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Free Trade and New Economic Powers:
The Worldview of Peter Mandelson

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Abstract

This paper uses the Operational Code methodology in order to study Peter Mandelson's worldviews. Using speeches from the public record I constructed Mandelson's views of the international relations and of the EU's relationships with other countries as well as his role as a leading actor. The results of the study suggest that Mandelson advocates the values of multilateralism and free trade. He considers them as the principles which should order EU's foreign policies. In his view, it is the task of the United State and of the EU to strengthen such international values in order to fight against poverty and declining economies across the world. By promoting such values the EU is protecting and furthering its own interests worldwide.

Keywords

EU external trade policy, free trade, multilateralism, power politics, globalisation

Introduction¹

In October 2004 Peter Mandelson was appointed as the new European Union (EU) external trade Commissioner. He embodies one of the EU's strongest roles in international affairs, trade power. Given its global trading power, and the world's largest market – more than 450 million people, Europe's trading policy is an important instrument for shaping both domestic and international politics (4 October 2004)². The main task of the external trade Commissioner consists in negotiating bilateral and multilateral trade agreements within the framework of the World Trade Organisation (WTO) and other multilateral institutional rules on behalf of Europe's 25 member states. Such policies are extensive both in terms of the geographical area and the range of sectors that they affect. Their official aim is to secure prosperity, solidarity and security in Europe and around the globe, as well as to ensure that the European business can operate fairly in Europe and worldwide.

Mandelson came into office at a turning point in the history of global economy. As he argues, the emergence of new economic actors such as China, India, and Brazil is significantly changing the world economic order. While he perceives the economic growth and size of exports of these countries as both a menace to the protectionist European market, he also sees these countries as key WTO members whose cooperation is needed in order to pass new international trade agreements which are vital for Europe's economy. How should Europe interact with these countries? Does he perceive them as Europe's partners or as threats? More broadly, how does Mr Mandelson employ the European international trade policies in order to defend and promote the EU's interests as these are challenged by the globalisation process? These and other questions will be answered in this paper in order to investigate Peter Mandelson's worldview about the nature of international relations and the role of the EU as an international actor.

The paper will be subdivided into three parts. The first section presents a biography of Mr Mandelson and outlines the way in which he presents his earlier experiences to construct his image as European Commissioner. The second section uses Alexander George's philosophical and instrumental questions to identify and analyse Peter Mandelson's perceptions of international relations and politics (George, 1969; Vennesson, 2007). I will focus on one aspect of Mandelson's ideas, those related to the WTO and Doha agenda. Such a targeted operational code analysis, i.e. focused on a particular topic, provides a specific understanding of the policymaker's ideas (Young and Schafer, 1998: 71). Finally, the third section will conclude this article by presenting Mr Mandelson's general perception about the EU's self-image and role as an international actor. The primary sources of this paper are the speeches and articles that Peter Mandelson has given while appointed as European Commissioner of Trade.³ As a result, the worldviews that this investigation describes represent that of the role that Mandelson plays – i.e. European Commissioner of Trade.

1 This paper is one of a collection of six related RSCAS working papers (EUI-WP RSCAS 2007/07 to EUI-WP RSCAS 2007/12, inclusive). Earlier versions of these papers were presented at the workshop 'European Worldviews: Ideas and the European Union in World Politics', European University Institute-Robert Schuman Center for Advanced Studies, 6 June 2006. For an overall presentation of the research project, see Pascal Vennesson, *Introduction to 'European Worldviews: Ideas and the EU in World Politics'*, EUI Working Papers RSCAS 07_07.

2 Peter Mandelson's speeches are listed in the bibliography.

3 This investigation is mainly built on the content of Mr Mandelson's interviews and speeches, since October 2004, downloaded from the Directorate General of External Trade web page last visited 4 May 2006: <http://ec.europa.eu/commission_barroso/mandelson/speeches_index_en.htm>

Peter Mandelson's Biography: The Construction of an Image

Mr Mandelson, born 21 October 1953, was a UK official before becoming the current Commissioner of the European Union External Trade Directorate General (DG Trade). As a member of the Labour party, he served as representative of the Hartlepool constituency for twelve years (1992-2004). In addition, he is widely regarded, together with Tony Blair, Gordon Brown, and Alastair Campbell, as one of the main architects of the modern Labour party and its re-branding as 'new Labour'.

