12 Liberal Intergovernmentalism and EU External Action

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Liberal Intergovernmentalism (LI) is the contemporary 'baseline' theory of European integration and policy-making. It portrays states as boundedly rational actors pursuing national interests through intergovernmental bargaining and the construction of common functional institutions that help overcome collective action problems. Though analysts generally agree that these assumptions fit the field of external action of the European Union (EU) well, LI has been less often applied in this area than it could be. Doing so more explicitly, and combining LI with a liberal theory of world politics generally, helps explain why European states have taken the substantive external policy decisions they have, as well as why and how they have centralized and formalized action via the EU institutions in some areas but not others. Europe's economic, diplomatic and even military interventions on the global stage are far more robust and effective than most analysts concede – as illustrated most strikingly by the European response to the 2014 Russian invasion of Ukraine.

Introduction

Judged by its capabilities, actions and impact, Europe is the world's 'second superpower' (Moravcsik, 2009, 2010, 2017). In most respects, it has more impact on global affairs than China and, in many, even than the United States (US). Over the past five years alone, the European Union (EU) has deployed a wide range of military, economic and legal instruments to stabilize Ukraine against Russian aggression, guide the peaceful development of six Western Balkan countries, deter US President Trump from launching the type of full-fledged 'trade war' he waged against China, impose regulatory settlements on US-based tech giants, and reduce irregular cross-Mediterranean migration tenfold. Since the end of the Cold War, Europe has organized and participated in dozens of civilian and military operations and missions abroad – a record second only to the US. An acknowledged trade superpower, Europe manipulates access to the world's largest trading block to underscore its indispensable part of any global trade negotiation. The 'Brussels effect' extends the power of EU regulators across the globe – arguably a broader and deeper impact than that of any single country (Bradford, 2020). Europe provides nearly half of the world's development and humanitarian aid. Europeans have long been the most consistent supporters of global international law and institutions, keeping organizations like the World Health Organization and the United Nations (UN) in general alive, notwithstanding sporadic US disapproval. Even where the EU does not win out, it plays a decisive role keeping goals such as Iranian denuclearization, climate change mitigation, and the International

Criminal Court on the global agenda. European countries dominate the top 20 list of most admired and emulated political and social systems – and some among them serve as important models for new constitutions across the globe (US News, 2020).

Yet the majority of analysts, both inside and outside academia, broadly classify EU external action as ineffective, incoherent, decentralized and suboptimal. Criticism of Europe as a dysfunctional foreign policy power is hardly new. In a seminal article on EU foreign policy, Christopher Hill (1993, 307, 315) complained that 'too much of the discussion [is] normative', by which he meant that analysts 'talk up' the EU, but then it cannot 'fulfill the new expectations ... often irrationally ... held of it'. He termed this phenomenon the 'capability–expectations gap'. Today, the 'capability–expectations gap' remains as wide as ever. Analysts and officials still counsel more common financing and granting of more formal authority to EU institutions so Europe can project more influence abroad.

To explain Europe's apparently self-defeating weakness, most of these critics harken back to arguments Stanley Hoffmann (1966) advanced half a century ago. Perhaps states refuse to collaborate in matters of 'high politics' that touch 'core state powers' such as foreign policy and national defence because such issues are simply too important (Genschel and Jachtenfuchs, 2016). Perhaps common policies are obstructed by national bureaucrats seeking to protect their narrow prerogatives (Koenig-Archibugi, 2002). Perhaps citizens harbour intense worries over 'national identity', allowing politicians to politicize centralization and quash efforts to strengthen supranational power (Hooghe and Marks, 2009, 3, 18; McNamara, 2015). Or perhaps states overlook the benefits of coordination because they lack sufficiently visionary domestic or international policy entrepreneurs or sufficiently credible commitment mechanisms (Hoffmann, 1966; Moravcsik, 1999).

