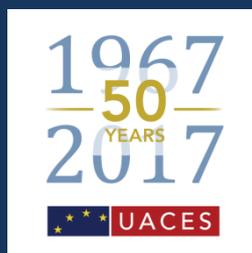


Looking Backwards to Go Forwards? Europe at a Crossroads

Newcastle, 3-4 July 2017

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



Concluding inter-regional agreements: looking at EU's trade partners single voice

How to measure regional cohesiveness

Jordi Mas Elias
July 2017¹

Introduction

In recent years the EU has launched bilateral trade negotiations with different individual countries and also with different regional groupings. So far, the attempts to conclude these inter-regional agreements have been rather unsuccessful. The first interregional trade negotiations with MERCOSUR ended without agreement in 2004. Talks with other regional blocs such as ASEAN, Gulf Cooperation Council and many of the ACP regions were suspended as well. International Relations literature supports these observations. Large number of actors with different preferences discussing a wide number of trade issues complicates dramatically the chances of agreement.

Despite of that, recently there have been some successful cases of region-to-region agreement. The EPA with the CARIFORUM area was signed in October 2008 and has provisionally entered into force. Four years later, the Association Agreement signed on June 2012 between the EU and Central America became the first FTA in the world between two regional blocs out of the Cotonou framework. In addition, the agreements with the African regions of SADC, the EAC and ECOWAS have concluded but are still pending to sign or ratify. Why some EU inter-regional trade agreements succeed in reaching the conclusion and signature of the agreement between the parties?

Since such agreements are difficult due to the large number of actors with different preferences involved, the degree of cohesiveness in the regional groupings involved in the negotiations may help explain the negotiations success or failure. This paper proposes a methodology for analyzing the cohesiveness of the EU's counterpart. The first section shows that regions

¹ Paper prepared for the UACES Student Forum Research Conference 2017 'Looking Backwards to Go Forwards? Europe at a Crossroads' hold in the Newcastle University on 3-4 of July 2017. This is a work in progress. Please do not cite without permission.

have different characteristics and we may expect some variation in the degree of cohesiveness across regional groupings. The second section reviews the literature to identify the factors that determine the degree of cohesiveness and justifies the selection of Aggarwal and Fogarty's model (2004) for analyzing the EU's counterpart. The third section tentatively proposes how the presence of each variable related to EU's partner cohesiveness is going to be determined and measured.

1. Regions and interregionalism

Interregionalism is a relatively recent phenomenon. First contacts between world regions date back from the 1960s with the EU's treatment of its ex-colonies grouped together in several regional groups (Smith 2008). However, it wasn't until the 1990s when regionalism entered to a remarkable period of growth and with it, the number of institutionalized relations between regions (Hänggi 2006: 31). In some cases, contacts among these entities have led to negotiations on trade liberalization agreements, particularly among the EU and other regional organizations and groups. The phenomenon quickly attracted the interest of scholars. Some of them framed interregional trade talks as constituting a second-best alternative to multilateralism (Faust 2006: 158; Aggarwal and Fogarty 2004: 1). Others even go further. Hettne, for instance, argues that in international relations and international political economy interregionalism is moving to a centre place as a potential mechanism to structure the world order (2014: 56). In both circumstances, whether being a second-best or a future centre place, the stagnation of multilateral talks in the WTO allows for interregionalism to present itself as a promising opportunity for global cooperation in the trade domain.

This young and auspicious branch of the International Relations literature, however, faces several problems associated with its nature. And this is the main reason why research is still limited and underdeveloped. The first main problem is ontological as studying regions requires a dynamic understanding of the subject. Tony Payne argues that "regions are always in the making, constructed, deconstructed and reconstructed through social practice and discourse" (Payne 2004: 20). Researchers will always find a moving target, with changing borders in contrast to the rather long lasting structure of states. It implies that when analysing regions, "according to the criteria adopted and the time period analysed, they include or exclude different actors and processes" (Ribeiro-Hoffmann 2016: 601; see also Hänggi *et al.* 2006: 4). In addition to this 'horizontal' volatility of regions, marked by changes in their geographical range, the volatility may also be vertical, as their actorship and capacity to act may be subject to change as well (Hettne 2014: 57). Institutional changes in the region or political fluctuations in some member states may affect also their characteristics as a regional polity.

These challenges in measuring and delimiting regions have affected the study of interregionalism. In part due to these ontological difficulties, for instance, research interests have moved from an actor-centred to a systemic-centred perspective (Rüland 2006). Instead of targeting the impact of the regional actor in the system, scholarship has focused on an 'outward-

in' perspective, drawing attention in the impact of globalization and the strength of interregional relationships on regional cohesion and regional identities. Consequently, an inside-out oriented literature of interregionalism is almost missing. Little empirical information on actor-oriented interregionalism has been gathered out of the triadic relations between North America, EU–Europe and East Asia (Rüland 2014: 18). In the case of the EU, for instance, a common tool of analysis has become the 'single voice' framework (Meunier 2000). However, little emphasis has been placed on how cohesiveness of a region contributes to interregionalism. The most prominent exception is Aggarwal and Fogarty's study of EU's trade negotiations which suggests a framework to analyze the cohesiveness of the EU's counterpart. They model a complex multilevel game where regional power, institutional relations and domestic preferences play a key role on interregional arrangements (Aggarwal and Fogarty 2004: 226).

Another difficulty, almost unsolvable, faced by the interregionalism literature and noticed by Rüland, is the "finite empirical substance" that can be found out there (2014: 15-16). Interactions among regional polities are a relatively recent phenomenon and the number of cases is limited. Consequently, literature has provided essentially historical and empirical evidence of particular cases (Ribeiro-Hoffmann 2016: 600, 603, Rüland 2014: 30) and even the development of comparative cases has become a hard endeavour due to the political, economic and socio-cultural diversity among regions (Aggarwal and Fogarty 2004: 209). The scarcity of cases from which theory-guided studies of interregionalism can be drawn upon has had methodological implications leading to the theoretical and also conceptual underdevelopment of the subject (see Ribeiro Hoffmann 2016; Baert et al 2014: 3; Hänggi et al. 2006; Aggarwal and Fogarty 2004). "Very few studies have robust theoretically oriented analytical frameworks or apply methods in a systematic manner. The conceptual complexity and methodological constraints, including the availability of reliable sources, have hindered the establishment of a good informational point of departure to the analysis of interregionalism and the flourishing of comparative studies" (Ribeiro-Hoffmann 2016: 603). In sum, "a convincing theory of interregionalism is still outstanding" (Hänggi *et al.* 2006: 10).