Grandson of Labour cabinet minister Herbert Morrison, Mr Mandelson rebelled against his family's traditional links with Labour. In 1971, he joined the Young Communist League after the Labour Party supported the United States' intervention in Vietnam. This far-left experience ended when he entered St. Catherine's College, Oxford, where he studied philosophy, politics, and economics (1973-1976). Before entering Oxford, he spent a 'gap year' in Tanzania, an experience that he presents as shaping his understanding of Africa and the challenge of fighting poverty. A longstanding pro-European, in 1979, he led the British delegation to the first meeting of the European Communities Youth Forum in Strasbourg. In 1985, he became the Labour party director for campaign and communications, and he left the job only in 1990, when he was selected as Labour candidate for the seat of Hartlepool. In 1992, Mr Mandelson was elected as MP for Hartlepool. From 1994 on, he became a close ally and trusted adviser of Mr Blair, joining Blair's cabinet as Secretary of State for Trade and Industry in 1998. A few months later he was forced to resign due to a financial scandal. He was appointed shortly thereafter Secretary of State for Northern Ireland, but in January 2001 he was forced to resign a second time over an allegation of misconduct. Later on, inquires cleared him of any wrongdoing. During the 2001 general election, he was re-elected and he remained in charge as MP for Hartlepool until being nominated as European Commissioner in 2004.

From Mr Mandelson's speeches it is possible to single out two periods of his life, both of which he uses to construct his image as Commissioner. First, his young years as a leftist activist, when he became concerned about issues regarding developing countries. Second, since 1985, his years as a UK official and, in particular, as Hartlepool's MP. Mr Mandelson's first stage was, then, characterised by his sojourn in Tanzania. While in Africa, he worked under the aegis of Bishop Trevor Huddleston, the 'leftist' anti-apartheid campaigner, who Mandelson claims to be one of the most inspiring people of his life (6 July 2005). While there, he worked on a farm, in a hospital, and a primary school. In his view, this experience revealed his moral commitments to 'Make Poverty History', by trying to 'get things done' (4 February 2005). This is why he refers to this period in his lifetime as the one that made him understand the effect that poverty had on less developed countries, and how Europe should and could help them. Since then, having learned at first-hand that there is no simple panacea for development, he has taken forward the view that the EU should use all the policy tools it has at its disposal to fight poverty, among which also trade (1 December 2004). Mr Mandelson argues that, together, European trade and development policies can fight poverty. As a result, since being in office, he has worked closely with Louis Michel, the EU Commissioner for development: his position is that their mission is to increase the capacity of poorer countries both to participate in international negotiations and to benefit from more open and fair rules for trade.

Just as Mandelson's younger years as a political activist are constantly referred to in his speeches, by the same token, his years as a British official are virtually anonymous. This may of course be due to the fact that, having suffered from private and financial scandals over that period, it may be neither pleasant to recall nor advantageous in terms of his credibility as Commissioner. Still, he does mention one - his position as representative of the constituency of Hartlepool (4 October 2004). During this period (1992-2004), he claims to have represented and assisted his constituents in coping with the economic changes of the period. In 1992, when he took office, this traditional Labour constituency was going through a period of poverty and high unemployment due to the closure of the town's major industry, the steel works. At that time, the unemployment rate was over 20%. By the end of his mandate, in 2004, the unemployment rate had fallen to less than 5%. Overall, he was re-elected twice, in 1997 and 2001, with a 60% majority, which shows that its constituents judged him as accountable

and representative over time. Moreover, he argues that this experience taught him that people are part of economic change, and that their lives are conditioned by it.

Hence, through his speeches, Mr Mandelson constructs an image of himself that gives him ethical qualities and makes him a capable official in dealing with global challenges. Ethical, thought his care about worldwide issues such as poverty. Capable, since he claims to have handled the Hartlepool's economic recession well. However, the next section will show that this self-image remains distant from his policy choices and worldviews as European Commissioner.

