

UACES 39th Annual Conference

Angers, 3-5 September 2009

Conference papers are works-in-progress - they should not be cited without the author's permission. The views and opinions expressed in this paper are those of the author(s).

www.uaces.org

UACES Annual Conference

3-5 September 2009

Angers, France

**The EU in the G8 System:
Assessing EU Member States' Involvement**

(Draft – Work in Progress)

Skander Nasra, Dries Lesage, Jan Orbie, Thijs Van de Graaf and Mattias Vermeiren

Ghent University

skander.nasra@ugent.be

The EU in the G8 System: Assessing EU Member States' Involvement

Abstract

Even though the role of the European Union (EU) in international organizations has generated increasing academic and political interest, scant attention has been devoted to the EU's participation in the Group of Eight (G8). The launch of the renewed Group of Twenty (G20), however, has sparked intense debate among member states about the way in which the EU is represented in the G8 system. The central issue covered in this paper is the participation of the EU in the G8 system. In particular we focus on the involvement of the 23 non-G8 EU members (EU23) and the role of the European Commission and the Council Presidency in this respect. The focus lies on the internal EU level, rather than on the question of the EU's bargaining power at the international level. The paper draws on insights of Moravcsik's liberal intergovernmentalism to explain the variation of the EU23's involvement in the following policy domains: development aid, energy, finance and monetary affairs and trade. The paper finds a pattern of differing involvement that varies along the three forums within the G8 system: low involvement in the G8, medium involvement in the G20 and high involvement in the Group of Seven (G7). Four factors are suggested that explain the involvement of the EU23 in the internal EU coordination process: internal competences, intra-EU consensus; policy implications; and the role of EU actors.

Introduction

The role of the European Union (EU) in international organizations is a topic that has generated increasing academic interest in recent years (Laatikainen and Smith, 2006; Gstöhl, 2008; Jørgensen, 2009). Yet, at the exception of two online papers (Hainsworth 1990; Ullrich and Donnelly, 1998), no detailed studies have examined the EU's participation in the G8 system¹. This is surprising given the EU's participation in the G7/G8 since more than 30 years and the G8's role as one of the central forums of global governance, covering a diverse and widening range of topics that touch upon EU competences. More recently, the launch of the G20 at the level of Heads of State and Government², which addresses the global financial

¹ The G8 system entails the G7, G8 and G20.

² The G20 comprises 22 actors: Argentina, Australia, Brazil, Canada, China, the EU, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, The Netherlands, South Africa, South Korea, Spain, Turkey, the UK, the US.

crisis that unleashed in September 2008, has sparked intense debate among EU member states about the way in which the European Commission and the Council Presidency prepare and represent the Union in the wider G8 system.

The central issue covered in this paper is the participation of the EU (European Commission and Council Presidency) in the G8 system. In particular we focus on the involvement of the 23 non-G8 EU members (hereafter EU23) and the role of the European Commission and the Council Presidency in this respect. The degree of involvement of the EU23 is not regarded as the extent to which these member states may influence the position of the EU in the G8 system. It is rather understood as their actual involvement in the broader policy process as well as their interest and desire to be involved. This paper puts three categories of involvement forward: low, medium and high (table 1). Low involvement is defined as a lack of interest, no desire to participate and hence no intervention. Medium involvement is defined as showing active interest and the desire to participate, yet no actual intervention. High involvement is defined as having an interest, showing the desire and the actual intervention in the coordination process.

Degree of involvement	Characteristics
High	Active interest, a desire to participate and intervention
Medium	Active interest, a desire to participate but no or little intervention
Low	Passive interest, no desire to participate and no intervention

Table 1: Three Categories of Involvement

Four further elements need to be emphasized. First, involvement can be both directly and indirectly. While the former refers to member states' efforts that are directly related to the G8 system, the latter covers more general involvement within the EU and which may indirectly relate to the G8. Second, this paper is primarily concerned with the internal EU level, rather than with the question of the EU's bargaining power at the international level. Third, the focus lies on the involvement in the process rather than on the extent to which member states' involvement actually results in influencing the EU's position at the G8 level. Fourth, even though the G8 remains the prime focus of our research, the paper also includes

the two related forums, i.e. the G7 and the G20. The empirical findings in this paper are based on recent developments in the following policy domains: development aid, energy, finance and monetary affairs and trade. Seen the lack of previous research and hence limited academic literature, the aim of the paper is to present explorative research based on interviews³.

In order to explain the (non-)involvement of the EU23, insights based on Moravcsik's liberal intergovernmentalism (LI) will be used. LI is based on three steps, each of which is explained by a different set of factors. First, states behave rationally on the basis of national preferences which arise in the context of, and are thus constrained by, domestic politics of member states. Second, an intergovernmental analysis of interstate bargaining in which power of individual states is important in determining whose interests matter. Although states' preferences and their behavior will vary on a case by case basis, their behavior will always be directed to maximizing their preferences. Third, sovereignty will be delegated to supranational institutions in order to ensure the commitments that were adhered to by member states (Moravcsik, 1993: 480, Rosamond, 1999: 136-137; Cini, 2007: 110-112). In this paper, LI will be used as a heuristic device rather than a rigid theoretical framework.

The paper will proceed as follows. A first part sheds light on the relevance and organization of the G8 system. This part also analyzes the role of the EU in the G8 system, looking into the formal and informal procedures through which the EU coordinates and prepares the summits and ministerials. A second part looks at the extent to which the EU23 are involved in the internal coordination process. A third part considers the variables that explain the degree of involvement of the EU23. In the conclusion the main results will be summarized and elements for further research will be identified.

The EU and the G8 system

The G8 system: relevance and organization

The G8, which is the central forum in the G8 system, is an intergovernmental forum comprising seven leading industrialized countries and Russia. The group was created in 1975 as the Group of Six⁴, after which the forum was extended to include Canada in 1976 and

³ Most of the empirical information presented in this paper was obtained via semi-structured interviews with Belgian officials as well as officials from the EU, the IMF and the WTO from February to April 2009 in Brussels. Because of requests for anonymity, these will only be indicated by a general reference.