Claims that such forces are blocking necessary centralization of power in Brussels overlook another possibility, namely that the current level and institutionalization of the EU's external action is carefully calibrated to serve the functional interests of member states and their constituents. To persuasively argue that the current mix of more and less centralized policies suits the preferences, relative power and collective action problems facing European governments, however, requires a theoretical apparatus that helps analyse empirically how states might be expected to act optimally. Liberal Intergovernmentalism (LI) offers such a framework. It currently plays the role of a 'baseline' theory of European integration: studies of the EU scholarly literature show that empirical research tends either to confirm LI or to use it as a broad baseline from which to identify anomalies (Naurin, 2018). In the fields of history, political science and policy analysis, LI (or explanations that closely resemble it) now dominate broad interpretations of European integration since 1957 (e.g. Milward, 2000; Bickerton et al., 2015).

Below we set forth LI's basic tenets and show how they can be applied to EU external action. Viewed through this theoretical lens, EU external action appears more effective than most analysts credit. We illustrate this difference through a case study of Europe's response to the 2014 Ukraine crisis, the most significant great power security challenge it has faced in a quarter-century.

State of the art: Liberal Intergovernmentalism and EU external action

Liberal intergovernmentalism posits that integration (or its absence) emerges at the end of a three-stage causal (and generally temporal) sequence. States first define basic substantive preferences, then bargain among themselves to reach agreements, and finally create (or adjust) regional or domestic institutions to implement those outcomes. Each stage is distinct: variation in the outcomes is explained by three separate (though related) mid-range theories. This tripartite framework follows from relatively uncontroversial assumptions shared by most theories of interstate cooperation: state–society relations reflect interdependence, states play a critical political role, and boundedly rational governments enter into policy commitments under considerable uncertainty (Keohane, 1984, 10; Moravcsik, 1997).

While relatively little scholarship explicitly applies LI's three-stage process to instances of EU external action (e.g. Richter, 2016; Gstöhl, 2002), many scholars interested in explaining policy outcomes implicitly follow it. In much, perhaps most, recent research in this field, states pursue distinct and enduring national interests, make policy through interstate negotiation or design institutions to coordinate and enforce those policies (e.g. Pohl, 2014). Yet LI's role is less explicit here than in the study of other EU policies. One reason is that, until recently, the literature on external action has been less grounded in social science theory than other branches of EU Studies (Adler-Nissen, 2015, 29). Yet even among an increasing number of theoretically informed studies, 'what is currently missing [is a] major theoretical work applying liberal IR theory to increased European foreign and security policy cooperation' (Krotz and Maher, 2011, 571). As a result, we know less than we should about 'how domestic and transnational societal coalitions, interdependence, domestic institutions and perhaps values shape state preferences' over external action, how European states bargain with one another in this area, what combination of established institutions and ad hoc coalitions of the willing makes sense for the external action of the EU and its member states, and why scholars tend to overlook these things if they focus, as do realists, on 'military capabilities' rather than, as do liberals, on Europe's 'comparative advantage ... in projecting civilian influence: economic influence, international law, "smart" and "soft" power' (ibid.). This gap presents an opportunity for scholars today to improve our theoretical understanding of external action (Engberg, 2014; Bickerton et al., 2015).

Stage one: sub-national demands to manage issue-specific interdependence explain national preferences

The first step in the LI framework is for states to form 'national preferences', meaning that they identify the substantive goals that underlie (and, thus, for instrumental states, logically precede) the specific objectives, policies and tactics they pursue (Moravcsik, 1997). At the heart of liberal theory lies the premise that foreign

policy, like domestic policy, is embedded in a web of economic, social, and cultural interdependence. Accordingly, LI rejects the traditional conceptions of national preferences as hierarchically subordinated to a single broader objective, as when economists explain policy as promoting 'aggregate welfare' or military planners invoke 'national security'. In the LI view, the main source of such pre-strategic preferences are (immediate or anticipated) demands from powerful sub-national stakeholders in society or the state to regulate transnational interdependence in specific ways. These issue-specific demands change in response to exogenous shocks, autonomous developments in the structure of economic, cultural or social interdependence. Politicians in national institutions then aggregate and filter those demands, necessarily favouring some and not others (Moravcsik, 2018; Milner and Keohane, 1996). LI argues, crucially, that social demands to manage interdependence and thus the national preferences that result from them, tend to be *specific to issues*: the external goals in competition policy are unlike those in human rights, for instance.