International Relations: Peter Mandelson's Views

Among Mandelson's many missions as European Commissioner, he claims that one of the most important is to ensure a safer and prosperous world while defending European interests, thanks to multilateral trade agreements. Multilateralism is one of his core values. Although he does not refer explicitly to any academic concept of multilateralism, his approach seems to follow Keohane's concept of 'diffuse reciprocity' in international relations (Keohane, 1986). Mr Mandelson argues that the characteristic of a multilateral negotiation is that all partners will gain benefits from it (8 December 2005). It is thus not a zero sum game, but multiplies the benefits of what a country does internationally beyond what it can achieve bilaterally, or alone, by establishing a higher number of *win-win* solutions (23 January 2006). These international negotiations are run by multilateral organisations. He describes them as an open space for negotiations, where equal rights and duties should be guaranteed to all members, in order to ensure balanced and legitimate decisions. If this is the case, Mr Mandelson argues, multilateralism can play a key role in modern international politics by finding solutions to common global challenges such as poverty and sustainable development (23 November 2005). In his view, only multilateral decision making can provide efficient solutions to world challenges since 'the time when two big powers were making decisions is over' (24 November 2004). As a result, he claims, the future of international relations relies on multilateralism.

These multilateral institutions promote an approach to trade policies which follows the economic liberalism philosophy. The multilateral trade agreements made come under the umbrella of the World Trade Organisation (WTO), which is a complex multilateral system of rules and norms aimed at reducing trade barriers among countries on a coordinated and multilateral basis (Ray, 1998: 711). Although Mandelson does not refer to any specific literature on tariff reduction, his ideas seem to support free trade as the best policy for the international trade system. Given Mandelson's set of core values - multilateralism and economic liberalism, what are his philosophical and instrumental beliefs about the international relations?

Actors, Relations and Power Politics

Mr Mandelson describes international political life as a web of linkages across trade, finance and resources with which states are increasingly caught up. He embraces Keohane and Nye's concept of interdependence theory, suggesting that economic interdependence, resulting from globalisation, will lead regimes to be formed which will increase the probability of coordination among states and avoid conflicts (Keohane and Nye, 1977). These multilateral negotiations are carried out between partners who primarily promote and defend their self-interests. He claims that each partner, including himself, engages in negotiations following a self-interested approach. This means that the amount of cooperation that can be achieved among partners is determined by states and state interests and strategies by which they interact with others (Caporaso, 1993: 56). Hence, negotiations are driven by power politics.

According to Mr Mandelson, the international trade arena is composed of three typologies of actors: (i) leading actors; (ii) developing countries; and, (iii) poorest countries. The leading actors are the EU and the United States (US). Their role is to secure open and fair trade, respecting the

transparency and fairness of the WTO decision-making process. This, he believes, is a transatlantic priority, and he considers this partnership as one of the most important for the world's prosperity and security (4 October 2004). Firstly, because trade between Europe and America stands at \$1 billion per day, and together they produce over half the world's output (Mandelson, 2000: 14). Secondly, because EU and US decisions have a wide global impact (Mandelson, 2000: 15). Although he is aware that international events and challenges, notably the Iraqi crisis, have revealed the possibility of different approaches, he claims that Europeans and Americans still share the same beliefs in democracy and individual freedom. Furthermore, he believes that they need to find ways to address the same shared human problems - poverty, migration, climate change, resource crises, and the same global challenges to security. This is why he considers this leading relation as critically important to Europe, the United States, as well as the rest of the world.

Thus Mr Mandelson's relations with the US are rather different from those of his predecessor, Pascal Lamy. According to Van Den Hoven, Lamy's discourse within the context of the WTO negotiations was characterised by absence of competition with the US over leadership in the WTO. While in the Uruguay Round (1995), the US isolated the EU by building up a coalition of countries against the Common Agricultural Policy (CAP), during the Doha Round Lamy mobilised developing country WTO members against American unilateral protectionism in steel (Van Den Hoven, 2004: 264). Lamy also tried to isolate the US during the Doha negotiations by promoting initiatives which would strengthen the EU's moral ground in the WTO (Lamy, 2001): he wanted to increase the EU's credibility with the developing countries in order to gain their support during WTO negotiations. Instead, in Mandelson's discourse, this confrontation between the EU and the US for the support of developing countries is absent. He refers to the US as a vital ally, with whom the WTO's leadership must be equally shared. Mandelson believes that United States cooperation during the WTO Doha Round is fundamentally important to Europe.