⁴ The original Group of Six included France, Germany, Italy, Japan, the UK and the US.

Russia in 1998, becoming the G8. The G8 allows its members to achieve policy coordination and cooperate on policy initiatives in an ever-greater number of policy areas. Over time, the initial economical and financial agenda broadened considerably to include security and societal issues such as environment and employment (Hajnal 2007: 1-2, European Commission 2009a). Even though Russia has been a member for over 10 years now, the G7 still meets separately when discussing financial and monetary issues. The G7 operates along the same procedures and structures as the G8 (see *infra*). Since the outbreak of the global financial crisis, world leaders meet in the forum of the G20. Originally launched in the aftermath of the Asian crisis in 1999, the G20 draws together the Finance Ministers and Central Bank Governors of the most important industrialized and emerging countries. Yet, in addressing the financial crisis, the G20 has been upgraded to the level of Heads of State and Government. On this level, the G20 is an ad-hoc forum lacking any sort of formalization.

The G8 does not have a legal basis and permanent administrative structures, allowing its members to meet within a highly informal and personal context. It is presided by the annually rotating presidency held by the member countries. The President hosts the annual summit, manages the agenda and organizes preparatory meetings. Especially the agenda-setting powers allow the host to exert influence over the proceedings. By meeting separately at the annual summit, Heads of State and Government have gained substantial freedom for taking personal initiatives. But most cooperation at the summit still emerges from the work of the supporting apparatus, whether by the sherpas or by the growing network of ministerial groups. The sherpas represent the Heads of State and Government personally before, during and after summits. They pave the way for the summit, prepare the agenda and ensure follow-up to G8 decisions. The ministerials comprise various groups of ministers (finance, foreign, energy, etc.) of which the Foreign Ministers are the most prominent. These ministerial groups increasingly pursue their own agenda, enabling them to agree to positions they can pursue in other international institutions. In addition, the ministerials have largely taken over the sherpas' role of follow-up and implementation of summit conclusions (Bayne, 2005: 191-212; European Union, 2008a).

The forums of the G8 system exert great influence in international politics: they raise international consciousness, have the capacity to set the international agenda, create networks and prod other institutions. Besides the actual impact of members' decisions, the political direction set by the 'G's' often trickles down to the agenda of other regional and international organizations, delegating the actual implementation of its decisions, or 'brain-storming

sessions' (Hodges, 1999: 69-73). Spurred by globalization processes and the emergence of new economic powers, the G8's exclusive character has resulted in its relative decline. The continued exclusion of the newly emerging economic powers, most notably China, India and Brazil, leads to problems of legitimacy, representativeness and effectiveness (Cooper and Antkiewicz, 2008). In response, G8 member countries have reached out to other countries and organizations. Since 2003, third parties are invited to participate in relevant discussions at G8 summits, recognizing that more countries have become influential players in the international system. But a consensus still lacks on how this outreach should be further developed (Lesage, 2007; Payne, 2008).

While issues of legitimacy and representation of the 'Gs' have been widely discussed among academics and policy-makers in recent years, there is one aspect of this issue that has received scant scholarly attention: the relationship between the European representatives within the G8 system and the other EU member states. If it appears that the EU is represented as a 'bloc' in the G8 system, this would indeed constitute a first, admittedly modest step towards enhancing the latter's representativity and, hence, input legitimacy.

The participation of the EU in the G8 system

The relationship between the EU and the G8 is not straightforward. Four member states of the EU (i.e. France, Germany, Italy and the United Kingdom, hereafter EU4) are full members of the G8 while at the same time the European Commission and the Council Presidency have been participating in G8 meetings on behalf of the Community since 1977. Yet, there is no formal relationship between the EU and the G8 (Fischer, 2001: 129). Initially, the European Commission participated only in those discussions touching upon Community competences. But gradually the Commission became more and more associated in the G8 process. Even though the EU neither hosts nor chairs summits, depriving it from the possibility to shape the summit agenda and steer the process, it has been a full G8 member in all other respects: it takes part in the preparation and conduct of summits, and participates in all discussions (Hajnal, 2007: 37-52).

Formally speaking, the European Commission and the Council Presidency represent the EU as one entity, and thus also those EU member states which are no members of the G8. When the country holding the EU's rotating Presidency is hosting the G8 summit too, it functions as both the national and the EU President (Ullrich and Donnelly, 1998). The EU

participates in the ministerial groups in which it is represented by the responsible Commissioner and the President of the European Council. Taking part in the actual summit and ministerial meetings, the EU Presidency does not take part in the preparations (Hajnal, 2007: 37-52; European Commission, 2009b).

As said, the original G7 countries still meet separately to discuss financial and monetary matters. The G7 countries are represented by their Finance Ministers and Central Bank Governors. In contrast to the G8, the European Commission only occasionally attends the G7 finance ministers' meetings, namely when topics of common interest are being discussed (e.g. development). Since the creation of the euro, the presidents of the European Central Bank (ECB) and the Eurogroup replace the Commission. They do so, alongside the Central Bank Governors of the three euro area countries that are part of the G7 (Germany, France and Italy). Regarding monetary and exchange rate policies, however, the president of the ECB speaks on behalf of all countries of the euro area (Bini Smaghi, 2006: 264).

The 'original' G20 brings together Finance Ministers and Central Bank Governors of 19 countries plus the EU. While the ECB president fully participates, the Eurogroup president does not, unlike in the G7. Instead, he is replaced by the ECOFIN presidency, which rotates every six months. The European Commission only participates at a technical level in the delegation (Bini Smaghi, 2006: 266). The 'new' G20, as it was de facto established in November 2008, brings together the Heads of State and Government of the same 19 countries, extended with Spain and the Netherlands. The EU is represented by the president of the European Commission and the Council Presidency.

