018 edition of *Europaperspektiv* address the question of how a world order in transition is influencing the EU and how the EU can influence it. As the U.S. under Trump is changing the course of American foreign policy to the point of undermining multilateral international cooperation, how is this changing the conditions for autonomous action by the EU in foreign and security policy? What can the EU do to continue promoting global free trade based on fair and effective rules? Should the EU recast its overall strategy for promoting foreign trade and focus even more narrowly on bilateral and regional trade agreements? How should the EU protect the value of sustainable development in light of ongoing shifts of power? Can we expect the EU to remain a leading force in international climate change policy in the future? What must the EU and its Member States do to ensure the survival of the welfare state in an era of mass migration? How is EU foreign and security policy affected by the spread of mediatization and new forms of digital communication in international politics? How can the EU optimally respond to the challenges to the rule of law and liberal democracy presented by the rising wave of populism in Europe, and what means provided under law and treaties can the EU use to safeguard the fundamental values upon which the European project is based? These are some of the questions addressed in the book.

In the first chapter, **Björn Fägersten** analyses how the EU as a foreign and security policy actor is being affected by a changing world order. Fägersten argues that the EU is in many ways a product of the liberal order that has shaped international relations since 1945. The EU and its Member States have advanced the development of this order since the end of the Cold War, which is recounted and discussed in the chapter. But now the liberal order is being shaken to its foundations, as manifest in various ways in Europe. Fägersten argues that the turbulence is leading to a fragmented world order in which cooperation among state and non-state actors is patchy and occurring in changing constellations. Furthermore, two overarching logics of interaction—cooperation-oriented globalism and geopolitical competition—co-exist, although they are affecting various policy areas in different ways.

To determine how this fragmented world order is affecting the EU as a security policy actor, Fägersten proceeds in the chapter from an actor model that stipulates that a collective actor needs coherence (consensus), capacity (resources for pursuing policy), and context (a permissive setting). He argues that the EU is in some areas being strengthened by the prevailing turbulence. For example, both Brexit and the election of Donald Trump have enhanced coherence in parts of the EU and created potential for further capacity building in foreign and security policy. But at the same time, Brexit is impairing coherence and capacity in the EU because when the United Kingdom leaves, it will take military and diplomatic capacity with it out of the EU, while widening differences in values in the EU are exacerbating the risk of schisms among the Member States. To conclude, Fägersten recommends that the EU should make better use of the intelligence gathering that the Union is capable of so that it can act with greater congruence in its strategic sphere. The EU should also engage in structured and constructive cooperation with the U.K. in the area of security policy to mitigate the negative consequences of Brexit. The EU should also prepare alternative strategies to promote the Union's values and interests if Trump's lack of goodwill towards the liberal world order proves to be a symptom of increasing American disdain for the same.

**Per Cramér** seeks, in the second chapter of the book, to identify structural changes in the regulation of international trade consequent upon Trump and Brexit. The point of departure is that both of these political changes were driven by similar populist-tinged lines of argument in which matters related to the design of foreign trade policy are central. The chapter begins with a retrospective look at the main elements of the development of international trade regulation. Cramér argues that a field of tension has arisen since 1945 between a multilateral ideal, on the one hand, and the development of regional and bilateral preferential trade agreements, on the other, in the form of free trade areas or customs unions. Against this backdrop, the chapter recounts the changes in U.S. foreign trade policy during the current administration and the likely effects of the British withdrawal from the EU. The primary result of Brexit will be that the country's foreign trade policy relationships will be regulated largely through bilateral agreements. Brexit also entails a change of the internal dynamics in the EU, which will inevitably affect the shape of the Union's external trade policy in the future, with potentially serious consequences.

Cramér describes four trends in international trade that will inevitably be strengthened by Brexit and the Trump administration's international trade policy agenda. In short, these trends involve higher prioritization of bilateral trade agreements combined with weaker multilateral regulation within the framework of the WTO and accelerated use of trade policy protection measures, which risk leading to a general increase in protectionism. Moreover, the ongoing shifts in the geopolitical balance are being hastened, resulting in a weakening of American and European influence, in relative terms, over the design of regulation of international trade conditions. In light of historical experience, Cramér concludes his chapter by underscoring how important it is that the Union and its Member States buck these trends and work actively to bring about modernized multilateralism that more fully responds to the challenges facing global society, not least by promoting non-economic considerations such as basic working conditions, environmental protection and actions to prevent climate change within the framework of multilateral arrangements.