In its early years, nearly all EU action took place in economic issue areas such as trade and agriculture. As conventional theories of political economy predict, traders, investors and workers in internationally competitive firms and sectors generally sought to expand international market access, whereas those who were less competitive wanted to restrict it (e.g. Warlouzet, 2018). Recent studies reveal similar complex interdependence-driven preference orderings in policy areas such as monetary policy (creditors vs. debtors), external migration (upstream vs. downstream countries), and service provision (importers vs. exporters) (Moravcsik and Schimmelfennig, 2018; Schäfer, 2017).

Even in such economic issue-areas, LI does not predict that business and economic interests always prevail (Moravcsik and Schimmelfennig, 2018; Wincott, 1995). Rather, the precise balance between the immediate and the medium- to long-term concerns of producers and other actors varies across issues. For example, in electorally salient policy areas such as agriculture, environment and food safety, producers are joined by non-producer groups favouring particular regulatory standards or public goods (Knudsen, 2009, 112, 130–139). In a non-economic external policy, an 'issue-specific' theory might thus discount commercial interests or even be entirely dominated by other concerns (Moravcsik, 1998, 26, 50; Moravcsik and Schimmelfennig, 2018). Certain states' reluctance to join the EU (e.g. Gstöhl, 2002) or migration policy (e.g. Zaun, 2018) are examples of this 'ideational liberal' dynamic, in which policies are motivated by consistent issue-specific identity concerns at least as much as by economic ones (Moravcsik, 2018, 2020).

A general rule guides the creation of such mid-level, issue-specific theories of preferences. Parsimonious theories render precise predictions where distributional consequences of policy coordination are significant, concrete, certain, immediate, concentrated, unambiguous and uncontested (Moravcsik, 1998, 38). Predictions are less determinate in areas where the stakes are small, uncertain, far forward in time, diffuse, ambiguous, contested or entirely symbolic – and, therefore, governments cannot (or do not bother to) calculate consequences. Commonly cited cases include monetary policy, enlargement, or setting precedents in implementation or adjudication (e.g. Burley and Mattli, 1993; McNamara, 1999; Schimmelfennig, 2004). Many aspects of foreign and security policy also fall into this category, because they involve managing relatively small risks of distant and uncertain future threats to broad public welfare. In such cases, competing priorities, domestic representative institutions, bureaucratic pressures, or ideational legacies, all central to the underlying liberal theory, or random chance may play a greater role (Moravcsik, 1997).

Stage two: asymmetric interdependence explains interstate bargaining outcomes

Since underlying state preferences rarely converge precisely, cooperation requires that governments negotiate to define the substantive goals to which they will all commit. LI's second-stage models this process by assuming that states negotiate with one another to improve the *efficiency* of a collectively suboptimal situation for mutual benefit, yet must almost invariably decide also how to *distribute* specific gains and losses.

Efficiency. Many theoretical accounts of integration argue that leadership and mediation by the European Commission, committed European federalists or other third-party 'supranational entrepreneurs' influence how states bargain to adopt optimal common policies. EU officials and other supranational entrepreneurs are, of course, often present and involved in discussions concerning external affairs. Such actors often provide important administrative and expert services to states, for example, identifying issues, convening meetings and advancing specific proposals. Yet such third-party *involvement* in no way implies *influence* over a negotiated agreement. The theoretical basis for the latter and stronger claim must rest on the assumption that third parties enjoy a comparative advantage in providing 'leadership' because they possess distinctive assets that member state or civil society stakeholders lack, such as information, expertise, legitimacy, trust, vision or political skill (Moravcsik, 1998, 1999). In contrast, LI predicts that the democratic, open and nationally self-satisfied states (and their constituents) function in a generally positive-sum environment, which gives them strong incentives to share information, trust one another and cooperate as far as their interests permit – and this permits them to negotiate efficiently even without third-party mediation. If EU officials or third parties fail to act (or did not exist), member states could (and do) generally act for themselves, albeit at a slightly higher cost.