It remains unclear what the changes of the pending Lisbon Treaty will imply for the EU's participation in the G8 system. In the ministerials, it is likely that little will change: national ministers will continue to represent the EU at the side of the Commission. But at the level of the Heads of State and Government, it is not clear whether the new President of the European Council will replace the Head of State or Government of the country holding the Council Presidency. The Lisbon Treaty states that 'the President of the European Council shall, at his level and in that capacity, ensure the external representation of the Union on issues concerning its common foreign and security policy ...' (European Union, 2008b: art. 15 TEU). But as the treaty does not directly refer to the G8, there remains room for interpretation. The final outcome will depend on the preferences and diplomatic adroitness of the member states, and more in particular those taking up the first Presidencies after the entry into force of the treaty (interviews with EU and Belgian officials).

The EU in the G8 system: varying involvement of the EU23

The coordination of the EU's position in international organizations is legally framed by article 300 of the Treaty establishing the European Community (TEC). This article stipulates that the Commission acts on a mandate granted by the Council, authorizing the Commission to act on behalf of the Union (European Union 2002). The G8 system does, however, not fall under this category. Apart from the general framing of Art. 11 of the Treaty on European Union (TEU), stating that all member states 'shall refrain from any action which is contrary to the interests of the Union', the treaties do neither stipulate a specific role for the EU4 nor for the EU23 within the G8 system. The resulting blurred picture is complemented with a pattern of coordination that varies strongly depending on the policy issue. It is, however, possible to distinguish certain trends within each forum.

G8 meetings

The EU's participation in the G8 process is prepared and coordinated by the Commission, and more in particular the President's office. The sherpa representing the EU is also the President's chief of cabinet. The EU's sherpa is assisted by three sous-sherpas each covering a different area of G8 activity: foreign affairs, financial and economic issues, and political affairs.⁵ In addition, the specialized Directorate-Generals (DGs) of the Commission became increasingly involved at the level of the ministerial groups. The Commission briefs member states in the Committee of Permanent Representatives (COREPER) before and after G8 summits, though these discussions do not reach the ministerial level.

In the preparations of G8 meetings, the EU23 lack the desire and have only scant possibilities to intervene in the EU's coordination effort. The coordination is centralized in the President's office, with only a handful of people directly working on the issue. Moreover, there is a prevailing code of conduct among G8 members that information circulating among them is handled carefully and kept within a closed circle of people (interviews with EU officials). It is very difficult – if not impossible – for non-G8 members to get information out of this circle, let alone they would actively intervene. The G8 briefings (*en amont*) within

⁵ The sous-sherpas are currently officials from the Secretariat General of the European Commission, DG ECOFIN and DG RELEX respectively.

COREPER are generally less substantial and less frequent than debriefings after the summits (*en aval*). Yet, both briefings do not offer a real possibility to intervene in the EU's coordination effort vis-à-vis the G8 process. The involvement of the EU23 in the coordination of EU activities in the G8 process is thus low: the EU23 do not intervene actively and, moreover, show very little interest in the G8 process (interviews with EU officials).

Nevertheless, a trend can be discerned of increasing coordination within the EU in the preparations of the G8 process. According to one source within the European Commission, the coordination effort between the EU4 and the Commission is increasing. The Commission has recently started a process of 'information sharing' in the context of G8 issues in order to avoid embarrassing situations whereby EU4 members take positions and initiatives without knowledge of other EU members. However, it was also acknowledged that the Commission's coordinating role with the EU4 is 'low key and extremely sensitive' and that there is a 'total radio silence' between the EU4 and the EU23.

This tendency of reluctance towards more EU coordination is more outspoken, even publicly, by the current developments of the G20. Those EU member states that are a part of the G20 met at an informal gathering in Berlin at the end of February 2009. According to Commission officials, the Commission is favorable to upgrade the internal EU coordination, especially in those policy domains in which the EU has a strong profile such as climate change. The more proactive role of the Commission was displayed in the run-up to and presentation at the Hokkaido summit in July 2008 in Japan. But the increased coordination of the European members of the G8 risks to run into negative reactions from two sides. On the one hand, (some of) the EU23 might be incited to plead for stronger intra-EU involvement, opening up the coordination effort to all member states. On the other hand, the other G8 members are ambiguous towards such a concerted European approach as this would tilt the balance within the G8 too strongly in favor of its European members (interview with EU official).

G7 meetings

The internal EU coordination mechanisms for the preparations of G7 meetings are most strongly established, even if they are less straightforward than for G8 preparations. With regard to monetary and financial affairs, there is an ill-defined division of labor between the Eurogroup and the Commission: while the Eurogroup covers monetary issues (e.g. exchange

rate mechanisms, economic situation), the Commission deals with more general topics that ‘matter to all EU member states’. The former are prepared by the Eurogroup working group (EWG) which falls back on background papers drafted by the Commission.

The ‘general topics’ are first prepared by the Commission which forwards its preparations to the Economic and Financial Committee (EFC), the preparatory body of the ECOFIN Council (interview with EU official). The EU23 are in a similar position as the EU4, even though an additional differentiation has to be made between Eurozone members and non-Eurozone members. The topics related to Eurozone competences, i.e. monetary issues, are dealt with in the EWG. Subsequently, these discussions are forwarded to the EFC where the position is hardly ever significantly changed. Even if those EU member states that are not Eurozone members have a formal chance to participate in the debates on monetary issues in the EFC, they are largely deprived of a real possibility to influence EU positions. All other G7-related topics are covered directly by the EFC, involving all EU member states. In addition, the fact that written position papers circulate among all member states substantially enhances the possibilities of the EU23 to get involved. Lastly, the ministers only cover G7 issues at the margin of the ECOFIN Council, i.e. during a breakfast or lunch meeting, not as part of the official agenda. They rarely substantially influence EU positions in the G7. The level of involvement of the EU23 in relation to G7 matters is high. The EU23, especially those who are also Eurozone members, show a pronounced interest in EU preparations and they actively intervene and contribute to the defining of the EU’s position (interviews with EU officials).

G20 meetings

Regarding the G20, the internal coordination process is more upgraded in comparison to that of the G8. In the run-up to the G20 Summit of November 2008 in Washington, EU member states gave the Commission a ‘political’ mandate to speak and act on behalf of the EU (interview EU official). Yet, this mandate was pre-cooked by the EU4. In addition, it was defined broadly, giving the Commission sufficient room for maneuvering. This internal coordination mechanism was repeated and further strengthened in the preparations of the London Summit in April 2009. After an informal gathering of the European members of the G20, the European Commission published an official communication ahead of the Spring European Council in which it outlined a proposal for a common EU approach (European

Commission, 2009b). Besides the exchange of policy documents between all member states, the issue is put on the agenda of the highest political body of the Union.

