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## Forum Section

*The Forum is open to all members of the EUSA Political Economy Interest Section who wish to share their views on empirical, theoretical, or policy questions relating to EU political economy.*

### **European Armaments, Dependence, and Austerity: the Case of Greece and European Arms Contracts**

***By Kaija Schilde, Department of Political Science, Boston University, email: [kschilde@bu.edu](mailto:kschilde@bu.edu)***

When do the interests and exports of the arms industry intersect with foreign policy? Take the case of German and French arms exports to Greece over the last decade. At the same time as the EU- and IMF-led austerity measures began in 2010, Greece signed new contracts for German submarines and French frigates and helicopters.<sup>1</sup> The nominal value of arms exports from Germany to Greece increased tenfold from 2009 to 2010.<sup>2</sup> These were not payments on existing contracts, but new contracts signed during the negotiation of EU/IMF bailout measures. In the case of the DCNS-Thales frigates, Greece had initially backed out of negotiations due to the debt crisis,<sup>3</sup> but reversed the decision during the March 2010 negotiations over the next bailout.<sup>4</sup> In the case of the ThyssenKrupp/Ferrostaal submarines, Greek officials first rejected a 2006 delivery of three used and six new submarines, although they had already paid 70% of the contract.<sup>5</sup> The contract was re-signed in 2010--the week the first EU/IMF bailout was secured--with one instead of three used submarines, under the assumption that Greece would attempt to immediately resell it. The submarine deal was followed by a new contract for KMW Leopard tanks, negotiated between the second and third EU/IMF bailouts.

These 2010 negotiations initiated major weapons contracts, but they were not the first. In the previous five years, Greece had become the top importer of German arms, buying 35% of its weapons, and was the third-largest importer of French arms. German arms exports more than

1 Rhoads, C., The Submarine Deals That Helped Sink Greece. Wall Street Journal, 10 July 2010.

2 German Federal Ministry of Economics & Energy. "Arms Export Report 2010" (12 July 2011), <http://www.bmw.de/BMWi/Navigation/Presse/pressemitteilungen,did=460684.html>

3 "Greek debt crisis 'may hinder' DCNS FREMM deal", Jane's Defense Weekly, 3 January 2010.

4 Taylor, P. "Broke? Buy a few warships, France tells Greece", Reuters, 23 March 2010.

5 Rhoads, C., "The Submarine Deals That Helped Sink Greece", Wall Street Journal, 10 July 2010.

doubled from 2000-04 to 2005-09, making it the third largest global arms producer.<sup>6</sup> During this period Greece became the world's third largest importer of arms, spending over 4% of its GDP primarily on weapons imports.<sup>7</sup> Figure 1 shows the suppliers of Greek arms since the late 1990s. While exports from the US peaked in 2003 then declined, intra-EU arms trade increased over the decade. After 2011, the Greek defense budget was cut by austerity, and procurements dropped.

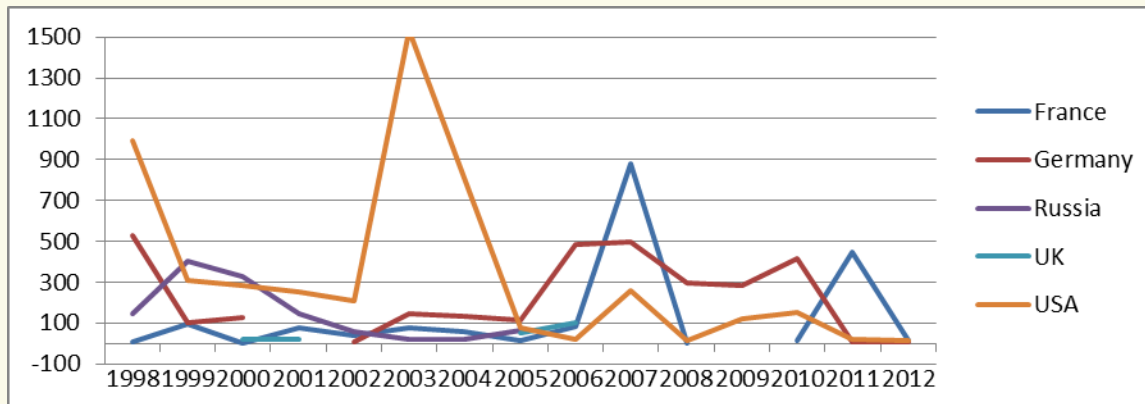


Figure 1: Arms Exports to Greece, 1998-2012. Figures are SIPRI Trend Indicator Values expressed in US\$ m. at constant (1990) prices.<sup>8</sup>