Illustrating this positive attitude, for instance, is the fact that Mr Mandelson has been in close contact with Rob Portman, the US Trade Representative. The tone Mr Mandelson uses in his dialogues with Mr Portman has been publicly presented as friendly and candid, emphasising the importance of finding an agreement on agricultural policies. He does not focus on what specific issues they disagree, nor has he suggested any real possible solutions to reach a common EU-US agreement on these policies. Viewed in these terms, these dialogues give only a superficial view of Mr Mandelson's opinions of US trade policies. A better understanding can instead be found in other speeches. Looking at these other sources, it turns out that Mr Mandelson has some critical views on US trade policy. For instance, he argues that the transatlantic relationship lacks energy and coordination, and criticises the last US farm bill, which increased agricultural subsidies. Still, given that he claims that 'neither of us [Europeans and Americans] has a partner in the world anywhere near as close or as important as the other' (11 February 2005), his approach is to look at these divergences in a constructive spirit, seeking positive outcomes while defending the EU's interests and rights.

The second category of actors is represented by the developing countries. Mr Mandelson defines them as competitive country exporters, whose interests tend to differ from those of the leading countries (21 March 2006). Some of these major economic players and exporters are Argentina, Brazil, China and India, and due to their international trade competitiveness, they are portrayed as a possible threat to the leading actors' interests. In order to deal with this, Mr Mandelson's strategic policy is to base the negotiations between the leading actors and the developing actors on full reciprocity. An example of his policy is his position with respect to tariff cuts negotiations. In his view, the only viable basis of negotiations is 'real cuts for real cuts' (21 April 2006). Although he accepts that developing countries may find this policy difficult, and he is aware that it needs to be applied proportionally, the principle of less than full reciprocity does not mean any reciprocity at all to him. In his view, the advanced developing countries should take their share of responsibility in negotiations (Mandelson, 21 April 2006).

The tone Mr Mandelson uses when referring to developing countries is tough and presiding. For instance, his offer for better prospects of agricultural trade for efficient Latin American producers is based on the condition that, in return, Latin Americans will open up their markets in those areas where the EU seeks new access: industrial goods and services. He was quite clear about this: ‘...let me be crystal clear, there will be no deal on agriculture [if you do not open the service market]. It is simply not deliverable.’ (Speech, 13 October 2005). Therefore we can see that he not only imposes the conditions but also the policies that Latin Americans must pursue in order to negotiate with the EU.

Among the developing countries, a special attention is directed towards China. In his view, ‘China’s future matters for all of us’ (9 December 2004). After China joined the WTO, he defined it as ‘the biggest single challenge of globalisation in the trade field’ (Speech, 4 May 2006). Therefore, he argues that ‘Europe must get China right, as a threat, an opportunity and prospective partner’ (4 May 2006). Although some may see China’s size as a threat, Mr Mandelson believes that it is not likely to become an expansionist power. In his view, the likelihood that China will become a threat to Europe depends above all on how Europe presents itself to China. Accordingly, he aims to reinforce the links with China by developing a ‘strategic partnership’ based on the establishment of mutually agreed and enduring conditions, whose aim is to protect both the EU and China from mutual uncertainties such as terrorism, proliferation of weapons of mass destruction, regional conflicts, poverty, migration and international crime, epidemics, the shortage of resources and the threat of climate change. In addition, he briefly mentions that the EU’s concern over the protection of human rights is a key point and that ‘...we should vigorously pursue our dialogue on this, based on mutual respect, confidence, and a wish to improve ourselves’ (24 February 2005).

The African, Caribbean, and Pacific (ACP) countries constitute the poorest countries group. These countries are experiencing a low level of economic development and are not well integrated into the international trade system. Accordingly, Mr Mandelson believes that the EU should give them all the help they need by receiving tailored assistance (23 January 2006). His attitude towards these countries is less aggressive than with the developing ones, but still presents the European Union as a strong international actor, willing to make a limited number of compromises only. For instance, in his speeches he shows to be concerned about their fate, but he does not hesitate to patronise them against any decision that could hinder Europe’s interests, although this may favour the developing countries one. Thus, Mr Mandelson’s apparently altruistic attitude is, first and foremost, conditional on the protection of Europe’s interests.

A second important point to mention is that in his speeches, Mandelson does not mention what kind of relationship he believes there to be between the developing countries and the poorest countries.