However, it remains to be seen to what extent these evolutions will trickle down to the internal coordination efforts of the G8. It is still too soon to evaluate the degree to which the EU23 have an actual stake in the preparations. But three elements indicate a degree of involvement higher than in the case of the G8, yet lower than for G7 preparations. First, Spain and The Netherlands are included in the European delegation to the G20 Summit. Yet, they are no formal members of the G20 and they remain largely excluded from the preparations of the G20. Second, in the run up to the G20 meeting in London, formal written documents were exchanged and discussed which formed the basis for the final EU position. This enhances the possibilities for the EU23 to be involved in the process. These documents, nonetheless, do not enter into details and leave sufficient room for maneuvering for the European participants at the G20 (European Council, 2009). Third, the EU's mandate for G20 Summits is brought onto the highest political level in the Union, i.e. the European Council. But also this point needs to be balanced. Preceding informal gatherings underscored the desire of the EU4 to remain in control of the whole coordination effort in the EU. In February 2009, this led to complaints by smaller EU member states such as Sweden, Belgium and Poland, who felt being left out of the decision-making loop (Tasovac, 2009). Given the discussion in the European Council, the involvement of the EU23 is assured in formal terms. Yet, the continuing complaints of some of the EU23 indicate that their involvement does not meet their growing desire to be involved in the internal EU coordination process. Especially the preceding informal gatherings of the EU4 decrease the possibilities for effective involvement, resulting in a medium level of involvement for the EU23.

Explaining the variance in EU23 involvement

The previous part demonstrates the broad lines of involvement of the EU23. In the preparations for G7 meetings the involvement of the EU23 is high, while for G8 meetings their involvement is rather low. The degree of involvement in the preparations for G20 meetings is medium. Even though the forums may indicate the varying degree of involvement of the EU23, the forum as such does not figure as an explanatory variable. Instead, we argue that the characteristics of the policy issue at stake determine the degree of involvement of the EU23 (Nugent, 2003: 297-304; Wallace and Wallace, 1996: 27). A number of factors can be

identified as being especially important in determining the degree of involvement of the EU23. In this section, four key characteristics of EU policy issues are identified: (1) the distribution of competences, (2) the degree of intra-EU consensus, (3) policy implications, and (4) the role of EU actors (Nugent, 2003: 297-304).

The distribution of competences

In policy areas where there has been a significant transfer of responsibilities to the EU, EU institutions – especially the Commission – play a central role in EU policy processes. Where competences are limited, most decision-making and policy activities are channeled through national procedures and EU activity may be very limited in scope. LI argues that the degree of competences of (supranational) institutions reflects the willingness of member states to delegate tasks which they cannot sufficiently commit and to ensure adherence to member states' commitments. The inability to commit is grounded in the lack of policy-relevant expertise and the means to establish such expertise. In response, member states will establish tight control mechanisms to make sure that institutions serve their preferences and hence avoid a loss of control (Moravcsik, 1993; Nugent, 2003: 302; Pollack, 2003: 30-31). In cases of extensive EU competences, these mechanisms of control – or indirect involvement – will suffice for the EU23 to keep the EU representatives sufficiently close to their preferences, reducing their desire to seek additional involvement. In the case of limited EU competences, the role of EU representatives in the G8 system is expected to be constrained and, as a result, the EU23 will not dispose of the institutional means to control EU representatives. The latter will thus be incited to claim direct involvement.

On trade, a policy area in which the Community holds exclusive competences, the EU23 scarcely contribute directly to the Union's position at the G8 level. At times, information about the trade agenda of the G8 is distributed in Committee 133, but the level of involvement by the EU23 remains low. Member states do not seek any active intervention in the coordination of positions and they are only passively informed about EU activity in the G8. These briefings are very informal and take place at the margins of committee meetings. The low involvement of the EU23 seems also related to the inactivity of the European Commission on trade issues within the G8 forum. Not only has the G8 lost a lot of its relevance regarding trade issues, the EU4 increasingly play their national cards which decreases the effectiveness of the EU's position. Hence, EU officials' willingness to talk

about trade issues is rather low (interview with EU and WTO official). Quite the reverse, regarding monetary and financial affairs in which the EU also holds strong competences, the EU23 are highly involved. As demonstrated in the previous part, the EU23 participate on all levels of coordination regarding financial and monetary issues. They show an active interest and intervene actively in EU coordination efforts in the run-up to G7 meetings (interview with EU official).

In areas where the EU has limited competences, the involvement of the EU23 is rather low. Regarding development aid, a shared competence in which the Community holds a strong position internationally (Orbie and Versluys, 2008: 67-68), the Commission is not in contact with the EU23 in its preparations for G8 meetings: no consultation takes place with the EU23, let alone any form of coordination. The EU23 do not show any interest in the G8 as a forum (interview with EU official). Also in the field of energy, the EU23's involvement is very low. This is remarkable seen some recent initiatives which G8 leaders have taken such as the St. Petersburg Principles about energy security and the International Partnership for Energy Efficiency Cooperation (IPEEC). Apart from Commission briefings in the Council, the EU23 are not involved in the coordination for G8 meetings. They show no interest in the issue, and as a result do not intervene in the preparations (interview with EU official).

The distribution of competences only offers a partial explanation for the variation in the EU23's direct involvement, and they seem to content themselves with indirect intervention through the general EU machinery. This attitude can be explained by the given that many of the topics discussed in G8 also figure prominently on the EU agenda. As a result, EU positions do not always need to be worked out specifically as they can be derived from the positions taken by member states within the EU. The Commission 'presents the views of the member states with as close to a consensus as has been reached' (Ullrich and Donnelly, 1998). This way of working has not really been contested by member states (interview with EU officials). More importantly, however, G8 outcomes do often not transcend the lowest common denominator, remaining far below positions and commitments reached within the EU. When commitments within the G8 system would come close to or go beyond internal EU positions, and thus the position of member states within the EU might be altered, the EU23 will most likely have a greater incentive to get involved in the G8 process. In other words, more than the distribution of competences, the political reality within the G8 system seems to be a more determining factor for the degree of direct involvement of the EU23.