Although arms imports were motivated by a defense modernization strategy implemented in the 1990s, Greek politicians were aware of the unsustainability of their defense spending. On the eve of Greece's entry into the Eurozone, economic reformers appealed for a slowdown in weapons acquisitions due to sovereign debt concerns. In 2001 Greece delayed a Eurofighter contract by four years on budgetary grounds,<sup>9</sup> but Eurofighter consortium states (Britain, Germany, Italy and Spain) allegedly pressured Greece not to completely abandon the contract.<sup>10</sup> Instead of reducing defense spending, Greek politicians hid the debt when they were in power but highlighted it when out of power. The ruling Socialist (PASOK) government initiated the 1998 ThyssenKrupp/Ferrostaal submarine deal, but post-dated the accounting to future date of delivery, in order to meet the Eurozone budget deficit criteria. In 2004, the conservative government retroactively accounted for the expenditures back to 1998.<sup>11</sup> The EU was aware of this accounting creativity, as the 2004 deficit revisions (from 4.6% to 1.7%) garnered a Eurostat investigation but no sanctions.<sup>12</sup> When PASOK returned to power in October 2009, it exposed the accounting errors and the depth of Greece's sovereign debt. The debt crisis and military expenditures are intrinsically linked: some estimate Greece could have

6 The Local. "German arms exports double in five years" (15 March 2010), <http://www.thelocal.de/money/20100315-25881.html#.UYHXwYJAsgg>

7 SIPRI. "SIPRI Yearbook 2010: Appendix 7A" (2 June 2010), <http://www.sipri.org/yearbook/2010/07/07A>

8 SIPRI. Arms Transfers Database. <http://armstrade.sipri.org/armstrade/page/values.php>

9 "Greece suspends purchase of Eurofighter jets", Hurriyet Daily News, 25 May 2001.

10 Ibid.

11 Dahlkamp, J., "Codename Gebetskreis", Der Spiegel, 7 February 2011.

12 Ibid.

saved over 52% of its GDP had it only spent EU/NATO averages on defense.<sup>13</sup>

Why did arms exports from other European states to Greece increase during the debt crisis? Some observers argue that Greece must still import capital-intensive weapons systems due to its conflict with Turkey.<sup>14</sup> The security argument is weaker than it has been in the past: Turkish threats, either diplomatic or in the form of air and sea incursions, have only been decreasing in the last decade.<sup>15</sup> Others argue that intra-EU arms deals are a natural extension of European integration, but the arms trade is exempted from the common market. Many politicians and journalists have argued that anti-austerity arms sales can be explained by corruption: the corruption of the arms industry by the Greek political system.<sup>16</sup> While corruption and arms deals are frequent bedfellows, corruption alone cannot explain new arms contracts during austerity measures and the onset of international budget oversight. Finally, some argue that neither Greek corruption nor its security interests explain the increase in arms imports. Instead, exporting states such as France and Germany actively promoted their arms industries by helping industry open and maintain foreign export markets as a matter of economic statecraft and foreign policy.<sup>17</sup> In Germany this can be seen in the parallel development of the 'Merkel Doctrine' allowing for a reversal of German foreign policy formerly blocking its industry's exports to authoritarian states.<sup>18</sup> In the case of Greece, observers allege that in the window of opportunity of leverage provided by the debt crisis, these governments pressured Greece to negotiate arms contracts and sustain existing ones.

In October 2011, Spanish and Greek newspapers printed allegations that Merkel and Sarkozy 'reminded' Papandreou to honor the existing Eurofighter contract (signed in 1999) in the middle of an austerity summit.<sup>19</sup> EU MEPs involved in oversight of austerity measures have made similar allegations, claiming that Germany prioritized "the interests of the German arms industry more than protecting the interests of the Greek people in crisis and maintaining austerity,"<sup>20</sup> "subsidiz[ed] their own defense industries via the bail-out funds,"<sup>21</sup> and that bailout funds were contingent upon honoring existing arms contracts.<sup>22</sup> A number of officials have been quoted off the record that German policy was to collect the outstanding debts of the Greeks on behalf of German industry.<sup>23</sup>

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13 Taw's blog. "The real reason behind Greek economic problems", (12 March 2013), <http://t-a-w.blogspot.com/2010/03/real-reason-behind-greek-economic.html>