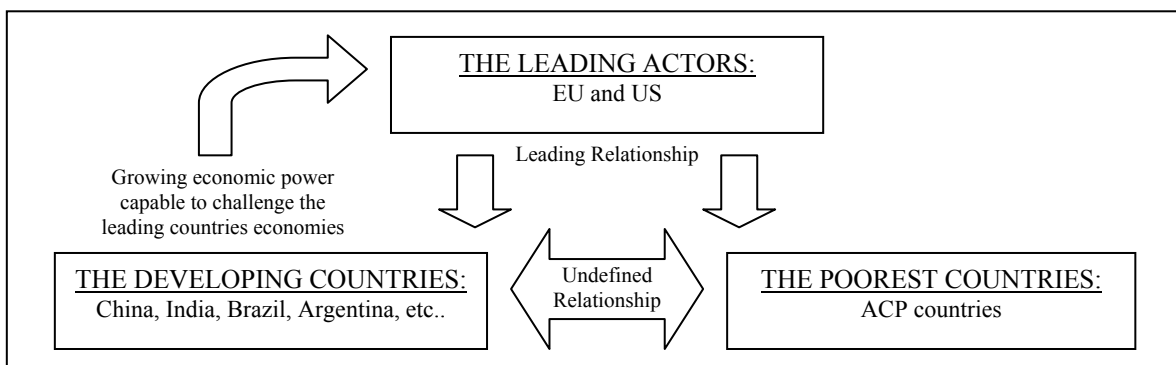


Figure: ‘Mandelson’s Typologies of Actors and their Relationships’.

Mr Mandelson’s implicit typologies are created according to the country’s size of economy, which he measures only in terms of its gross domestic product growth and balance of trade, leaving any reference to per capita data to one side. Moreover, he measures a country’s power in international

relations by the amount of influence an actor has over the international economic system. His concept of power thus follows a politically realistic perspective since the political economic order follows from the concentration of political-economic power that a country has (Ashley, 1984: 232): the smaller a country's economy, the weaker its position in international relations, since its influence over other countries' economies is weak. This definition of power is very similar to Waltz's understanding of power as the capacity to influence, i.e. to 'have power', over other states. As Waltz equated power with control, since 'an agent is powerful to the extent that he affects others more than they affect him' (Waltz, 1979), so Mandelson believes that the more a state is capable of influencing the international trade system, the more it is powerful. Thus Mandelson's concept of power is measured by the capacity of a country to shape the structures of the international political economy. Accordingly, he defines China, India and Brazil as important economic powers (4 October 2004).

Moving on, negotiations among the different typologies of actors take place according to the contractual space provided by the WTO multilateral trade rules. Thus, the framework of the WTO international relations significantly conditions these relations. In particular, since reaching a new trade agreement requires the consensus of all members, neither the leading players nor the developing countries are able to lead or impose a new trade agenda alone. Given this rule, Mandelson regards the WTO as a powerful democratic international organisation for all its 149 members. This, for instance, is why he believes that the WTO can guarantee protection and benefits from the global economy to the poorest countries (23 November 2004). Still, given that negotiations are driven by power politics, the WTO consensus can also be imposed to some extent by the most powerful states, i.e. the developed countries. Thus, consensus can also be the result of coercion and a self-maximising strategy by the leading actors.

Without consensus, that is, agreements remain un-enforced and the international community is blocked, unable to take any decisions. It therefore is a given that the absence of consensus is a menace to this international system. Fearful of this, Mr Mandelson has therefore exhorted the EU's negotiating partners to enter into real negotiations with the EU on all issues. The alternative, in his view, is to risk achieving ambitious results from the Doha Round. In a speech to the press he stated that 'Negotiation is the only way you [developing countries] can achieve your goals - and we [the EU] ours' (9 November 2005).

To conclude, Mr Mandelson's worldview is characterised by a set of complicated strategic plans aimed at defending Europe's interests. He believes that all national and international policies are the result of whether their leaders' policies endorse their country's interests. Thus, he does not accept that international events can be shaped by 'chance'. In his opinion, chance means the opportunity that is given to each country, during the multilateral negotiations, to forward their own and shared interests and to reach an agreement in order to boost trade, development, thereby reducing poverty worldwide (8 June 2005). All the same, he does not state publicly that these opportunities are not equal for all WTO members taking part in the multilateral negotiations.