Degree of intra-EU consensus

The more elements such as controversiality or political sensitiveness apply to policy issues, the higher the involvement of the EU23 are likely to be. These are reflected in the degree of intra-EU consensus. Intra-EU consensus can be understood as the extent to which there is internal agreement among member states on policy issues. The extent of agreement is reflected in official statements, Presidency conclusions as well as the formulation of policy documents. From a liberal intergovernmental reading, it is assumed that when the big EU member states come to a consensus on specific issues, this will largely cover the differences among the smaller member states too. When a consensus among the EU4 does not take the positions of the EU23 sufficiently into account, they will be incited to claim direct involvement in the internal coordination process.

In the field of energy, EU member states are gradually developing a common approach which is reflected in the increasing amount of related policy documents being adopted. In the case of energy efficiency for instance the EU adopted a concrete policy framework in 2006, the Energy Efficiency Action Plan. Among other elements, the Commission proposed ‘an international framework agreement involving both developed and developing countries’ (European Commission, 2006: 19). After having tried to get this proposal into the discussions within the United Nations and the Gleneagles Dialogue, the Commission agreed with Japan to table the proposal at the G8 energy ministerial in May 2008. Agreement was reached between the G8 and its emerging partners to launch the IPEEC. This partnership represented a much looser form of cooperation and thus a significant shift away from the original idea to establish a binding international agreement that would immediately be open to worldwide membership. Although the EU23 were briefed in the Council by the Commission throughout the process, they showed little interest in the issue (interview with EU official). A similar picture can be discerned in the sphere of climate change. EU member state adopted several key policy documents on climate change (European Climate Change Program, Climate Action and Renewable Energy Package), with all EU leaders speaking out strongly in favor of these programs. Backed by these policy documents, the Commission displays a strong profile on the issue within the G8 process with a low involvement of the EU23 (interview with EU official).

When there is no intra-EU consensus, the situation is less straightforward. When the lack of consensus is also reflected in the positions of the EU4, the EU23 will be short of incentives to get involved in the preparations of G8 meetings. As demonstrated, the EU23 are not incited to claim a role regarding trade issues within the G8 process. In addition to the

decreased importance of the G8 as a trade forum, the political cleavages on trade issues (e.g. North – South) are relatively well transposed to the EU4. Trade is a policy issue on which the EU4 themselves have often opposed positions, which basically reflect the diversity of opinions within the entire Council of Ministers. Specifically, when trade topics are discussed in the G8, the different European positions are represented by convinced ‘free traders’ (Germany and the UK) and more protectionist members (France and Italy) (interview with EU official). Yet, when a lack of intra-EU consensus is not reflected by the EU4, the EU23 are incited to demand higher involvement. At the G20 summit in London, leaders attached a list with a classification of countries that can be considered tax havens. In this list, three EU member states are classified as ‘grey’ countries. Even though EU member states agreed prior to the meeting of G20 leaders not to support such a listing, France, Germany, Italy as well as the Commission pleaded in favor of the inclusion of the list (interview with WTO official). At the ECOFIN Council the day after the London summit, those member states concerned reacted angrily at what they perceived as a ‘betrayal’ of their European partners, including the Commission (Bulcke, 2009).

The degree of intra-EU consensus explains for the degree of involvement of the EU23 when it is understood as the degree to which the position of the EU23 is also reflected in the position of the EU4. In other words, the degree of intra-EU consensus refers to the extent of consensus between the EU23 on the one hand and the EU4 on the other. As long as the position of the EU4 does not interfere with the positions of the EU23, there seems to be no reason to coordinate positions. Yet, once the EU4’s and EU23’s positions diverge, the EU23 show an interest and desire to get involved in the coordination of EU positions. In these instances, the EU machinery becomes inadequate to control the EU’s representatives.

Policy implications

The policy implications of issues refer to consequences of policy decisions that have concrete and direct effects on the position of countries in the EU or internationally, or/and which may affect the domestic balance of interests. Policy implications can thus have external as well as internal consequences for EU member states. This variable is thus directly linked to member states’ preferences which LI sees as the motivation of states’ behavior. When the implications of the discussions in the G8 system are concrete and predictable for the EU23,

the incentives for involvement will be high. Conversely, when policy implications are more general and less predictable, the incentives for the EU23 to get involved will be low.

In practice, issues discussed in the G7 and G20 have often concrete policy implications for the EU23 (e.g. the doubling of IMF funds, the euro-dollar exchange-rate, financial regulation and supervision). Seen the technicalities of the G7/G20 decisions, these need to be elaborated and implemented by secondary organizations (e.g. ECB, European Commission, IMF and the Financial Stability Forum). If the EU4 wish to implement decisions efficiently, they depend on the direct support of many of the EU23. Consequently, also the EU4 have an interest in granting more possibilities to the EU23 to get involved. Strengthening the sense of ownership of the EU23 thus serves to meet the interests of the EU4. In contrast, discussions held in the G8 often result in conclusions which are formulated on a general political level, lacking predictable and direct policy implications for the EU23.

This latter point can be illustrated by the Global Energy Security Principles to which the G8 agreed at the St. Petersburg summit in 2006. G8 countries are supposed to comply to this set of general principles in their energy policies. They are for instance expected to opt for transparent markets and effective legal and regulatory frameworks. In 2008, the G8 members had to present self-assessment reports on their progress toward meeting these commitments (Lesage et. al., 2009). The EU23 were not directly involved in this program, neither in its elaboration nor in its implementation. Because of the lack of specific policy, administrative or financial implications for the EU23, they have not sought to get involved in the elaboration of these principles.