14 Kollias, "The Greek-Turkish conflict and Greek military expenditure 1960-92", 218.

15 From 1678 aerospace infringements in 2009 to 648 in 2012. Available at: Greek General Staff of Ministry of National Defence. "Official Violation Tracker" [http://www.geetha.mil.gr/index.asp?a\\_id=2733](http://www.geetha.mil.gr/index.asp?a_id=2733)

16 Schmitt, J., "Complicit in Corruption: Millions Paid to 'Consultants'", Der Spiegel, 5 November 2010.

17 See: Waterfield, B., "EU accused of hypocrisy for £1 billion in arms sales to Greece", The Telegraph, 8 March 2012; "France, Germany Forced Greece to Buy Arms: MEP", Defense News, 7 May 2010; Tran, P., "EU Lawmaker: France, Germany Pressured Greece To Avoid Defense Cuts", Defense News, 5 March 2012.

18 Augstein, J., "Panzer für die Saudis: Merkels Doktrin bei Waffengeschäften", Der Spiegel, 12 March 2012.

19 Tatje, C., "Rüstungsindustrie: Schöne Waffen für Athen." Die Zeit, 7 January 2012.

20 WDR.de. "Deutschlands Geschäfte mit griechischen Waffen - Bericht aus Brüssel - WDR Fernsehen" (15 February 2012), <http://www.wdr.de/tv/bab/sendungsbeitraege/2012/0215/waffen.jsp>

21 Waterfield, B., "EU accused of hypocrisy for £1 billion in arms sales to Greece", The Telegraph, 8 March 2012.

22 "France, Germany Forced Greece to Buy Arms: MEP", Defense News, 7 May 2010.

23 Ibid.

*Research Project and Agenda*

To what degree do states involve themselves in the arms sales of their defense industries and incorporate exporter interests into their foreign policies? Is state involvement in promoting arms sales and export growth a matter of everyday foreign policy, or does it intensify during times of crisis or power asymmetry, such as the European sovereign debt crisis and troika bailouts? How does the role of being a creditor in a sovereign debt scenario change a state's foreign policy priorities?

In order to begin answering these larger questions, I have started with the Greek case by measuring the patterns of public-private interactions between the actors and institutions involved in arms imports, seeking to establish an objective and granular analysis of the German and French states in Greek arms decisions. In order to identify the pattern of foreign involvement in Greek defense decisions, we translated, coded, and analyzed 1131 meetings held by the Greek General Directorate for Defense Investments and Armaments (GDAEE/ΓΔΑΕΕ) from October 2009 to October 2013. The Ministry's website agenda documented all procurement contacts between the GDAEE and third parties, such as defense industry representatives and foreign embassies.<sup>24</sup> During this period of time, the embassies of the US and UK requested three meetings and Russia two, while Norway, Israel, Belgium, and Ukraine each requested one meeting. Between 2009 and 2013 the French embassy requested 50 meetings and the German embassy requested 30 meetings. What is most striking in the findings is that diplomatic contact between embassies and a procurement directorate is not a regular event. Even the German and French embassies did not regularly request meetings; they only did so around critical contract decision junctures. These are not constant, ongoing relationships, but ones that are active at certain times and nearly dormant at others. The interactions intensify in the days immediately prior to major contract decisions with arms industry representatives, and drop off to little to no contact for long periods after contract decisions. The meetings requested by the embassies cease entirely in the dataset: in early 2011, for the French embassy, in early 2012, for the German embassy. With such intense interactions in the form of requested meetings before and during major arms decisions, it is difficult to argue that the French and German states were not actively involved in promoting their arms exports to Greece, even under conditions of austerity imposed by other branches of their own governments. The existence of networks of interaction between the diplomats of exporting states and a procurement agency has established that this is a political economy puzzle worth further investigation and analysis, towards understanding the larger phenomenon of arms exports and foreign policy.

Does the case of Greece reflect normal or exceptional foreign policy behavior of arms exporting states? Under what conditions do arms manufacturers capture foreign policy? Do exporters always intervene on behalf of industry interests as a matter of economic statecraft, or do extreme power imbalances (such as the terms of the 2010 debt bailouts and austerity

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<sup>24</sup> Hellenic Republic, Ministry of National Defense. "Announcements for Military Equipment", <http://www.mod.gr/el/enimerosi/anakoinosis-gia-exoplistika.html>.