1.1. Region, regionalism and interregionalism

The first important hurdle when approaching interregionalism is the concept of region as such. In other words, to define interregionalism one previously has to define regionalism, which in turn has to define region in advance. And yet, defining region is a considerably hard endeavour since no objective criteria exist for defining what a region is and thus what is not. Theorizing about it becomes challenging due to its socially and politically constructed character, whose nature is contingent and open to

interpretation (Hemmer and Katzenstein 2002: 575). Already in the previous section geographical and political volatility have been pointed out as some of the features of a region. Börzel and Risse (2016: 20) define region as a socially constructed space located between the global and the national level, usually formed by more than two countries, that make references to territorial location and to geographical or normative contiguity, and which have often, but not always, shared institutions. Regions can be more or less institutionally formalized, respond to a continental, sub-continental or transcontinental geography, possess a higher or lower level of interdependence among its members and be characterized by strong or weak identity (Ribeiro Hoffmann 2016: 601; see also Hettne 2014).

This wide range of characteristics allows that region can be better understood as a process, an actor “in the making” (Hettne 2014: 57). Its construction is placed in the intersection between two simultaneous processes known as regionalization and regionalism. Regionalization is a trade driven bottom-up process (Gilson 2002) that takes place out of the political will. Private economic and other non-state actors, especially business firms, lead the process. Their interactions and transactions become intensified, which leads to increased interdependencies that cause mutual costs to geographically adjacent states, societies and economies and produce political and economic externalities that might be tackled or not by governments (Hänggi *et al.* 2006: 4, Keohane and Nye 1977). Oppositely, regionalism is a consciously political top-down process. It implies a process in which nation states develop policies to manage regionalization and a broad array of security and economic challenges originating from outside of the region (Hänggi *et al.* 2006: 4).

The degree of institutionalization that emerges from such regionalism has led to distinguish among two types of regions: regional organization and regional group. A regional organization typically shows a high level of institutionalization, positive integration and homogeneity of membership. Hänggi *et al.* (2006: 8) used the term old regionalism, as they link its creation to a particular point in time due to the fact that their architecture was common in the regional projects build up before the 1990s. In contrast, in their study of interregional trade relationships, Aggarwal and Fogarty’s (2004) link a regional organization to a customs union or a well integrated free trade area. In the second category, the regional groups do not need to be a customs union. Some authors argue that their origin emerges from the 1990s onwards (Hanggi *et al.* 2006). They are characterized by intergovernmental decision-making mechanisms, lean institutionalization and flexible formal structures (*ibid.*: 8). Its flexibility and its low level of formality encompasses also the regional groups that might have been formed only for the purpose of engaging in a specific interregional relationship (Hanggi 2006: 39).

The differentiation between regional organization and regional group is crucial for the interregionalism literature, as in the relations among these types of regions strive the debate of what is considered interregionalism. In a broad sense, interregionalism is defined as a “situation or a process whereby two (or more) specified regions interact as regions, in other words, region-to-region interaction” (Baert *et al.* 2014: 4; see also Doidge 2014: 38, Hänggi *et al.* 2006: 3, Faust 2006: 155). Thus, a broad definition allows us to define interregionalism as a generic term to cover all range of formats created among regions for interaction, regardless of being between regional organizations, between regional groups or between regional organizations and regional groups. In the same line, Aggarwal and Fogarty (2004: 1) argue that interregionalism occurs when a number of participating countries from geographically dispersed regions negotiate over a broad range of products: “the pursuit of formalized intergovernmental relations with respect to commercial relationships across distinct regions”.

Other approaches, however, use the differentiation between regional organization and regional groups to claim that the concept of interregionalism has to be narrowed down and include only some of the mentioned types of relationship. There is little controversy that the first group, the relations between two formal regional organizations, can be typified as interregionalism. Typically, this relationship is established by constituent treaties and has a permanent seat (Ribeiro-Hoffmann 2016: 601). Authors agree in the interregionalist nature of the interaction between two regional organizations but have used different terms for referring them: group-to-group relations or “old interregionalism” (Hänggi 2006: 42); “bi-regionalism” or “bilateral interregionalism” (Rüland 2006: 298; Rüland 1999: 2-3); and “pure interregionalism” defined as “the formal formation of ties between two distinct free trade areas or customs union” (Aggarwal and Fogarty 2004: 1).

The second category refers to the relationship between a regional organization and a regional group and offers more controversy. For example, Holland has framed the EU and the former colonies of its member states constituted in the ACP group as “imagined interregionalism”. He argues that the ACP group does not express a common identity as a cohesive group in any other context than vis-à-vis the EU (Holland 2006: 254). The relationships between a regional organization and a regional group have been termed also as ‘new interregionalism’ although the expression is rather focused on its causal factors. Hänggi (2006: 32-33)² new interregionalism emerges temporarily during the 1990s due to system-centred rather than actor-centred factors. Similarly, Aggarwal and Fogarty use the term “hybrid

² Nevertheless, Hänggi argues that the analysis of interregionalism should avoid equating old and new forms of interregionalism with a specific type of interregional relationship (Hänggi 2006: 56).

interregionalism” (2004: 5) to refer to the cases when a customs union negotiates with a group of countries from another region which is not a customs union or free trade agreement. In the case of the EU, Ribeiro-Hoffmann (2016: 613) has listed the most recent classification involving its relationships between other organizations or regional groups. It includes the negotiations with EPA countries (CARICOM, PACIFIC, SADC, East African Community, West Africa, Central Africa and Eastern and Southern Africa) plus the negotiations with ASEAN, GCC, CAN, MERCOSUR and Central America. Hanggi (2006: 35) and Hardacre and Smith (2014: 95) include also the Rio Group and SAARC.