Discussions and decisions of the G7 have, in contrast, often clear implications for the EU23. The exchange-rate between the dollar and the euro, for instance, is not only important to the EU4 but to all Eurozone countries and even to all EU countries that have pegged their exchange-rate against the euro and have substantial trade links to both dollar and euro areas (Taylor, 2004). With the broadening of the G7 agendas since the end of the 1990s, there is even more potential for spill-over effects of G7 decisions on the EU23. The East Asian financial crisis, for example, encouraged the G7 to establish a “standards-surveillance-compliance” regime (Wade, 2007), introducing twelve standards and codes of policy practice covering areas such as monetary and fiscal policy, corporate governance, accounting and auditing standards, banking supervision, securities regulation and settlement systems and insurance (Baker, 2006). The monitoring of countries’ compliance with these standards by a

variety of specialized bodies, whose reports would be made available to private investors, clearly illustrates that G7 decisions often entail specific policy burdens on the EU23.

The G8 summit in Gleneagles in 2005 confirms that the extent of policy implications for the EU23 is detrimental for the extent of their involvement. In Gleneagles, G8 leaders decided to cancel the debts of the most indebted developing countries with the World Bank, International Monetary Fund and African Development Bank. In contrast to most G8 commitments and in line with many decisions taken at the G7/G20 level, this decision had of course financial implications for some of the EU23 that are prominent members of the multilateral institutions involved. Even though development had until then not been a major issue for the G8, the real involvement of the G8 in this domain took many non-G8 countries by surprise. Several of the EU23 tried to get involved in the decision of the G8, without success. The sudden rise of interest of some of the EU23 with high outstanding loans through multilateral institutions were alarmed by this decision, trying to alter the G8's proposals. At the level of the Bretton Woods institutions countries like Belgium and the Netherlands could actually influence the modalities of the decision (interview with IMF official). This illustration also indicates that from the moment the G8 would gain in importance, and would become a steering forum with more concrete and predictable results, the tension between the EU4 and the EU23 will become more difficult to bridge for the Commission. This is confirmed by the recent developments in the framework of the G20 where the Commission seems to change its position regarding the extent to which it wants to involve the EU23, claiming they are favorable to involve the EU23 more in the preparations of the G20 through the European Council (interview with EU official).

The position of EU actors

LI claims that EU actors are bound by the preferences of EU member states. Especially the preferences of the larger member states determines the role of the EU internationally (Schimmelfennig, 2004). EU actors, and especially the European Commission, have played a crucial role at a general institutional level in guaranteeing a degree of equality between member states. When it comes to specific policy actions, however, the Commission cannot be considered as a staunch defender of smaller member states' – or EU 23 – interests (Bunse et al., 2005: 6). This is, however, far from evident given the absence of the EU23 in the G8 system and the lack of a single EU seat. The EU's presence within the G8 system is

dependent upon the goodwill and consent of the other members of the G8, which basically boils down to the consent of its European members. The room for maneuver of EU actors is thus primarily bound by the preferences of the EU4. Unless the EU4 need the EU23 to assure effective implementation of decisions taken within the G8 system, they are not inclined to involve the EU23 in the coordination process. EU actors can be expected to have no substantial influence on the degree of involvement of the EU23.

The European Commission

The European Commission holds a quite schizophrenic position in the internal EU coordination effort. At first sight, the Commission is the agent of all EU member states, representing the Union as a whole in the G8 system. It thus seems only logical that the Commission is closely bound to the preferences of all member states. Yet, in reality, the Commission has few incentives to be bound by the preferences of the EU23, let alone that it would include them in the preparations. The Commission is foremost the agent of the EU4. As indicated by one Commission official, engaging in an extensive EU coordination would be 'political suicide' (interview with EU official). Moreover, at the G8 level the EU4 dispose of an additional mechanism to bind the Commission to their positions, namely the protocol on the order of interventions. This protocol stipulates that the Commission can only intervene as the last speaker. In case of disagreement among the EU4 or between the EU4 and the EU23, the Commission's position becomes very delicate and, in many cases severely constrained (interview with former EU official). Also the secretive character of the process reduces the incentives for the Commission to involve the EU23. The Commission, who controls the internal EU process vis-à-vis the G8, refuses to diffuse information to all EU member states, being vigilant not to jeopardize its proper role within the G8. Even within the Commission services, G8 information flows are limited to a couple of people only. The relevant DG's supplying information to the sherpa and his assistants are not capable of getting a hold on the process (interviews with EU officials).

Although the Commission is a long-time participant in the G8 system, the latter remains in the first place a club of states. As noted by one official, some of the news agencies rub out president Barroso from the group picture as the Commission remains a peculiar entity among the G8 members (interview with EU official). So if the Commission wishes to preserve its position, it has more interests in remaining close to the EU4's preferences, who do not want

the involvement of the EU23, than strongly advocating those of the EU23. The role of the Commission at the London summit is illustrative. When the G20 leaders wanted to attach a 'black list' of tax havens – on which three EU23 countries figured – to the final communiqué, the Commission agreed to its inclusion at a moment when there was no internal EU agreement on the issue (interview with WTO official). In other words, the Commission is not necessarily an ally of those EU23 member states that aim at getting a more active role in the preparations in the G8 system.

However, in some instances the Commission may be able to use its exclusive position in the G8 to its advantage by forging decisions which increase its role inside the EU. The degree of autonomy and potential influence of the European Commission in the G8 process, and the way it matters to EU23, has been demonstrated most clearly in the coordination of Western aid to the Central and Eastern European Countries (CEEC) after the collapse of Communism. At their summit in 1989, G7 leaders mandated the European Commission to coordinate all aid to the CEEC. The resulting PHARE program was designed by the Commission and entailed the Union's financial and technical aid package to the countries concerned. In the attribution of this responsibility, the European Commission played a proactive role, making use of its involvement in the G8 process. The months leading to the G7 summit, Commission President Jacques Delors had been asking EC governments to coordinate relations with the Communist bloc. Yet, it was only through the Commission's position within the G8 process that Delors managed to forge a consensus within the Union (Niemann 1998: 438). One day after the G7 summit, the Commission presented its guidelines and plans for the aid program to the EU's General Affairs Council, getting formal approval by the EU12 (Smith 2004: 66). This example illustrates the potential significance of the Commission's involvement in the G8 process to EU member states, especially to those who are no G8 members.