The third chapter, by **Claes G. Alvstam** and **Lena Lindberg**, discusses the conditions for the EU's common external trade policy in light of economic and political changes in the world. The authors establish that EU external trade policy is currently facing some of its greatest challenges ever. This is not only a consequence of Brexit, considering the equally great demands for continuous adjustment to worldwide structural changes in international trade. In the past, an oft-used rule of thumb was that the growth rate in external trade of a state was about twice as high as its GDP growth, but this seems no longer to be the case. Despite the fact that trade in goods and services has stagnated in recent years, global GDP has nevertheless increased during the same period. The question that Alvstam and Lindberg discuss in this chapter is how EU trade policy vis-à-vis the rest of the world should be modified and renewed in pace with external changes.

The chapter analyses the changing world order in the form of a new U.S. trade policy, the British withdrawal from the EU, and China's increasingly prominent place in the international arena. In light of this, the authors consider various possible alternatives for the EU's external trade policy. Is the most appropriate strategy to try to assume the role of global leader in defending the multilateral trade order in the vacuum left in the wake of Donald Trump, or would it be more realistic to instead intensify efforts to achieve far-reaching bilateral and regional agreements with key partners in various parts of the world? The role that the relationship with the post-Brexit U.K. will play in formulating an effective trade policy for the EU is a central question here. In conclusion, the authors present what they consider an important recommendation: the EU should first and foremost take vigorous action to defend the multilateral trading system. In other words, the EU should work to "Make the WTO Great Again," in harmony with continued initiatives towards ambitious bilateral and regional agreements.

In the fourth chapter of the book **Karolina Zurek** examines the efforts of the EU to promote sustainability within the framework of the Union's free trade agreements. From the vantage point of the present, mutable state of global trade and its challenges, the chapter first describes how sustainability issues have been managed within EU external trade policy. Although there are strong tendencies towards greater protectionism all over the world, international trade has

come to be regarded as a central tool for achieving the Sustainable Development Goals under the UN 2030 Agenda. At the same time, global civil society is pressing ever-higher demands for a socially and environmentally aware trade policy. The chapter recounts how the EU is striving to meet these challenges by focusing on the implementation of and compliance with the sustainability provisions of the EU's free trade agreements with international partners. Since 2008, the EU has systematically included horizontal Trade and Sustainable Development (TSD) chapters in its free trade agreements. Zurek investigates both substantive and procedural aspects of the TSD chapters and discusses the proposed reform on stronger implementation recently presented by the European Commission.

Against the backdrop of an ongoing and growing discussion of the scope of the EU's authority and competence in external trade policy, Zurek considers two aspects of the European Court of Justice's opinion on the Singapore agreement. First, the court confirms that the TSD chapter falls under the EU's exclusive competence. Second, the Court confirms that a breach of the commitments concerning sustainable development in the free trade agreement should be regarded as a breach of the Vienna Convention and thus be sanctioned, regardless of whether the agreement itself provides opportunities for sanctions for breaches of the sustainability provisions. In light of the Singapore opinion and based on the European Commission's proposed reform, Zurek concludes by presenting a number of recommendations aimed at strengthening implementation of and compliance with sustainability provisions in present and future EU free trade agreements.

As EU Member States are about to implement the Paris Agreement, this is being done in a new context of climate change policy, according to **Sverker C. Jagers, Frida Nilsson, and Thomas Sterner**, in the fifth chapter of the book. New economic powers have emerged on the scene in recent years and, along with declining economic power and diminishing emissions reductions in the EU, the Union no longer retains the prominent position in international climate change negotiations it had historically. With an increasing number of economic players in the game, it has become more difficult to achieve binding climate agreements that all parties perceive as fair. With the Paris Agreement, the international community has reached a compromise, acceptable to all, but at the expense of clear burden sharing of emissions reductions. The authors argue that the EU presented a strong, united front in the process leading up to the Paris Agreement, but that there are clear differences in terms of both ambition and approach in the actual climate change policies of EU countries, which is due to variation in political culture, values, and political institutions in the Member States.

With this in mind, the chapter considers the EU's role as an actor in climate change policy with regard to its historical role, current position, and future status. The authors begin by presenting Europe's early industrialization, which led to prominence in terms of both economic power and the level of emissions of greenhouse gases. Relying on statistics covering GDP, population, and greenhouse gas emissions in recent decades, the authors determine that Europe's position looks very different today, and they emphasize that even though the EU maintains a united front in climate negotiations, climate policy differs widely among EU Member States. Jagers, Nilsson, and Sterner stress that it does not seem too likely

that the EU will be able to implement a common, and effective, EU-wide climate policy. The authors conclude by recommending that decision-makers must be responsive to the various national contexts within the EU and show openness to applying different control mechanisms in different countries. Regarding the EU's future as a climate policy actor, they suggest that the EU is likely to become less important, but could in a positive scenario still play a significant role as a forerunner in an increasingly fragmented world order.