Finally, the last category encompasses “borderline cases” that are not considered that should be treated as a form of interregionalism (Ribeiro-Hoffmann 2016, Hänggi 2006: 42, Rüländ 2006). It includes less formalized relations and non-state actors, such as the cases of relationships between two regional groups, the “quasi-interregional” relations between a region and a third country and the “megaregional” relations between a group of states from more than two regions (Hanggi 2006: 40-41). Rüländ uses “transregionalism” to term the relations “which links countries across two regions where neither of the two negotiates as a grouping” (Aggarwal and Fogarty’s 2004: 5; see also Rüländ 2006: 298).

Other classifications exist apart from the institutionalization of the regions. Hänggi suggests (2006: 33) that interregional relations can be classified according to different criteria: geographical situation, structure, function, issue areas covered, intensity of interaction, degree of institutionalization, performance, relevance for global governance. Aggarwal and Fogarty (2004) propose three dimensions of analysis: the strength of the regime, its nature and the EU commercial treatment of the counterpart.

In sum, literature identifies different types of regions bounded by different types of interregional arrangements among them. Some regions, identified as regional organizations, possess higher levels of institutionalization. Others are lesser formalized. These distinctions have led to different classifications of interregional relationships. In turn, as ‘actors in the making’, regions vary significantly in their degree of cohesiveness. Some possible features have been abovementioned, such as the intensities of their regional political project or the degree of interdependence between the members of the region compared to the rest of the world. Consequently, there exist an extensive number of cohesiveness characteristics that vary across the available cases.

2. Cohesiveness

This section explores the literature to identify the factors that contribute to regional cohesiveness. Studies on interregionalism have used different concepts associated to cohesiveness such as *coherence* (Aggarwal and Fogarty 2004) or *regionness* (Hettne 2014), but only in the case of the EU has attempted to explain how it impacts on the external performance (Conceição-Heldt and Meunier 2014: 961, Meunier and Nicolaïdis 1999: 480, Meunier 1998: 7). In these studies, internal cohesiveness has been connected to the concept ‘single voice’ coined by Sophie Meunier (2005, 2000). She argues that the processes to coordinate effective external policy – internal decision-making rules and grade of delegation to a negotiating authority– determine the EU external performance. Such framework derives from liberal institutionalist theory and has been used from the EU perspective by interregionalism literature to study cases such as the EU-North America relations (see for example Roloff 2001).

For our purpose, the ‘single voice’ framework presents two shortcomings. First, the ‘single voice’ perspective associates internal cohesiveness with the ‘output dimension’ of the EU decision-making. In other words, they do not consider cohesiveness as an attribute of the units *per se* –input– but a result of an institutional process –output–. Conceição-Heldt and Meunier define internal cohesiveness as the “ability to formulate internally and represent externally a consistent position with a single voice, *even if this is not the preferred position of all the member states*” (2014: 966). Thus, the ‘single voice’ does not enter into the divergence of preferences among the member states. It ignores the ‘input dimension’ and focuses exclusively on the existent institutional mechanisms that facilitate the formulation of an aggregate regional position.

The reason why the ‘input dimension’ is ignored is due to, they argue, “there could be cohesiveness in the absence of authority, autonomy or recognition, but in these cases it would be member states acting as a coalition and not the EU being an international actor” (ibid). The ‘single voice’ concept emerges from the literature of actorhood and claims that a certain degree of actorhood –therefore, of ability to act (Bretherton and Vogler 2006)– is necessary for analyzing cohesiveness from an institutional viewpoint. This leads to the second shortcoming. Taking a single-dimension approach to internal cohesiveness makes ‘single voice’ framework hardly exportable to other regions. As Hanggi *et al.* (2006: 9) claim, most studies of regional actorhood have focused on the EU but little emphasis has been placed at other regional organizations. The institutionalist shape of the concept,

³ Italics added.

associated with the decision-making procedures and the grade of delegation, falls short in a regional environment governed by intergovernmental procedures and little delegated powers to a negotiator. Nevertheless, authors have found that other regions have shown a certain degree of actorness. For instance, Hettne (2014) argues that SADC and ECOWAS have developed actorness qualities. And others found it is also the case of ASEAN and MERCOSUR (see also Ruland 2014: 17, Doidge 2014, Bretherton and Vogler 2006). Using a narrow institutional framework would make difficult to establish comparisons among regions. For the aims of this thesis, therefore, a pure 'single voice' approach would not be followed as the objective is to offer a more comprehensive picture of regional cohesiveness.

By employing different classifications and frameworks for regions, other scholars identify a wider span of factors, ranging from power realist theories to ideational constructivist views, which may contribute to regional cohesiveness. Among them it exist a significant degree of coincidence in the factors identified, although the framework of analysis offered by each contribution is not the same. For example, Ribeiro Hoffmann (2016: 601) uses geography, interdependence, degree of formality, legalization of institutions, and identity (2016: 601). Jacobs (2001 cited in Roloff 2006: 21-22) analyzes how performance affects interregionalism and identifies eight variables where almost six may relate to regional cohesiveness: distribution of power in the regional systems which are part of an interregional system; domestic politics in the nation states which are parts of a regional system; divergence in interests and positions between regions and nations; differences in perception of relevant actors; distribution of gains of cooperation; institutionalization; distribution of power in the international system and distribution of power in the interregional system. Hänggi (2006: 33) has privileged geography, structure, functions or degree of institutionalization.

This thesis focuses on the framework proposed by Aggarwal and Fogarty's in 2004 in the book *EU Trade Strategies between Regionalism and Globalism*, for three different reasons. First, because this is one of the most prominent works on interregionalism directly related to trade politics, and specifically, the trade relationships between the EU and regional partners. Second, because it uses a wide and comprehensive framework to explain interregional outcomes by combining outside-in and inside-out approaches. They explain the EU and the counterpart motivations through a mixture of systemic and internal factors, through privileging an inside-out view to interregionalism. However, our analysis uses only the part of this broad framework related to the counterpart and its cohesiveness. Finally, Aggarwal and Fogarty's work offers an enriched plurality of lenses as it captures different perspectives in the International Relations discipline ranging from power realism, interest driven liberalism and ideational

constructivism (see Hasenclever *et. at* 1999, Lake and Powell 1999, Wendt 1999, Ikenberry *et al.* 1989). Not only does it take into account an akin institutionalist 'single voice' framework, but also it looks at the preferences, identity and distribution of power within the regional. In addition, a strong point is that it considers the relational aspect of the relationship, namely that a counterpart's presence and behaviour may affect the other.