States are particularly unlikely to defer to EU actors in most areas of EU external action, since most states possess venerable state capacity, expert bureaucracies and, often, well-informed national interest groups. EU officials are secondary at best and a hindrance at worst. Even when EU officials are involved, they rarely act autonomously. Given their overriding (and self-preserving) interest in continued cooperation, Commissioners and other third parties almost always anticipate member-state reactions and tailor their substantive and institutional proposals accordingly (Pollack, 2003, 133; Moravcsik, 1998, 1999; Héritier et al., 2013, 88–108).

Distribution. To explain how the gains from negotiation are distributed, LI assumes that states engage in 'cooperative Nash bargaining'. Their relative bargaining power depends on 'asymmetrical interdependence', or the distribution of

potential gains from the agreement, relative to a (unilateral or collective) 'outside option' or 'best alternative to a negotiated agreement' (Moravcsik, 1998). States that care most about an issue – positively or negatively – are more likely to make concessions or offer side-payments or linkages to persuade others. States that stand to gain the least, face the largest net adjustment costs to it, or can otherwise inexpensively make concessions others intensely desire and have influence because they can more credibly threaten to forego, delay or block cooperation. Asymmetrical interdependence is often related to size. Smaller, more interdependent states tend to be more vulnerable while large and powerful states often have linkage options that permit them to offer votes, financing or policy concessions in exchange for agreement on a given matter. Yet small countries may exercise power on issues when they have extreme negative preferences, little to gain, powerful domestic veto groups or a centrist issue position (Moravcsik, 1998, 90, 207–217; McKibben, 2015).

In applying this simplified bargaining model to EU external action, we should note that it assumes that all states place a premium on universal participation in an arrangement. This is certainly true in cases such as trade, where the issue itself is of overriding importance and the actions of one defector might threaten the interests of all. In external action areas such as security, humanitarian response, arms production, development or small-scale intervention, however, this is far from obvious. States may have diverse preferences and often express apathy about outcomes. In such cases, exclusion is often an option. LI predicts that ad hoc coalitions of the willing, perhaps using the EU as a network structure of consultation, may better suit state interests than a centralized policy – something that, as we shall see, is often the case.

Stage three: collective action problems explain the level of institutionalization

If states agree on a substantive policy, LI assumes that they move on to a third stage, in which they decide *whether* and, if so, *how* to pool and delegate authority in institutions. Here LI turns first (but not exclusively) to international regime theory, which treats international institutions as instruments to help states implement, elaborate, enforce and extend incomplete contracts under conditions of uncertainty (Keohane, 1984; Moravcsik, 1998, 67). In this view, states are *boundedly* rational acting under uncertainty wherein unforeseen and unwanted consequences are all but inevitable. EU institutions establish rules and procedures for managing such circumstances by coordinating state policies, specifying details of implementation, distributing benefits, structuring punishments, monitoring compliance and elaborating reforms – all of which can reduce uncertainty (Keohane, 1984; Moravcsik, 1998; Tallberg, 2006). Institutions permit states to manage interdependence by accepting constraints on action by their own governments and citizens in exchange for reciprocal guarantees by other states. To do so, states subsume and link issues through rules, reducing the procedural transaction costs of cooperation. Pre-existing rules can create opportunities for states to engage in 'diffuse reciprocity', linking future issues to immediate ones (Keohane, 1986). These systems of rules thereby enable, if not empower, states to accomplish complex arrangements that would otherwise be impossible.

The institutional design states choose depends on the extent of joint benefits, the severity of distributional conflict, the amount of underlying uncertainty and the nature of collective action problems (Kleine, 2013, 19). We should expect support for greater formalization from states that feel particularly at risk from a lack of coordination or enforcement. This includes states too small or not bold enough to have attractive outside options or those with centrist preferences that are unlikely to strongly oppose the collective policies others favour (Koenig-Archibugi, 2004, 144–145). Alternatively, larger states have more votes and other informal means to influence the process, so they often are less concerned about conceding on formalities (Stone, 2011). In an uncertain world, member states will attempt to design institutions that preserve their positions as principals who delegate tasks to semi-autonomous agents, in this case EU institutions (Moravcsik, 1998, 71–77; on the principal–agent approach, see Gstöhl in this volume). Different distributions of information and incentives foster different cooperation problems, which in turn motivate states to select specific institutional designs.