measures) provide critical junctures for expanding export markets with asymmetrical terms? The IR literature on arms trade addresses the dependency and influence *resulting* from arms transfers. This literature is based on Cold War superpower behavior, generalizing the effective conditions and power necessary for arms transfers influence.<sup>25</sup> The US is the classic case of a hegemon integrating arms transfers into its foreign policy as “a larger effort to promote patron–client relationships in the Third World”.<sup>26</sup> Arms influence attempts are defined by the “manipulation of the arms transfer relationship in order to coerce or induce a recipient-state to conform its policy or actions to the desires of the supplier-state”.<sup>27</sup> In the literature, arms transfers are the prior condition, which results in dependence, leverage, or influence outcomes. Arms transfers are a tool of state power, but as a means to another end, not an economic end in itself. But what about the reverse: arms transfers that occur *because of* or *during* an imbalance of power between the supplier-state and recipient-state, where the supplier-state supports its defense industry by elevating arms exports into foreign policy? The case of Greece demonstrates that this phenomenon occurs, even—in the case of Germany—when it contradicts another foreign policy promoting the success of austerity measures.

Defense economists have noted the connection between protecting domestic defense industries and expanding international markets,<sup>28</sup> but these have yet to be integrated with assumptions derived from international trade theory.<sup>29</sup> Since the post-Cold War downturn in defense markets, arms producers have globalized sales in order to achieve economies of scale for increasingly expensive and technological weapons platforms.<sup>30</sup> In many states, particularly in Europe as defense spending has decelerated faster than in the US, manufacturers often rely more on foreign than domestic transactions. In order to maintain a domestic defense industry for security of supply purposes, nation-states have increasingly had to find supportive measures in lieu of guaranteed and subsidized national defense markets. Without state intervention, industry options are to “get out of defense, as Siemens did, or out of Germany”.<sup>31</sup> A better understanding this increasing phenomenon requires the development of a comparative framework of the economic causes and consequences of international arms transfers.

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25 See Catrina, Arms transfers and dependence; Kinsella, “Arms Transfer Dependence and Foreign Policy Conflict”; Krause, “Military Statecraft: Power and Influence in Soviet and American Arms Transfer Relationships”; Sislin, “Arms as Influence: The Determinants of Successful Influence”.

26 Kinsella and Tillema, “Arms and Aggression in the Middle East Overt Military Interventions”, 309.

27 Wheelock, “Arms for Israel: the limit of leverage”, 123.

28 Bajusz and Louscher, Arms sales and the US economy, 318-320.

29 Anderton, “Economics of arms trade”, 535.

30 Schilde, Embedded in Brussels: Public agendas and private actors in the European Union.

31 Mulholland, D. “German Industry: Export Drive,” Jane’s Defense Weekly, 29 October 2003, cited in Neuman, “Defense Industries and Global Dependency”, 442.



- Kinsella, D., "Arms Transfer Dependence and Foreign Policy Conflict". *Journal of Peace Research* 35, no. 1 (1998): 7–23.
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### The Banking Union in Context

**By David Cleeton, Department of Economics, Illinois State University, email: [dlcleet@ilstu.edu](mailto:dlcleet@ilstu.edu)**

The European Commission has just distributed three short briefs in preparation for the discussions to be held at the annual Brussels Economic Forum. These three documents serve to set the stage for what policy makers believe are the priorities for moving the EU economy forward.<sup>32</sup>

The first brief looks at both regulatory reforms in the financial sector and the debate about what new directions monetary policy should consider in order to increase the pace of economic growth.<sup>33</sup> On the regulatory side, the basic building blocks for the Banking Union are now set, but the rule-writing and practice of policy implementation have a long way to go. A much sounder financial sector depends on having significantly increased uniformity organized through the single rulebook. Homogenous depositor protection and structural arrangements governing failing banks are key parts of the single rulebook framework build by the Banking Union. EU institutional agreement to establish a Single Supervisory Mechanism and a Single Resolution Mechanism for banks has now been reached. While the core focus of the Banking Union is countries in the euro-area, non-euro-area countries can also participate.

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<sup>32</sup> ECFIN Economic Briefs can be downloaded from:

[http://ec.europa.eu/economy\\_finance/publications/economic\\_briefs/index\\_en.htm](http://ec.europa.eu/economy_finance/publications/economic_briefs/index_en.htm)

<sup>33</sup> "Financing the recovery: the state of Europe's financial sector" by Anna Grochowska, et. al., ECFIN Economic Brief, Issue 33, June 2014.

The second brief gives an overview and plea for continued efforts to implement structural reforms in product and labor markets.<sup>34</sup> Flexibility in adjustment processes in these markets both across and within countries has gained importance under the common currency but political pressures continue to slow implementation of reforms. The brief presents an updated scorecard on country by country progress across a large number of reform groupings. A key remaining issue in realizing significant progress in stimulating competitiveness and growth is remedying the allocative decisions which have produced the very poor record in total factor productivity growth across the European Union.