Policy-making in International Trade

What instruments can Mr Mandelson use to influence the foreign policy of other governments in order to promote and protect Europe's economic interests? What is his strategy to pursue these more effectively? He believes that, thanks to the WTO multilateral negotiations, Europe's external trade policy can influence other trading partners' decisions. He does not question the legitimacy of such influence, since he believes it to be granted by the WTO regulations. Accordingly, one of his top priorities is to develop and strengthen this international institution, since he argues that the WTO values are the values underpinning Europe's prosperity (27 November 2005).

Mandelson singles out a plausible utility function expressing the EU's interests, and then goes on to identify one for each of its trading partner's interests. Secondly, depending on the degree to which they differ he proposes a strategy that will make all these different functions convergent toward a

common equilibrium. Thirdly, as the process of negotiation/adjustment begins with each partner, a list of achievable outcomes becomes available. Among the plausible outcomes, Mr Mandelson attempts to operationalise these negotiations towards a final balance that will maximise Europe's interests. This way of doing things provides an opportunity to achieve a maximum payoff given the possible objectives. For instance, Mandelson followed this precisely approach in order to set the EU's objective for the Hong Kong meeting.

The December 2005 Hong Kong WTO meeting represented Mandelson's debut in multilateral trade negotiations for the EU. He prepared this meeting by embracing a politics of accommodation with the United States, and by making it very difficult to take forward any sort of negotiation with the developing and poorest countries, given that he put Europe's interests far ahead of the others partners' interests, leaving to one side the fact that they were less economically developed than Europe, and would therefore needed to be approached in a different way. Given this situation of discord, it was predictable even before the meeting began that little would be achieved in Hong Kong. Despite this, in none of his speeches prior to it did Mr Mandelson show signs of reconsidering the EU's position nor did he show any disappointment about the outcomes of the preliminary negotiations. On the contrary, he called for a strong, positive, and aggressive European attitude for the meeting, believing that it would yield positive results until the very last moment. For instance, on the third day of the conference, 14 December 2005, he claimed, 'We [the WTO members] have a responsibility to make this conference a success. I believe we can. As I have said before, Europe is here in Hong Kong to do business with others, if others are ready to do business with us' (14 December 2005).

Only a month later, during his first conference about the achievements reached in Hong Kong, he stated that the conference was not a 'staggering success'. Although no negotiating partner rejected the EU approach, neither did they cooperate as he had expected. He pictured the Hong Kong meeting as a 'party that you look forward to for so long, only to find it spoiled by all your friends turning up, with the same present you never wanted in the first place' (23 January 2006). He admitted that the EU's trade policies were amended as a result, in order to better shape the next multilateral negotiations.

In using this strategy, he shows us that he does not seem to identify any issues that need a short-term decision, and that he seems instead to believe that foreign trade policy issues are a long-term matter, whose deadlines can be postponed almost ad infinitum depending on the cooperation of the actors. Mr Mandelson's ability consists in maintaining this long-term decision making process, by pushing every potentially conflict situation to its limit, only conceding when it looks as if he is very likely to lose all credibility by forcing things any further. That is, Mandelson plays hard in order to convince his adversary that the EU will not back off from a position, and waiting for the opponent to move as closely as possible to the EU's position. Only when the opponent no longer seems willing to negotiate does the EU show signs of re-considering its position. Mandelson claims that this process allows him to present Europe as firm and reasonable in order to also characterise its role and performance as firm and reasonable (Speech, 16 January 2006). In his view, this seems to be the best multilateral negotiations strategy to promote and defend the EU's interests.

This strategy includes risks. These risks are characterized by the costs of these bilateral and multilateral negotiations, which may or may not achieve optimal outcomes for Europe. Still, according to Mr Mandelson, these costs are relatively limited for two rational reasons. First, in trade negotiations 'you get what you pay for', i.e. in trade negotiations you experience risks only if you are willing to make them, and you receive what you are willing to risk (16 January 2006). Secondly, he affirms that most of these risks are not exclusively European but that they affect all the players in the game. For instance, he believes that the failure of the Doha Round will not only damage Europe, but also the other countries that took part, particularly the poorest countries (21 April 2006). In his opinion, failure in this case means the possibility of losing the global tariff reductions, the wide removal of subsidies, and the strengthening of trade rules that can only be achieved through multilateral, rather than bilateral, negotiations (4 May 2006). Thus, since he assumes that it is these features that account for the increase in growth and the jobs dividend for business and citizens around the world, he believes

that the outcome of the WTO negotiations will simultaneously make all the WTO members either gain or lose. In other words, if the EU loses it will not be alone, and in relative terms the costs of these political actions will be limited.