At the simplest level, regime theory distinguishes two collective action problems: coordination and collaboration (Martin and Simmons, 1998, 744). *Coordination problems* arise when states would benefit from aligning their policies, but poor (or asymmetrical) information or distributional conflict render it costly to do so. Once agreement is reached, however, states have few incentives to defect or cheat. In such cases, LI predicts that governments are likely to establish clear norms and pool decision-making in common forums to reduce transaction costs. The most powerful EU institutions – the European Council, the Council of the EU and the conventional ordinary legislative procedure – are all of this type (McKibben, 2015). *Collaboration problems* arise when cooperating states anticipate finding themselves in 'prisoners' dilemmas' or similar situations with incentives to stall, cheat or block action. If the gains from cooperation are sufficiently high, states construct institutions that more credibly commit governments and sometimes even monitor and enforce through third-party adjudicators. In EU external action, such pre-commitments include agenda-setting by the European Council and the Commission, qualified majority voting in the Council, co-decision powers of the Parliament and the adjudicatory role of the Court of Justice.

As we apply the insights of collective action theories to EU external action, it is important to keep in mind one clear lesson drawn from liberal IR theories: collective action problems can also be resolved *without* sovereignty being pooled in or delegated to the EU (Moravcsik, 2018). Three important alternatives exist. First and simplest is for states to pursue their interests by forming non-EU 'coalitions of the willing' through the North Atlantic Treaty Organization and the UN, or simply on their own. The absence of EU involvement may simply signal the success of other multilateral organizations. Second is to embed negotiations and enforcement in domestic law, bureaucratic practices and social expectations – a process sometimes termed 'Europeanization' (see the chapter by Schimmelfennig in this volume). The EU pioneered this process of domestic incorporation by embedding enforcement in domestic courts and using its regional tribunal only for secondary guidance (Phelan, 2015). LI explains domestic enmeshment of this kind just as it does formal supranational rules, namely as an instrumental tool states use to manage political uncertainty.

Third is to employ informal norms and procedures. Informality can have advantages for states, allowing governments to adapt better to new circumstances without going through the political inconvenience of formal treaty ratification. It can also serve as a hedge against uncertainty, allowing states to strike a superior balance between cooperation to realize joint gains and the desire to defend vital national interests (Kleine, 2013). It facilitates 'organized hypocrisy', in which states can appear to act democratically, legally or ethically, while in fact making traditionally self-interested diplomatic accommodations (Krasner, 1999). The most important informal norm in EU external action is consensus decision-making over coalitions of the willing. Though formal rules often specify qualified majority voting, states generally strive to reach a consensus by tailoring compromises and opt-outs that respect the interests of more recalcitrant governments – a practice that makes functional sense for politicians that inhabit a positive-sum, but occasionally risky, political environment (Kleine, 2013, 99; Stone, 2011; Moravcsik, 1998). Often, some states simply sit the action out.

Informal norms are also intrinsic to the process by which external policy is coordinated. National representatives informally share sensitive information, float proposals, persuade others to re-evaluate positions, signal when their own domestic positions could be revised, promote compromises, brainstorm together to develop new policies and suggest proposals to domestic governments (Moravcsik, 2020). European external action presents just the circumstances under which regime theory predicts the growth of informal coordinating norms: high issue density, repeated iterations, common interests, positive-sum outcomes, no security threats among members and symmetry of vulnerability (Kleine, 2013; Keohane, 1984). Foreign policy issues are varied and often sensitive, and norms of cooperation help structure diffuse reciprocity, that is, a practice in which states withhold opposition on matters that are not so important to them but essential to others in exchange for reciprocal but uncertain considerations on future issues where the tables are turned – a trade-off that many analysts mistake for non-instrumental normative 'socialization' (e.g. Lewis, 2005). In fact, studies unambiguously reveal that national representatives constantly make 'strategic calculations', treating well-functioning informalities as instrumental tools to realize national and collective gains (Michalski and Danielson, 2020, 330, 336–340).