While Aggarwal and Fogarty's main analysis is focused primarily on the EU and its motivations for the development of interregional agreements, they also discuss how to satisfactorily account for interregional regime outcomes. They argue that, discounting the effects of the bargaining process, interregional regime outcomes are "a function of some constellation of received EU preferences and counterpart characteristics" (*ibid*: 17). Regarding the counterpart characteristics, they consider three general categories: the individual and collective preferences of the counterpart as well as the national and region-wide institutional structures; the power configurations both within the counterpart region and between the EU and the counterpart; and the counterpart coherence, which refers to the political, economic and cultural unity as opposed to with countries outside the region.

Thus, the first category looks at preferences and institutions of the regional counterpart. Specifically, they argue that the counterpart regions do not enjoy a level of institutionalization such as the EU, so the analysis should be primarily focused on the Member States preferences and institutions rather than trying to aggregate them in region-wide collective motivations. Second, one should consider also the economic power configurations within the counterpart region and the power imbalances between the EU and the counterpart. The willingness of the members towards negotiations will be affected by the asymmetries within the counterpart as well as by the asymmetries between the counterpart and the EU. And finally, they include a third category, counterpart coherence, defined as "degree to which the counterpart region manifests a clear and coherence zone of political-economic activity and the institutional underpinnings to represent that zone vis-à-vis the rest of the world" (*ibid*: 17). The coherence of the counterpart will be a function of four elements: if its limits are politically self-defined or defined by the EU; the portion of economic exchange within the region vis-à-vis the rest of the world; the match between the regional regime and the broadest possible definition of what constitutes the "potential" region in cultural and geographical terms; and the degree of institutionalization of the regime.

While excluded from the counterpart attributes, the authors use in their book another interesting variable that may relate to cohesiveness: the EU commercial treatment of the counterparts: "Different countries present the EU with different levels of political and economic challenges and

opportunities, and the EU's commercial treatment of these different countries will reflect this balance of opportunities and threats" (ibid: 22). In this respect, the EU may find strong differences among the constituent members of a region in terms of economic size, trade relationships or political understanding, and these differences may affect the incentives that both have in the negotiation. Because of the different economic and political opportunities in the counterpart, the EU may have strong incentives to treat them separately. In turn, the different incentives that the constituent members of the counterpart region face when negotiating with the EU may lead to different patterns of behaviour in the negotiation. Thus, this variable suggests an interesting approach to cohesiveness. The environment –i.e. the specific circumstances each actor faces when negotiating with the EU– must be considered in the analysis of cohesiveness in the counterpart.

In sum, interregionalism theory has not arrived to a consensus about what regional cohesiveness is when analysing interregional relationships. This essay takes Aggarwal and Fogarty's framework due to its linkages to trade politics, comprehensive approach and theoretical plurality. This model offers a liberal approach in terms of analysing institutions and preferences in the region; a both regional and systemic power-realist view; and also constructivist insights in the part of regional coherence. It also provides an interesting relational view on how in a negotiation a player may influence the cohesiveness of the other.

3. Measuring cohesiveness

This chapter proposes a methodology based on Aggarwal and Fogarty's model (2004) to test the hypothesis that the degree of cohesiveness of the regional counterpart of the EU has an impact on its interregional agreements success. The proposed method will serve to look at the degree of cohesiveness of the EU partners in all interregional agreements attempted since 1995. In order to establish the degree of cohesiveness, each section of this chapter define the expected relation with cohesiveness of each the four factors identified in the previous chapter as having an expected impact on cohesiveness of EU regional counterparts. Here cohesiveness is grouped among four main factors: institutions and preferences; regional power; regional coherence; and the EU presence. In order to establish criteria to establish the presence of these independent variables, some flexibility is required. Aggarwal and Fogarty establish the measurement of some of them, particularly regarding regional coherence and EU presence. In some others, the measurements have been developed with the help of further interregional and regional literature.

3.1 Regional preferences

The first variable needs some previous clarification to avoid confusion. We define this variable as *regional preferences* and it is defined as the result on how individual member states preferences and region-wide structures contribute to cohesiveness. Thus, we are not assessing any particular preference at the regional level, namely if the region is in favor of free trade or not. What we assess is how this preference is made up and aggregated through the similarities among member states preferences and the regional institutional mechanisms. The logic is akin to the interplay that liberal institutionalist authors made with institutions and preferences, such as Putnam's two level game (1988) or da Conceição-Heldt (2014). In their work, Aggarwal and Fogarty (2004: 16) evaluate both the individual member state and region-wide preferences as well as how region-wide institutional structures shape these preferences because they are looking a particular preference towards free trade. However, this section looks for a specific value on cohesiveness. In it has to be found not at the regional preferences but at the production of these preferences in both the regional and the state level. Thus, this section is divided in two. First, we establish the measurement on how regional institutions contribute to have a single voice. It has been widely explained in the previous chapter that most EU studies look at the regional institutional settings to assess the ability to speak as one in the global arena. But, as Aggarwal and Fogarty correctly point out, it is not

possible to establish the presence of regional preferences just by looking at the regional institutional framework “given the generally low level of institutionalized cooperation within counterpart regions” (ibid: 210). Thus, the second part of the section defines a methodology to evaluate the cohesiveness of member states preferences.

The ‘single voice’ concept, also referred as ‘the output dimension’, argues that having a strong institutional setting, the presence of centralized decision-making structures and delegation of powers to the negotiator, contributes to regional cohesiveness (Meunier 2000). The framework, used primarily in the case of the EU, has also been applied in the interregionalism literature (Faust 2006, Aggarwal and Fogarty 2004). Da Conceição-Heldt and Meunier (2014) argue that the ‘single voice’ of a region emerges from the internal prerequisites of actorness: authority and autonomy (Jupille and Caporaso 1999; see also Bretherton and Vogler 2006). Authority refers to the delegated competences to the regional level i.e. the degree of supranationalism in decision-making in a particular policy area. The institutional regional setting can hold decisions in the hands of the member states of the constituency, which would complicate the ability of the region to formulate internally consistent positions. On the contrary, competences delegated from the member states to the regional level would favor the cohesiveness of the group (Jupille and Caporaso 1999: 216). We would expect that the internal cohesiveness of the group increases if the decision-making competences in trade policy are allocated in the regional level.