But from the moment the interest of the EU4 are served by a higher involvement of the EU23, the role of the Commission changes. This is seen in the representation at G7 meetings. As demonstrated, the outcome of G7 meetings often entail concrete measures that need to be implemented by other institutions (e.g. EU, ECB, IMF). Here, the cooperation of all or some of the EU23 is indispensable for the EU4, resulting in their close involvement in the coordination process. As a result, the EU representatives are bound by the preferences of all member states (especially those of the Eurozone) which makes EU representatives (Commission, ECB and Eurogroup) more receptive to the interests of the EU23.

The role of the Commission as a factor influencing the extent of EU23 involvement is thus dependent on the preferences of the EU4. More generally, the Commission has expressed its desire to evolve towards a single voice for the EU in international organizations, including the G8. By involving the EU23 at the highest political level of the Union, the position of the Commission in the G8 system would gain more legitimacy, increasing its political role and strengthening its position. In addition, this would also decrease the dependence of the Commission on G4 preferences. When EU member states come to a common political stance in the run up to meetings within the G8 system, the EU4's room of maneuvering at the G8 level is constrained. Even if such declarations lack a legal base, they are politically significant. In theory, the Commission could even take EU4 states to the Court of Justice on the basis of art. 11 (TEU), namely as a violation of the interests of the Union (interview with former EU official). However, given the delicate position of the Commission in the G8 system, the Commission is refrained to clash too strongly and openly with any of the EU4.

The Council Presidency

For many member states, the Council's Presidency is seen as a six-month platform to stand in the spotlights of international politics. In the case of the G8 system, however, such a role seems less obvious and largely depends on the country holding the Presidency. Even though the country holding the Presidency joins the Commission President to the summits, this country does not play a substantial role in the (internal) preparatory stages. The Presidency can thus not be considered as a factor that may impact on the degree of involvement of the EU23 in the G8 system. The opportunities of a Presidency are curtailed by three factors. First, many member states simply lack the diplomatic resources and capabilities to engage in a process that is very intense and requires a substantial amount of expertise. In contrast to most other international issues, the Presidency cannot fall back on the assistance of the Council's Secretariat which is excluded from the G8 process. Second, the secretive character of the G8 process makes it very difficult for a country that is only participating in the process for six months to penetrate into the workings of the G8 members. These workings are characterized by a club-like character, implying that the whole process is largely based on a high degree of mutual confidence and on relations that have been developing over a period of years. Third, the way the G8 is organized also impedes an efficient participation of the country holding the Council Presidency. The bulk of substantial work for a summit is done in the first months of the year. During these months, the G8 chair sets out broad lines of the

activities of the G8 for that year, engaging in the preparations of the summit and elaboration of the positions. The actual summit, in which declarations are adopted and commitments are made, takes traditionally place early July. Hence, preparations and summits fall under the responsibility of different Council Presidencies, presenting an additional difficulty for EU23 involvement (interviews with EU officials).

In most G7 meetings, the EU is represented by the President of the ECB and the Eurogroup, excluding the Presidency as a tool for the EU23 to increase their involvement. Yet, in certain instances, a non-G8 country that holds the Council's Presidency might have the opportunity to increase its involvement within the G8 (G20). This is most likely to occur when the country intervenes (pro)actively in the early stages of G8 preparations when the chair organizes brainstorming sessions and sets out the broad political lines. Also, a focus on a limited amount of issues may help to increase the leverage of a country holding the Presidency within the G8 process. An example here could be Sweden which takes up the Council's Presidency in the second half of 2009. Through the appointment of a sherpa, Sweden has been following the early stages of the G8 process, primarily following the discussions related to its 'pet-issues' of climate change and development aid (interview with EU official).

Conclusion

It has been argued that the EU23 are scarcely involved in the G8 system, and do thus not fully valorize the EU's presence in the G8 system. Lacking a strong legal framework, the coordination of EU positions within the G8 system varies strongly depending on the policy issue. It is, nevertheless, possible to discern a pattern of EU23 involvement depending on the forum. While the EU23 are highly involved in the coordination of EU positions in the G7, the degree of involvement for the G8 is rather low. The involvement in the coordination for the G20 is medium.

Based on a liberal intergovernmental reading, four factors have been identified which explain for the varying involvement of the EU23. First, the distribution of competences. Second, the degree of intra-EU consensus which refers to the extent of consensus between the position of the EU4 and the EU23. Third, the extent of policy implications for the EU23, meaning those consequences of policy decisions that have concrete and direct effects on the position of the EU23 in the EU, internationally or/and affect the domestic balance of interests.

Fourth, the role of EU actors as possible channels through which the EU could claim involvement.

Even though these results are broad lines of arguments, they offer a first insight in the opportunities and constraints for EU23 involvement in the G8 system. A liberal intergovernmental reading has shown to be a useful heuristic tool to explain the findings in this paper. The central variable to explain to variance of the degree of EU23 involvement are the national preferences of member states, and in the first place of the larger member states. Both the domestic impact of outcomes from the G8 system as well as the implications for member states' positions within the EU are key factors explaining the EU23's involvement. In addition, the preferences of the EU4 and their domination in the internal EU process is identified as another element explaining the variance in the degree of EU23 involvement. Moreover, EU actors are highly constrained by the preferences of the EU4, reflecting their role as facilitators of the 'interstate game'.

External evolutions might still alter the degree of involvement of the EU23. Especially the formalization of an upgraded G20 or a possible extension of the G8 to a G13 or G14. The most tangible result may be an evolution to a more coordinated position of the EU members or even a single European seat. The increase of members in the G8 system will undoubtedly increase the pressure on the EU4. Such a trend can already be discerned in the preparations for the G20 in which EU member states discussed the 'political mandate' of the EU representatives in the European Council. Although informal gatherings between the EU4 slow such a process down, the given that these countries increasingly coordinate their individual positions reflects a meaningful shift.