LI's account of institutionalization fundamentally challenges the widespread criticisms of EU external action as weak, fragmented and dysfunctional – and in need of greater policy 'coherence' and 'actorness' (see the chapters by Portela and Drieskens in this volume). LI suggests that coherence and actorness, while sometimes useful, may often be irrelevant or even counterproductive in achieving superior concrete outcomes (Menon, 2008). The goal when European states negotiate with Russia, intervene in Libya or launch a naval operation off the Horn of Africa is not a *unanimous and formally perfect* EU policy. Rather, the goal is an *effective* policy to achieve European goals. LI predicts that EU institutions are needed only where serious enforcement or pre-commitment is required *and* no domestic, informal or international alternative exists.

Case study: the EU's response to the Ukraine crisis from an LI perspective

Europe's response to the 2014 Russian intervention in Ukraine illustrates what distinctive policy-relevant insights follow from LI. The Ukraine crisis began in November 2013 when sustained protests in Kiev's Maidan Square led to a mini-revolution after the government refused to sign the association agreement negotiated between Ukraine and the EU, bringing down a government perceived as pro-Russian and electing a firmly pro-European one. This triggered the Russian annexation of Crimea and a rebellion in Ukraine's Russian-speaking Eastern provinces, aided by Moscow – at first covertly and then through a military invasion. To this day, some consider the Western response unsuccessful because Russia and its sympathizers have not been evicted from Crimea or all of Eastern Ukraine, a frozen low-level conflict remains in the latter, and Ukraine remains an imperfect and corrupt democracy. Yet this type of critique makes the common error of setting ideal or perfectionist standards that ignore real-world constraints. When judged by realistic standards of effectiveness, the outcome of European policy toward Russia and Ukraine since 2014 has been a remarkable and unexpected success.

Europe's response to the actions of Putin's Russia in Ukraine constitutes what social scientists term a 'most difficult' case: one in which the obstacles to cooperation are so large that nearly all theories and commentators agree that Europeans should find it difficult to cooperate – let alone to prevail. The significance of this 'crisis' to both the West and Russia is indisputable. The Russian intervention posed 'the greatest security challenge to western Europe since the end of the Cold War and a profound challenge to international norms' (NATO, 2014). Russia enjoys local military predominance and has intense interests: it is a great power acting in a neighbouring country that has long been of greater historical, cultural, social, economic and strategic importance to it than any other in the world. For these reasons, Western governments ruled out direct military intervention; the response had to be economic, legal and diplomatic. Analysts lined up behind realists such as John Mearsheimer (2014) and Henry Kissinger (2014) arguing that Russia would react 'ruthlessly' to any Western response, inevitably leading to Western defeat. Advocates of greater EU 'actorness' also waxed pessimistic because its member states failed to invoke the formal mechanisms of the Common Foreign and Security Policy or delegate to centralized EU institutions, without which, they argued, the EU would appear little more than a sporadic and 'inadvertent great power' (Howorth, 2014, 134; Gehring et al., 2017).

Yet the outcome in Ukraine, achieved in just a few years, has been as remarkable a success as one could realistically expect. After centuries of Russian influence or control, Ukraine is today independent (minus the 7 per cent of its territory occupied or in rebellion) in an ever-closer relationship with the West. The war in its Eastern provinces has been winding down for five years: after over 10,000 in the first year, fatalities have dropped to single digits per month. In 2020, Europe-led negotiations have established effective cease fires and a prisoner exchange (OHCHR, 2020). Since the crisis, Ukraine has been thriving economically, enjoying

robust annual growth and a rising life expectancy (World Bank, 2020). While no model democracy, the Ukrainian political system is consolidating: the election of Volodymyr Zelensky in early 2019 placed the country's presidency for the first time in the hands of someone untainted by corruption, oligarchy or Russian affiliations.