In terms of internal decision-making constraints, it emerges a second distinction already discussed⁴. Interregionalism literature identifies the importance of the number of states involved in the interregional negotiations, which hampers the cohesiveness of the region. The increasing number of actors in the regional table is expected to make more difficult the progress to interregional agreement (Faust 2006: 159; see Hänggi *et al.* 2006). This viewpoint emerges from the literature on comparative politics, which commonly analyzes institutions in terms of the number of veto players within the political system. The number of veto players in a polity refers to the actors “whose consent is necessary to change the status quo” (Tsebelis 2002). Thus, the probability of agreement at the regional level declines as the number of veto players increases (Mansfield *et al.* 2007; O’Reilly 2005; Sebenius 1983). One would expect that the number of veto players in a region would have a negative impact on its cohesiveness.

The second prerequisite of actorness, autonomy, refers to the level of delegation to a single negotiator. When negotiating at the international level, the Member States in a particular region can opt to reduce decision-making costs and delegate the negotiating powers to a third authority (Majone

⁴ Not included in this paper

2001: 103). Thus, not only a 'single voice' –the unity in the position defended internationally– contributes to cohesiveness, but also having a 'single mouth' i.e. the unity of the messenger –the number of actors in the region taking the negotiating floor– (Delreux 2014: 1020-1021). By delegating, the agent enjoys a certain level of discretion and increases the ability of the region to hold a consistent position externally even when the preferences of the principals diverge (Dür and Elsig 2011, Franchino 2004). Therefore, we would expect that delegation of negotiating powers to a single negotiator would increase the regional cohesiveness.

The second part, measuring preferences –or the regional 'input'– presents some methodological complications. Aggarwal and Fogarty (2004: 7-10) suggest to look at the willingness of the national societal groups to establish commercial agreements and the effects of the national institutions on shaping such preferences. However, observing the preferences presents methodological problems as one may find a never-ending collection of "boxes within boxes" (Frieden 1999: 46; see also Lake and Powell 1999). The preferences of an actor examined in a particular context may be a mere strategy to pursue its means in that specific environment. By observation, one may not obtain the real preferences but a particular strategy which would tell little of how this relates to cohesiveness. Thus, going too deep would complicate our already broad analysis. Moreover, measuring preferences do not imply *per se* the measurement of any cohesiveness. On the contrary, using Aggarwal and Fogarty's model, we only would obtain the inclination of a particular constituency towards free trade.

Internal cohesiveness implies having the ability to formulate internally a consistent position with a single voice which, in Robert Putnam's words, would imply the existence of a win-set. In his 'two-level' game (1988), a consistent position at a certain level is attained when the win-sets of the players within the constituency overlap. A win-set is defined as all the range of possible agreements in this particular level of government (ibid: 437). Although Putnam's model has been originally employed to the interplay between the domestic constituency of a state and the international level, some authors have applied it to a region in the case of the EU (Fenhoff-Larsen 2007; Meunier 2000). We can expect a higher degree of cohesiveness when having homogeneous preferences among the members of the region since it will make more likely to reach a consistent position (Delreux 2014: 1031; see also Milner 1997). Thus, measuring preferences from a cohesiveness perspective must imply the measurement of the variation of these preferences among the member states that form a specific region. This view solves the cohesiveness puzzle but not the free trade puzzle i.e. a region could show a high level of coherence towards free trade because all members are against trade liberalization.

A possible solution from the interregionalist literature is brought by Hettne with the concept of *regionness*, described as internal cohesion and identity formation (Hettne 2014; see also Hettne and Söderbaum 2010). Hettne relates internal cohesion to regionalization: “when different processes of regionalisation intensify and converge within the same geographical area, the cohesion —and thereby the distinctiveness of the region in the making— increases” (Hettne 2014: 58). He identifies three simultaneous processes of regionalization: regime convergence, economic homogenization, and relaxed security relations. Regime convergence implies the homogenization of essential features of the political system, such as the adoption of the *acquis communautaire* as a precondition for joining the EU. Economic homogenization is associated with uniform national adaptations to globalization. And relaxed security relations are equated to the existence of a security community (Deutsch 1957). One would expect that political, economic and security homogeneity in the region would lead to a higher degree of cohesiveness.

3.2. Intra-regional distribution of power

In contrast to the sharp relationship that literature establishes in the positive effects on cohesiveness of homogeneity of preferences and regional aggregating institutional mechanisms, there is more controversy on the effects on its relation with the distribution of power within a regional group. Even Aggarwal and Fogarty in their theoretical framework leave the effects of power distribution open to interpretation. They attempt to assess the way that “(economic) power considerations within the counterpart affect the willingness of all members of the region to engage in interregional ties within the EU” (Aggarwal and Fogarty 2004: 16). In other words, they bet that the configurations of power in the counterpart shape the intensity of preferences towards an agreement. However, the effects that power has in the region’s ability to present externally a consistent position are not developed. And in addition, neither the literature agrees on the subject. A stream argues that cohesiveness is positively related to power asymmetry whilst others argue the opposite: that more symmetry leads to a high degree of cohesiveness. We suggest a U-shaped relationship in which both a hegemonic domination and a very symmetric distribution of power correlates positively with regional cohesiveness.

A wide range of literature, from realist to constructivist authors, emphasizes the effects that a hegemonic domination has in regional cohesiveness. Realists, for instance, claim that power politics dominates over any institutional setting –or that the institutional setting is a function of power politics–. Consequently, aggregated regional preferences are explained through the economic preferences of powerful member states within the

region (Hyde Price 2006, Grieco 1988). The strongest economic countries in the region may use their influence through persuasion and coercion mechanisms to manipulate the weaker countries economic preferences and make them accept the deal. The existence of a regional hegemon would enhance the cohesiveness of a region whilst its absence would affect it negatively.

