

How Institutions Affect Europe's Voice in the World

REVIEW BY CRAIG PARSONS

Department of Political Science, University of Oregon

Trading Voices: The European Union in International Commercial Negotiations. By Sophie Meunier. Princeton: Princeton University Press, 2005. 248 pp., \$35.00 (ISBN: 0-691-12115-X).

In the past decade Sophie Meunier has become a well-known figure in the circle of experts on the European Union (EU), recognized especially for her work on the Union's external economic relations. Her many articles have carefully dissected the changing institutional shape of the EU's external representation, and her prize-winning first book offered the best overview yet of the challenges of globalization to her native France (Gordon and Meunier 2001). *Trading Voices*, her second book, returns to her MIT doctoral dissertation and sets out a framework for understanding how much progress the EU has made toward achieving one of its original basic goals. Her questions concern how and under what conditions EU institutions have given member states greater external bargaining leverage.

Most scholarship on this question presents a simple linear relationship—or none at all—between the EU project and influence in international negotiations. Institutionalists and Europhiles point to various bargaining successes and suggest that the more Europe's small- and medium-sized countries centralize their voice, the more leverage they enjoy vis-à-vis powerful countries like the United States (Lindberg and Scheingold 1970; Paeman and Bensch 1996). Realists and other skeptics highlight episodes in which one EU state (usually France) hijacks the EU position and theorize that Europe's institutions ultimately have little effect on important outcomes (Moravcsik 1998; Kagan 2002). Meunier's core claim, however, is that centralization has variable effects on bargaining leverage depending on institutional arrangements and the distribution of preferences relative to the status quo. Drawing on Robert Putnam's (1988) breakdown of two-level games and the "Schelling conjecture" (Schelling 1960) that constrained bargaining positions can deliver more leverage than unconstrained ones, Meunier elaborates a "rationalist-supranationalist" argument about how and when the EU alters the bargaining power of its member states.

The key insights follow from a two-by-two matrix created by EU institutional rules (whether member states reach common positions by unanimity or by majority voting) and positions vis-à-vis the status quo (whether states take "conservative" stances for the status quo or "reformist" stances to advocate changes like trade liberalization). When Europe leans toward defending the status quo, the less centralized EU option of unanimity delivers more bargaining power vis-à-vis third countries. The most conservative EU member state in effect holds a veto, and, as a result, the Union as a whole can credibly defend a hard-line position. In a counterfactual absence of the EU, one European country would be less able to block third-country calls for liberalization or other change-based bargains. If the EU reaches its common positions by majority rule, however, it cannot so strongly defend a conservative position. Third-country interlocutors know that they need only sway a majority of EU states to strike a deal, and the EU as a whole can do less to shift other countries' positions. When Europe leans toward a "reformist" stance, on

the other hand, EU institutional rules are less important to the outcome. In these cases the Union's interlocutors are presumably closest to defending the status quo. No matter how the EU reaches its own position, the key vetoes that limit a reformist bargain lie outside Europe.

Meunier neatly uses this simple framework to make sense of several cases in EU-US bargaining since the 1960s. The transatlantic context allows her to focus on leverage vis-à-vis a very powerful interlocutor, and her cases vary across conservative and reformist positions and across EU rules. (Two cases—agriculture negotiations in the GATT Uruguay Round and the Open Skies agreements on air transport—feature mid-case changes in EU rules.) The empirical chapters are nicely readable, superbly informed, and leave little doubt that the framework captures the main patterns of leverage. From Charles de Gaulle's intransigence in the Kennedy Round of GATT talks and the complex conflicts around the Blair House accord in the Uruguay Round to negotiations on public procurement and Open Skies, the dynamics convincingly sort out as Meunier suggests.

As is often the case, however, this strength of simple clarity is also the book's main weakness. The cases fit so well in part because the argument seems more diagrammatic than explanatory. The core observation in *Trading Voices* is that the most status quo-oriented actor or group of actors with a veto defines the ultimate deal. If Europe adopts common positions by majority rule, then its positions become less extreme in any direction. If Europe is in a reformist mode, then its rules matter less because the status-quo veto player is elsewhere. This model is logical, empirically sound, and complicated enough not to be obvious at first glance. However, Meunier also takes the EU institutional rules and the distribution of preferences that determine outcomes as given. In telling us that leverage boils down to who enjoys veto rights and who wants what, she helps chart bargaining episodes more than she forcefully explains them.

Even if Meunier's model does not aspire to a deep or full explanation of bargaining outcomes, the convincing way in which it sorts the cases does have broad implications. In a nutshell, her model significantly upgrades the role of institutions and downgrades the direct impact of power and preferences in international negotiation. Even in the Cold War context of the Kennedy Round talks, with strong US preferences for agricultural liberalization and all sorts of US leverage on a shaky France, Meunier shows that the United States and other Europeans ultimately accepted de Gaulle's bald assertion of brand new veto rights through the European Economic Community. This may not be the hardest case for institutional rules in international bargaining (for example, the United States may have been an unusually generous hegemon, the Europeans may have been unusually willing to indulge France to keep the fledgling EU project alive, or de Gaulle may have been unusually willing to push his luck). Nonetheless, this case at least suggests that institutions can be surprisingly influential in hardball negotiations. The framework also generates other non-obvious insights—like the observation that other countries should generally prefer that the EU operate by majority rule, given that they can veto reformist EU positions themselves but can only moderate conservative EU outliers if the Union uses majority voting. For these contributions and for its accessible, straightforward perspective on the fascinating terrain of multilevel bargaining, *Trading Voices* has immediately become the best book available on this understudied subject.

References

- GORDON, PHILIP, AND SOPHIE MEUNIER. (2001) *The French Challenge: Adapting to Globalization*. Washington, DC: Brookings Institution Press.
- KAGAN, ROBERT. (2002) Power and Weakness: Why the United States and Europe See the World Differently. *Policy Review* 113 (June–July). Available at <http://www.policyreview.org/jun02/kagan.html>

- LINDBERG, LEON, AND STUART SCHEINGOLD. (1970) *Europe's Would-Be Polity*. Englewood Cliffs: Prentice-Hall.
- MORAVCSIK, ANDREW. (1998) *The Choice for Europe: Social Purpose and State Power from Messina to Maastricht*. Ithaca: Cornell University Press.
- PAEMAN, HUGO, AND ALEXANDRA BENSCH. (1996) *From the GATT to the WTO: The European Community in the Uruguay Round*. Leuven: Leuven University Press.
- PUTNAM, ROBERT. (1988) Diplomacy and Domestic Politics: The Logic of Two-Level Games. *International Organization* 42:427-460.
- SCHELLING, THOMAS. (1960) *The Strategy of Conflict*. Cambridge, MA: Harvard University Press.