In the sixth chapter of the book, **Johan E. Eklund** and **Pontus Braunerhjelm** ask what economic consequences of migration can be expected for the European welfare state. The welfare state is put in the perspective of the refugee crisis that Europe has experienced since 2015 and the massive reception of asylum-seekers, particularly in Sweden and Germany. The chapter seeks to shed light on the economic costs and benefits that migration can generate against the background of comprehensive welfare ambitions and economic redistribution in many European countries. Conditions in Europe are compared with the U.S. in several respects, and the authors refer to research showing that immigrants are often a very heterogeneous group with regard to level of education and language skills and that this has profound impact on opportunities for economic integration in the recipient country. Large-scale asylum-based immigration often entails heavy economic costs for the recipient country, at least initially, but the authors also show that immigrants often contribute to economic development through innovation and new networks. Demographic developments and aging populations are also putting pressure on European welfare states that could be alleviated by higher levels of immigration.

In relation to migration, Eklund and Braunerhjelm underscore that an effective integration policy is critical to national economic performance, as well as the future scope and design of welfare policies. One of the main issues brought up in the chapter is whether the most expansive welfare states in Europe will be able to maintain their universal nature or whether welfare entitlements must somehow be differentiated. Consequently, there is substantial policy scope to shape the ultimate outcome of higher immigration. The authors argue that a successful integration policy in EU Member States must employ several different instruments with regard to aspects including wage formation, social transfers, and investments in education. At the end of the chapter, the authors recommend that the EU should strengthen the common asylum and migration policy and establish mechanisms to make it easier for EU Member States to learn from each other in order to strengthen economic and social integration in European societies.

**Douglas Brommesson** and **Ann-Marie Ekengren** engage in a critical discussion of the mediatization of policy in general and of EU foreign and security policy in particular, in the seventh chapter of the book. According to a large body of research on mediatization, alignment with media norms and practices in society is increasing due to factors including the impact of social media and other social changes, mainly of a technical and economic nature. The burgeoning interest in digital diplomacy and "fake news" in the wake of Donald Trump's twitter storms are clear signs of the times. A common argument in public debate and in research is that the media logic, with its focus on polarization, intensification, and personification is increasingly affecting how policy is formulated. Brommesson and Ekengren

are critical of this, as they see it, oversimplified perspective, and they also analyse EU foreign and security policy from the opposite point of view in this chapter. Foreign policy is usually described as a conservative policy area, in the sense that it is informed by caution and a long-term perspective, and foreign policy is not the subject of public debate to the same extent as other policy areas. Based on this reverse perspective, the authors ask whether policy actors are actually taking advantage of the opportunities provided by mediatization to strengthen long-term policy objectives.

The chapter sheds light on the relationship between policy and mediatization through a comparative analysis of two important strategy documents within the framework of EU foreign and security policy: the European security strategy of 2003 and the EU global strategy of 2016. The authors discuss the overarching question of whether the formulation of EU foreign and security policy is dominated by media logic, in other words, whether this policy has been mediatized. The authors determine that although aspects of media logic have increased since the turn of the millennium, its effects on the formulation of EU foreign and security policy are limited. Based on their analysis of elements of media logic in EU global strategies, Brommesson and Ekengren outline two general recommendations. First, the EU and its representatives should continue to focus on political institutions and policy content and, second, should carefully use the opportunities that media logic nevertheless offers. It is worth pointing out that policy-makers at the European and national levels in the area of foreign and security policy still have tremendous power to choose whether to use the media or not.

Populism as a challenge to the EU project and democracy in Europe is analysed by **Sofie Blombäck** in the eighth chapter of the book. Even though populism as a phenomenon has received a great deal of attention lately, there is no consensus, in political debate or in social science research, as to how it should be defined. In the chapter, Blombäck argues that what primarily defines populism is the anti-pluralist notion that a homogeneous people stands in moral opposition to a more or less corrupt elite. Populists often present themselves as the true champions of the people against the elite. And because populist messages can be combined with other ideological positions, there are populist parties on both the left and right sides of the political spectrum. The chapter also addresses the important role that crises play in populist rhetoric. Blombäck argues that populist parties can influence the content of the EU project through their presence in governing bodies at the EU level, but success at the national level is required to fundamentally change the European project. It is also at the national level that the complicated relationship between populism and representative democracy can most clearly be appreciated.