On the other side, a prominent amount of interregionalism literature argues the opposite. Roloff (2006: 28) claims that regional cooperation is driven by symmetries in interdependence because the states perceive that gains of cooperation will be symmetrical. Therefore, a relatively equal distribution of power across the region would be the main driver of cohesiveness. Similarly, Weiland (2006: 188-189) argues that power asymmetries and heterogeneity between member states within a region complicate regionalization. In his study, he mentions Rooyen's (1998) work on integration studies which proves that similar levels of industrial development and broadly similar economic and political systems stimulate efforts towards regional integration.

3.3. Coherence of the region

Aggarwal and Fogarty's refer to the counterpart *coherence* as "the degree to which the counterpart manifests a clear and coherent zone of politic-economic activity and the institutional underpinnings to represent that zone vis-à-vis the rest of the world" (Aggarwal and Fogarty 2004: 17). Other studies in interregionalism have linked identity and cohesiveness (Higgott 2014: 102, Doidge 2014, Hettne and Ponjaert 2014: 120, Hettne 2014). Such coherence is linked to identity building studies and is represented in four dimensions: the extent to which the region is politically self-defined, the interdependence of the intraregional trade vis-à-vis the rest of the world and "the extent to which existing political-economic manifestations of the regions reflect current understandings of the 'potential' region" (Aggarwal and Fogarty 2004: 210), and the degree of institutionalization of any existing regional regime. This subsection excludes the last category, as institutionalization of the region has already treated in the Section 3.1.

Regarding the political aspect, the authors opt for a binary category to distinguish whether the region was self-defined by its member states or whether it was defined by the EU. The authors uphold that it can provide a fair indication of the self-generated will to create a regional bloc. The expectation is that a self-defined region would show a higher degree of cohesiveness than a region EU-defined. On the economic aspect, Aggarwal and Fogarty measure the intraregional economic integration, namely the percentage of intra-regional trade as opposed to the trade with the rest of

the world. They argue that the level of economic integration creates incentives for cohesiveness, either for creating or for strengthening the regional bloc (see also Ribeiro Hoffmann 2016). We expect that regions with higher intra-regional trade relative with the economic exchange outside the region would show a higher degree of cohesiveness.

Finally, the last criterion requires some more attention. The authors themselves recognize that this variable is much more difficult to assess objectively even for the case of the EU. The variable refers to the percentage of the 'potential region' represented in any existing bloc. In other words, the ideal 'potential region' should be geographically or culturally consistent with the existing regional regime. Aggarwal and Fogarty determine that existing ideas on the cultural, political or geographic cohesion of the bloc shape in turn the region identity which impacts on its cohesiveness. Thus, one would expect a higher degree of cohesiveness in regions where the broad understanding of the potential region is proportionally closer with the eventual formal members of the regime. For instance, the EU does not fit in what is considered to be Europe. Although many disparities exist in assessing the geographical or cultural limits of Europe, a complete EU should include, at least, countries such as the Balkans, Switzerland or Norway.

3.4. The role of the EU

Regional cohesiveness may also be affected by external factors. Particularly, Aggarwal and Fogarty claim that the EU may have different economic and political interests within the region, which in turn may lead to treat the countries in the counterpart region differently (2004: 22). Holland (2006: 259-260) has also referred to the problem that the EU different treatment on the counterparts provokes on the cohesiveness of the ACP regional groups. Aggarwal and Fogarty operationalize the different commercial treatment of the counterpart in two factors: the degree of uniformity of EU treatment of specific countries in the counterpart region and the type of agreement that the EU negotiates with the counterpart, whether interregional, subdivided interregional or bilateral. The first factor posits little problems for the analysis but the second would need a reformulation. The type of agreement that the EU negotiates with the counterpart is a factor akin to our dependent variable, and including this factor as an independent variable may easily incur in a tautology. Thus, the assessment should be made ex-ante: the factors than can incentivize the EU to opt for a regional or a bilateral agreement.

Starting with the first factor, the degree of uniformity of EU treatment, leads us to have a look to the different commercial treatments that each member

of the counterpart individually may enjoy with the EU before starting a interregional negotiation: either may benefit from the Most Favoured Nation treatment, whether the specific country has no other alternative instrument from the EU, or some kind of specific commercial preference, which may be the SGP, SGP+ or EBA. These three instruments are special advantages in terms of tariff reductions that the firms in the third country enjoy for exporting to the EU market. Literature contends that the other alternatives available in a negotiation shape the BATNA (Best Alternative To Negotiated Agreement) that actors have. A party with a high BATNA would be less willing to make concessions in a new agreement as it already benefits from an advantageous alternative. On the contrary, an actor with a low BATNA would be more interested in reaching an agreement at any cost (Lax and Sebenius 1999, Putnam 1988). The incentives for the counterpart Member States to accept a regional agreement will be affected by the alternative instrument that they enjoy. Therefore, we may expect that cohesiveness would be affected by the variation within the alternative commercial instruments that the Member States in the counterpart region enjoy during the negotiations.

The second factor, the type of agreement –interregional or bilateral– that the EU uses with the counterpart, must be reconsidered. For its operationalization we must walk one step behind and look at the EU’s “inclination to deal with these countries as a single group or plurally” (Aggarwal and Fogarty 2004: 22). These inclinations, according to the authors, are affected by systemic power and security considerations and the EU’s commercial treatment will reflect this balance of opportunities and threats “giving the EU a strong incentive to negotiate separate terms with the countries” (ibid). Economic incentives have been typically operationalized through the economic size of the counterpart (da Conceição-Heldt 2014: 983, Damro 2013; Drezner 2007). Thus, one may expect that the EU inclination to negotiate separately with large countries in the region will affect the level of cohesiveness in the counterpart.