To summarise, in Mr Mandelson's view, the capacity to further Europe's interests in different ways and at different times increases the likeliness of obtaining an optimum equilibrium for Europe. Although this game is complex (it requires the accurate timing of move-making, a sound knowledge of opponents' beliefs, and a realistic calculation of the risks involved), his convictions have led him to choose this strategy for two reasons. First, he feels that it is safe enough to play this game with other players that share important common interests. Second, he is convinced that open trade and multilateral agreements are the only solution to ensure European prosperity. Hence, Mr Mandelson's approach is similar to that of a chess player: he moves, he waits for a response, and then he makes another move. In his approach, no coercive instruments are used to compel the adversary to move - neither the use of economic sanctions, nor the use of military forces. Nor are any reasons given for his decisions. Although these instruments do not form part of the European Commissioner's trade policies, I believe that he has the power either to ask to the WTO for permission to use economic sanctions - as the US did for Libya, Iran, and Iraq, or, to promote such attitude within the European Commission. Given Mandelson's soft-power trade policy strategy, when Europe faces a country that is not willing to comply with the WTO and EU's rule, he does not have any compelling strategy to persuade it to do so. He seems to assume that everyone is interested in Europe and that everyone will fall into line with what Europe wants. This assumption can, however, be unrealistic and dangerous.

The EU: A Successful Integration Model, and a Successful International Actor?

Mr Mandelson has always been pro-European. He spent his political apprenticeship campaigning for a Europe first of six, then of nine, and of twelve members. He sees the present united Europe of 25 and more is a success (7 February 2006). Equally, he considers this integration model as an added value to integration theory. The successful enlargement of the EU is, in Mandelson's view, the essence not only of a free society, but also of the EU and its economic future (7 February 2006). Secondly, the club has undergone a continuous expansion and whose membership is sought by everyone eligible to it. Finally, this integration model has an added value given the way that it has been combining and forging the strengths and traditions of individual countries to produce a unique new model. He argues that this has also produced the development of unique instruments - legislation, competition rules, funding programmes, monetary union - and that these render the EU a unique and capable intermediate player between national action and international rules (4 May 2006).

Mr Mandelson also argues that it is the diversity of Europe that makes it stronger. He does not share the traditional belief of his home country about 'the superiority of our way of doing things and of our political institutions' (Speech, 2002: 162). He disagrees with those suggesting that the British model, given its success, should be extended as it is to the whole of Europe; he instead advocates in favour of a mixed European model, composed by the other members states' policies too (Speech, 23 November 2004). In his view, Britain cannot lead Europe alone. In fact, he tends to believe that Europe has worked best when a Franco-German leadership has acted together with a strong Commission President (Speech, 20 July 2005). As a result of this belief, he argues that the British leadership needs to work closely with a Franco-German partnership to improve Europe's future. For this, he suggests two conditions: (i) Britain should not always claim a monopoly of virtue - that the Brits have got everything right and the Continentals everything wrong; (ii) if Britain argues for reforms, it should be from a pro-European perspective, i.e. not to cut back and limit Europe in order to return powers to the nation state (20 July 2005). Peter Mandelson does not deny that the EU model has had to face many difficulties. Firstly, due to the flagging economic performance of its member states, structural economic reforms have been an urgent priority. Secondly, the full potential of the single market has been inadequately tapped, and Europe's historical strength in research and scientific leadership eroded by underinvestment. Moreover, Europe's population is ageing fast and too many of

its women and over-fifties are kept out of employment (Speech, 3 February 2005). In his view, the future of Europe depends on solutions being provided to these issues. Mandelson argues that Europe cannot rest on its laurels of a successful enlargement past, but needs to focus to improve the public's prosperity and living standards in order to avoid loss of popularity among its supporters (3 February 2005).

More generally, Mr Mandelson asks European leaders to take further action to improve the EU's image. In particular, in his view Europe needs a new Social Model. He suggests that firms should be faster on their feet and that there is a need to reduce the existing European job protection arrangements. Although costly in social terms, he justifies these economic reforms through the need to adapt to a new language and set of priorities dictated by globalisation (Speech, 13 June 2005). Otherwise, he argues, the EU could not only jeopardise its credibility, and legitimacy, but also actually endanger its social cohesion.