The chapter presents an analysis of election outcomes for populist parties in various European countries during the period 2010–2017, which shows wide variation among EU Member States. Some countries have no populist parties in their parliamentary assemblies, while others have several. The notion that the European Parliament election of 2014 was a particularly successful one for populists is true, insofar as that the percentage of votes for populist parties increased compared to the preceding national elections. On average, the increase has continued in national elections held since 2014, but this actually obscures the fact that there

were both major increases and major decreases in individual Member States. Still, there is no generally available answer to the question of how the challenge to representative democracy and liberal values from populist parties should be handled. Blombäck recommends that it is, first, important to understand how populism works and how it differs from other political challengers. Not all populist parties are necessarily anti-democratic. Second, a rise in populism should be seen primarily as a warning signal, rather than an immediate threat, and should therefore be dealt with through political means. The message is that when the political system is able to resolve crises and deal with economic and social problems, this undermines the appeal of populist parties. It is important that the EU and its Member States consider this carefully in an era when established parties and institutions are often depicted as part of the problem, rather than the solution.

In the ninth and last chapter of the book, **Erik Wennerström** addresses the EU's endeavours to define common, fundamental values and defend those values against Member States that are challenging these values either deliberately or owing to lack of capacity. The chapter provides an overview of how the EU's common fundamental values emerged and how they are used, as well as the various protective mechanisms created to monitor compliance with these values. The preparations leading up to the EU enlargements in the latter half of the 1990s and early 2000s were at the heart of this process. The successive reforms of EU treaties, with the Treaty of Lisbon being the latest stage in the process, have also been fundamental. However, many of the legally binding mechanisms that the EU has developed since the 1990s have never been used, even though, as Wennerström notes in the chapter, there have been several situations in various Member States where they could have been applied. A key argument in the chapter is therefore that the EU's various protective mechanisms seem not to be particularly user-friendly and it is possible that they were never meant to be that.

But values protected by unusable mechanisms are at risk of being undermined, Wennerström argues. He goes on to discuss a development that can be said to strengthen the fundamental values of the EU from the inside. Some of the EU's values that are defined in the treaties have not gained sufficient political support, and it has therefore been impossible to build legally binding protective mechanisms in their defence. It can be argued that the European Commission has confirmed this, as it has stopped referring to all the fundamental values of the EU. Instead, the Commission focuses on the values regarded as vital, which coincide with the values that the Council of Europe promotes. Herein lays a normative power that should not be underestimated: when there is consensus between the EU and the Council of Europe concerning fundamental values, the legitimacy of the values is reinforced, as are the opportunities to protect them. Finally, Wennerström argues that the Member States that are intent on safeguarding the EU's values should, first, confirm the prioritization of and convergence surrounding the values of democracy, the rule of law, and human rights and, second, support the European Commission in its earnest efforts to influence the Member States that are challenging the values, since attempts to influence them politically via the EU Council of Ministers, where national interests tend to outweigh matters of principle, are unlikely to succeed.

## **Conclusion: the EU needs to actively defend liberal democracy in a changing world order**

These nine chapters touch upon important aspects of the status of the EU in a changing world order. Once again, the way in which the EU approaches the emerging order is a matter of either accepting the development and adapting to new conditions or actively attempting to influence the order. The EU can either choose to be a passive, relatively insignificant actor or assume a more active role by deliberately attempting to influence actual conditions, as well as principles and beliefs about how this order should be shaped. Naturally, whether the EU will in future be able to pursue a more goal-oriented foreign policy, whether political consensus can be reached, and whether strategic autonomy can be realized all remain to be seen. Lacking these components, the EU is at risk of assuming a vague and, in the worst case, marginal role in the emerging world order.

The authors of *Europaperspektiv 2018* show that the Union is facing a number of internal and external challenges. An overall message to the EU is that sustained cohesion is important, along with stronger capacity and autonomy to act on the internal and external stages in order to implement policy that the Union has decided to uphold. Climate change and foreign trade crystallize as the policy areas where the EU is capable of pursuing common policies and where the Union can safeguard interests that go beyond the solutions and agreements that are the usual focus of global negotiations. The EU's *raison d'être* as a global actor is tightly linked with perceptions of its legitimacy. Its ability to communicate with both external and internal publics is therefore important, especially because many people see Brexit as a weakening of the EU. Wisdom and moderation are required here, as is clarity concerning the norms and values that the EU represents as a whole. But the EU also has a duty to defend the interests of the Union, whether these involve security, economic and social development, democratic values and practices, or equipping EU citizens to take on the major societal changes brought by digitization and robotization. Such interests are defended not only by upholding a rules-based international trade system and an effective global climate policy, but also by helping the Member States protect their welfare systems against internal and external shocks. Paradoxically, at least if one recalls past discussions of the EU as a threat to democracy, the Union now has a duty to act forcefully, we believe, against Member States and outside forces that seek to dismantle or weaken liberal democracy in Europe.