Primary credit for Ukraine's successful move towards the West lies with the Ukrainians themselves, who launched a revolution and then sustained high military casualties to combat Russian-backed separatists. Yet this outcome would have been impossible without massive Western support. Europe – both through the EU and through national policies – was the indispensable power behind this success, providing up to 90 per cent of Western support for Ukraine in almost every major category. Europe has provided just under 20 billion US Dollars in aid to Ukraine since 2014, compared to less than 2 billion from the US (Security Assistance Monitor, 2020). The EU takes 42 per cent of Ukrainian exports; the US takes only 2 per cent (Pinkham, 2019). An estimated 20 per cent of the Ukrainian population works abroad for at least part of the year, mainly in the EU, remitting back nearly 15 billion US Dollars annually – 11 per cent of the country's gross domestic product (Foltynova, 2019; Eurostat, 2018). Under the framework of the European Neighbourhood Policy, Europe provided an extensive programme of economic, political and legal reform, aimed at aligning Ukraine over the long term towards Europe (Rabinovych, 2019).

To punish Russia, the West has imposed trade, investment and personal sanctions on Russian entities and has endured Moscow's countersanctions. Since the EU accounts for over 40 per cent of Russian trade and about two-thirds of its inward foreign direct investment, compared to just 3–4 per cent for the US, the costs incurred by Europe are probably at least ten times greater than those incurred by the US (Babayan et al., 2016). Further, the European Commission has negotiated with Russia on Ukraine's behalf to assure continued short-term energy supplies and has worked with member states to diversify Ukrainian energy supplies, reducing reliance on Russian gas (Bayramov and Marusyk, 2019, 81). European leaders, working through the 'Normandy Format' (France, Germany, Russia and Ukraine), have also led the diplomatic effort to defuse the military conflict. Though these efforts have been extremely costly for Europeans, they have nevertheless persisted. Without this unremitting and multidimensional non-military support, Ukraine would surely have collapsed economically and politically, rendering any further debate about how to defend or reform it irrelevant.

Some in Washington object that the US provides most of Western military aid. This is true, yet less significant than it appears. US military assistance is about ten times smaller than EU civilian aid, and the Ukrainian government must use it to fund purchases of US-produced weapons, training and medical supplies, much of which Ukraine could otherwise purchase on the open market. If a few products (such as radars) played some role in 2015, experts agree that they were not decisive (Gould and Altman, 2019; Security Assistance Monitor, 2020). The Trump Administration's much-heralded sales of 'lethal military equipment',

Javelin anti-tank missiles, arrived only in 2018, long after 'Russian armor had pulled back', and they were sold on the explicit condition that they 'have to be stored in western Ukraine', hundreds of kilometres from the front, and can 'not be used in the war' (Gould and Altman, 2019). This US aid provides at most a positive but modest complement to the decisive Europe-led civilian effort to defend Ukraine (Pinkham, 2019).

Applying LI's three stages allows us to explain these European policy choices: *First, European policy rests on stably convergent national preferences about interdependence.* As a group of developed and self-determining democracies, EU members' ideological, economic and security interests align on many essential global issues. The EU has consistently sought to engage or oppose countries to its East, including Russia, spreading democracy and markets. While Europeans are committed to national defence, they do not consider military intervention a cost-effective way to achieve these goals. Since the 1990s, therefore, Europeans have pursued a consistent policy of attracting Ukraine towards the West. Since the Maidan protests and Russian intervention in 2014, they redoubled their efforts, devoting enormous resources across a dozen different policies to bolster the sustainability of an independent Ukraine. None of this was 'inadvertent' or unintended – except, of course, that no one could foresee that the Maidan uprising would change things so quickly (Gehring et al., 2017).

Second, the precise European policy results from intergovernmental bargaining and diffuse reciprocity among EU member states, with asymmetrical interdependence defining their relative power. While no EU member doubts the principle of supporting a pro-Western Ukraine, some prioritize other issues and object to the high expense of the policies chosen. The choice to support Ukraine and undertake the sanctions reflects strong positions taken by Germany, Poland, France, the UK, the Netherlands and others, in part as a response to Russia targeting those countries. Sceptics in Italy, Greece, Cyprus and elsewhere found themselves in a weak bargaining position, due to their dependence on EU (and German) largesse in other areas.

