

***Conference on
EU and the Emerging Powers***

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organised by

Center for European Studies at UCL

Leuven Centre for Global Governance Studies, KU Leuven

College of Europe

Department of Political Sciences, Ghent University

Department of Political Science, ULg

Institute for European studies at VUB

Institute for European Studies at ULB

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THEME OF THE CONFERENCE

Aim of the conference

*Unprecedented and unpredictable events and developments since the start of the 21st century are forcing a radical revision of EU and emerging powers perspectives on global governance. The purpose of this conference will be to analyze **how emerging powers influence the EU's external policies and its global governance strategy across four key dimensions: trade, development and finance; environment and energy; security; and human rights.***

Sketching the context

The last two decades have seen a profound shift in the global balance of power. Most of the 20th century was characterized by a confrontation of ideologies of the Soviet and Western blocks and by the economic hegemony of the triad (US, Western Europe and Japan). Europe was divided between these blocks along the Cold War lines but gained weight as an economic –and to a lesser extent– global actor thanks to an exceptional growth rate after WWII and to an expanding integration process. The collapse of the USSR, which started in the late 1980s, seemed to lead to the geopolitical supremacy of the US combined with a strengthening of Europe in economic affairs as a result of the creation of the Single Market, the adoption of the Euro, the strengthening of the integration process and the enlargement process.

Right after 1989, Western powers appeared to be in a position to impose their standards for global governance. In the economic sphere, the Uruguay Round and the Washington Consensus reflected the adoption of the western free-trade capitalist model with limited state intervention. In the political sphere, the end of the Cold War seemed to witness the inevitability of the universal modern state model based upon the Western secular multi-party parliamentary state system. Many of the Latin American, African and Asian military dictatorships were progressively replaced by civilian governments with electoral processes. The one-party “socialist” model was overthrown in Europe and seriously challenged in China. The end of the Cold War and the industrialization of emerging economies moved environmental issues to the forefront of global concerns. Here, Europe took a leading role in the Rio and Kyoto processes, trying to impose binding targets to limit climate change and to promote sustainable development. Regarding security, the US, as the unrivalled military superpower began taking advantage of the *peace dividend*, to substantially reduce its military expenditures. In parallel, Europe seemingly gained more autonomy as a political and strategic global actor with the development of the CFSP. Western powers appeared to maintain their centuries-old hegemony.

Over the next two decades, developments in the world economy changed this situation and weakened the legitimacy and leverage available to Western powers to impose their concepts of global governance on the world. The 1990s witnessed an unprecedented internationalization of production processes by transnational corporations with the relocation of many of their labour intensive or low tech stages of production to emerging economies. This served to accelerate the industrialization process of the developing world and generated technological spill-overs that enabled some emerging economies to upgrade their

technological and manufacturing capabilities. Manufacturing activities shifted progressively from Western and Japanese economies to emerging economies, with some of them experiencing historical growth performances.

In the first decade of the 21st century (2000- 2010) financial liberalization as characterized by the Washington Consensus was seriously challenged by major emerging powers following a decade of financial turbulence punctuated by crises in the largest economies of the developing world such as Mexico, Thailand, Russia, Brazil, Argentina and Turkey. These crises were often accompanied by a wave of take-overs of national firms in these developing economies by Western transnational corporations. Large swathes of the economic and political elites in emerging economies came to consider that these financial crises were ruthlessly exploited by Western investors to take over national strategic assets. In response, emerging states openly argued in favour of national champions and industrial policies to protect the infant industry, capital control and interventionist exchange rate policies. The new balance of economic power combined with a rise in the price of commodities strengthened the bargaining position of these emerging powers. During the Doha round they were able to resist the agenda of Europe and the US. The economic crisis in 2008 and financial mismanagement in Western economies have struck further blows to the credibility and legitimacy of the Washington consensus and the Western model of economic governance. The concept of the “Beijing consensus”, although not precisely defined nor explicitly endorsed by emerging economies, was coined to emphasize the absence of a universal economic model.

Accelerated industrialization and the relocation of manufacturing and services activities by transnational corporations to emerging economies has also changed the patterns of energy needs and environmental damage thus transforming the largest developing economies into key players in climate and environmental governance as shown in the 2009 Copenhagen climate change conference. These phenomena have also led to increased competition for access to energy resources between newly emerging economies, most notably China, and the most advanced economies of the West and Japan.

The new economic configuration and energy challenges have generated a global diffusion of power in which the US hegemony might progressively be contested, affecting Europe’s foreign and security policies. Despite playing an important role in global governance, Europe has still not managed, two decades after the end of the Cold War, to transform itself into a coherent and credible global political actor. The conflicts in Iraq or Libya have highlighted the contradictions between the largest Member States as well as the opacity and weakness of the EU's institutional framework for foreign policy. The lack of growth in the EU military budget, which lags far behind that of the US and even those of emerging powers, will inevitably impose heavy constraints on its security autonomy.

Politically, the Western model of Democracy, Rule of law and Human rights is far from being universally accepted as some believed in 1989. Debates on the existence of Western, Russian, Asian or Islamic cultural values and their possible effects on political systems and conceptions of Human Rights explain to a large extent the difficulties for the EU to export some of its key political concepts. In this respect, the application of a policy of conditionality when dealing with emerging powers has increasingly become inefficient.

Four key dimensions in EU-emerging powers relations

The unpredictable developments observed at the beginning of the 21st century have therefore completely changed the perspectives of the EU as a key actor in the global governance. The purpose of this conference will be to analyze how the recent rise of emerging powers has affected the EU's external policies and its global governance strategy across four key dimensions:

- The first dimension will focus on global economic governance to cover the EU relations within a multi-polar world trading and financial system as well as the adaptation of EU development policies to this new context. It will cover issues such as trade and development policies in the EU and emerging powers, the role of the EU and emerging powers in the post-Doha WTO, the economic diplomacy of the EU vis-à-vis emerging powers, or the reform of international monetary and financial system seen by the EU and the various emerging powers.
- The second dimension will examine global governance issues on energy and the environment. It will analyze the differences and similarities between the EU and the emerging powers in their approaches to and positions on current environmental and energy problems, challenges for European climate and environmental diplomacy, the changes provoked by emerging powers and their effect on EU energy and environment policies, as well as prospects for future global environmental governance in the context of changing power equilibria.
- The third dimension will center on global security, looking at how the rise of emerging powers affects the traditional European network of alliances (notably the transatlantic link), the strategies of the EU and largest EU Member States in the different regions of world and at the global level.
- The fourth dimension will focus on the Rule of law, Democracy and Human rights. Three core values that are regularly discussed in international fora. It will address the soft power capacity of the EU to influence global governance on these issues and how this influence might be challenged or supported by emerging powers. It will also compare the European definitions and understanding of the Rule of law, Democracy and Human rights with those of emerging powers and consider the impact of diverging considerations on bilateral and multilateral dialogues.