Given Mr Mandelson's definition of power, if the EU's size of economy weakens, then its role in the international relations will also weaken. At present, he does not refer to the EU as an international actor but as a leading actor in international relations. Thus, he views the EU as an actor whose influence over other countries, excepting the US, is superior to their influence over Europe. Still, he is aware that 'although we are now the major player in world trade, things are changing fast thanks to the emergence of some developing countries' (May 2006). In order to maintain this leading power, Mandelson suggests two foreign policies. First, the EU will have to take a hard-headed approach to ensuring that world markets are genuinely open and that international rules are applied openly and transparently. Secondly, Europe's trade policy will need to account for the growth of the new emerging economic powers, capable of changing the international world equilibria. Mandelson's answer to the emerging economic powers is clear. Europe should not consider them as a threat only, but should build strategic partnerships with them. This, he argues, is in the best interests of Europe and of the international economic order. As Mandelson's visits outside European countries show, so far during his mandate he has mainly visited China and India. In a nutshell, he believes that the EU needs to signal both to Europeans and populations across the globe that they are important for the EU if it wishes to maintain its role as leading actor.

To summarise, Mandelson's beliefs about the EU's self-image and as an international actor are significantly correlated. He argues that the lack of a communitarian image of Europe hinders both the process of European integration and its role as an international actor across the globe. For instance, Mr Mandelson believes that the suspension of the Constitutional Treaty was not due to its institutional proposal, but because there is no consensus about what Europe is for and where it is going to (13 June 2005). Accordingly, since the role of the European bodies is not perceived in the same way by all member states, their capacity to represent member states' interests at international level is limited. With respect to external trade policies, Mr Mandelson argues that only if all member states cease to consider the Commission as the twenty-sixth member state, will this body have the capacity to lead their trade interests at the international level (21 July 2005). Just as the absence of consensus was perceived as a challenge in Mr Mandelson's understanding of international relations, so it is also a challenge endangering the self-image of Europe and its power as an international actor.

Conclusion: The Future of Europe

Since October 2004, Peter Mandelson has constructed an image of himself that represents his belief systems as Europe's Trade Commissioner. Firstly, he recalls his experience in Africa to show how life-committed he is to eradicating poverty worldwide. Secondly, he recalls his experience as Hartlepool MP to signal that he has been capable of dealing with the challenges of globalisation. In his view, this image portrays him as a successful EU Commissioner, capable of defending the EU's interests worldwide, and of fighting global challenges such as poverty.

In order to accomplish these missions, his approach promotes open trade and a less regulated market. In his view, it is open trade which engenders sustainable development, creates jobs, and ultimately fights poverty. He argues that the combination of open trade and development policies can help face the challenges imposed by globalisation, as well as to defend Europe's trade interests. Although he is aware of the difficult adjusting process that each member state is experiencing, due to the challenges imposed by globalisation, he vigorously suggests not being fearful but of opening up European countries' economies. As one of the fathers of the *New Labour* British party ideology, his trade policy affirms that liberalisation means gains for Europe in the post-Cold War era. Protection is costly and an ineffective means of sustaining employment, since it insulates inefficient sectors from competition. He believes that there are no rich closed economies.

This neo-liberal approach favours the activities of multilateral international organisations or treaty devices such as the WTO. In his view, the WTO structure allows all its members to equally benefit from global trade given that they all participate in the democratic multilateral negotiations. He argues that the WTO's goal is to help all producers of goods and services, exporters, and importers to conduct their business. Also, he argues that this institution is not perfect since it needs to increase its transparency and ways to participate in decision-making; yet he is convinced that the key to Europe's prosperity and the eradication of poverty is conditioned by the success, or lack of it, of the WTO Round negotiations.

Accordingly, Europe's role in this international order is to enforce multilateral negotiations. In his view, this is fundamental for Europe's future. He argues that the Commission, and himself, are capable of representing and defending all the member states' interests during multilateral negotiations. The more the member states manage to find a consensus about the self-image of Europe and its role as international actor, the better he and the other Commissioners will be able to represent them. Mr Mandelson also urges the member states to understand that in order to be a powerful international actor, Europe needs to find more profitable solutions to cope with the challenges of globalisation. At this point in history he believes that the WTO negotiations are the right way to help Europe in this task. He thus believes that the success of the Doha Round could be the WTO's biggest prize for Europe (23 November 2004).

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