This paper is primarily based on the experiences and points of view of EU officials. Future research will thus have to include the intentions and views of the individual member states – both EU4 and EU23 – in the analysis. Also a deeper embedment in the literature on the EU and international organizations could add additional worthy insights. Finally, a in-depth study of the position of the Commission in the G8 system could deliver interesting findings on the role of this institutions in the EU's expanding international role.

References

- Baker, A. 2006. *The Group of Seven: Finance Ministries, Central banks and Global Financial Governance*. Abington: Routledge.
- Bayne, N. 2005. *Staying Together*. Aldershot: Ashgate.
- Bini Smaghi, L. 2006. 'Powerless Europe: Why is the Euro Area Still a Political Dwarf?', *International Finance* (9) 2: 261-279.
- Bulcke, B. 2009. "'Grijze lijst' roept veel wrevel op' ['Grey list arouses annoyance'], *De Standaard*, 4 April.
- Bunse, S., Magnette, P. and K. Nicolaïdis 2005. *Is the Commission the Small Member States' Best Friend?*. SIEPS Report No. 9.
- Cini, M. 2007. 'Intergovernmentalism', in: M. Cini (ed.), *European Union Politics*. Oxford: Oxford University Press.
- Cooper, A. F. and A. Antkiewicz (eds.) 2008. *Emerging powers in global governance. Lessons from the Heiligendamm Process*. Waterloo: Wilfrid Laurier University Press.
- Council of the European Union 2009. Brussels European Council 19/20 March 2009: Presidency Conclusions. Brussels: 7880/09.
- European Commission 2006. Action Plan for Energy Efficiency: Raising the Potential. Brussels: COM, 19 October, (545).
- European Commission 2009a. *EU and the G8*. Available from: <http://www.deljpn.ec.europa.eu/union/showpage_en_union.external.g8.php> [Accessed 12 June 2009].
- European Commission 2009b. Communication for the Spring European Council: Driving European recovery. Brussels: COM, 4 March, (114).
- European Union 2002. Consolidated version of the Treaty establishing the European Community. Luxemburg: Official Journal of the European Union, (C325).
- European Union 2008a. *The G8 Summit in Japan from 7-9 July 2008*. Available from: <<http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/08/478&format=HTML&aged=0&language=EN&guiLanguage=en>> [Accessed 12 June 2009].

- European Union 2008b. Consolidated version of the Treaty on European Union. Luxembourg: Official Journal of the European Union, (C115/01).
- Fischer, K. 2001. 'The G7/8 and the European Union', in: J. Kirton, J. P. Daniels and A. Freytag (eds.), *Guiding Global Order: G8 Governance in the Twenty-First Century*. Aldershot: Ashgate.
- Gstöhl, S. 2008. "Patchwork Europe"? *The EU's Representation in International Institutions*, BRIGG Working Paper No. 2.
- Hainsworth, S. 1990. *Coming of Age: The European Community and the Economic Summit*. Toronto: Centre for International Studies. Available from: <<http://www.g7.utoronto.ca/scholar/hainsworth1990/index.html>> [Accessed on 12 June 2009].
- Hajnal, P. I. 2007. *The G8 System and the G20*. Aldershot: Ashgate.
- Hodges, M. 1999. 'The G8 and the New Political Economy', in: M. Hodges, J. Kirton and J. Daniels (eds.), *The G8's Role in the New Millennium*. Aldershot: Ashgate.
- Jørgensen, K. E. 2009. *The European Union and International Organizations*. London: Routledge.
- Laatikainen, K. and K. Smith (eds.) 2006. *The European Union at the United Nations: Intersecting Multilateralisms*. Basingstoke: Palgrave.
- Lesage, D. 2007. 'Globalisation, Multipolarity and the L20 as an Alternative to the G8', *Global Society*, 21 (3), pp. 343-361.
- Lesage, D., Van de Graaf, T. and K. Westphal 2009. 'The G8's Role in Global Energy Governance Since the 2005 Gleneagles Summit', *Global Governance*, 15 (2), pp. 259-277.
- Moravcsik, A. 1993. 'Preferences and power in the European Community: A liberal intergovernmentalist approach', *Journal of Common Market Studies*, 31 (4), pp. 473-524.
- Niemann, A. 1998. 'The PHARE programme and the concept of spillover: neofunctionalism in the making', *Journal of European Public Policy*, 5 (3), pp. 428-446.

- Nugent, N. 2003. *The Government and Politics of the European Union*. Basingstoke: Palgrave.
- Orbie, J. and H. Versluys 2008. 'The European Union's International Development Policy: Leading and Benevolent?', in: J. Orbie (ed.), *Europe's Global Role*. Aldershot: Ashgate.
- Payne, A. 2008. 'The G8 and the Changing Global Economic Order', *International Affairs*, 84 (3), pp. 519-833.
- Pollack, M. 2003. *The engines of European integration: delegation, agency and agenda setting in the EU*. Oxford: Oxford University Press.
- Rosamond, B. 1999. *Theories of European integration*. Houndmills: Macmillan.
- Schimmelfennig, F. 2004. 'Liberal Intergovernmentalism', in: A. Wiener and T. Diez (eds.), *European Integration Theory*. Oxford: Oxford University Press.
- Smith, K. E. 2004. *The making of EU foreign policy: the case of Eastern Europe*. Basingstoke: Palgrave Macmillan.
- Tasovac, T. 2009. 'Economic Talks in Berlin Undermined EU's Unity, Officials Say,' *Deutsche Welle*, 24 February, Available from: <www.dw-world.de/dw/article/0,,4051327,00.html> [Accessed on 12 June 2009].
- Taylor, C. 2004. 'An Exchange-rate Regime for the Euro', *Journal of European Public Policy*, 11 (5), pp. 871-889.
- Ullrich, H. and A. Donnelly 1998. 'The Group of Eight and the European Union: The Evolving Partnership', Toronto: G7 Governance No.5. Available from: <<http://www.g8.utoronto.ca/governance/gov5/index.html>> [Accessed on 12 June 2009].
- Wade, R. 2007. 'A New Global Financial Architecture?', *New Left Review*, 46, pp. 113-129.