In order to assess more accurately the impact of an external actor on the cohesiveness of a region, one must take into account its capacity to exert influence beyond its borders i.e. by its *presence* (Bretherton and Vogler 2006: 2). Aggarwal and Fogarty refer it in a rationalistic way and expect that the EU may use its highest relative size in the negotiations and influence on the attitudes of the counterpart with sanction and rewards (ibid: 20). For instance, “the EU can best punch its weight in international politics by granting and/or restricting access to the large and rich European market” (ibid: 13). Presence has been largely used as well from social constructivist viewpoints to explain how the EU influences on strengthening regional cohesiveness and identity-building of the other in an interregional relationship. Ian Manners (2001: 11) refers to it as “meta-regionalism”, in

which the EU implicitly and explicitly promotes *mimétisme* (regional replication) in other regions (see also Gilson 2004, 2002). The same idea has been coined as 'regionalism through interregionalism' (Hänggi 2003), developed by Doidge (2014: 45) in a more utilitaristic way. He claims that the effects on cohesiveness are greater when a regional actor is confronted by a relatively stronger external other. The weaker actor needs greater coordination and feels compelled to build intra-regional institutions as a product of engagement with a more coherent external other.

A more systematic way to operationalize the EU's *presence*, or its capacity to exert influence beyond its borders, has been described by Hettne (2014). He defines it as a complex and comprehensive material variable, using territorial and population size, the relative importance in the specific issue area, the scope of its external activities, economic strength, military power and the relative dependence upon the others market. Therefore, we would expect that the relative capabilities of the EU vis-à-vis the regional counterpart would influence positively on its cohesiveness.

Bibliography

Aggarwal, V.K. and Fogarty, E. (eds.) (2004) *EU Trade Strategies between Regionalism and Globalism*, Palgrave: Houndmills.

Baert, F., Scaramagli, T. and Söderbaum, F. (eds.) *Intersecting Interregionalism: Regions, Global Governance and the EU*, Dordrecht: Springer.

Börzel, Tanja A. and Risse, Thomas (2016) 'Introduction', In: Börzel, Tanja A. and Risse, Thomas (eds.) *The Oxford Handbook of Comparative Regionalism*, 1-14.

Bretherton, C. and Vogler, J. (2006) *The EU as a Global Actor*, London and New York: Routledge.

Conceição-Heldt, E. (2014) When speaking with a single voice isn't enough: bargaining power (a) symmetry and EU external effectiveness in global trade governance, *Journal of European Public Policy*, 21(7): 980-995.

Conceição-Heldt, E. and Meunier, S. (2014) 'Speaking with a Single Voice: Internal Cohesiveness and External Cohesiveness of the EU in World Politics', *Journal of European Public Policy* 21(7): 961-979.

Damro, C. (2012) Market Power Europe, *Journal of European Public Policy* 19(5): 682-699.

Delreux, Tom (2014) EU actorness, cohesiveness and effectiveness in environmental affairs, *Journal of European Public Policy*, 21(7):

Deutsch, K. et al. (1957) *Political Community: North-Atlantic Area*. New York: Greenwood Press.

Drezner, D. (2007) *All Politics is Global: Explaining International Regulatory Regimes*, Princeton, NJ: Princeton University Press.

Doidge, M. (2014) Interregionalism and the European Union: Conceptualizing Group-to-Group Relations; In: Baert, F., Scaramagli, T. and Söderbaum, F. (eds.) *Intersecting Interregionalism: Regions, Global Governance and the EU*, Dordrecht: Springer, 37-54.

Dur, A. and Elsig, M. (2011) Principals, agents, and the European Union's foreign economic policies, *Journal of European Public Policy*, 18(3), 323-338.

Franchino, F. (2004), 'Delegating Powers in the European Community', *British Journal for the Philosophy of Science*, 34: 269-93.

Faust, J. (2006). The European Union's relations with Mercosur: The issue of interregional trade liberalization. In H. Hänggi, R. Roloff, & J. Rüländ (Eds.), *Interregionalism and international relations* London: Routledge, 155–167.

Fenhoff-Larsen, M. (2007) Trade Negotiations between the EU and South Africa: A Three-Level Game, *Journal of Common Market Studies*, 45(4): 857-881.

Frieden, J.A. (1999) "Actors and Preferences in International Relations"; In Lake, D.A. and Powell, R., *Strategic Choice and International Relations*, Princeton: Princeton University Press: 39-76.

Gilson, J. (2002) *Asia Meets Europe: Inter-Regionalism and the Asia–Europe Meeting*, Cheltenham: Edward Elgar.

Gilson, J. (2004) "Weaving a New Silk Road: Europe Meets Asia"; In Aggarwal, V.K. and Fogarty, E. (eds.) (2004) *EU Trade Strategies between Regionalism and Globalism*, Palgrave: Houndmills, 64-91.

Grieco, J. (1988) Anarchy and the Limits of Cooperation: A Realist Critique of the Newest Liberal Institutionalism, *International Organization*, 42(3): 485-507.

Hänggi, R. (2003) "Regionalism Through Inter-regionalism: East Asia and ASEM," in F. Liu and P. Régnier (eds) *Regionalism in East Asia: Paradigm Shifting?* London: Curzon Press.

Hänggi, R. (2006) "Interregionalism as a multifaceted phenomenon"; In Hänggi, R., Roloff, R. and Rüländ, J. (eds.) *Interregionalism and International Relations*, Abingdon: Routledge, 31-62.

Hasenclever, A., Mayer, P. and Rittberger, V. (1997) *Theories of International Regimes*, Cambridge: Cambridge University Press.

Hardacre, A. and Smith, M. (2014) The European Union and the Contradictions of Complex Interregionalism; In: Baert, F., Scaramagli, T. and Söderbaum, F. (eds.) *Intersecting Interregionalism: Regions, Global Governance and the EU*, Dordrecht: Springer, 91-106.

Hemmer, C. and Katzenstein, P. (2002) Why Is There No Nato in Asia? Collective Identity, Regionalism, and the Origins of Multilateralism, *International Organization* 56(3), 575-607.

Hettne, B. (2014) Regional Actorship: A Comparative Approach to Interregionalism; In: Baert, F., Scaramagli, T. and Söderbaum, F. (eds.) *Intersecting Interregionalism: Regions, Global Governance and the EU*, Dordrecht: Springer, 55-70.

Hettne, B. and Ponjaert, F. (2014) Interregionalism and World Order: The Diverging EU and US Models, In Telò, Mario (2014) *European Union and new regionalism : competing regionalism and global governance in a post-hegemonic era*, Farnham, Surrey, UK: Ashgate, 115-139.