Third, European governments delegate to or pool sovereignty in common institutions only to the minimal extent needed to coordinate and enforce policy efficiently. Centralized supranational institutions, autonomous action by Brussels officials and even majority voting played little role in the EU's ambitious response after 2014, except in secondary implementation of some policies. They also proved unnecessary to coordinate or enforce compliance. Member states instituted costly sanctions on Russia, for example, by a unanimous vote in the Council – which they have had to renew twice a year ever since. That approval has been forthcoming, despite the high costs and vocal opposition of some governments over informal linkages to finance and migration – evidence suggesting the EU is just as effective as a network permitting ad hoc bargaining and linkages than as a formal hierarchy. This is the rule, not the exception, in the EU (Henke, 2019). Other essential aspects, such as the conduct of diplomacy with Russia and acceptance of Ukrainian migrants, hardly involve the EU at all, though the association agreement's visa-free status does ease the latter. This mixture of unilateral, coordinated and centralized policy may seem

messy, yet little evidence suggests that a more institutionalized European response would have been more effective or legitimate.

Overall, we learn from the Ukraine case that even in response to the most intense of traditional great power security crises, the EU and its members can engage in consistent and effective external action – whether or not the institutions are formally centralized in Brussels. Moreover, Europeans possess instruments – aid, trade, investment, migration, legal integration, regulatory credibility and attractiveness as a model – that even the US does not come close to matching. Finally, the EU's actions reflect stable preferences about interdependence, the relative power of EU member states, and an ability to use institutions – where necessary – to surmount collective action problems.

Conclusion

Liberal Intergovernmentalism provides a theoretical lens through which EU external action can be explained and evaluated. Doing so reveals a differentiated set of practices and institutions, some formally centralized, some coordinated informally in coalitions of the willing and some unilateral, through which European governments, despite varying degrees of underlying interests in any given policy, seek to influence their external environment. This flexible and pragmatic policy has been surprisingly successful. Europeans cannot, of course, bend the world to their ideals. Yet, from the LI perspective, the success of any policy should be judged against the real and feasible goals of member governments, not ideal or abstract technocratic standards. By that standard – so the case of Ukraine demonstrates – Europe still plays the multifaceted role as a 'second superpower' in today's global system.

This soberly optimistic conclusion, based on a pragmatic mode of analysis, contrasts with the majority of scholars, policy-makers, think-tankers and journalists, who consider Europe weak and dysfunctional. These critics of EU external action tend to evaluate it not according to how cost-effectively Europe exploits opportunities, but by how centralized it appears to be in doing so or whether it solves all the world's problems. Europe's striking and unexpected successes, for example, in the recent case of Ukraine, suggest that this critique misses the point. Europe is successful precisely because it is a subtly differentiated network structure, centralized in some places, coordinated in others. Where European governments fail to act effectively to achieve a given goal, it is not usually because they have failed to surrender sovereignty to centralized institutions in Brussels, but because they do not share common goals (or, in any case, not the goals critics think they should) or because those goals to which they do aspire are unachievable at a reasonable cost. Even when states do agree on feasible goals, sufficiently effective non-EU institutions often already exist to facilitate that action. In sum, the 'capability–expectations gap' stems not from insufficient EU capabilities as much as from inflated and ungrounded expectations. This suggests that both scholars and policy analysts would benefit by employing LI as a more explicit baseline theory not just to explain internal EU policies but also its external action.

Summary: Liberal Intergovernmentalism's explanation of EU external action

- Liberal Intergovernmentalism is the recognized baseline theoretical framework for analysing European integration.
- LI operates in three stages. In stage one, national government actors form preferences in response to state and societal stakeholders' demands for particular transnational relationships. In stage two, state representatives negotiate over these dissimilar preference sets to obtain more satisfying policy coordination. In stage three, they construct formal or informal international institutions at the EU level, or domestic substitutes, if needed to overcome collective action (coordination or collaboration) problems of implementation and enforcement of linked issues. Mid-range theories should be used to fit each stage to specific issues and circumstances.
- Cooperation may not require centralization. LI argues that levels of centralized and formal institutional pre-commitment and enforcement in the EU are varied because the intensity of common interests and the level of conflict vary.
- Future work on EU external action should evaluate Europe's effectiveness after establishing what the collective goals are and whether the EU has a comparative advantage in the issue area. If the latter condition is not met, governments choosing to work through unilateral action, a coalition of the willing, informal norms in the EU, or a non-EU institution should not preclude an external action from being considered as effective European policy.

Key readings

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