Hettne, Björn and Söderbaum, Fredrik (2010) Theorizing the Rise of Regionness, *New Political Economy* 5(3), 457-472.

Higgott, R. (2014) Alternative Models of Regional Cooperation? The Limits of Regional Institutionalization in East Asia, in Telò, Mario (2014) *European Union and new regionalism : competing regionalism and global governance in a post-hegemonic era*, Farnham, Surrey: Ashgate, 87-114.

Holland, M. (2006) “‘Imagined’ interregionalism: Europe’s Relations with the ACP; In Hanggi, R., Roloff, R. and Rüländ, J. (eds.) *Interregionalism and International Relations*, Abingdon: Routledge, 254-271.

Hyde-Price, A. (2006) “‘Normative’ power Europe: a realist critique’, *Journal of European Public Policy*, 13(2): pp. 217–34.

Ikenberry, G.J., Lake, D.A. and Mastanduno, M. (1989) ‘The State and American Foreign Policy Economy’, *International Organization* 42(1): 1-14.

Jacobs, A. (2001) *Die europäisch-arabische Zusammenarbeit*, Köln: SH Verlag.

Jupille, J. and Caporaso, J.A. (1998) ‘States, Agency and Rules: The European Union in Global Environmental Politics’ in Rhodes, C. (ed.) *The European Union in the World Community* (Colorado: Lynne Rienner Publishers Inc.): 213-230

Keohane, R.O. and Nye, J.S. (1977) *Power and Interdependence: World Politics in Transition*, Boston: Little-Brown.

Lax, D.A. and Sebenius, J.K. (1999) ‘The Power of Alternatives or the Limits to Negotiation’, in J.W. Breslin and J.Z. Rubin (eds) *Negotiation Theory and Practice*, Cambridge: The Program on Negotiation at Harvard Law School.

Lake, D. and Powell, R. (eds.) *Strategic Choice and International Relations*, Princeton: Princeton University Press.

Majone, G. (2001) Two logics of delegation: agency and fiduciary relations in the EU governance, *European Union Politics* 2(1): 103-122.

Manners, I. (2001) The 'Difference Engine': Constructing and Representing the International Identity of the European Union. Copenhagen: Copenhagen Peace Research Institute.

Mansfield, E.D., Milner, H.V., and Pevehouse, J.C. (2007) 'Vetoing Cooperation: The Impact of Veto Players on International Trade Agreements', *British Journal of Political Science*, 37(5): 403-32.

Meunier, S. (1998) 'Divided but United: European Trade Policy Integration and EU-U.S. Agricultural Negotiations in the Uruguay Round', in C. Rhodes (ed.), *The European Community in the World Community*, Boulder, CO: Lynne Rienner.

Meunier, S. (2000) "What Single Voice? European Institutions and Eu-US Trade Negotiations", *International Organization*, 54(1): 103-135.

Meunier, S. and Nicolaïdis, K. (1999) 'Who Speaks for Europe? The Delegation of Trade Authority in the EU', *Journal of Common Market Studies*, 37(3): 447-501.

Milner, H.V. (1997) *Interests, Institutions and Information: Domestic Politics and International Relations*, Princeton: Princeton University Press.

O'Reilly, R. F. (2005) 'Veto Points, Veto Players, and International Trade Policy', *Comparative Political Studies*, 38(6): 652-75.

Payne, A. (ed.) (2004) *The new regional politics of development*, London: Palgrave.

Putnam, R. D. (1988), *Diplomacy and Domestic Politics: The Logic of Two-Level Games*, *International Organization*, 42(3): 427-460.

Söderbaum, F. and Van Langenhove, L. (2005) Introduction: The EU as a Global Actor and the Role of Interregionalism, *Journal of European Integration*, 27(3): 249-262.

Ravenhill, J. (2004) "Back to the Nest? Europe's Relations with the African, Caribbean and Pacific Group of Countries"; In Aggarwal, V.K. and Fogarty, E. (eds) (2004) *EU Trade Strategies between Regionalism and Globalism*, Palgrave: Houndmills, 118-147.

Ribeiro-Hoffmann, Andrea (2016) 'Inter- and Transregionalism', In: Börzel, Tanja A. and Risse, Thomas (eds.) *The Oxford Handbook of Comparative Regionalism*, 600-618.

Roloff, R. (2006) "Interregionalism in theoretical perspective"; In: Hänggi, H., Roloff, R. and Rüländ, J. (eds.) *Interregionalism and International Relations*, London and New York: Routledge, 17-30.

Rooyen, C. van (1998) "Regional Integration as a Development Strategy: the Case of the SADC," *Africa Insight*, 28(3/4): 125-131.

Rüländ, J. (2006) "Interregionalism: An unfinished agenda"; In Hänggi, R., Roloff, R. and Rüländ, J. (eds.) *Interregionalism and International Relations*, Abingdon: Routledge, 295-313.

Rüländ, J. (2010) Balancers, Multilateral Utilities or Regional Identity Builders? International Relations and the Study of Interregionalism, *Journal of European Public Policy* 17(8): 1271-1283.

Rüländ, J. (2014) Interregionalism and International Relations: Reanimating an Obsolescent Research Agenda? In: Baert, F., Scaramagli, T. and Söderbaum, F. (eds.) *Intersecting Interregionalism: Regions, Global Governance and the EU*, Dordrecht: Springer, 107-127.

Sebenius, J. K. (1983) Negotiation arithmetic: Adding and subtracting issues and parties, *International Organization*, 37(2): 281-316.

Smith, K. E. (2003). *European Union foreign policy in a changing world*, Cambridge: Polity Press.

Telò, Mario (2014) *European Union and new regionalism : competing regionalism and global governance in a post-hegemonic era*, Farnham, Surrey, UK: Ashgate.

Tsebelis, G. (2002) *Veto Players: How political institutions work*, Princeton: Princeton University Press.

Weiland, H. (2006) "The European Union and Southern Africa"; In Hänggi, R., Roloff, R. and Rüländ, J. (eds.) *Interregionalism and International Relations*, Abingdon: Routledge, 185-198.

Wendt, A. (1999) *Social Theory of International Politics*, Cambridge: Cambridge University Press.