The third brief discusses the recent comparative economic growth record of the European Union in the world.<sup>35</sup> The EU's overall weak comparative performance is no surprise and the policy environment is constrained primarily by limitations on public fiscal policy stimulation in light of dire governmental balance sheet positions and weak monetary policy transmission mechanisms due to banks, household, and business firm capital restructuring needs. These factors have conspired to create the current environment of historically low nominal and real interest rates combined with weakening inflationary trends. As a consequence prolonged financial sector adjustment will continue into the medium term.

The ECB has finally shifted key policy parameters by adjusting banks' depository rates into negative territory and reviving another round of intermediate term bank funding through the Targeted Longer-term Refinancing Operation (TLTRO). This new €400 billion program will be tied to bank lending to small businesses across the Eurozone.<sup>36</sup> While both of these efforts are laudable they will produce only marginal effects in terms of bank profitability and subsequently in building required new capital. The upcoming round of balance sheet stress-testing is likely to reveal a number of gaps to be plugged in banks' capital.

There have been innovations outside of the norm which could play important new roles in financial sector restructuring. In a trail going back a few years, we have seen a leveraged role for bank loan guarantees.<sup>37</sup> The most recent example in this trend is the World Bank's International Finance Corporation structured insurance to the tune of \$90 million for an emerging market loan portfolio originated by Crédit Agricole. There has also been a development of hybrid bonds with issuers retaining equity conversion rights when capital requirements are threatened. These contingent convertible bonds, known as cocos, will give issuers additional time and opportunities to restructure the capital base during difficult times.<sup>38</sup> Of course the shifted risk to the bondholders must be compensated with increased yields but in today's low yield environment such insurance may be relatively cheap.

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<sup>34</sup> "The role of structural reform for adjustment and growth" by Erik Canton, et. al., ECFIN Economic Brief, Issue 34, June 2014.

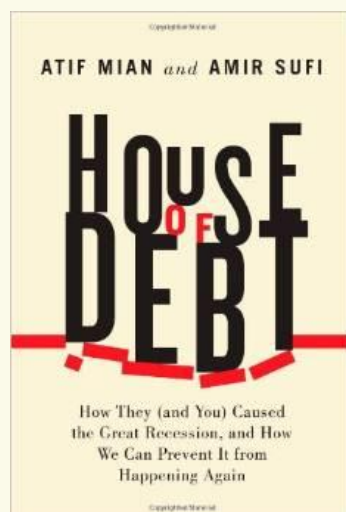
<sup>35</sup> "The EU's growth prospects in a globalised economy" by Kieran McMorrow and Werner Roeger, ECFIN Economic Brief, Issue 35, June 2014.

<sup>36</sup> "Draghi's €400bn in cheap bank loans seen as 'star of show'" Financial Times, 7 June 2014.

<sup>37</sup> See: "World Bank backs Crédit Agricole loans" Financial Times, 6 June 2014, "World Bank unit invest in hedge fund" Financial Times, 11 September 2011, and "IFC in emerging market finance deal" Financial Times, 21 April 2010.

<sup>38</sup> "Deutsche Bank to bolster capital with €1.5bn in 'coco' bonds" Financial Times, 28 April 2014.





Finally, we should point out the need to have a balanced view of the causes and effects underlying the financial crisis. Most of the discussion surrounding policy initiatives like the Banking Union and new interest rate and quantitative easing directions for monetary policy looks at problems and solutions built around an analysis of financial institution failures. Failures to properly evaluate and measure risk, not only by banks but also rating agencies, and failures to limit risk by prudential hedging or deleveraging have been key. In a new important book, we are being reminded that it takes two parties to make a loan, the lender and the borrower. We have focused mostly on institutional reform and policies directed toward lending practices but that is an incomplete picture.

The newly released *House of Debt*<sup>39</sup> by Professors Mian and Sufi examine the practices of both households and businesses in their borrowing sprees. While most of the focus is on the housing market in the United States, there are many lessons to be learned and applied to other economic sectors and countries. Most importantly there are many insights into how household and business balance sheets were decimated and will need to be given continued attention for many years to come. This lingering hangover and need to rebuild the private sector's balance sheets is a major source of the current stagnation of financial market lending.

The interplay in understanding the roles of lenders and borrowers behaviors needs to be properly understood and analyzed in order to structure and conduct effective public policies. The complexities and linkages between private sector actors and public policy is well stated and presented in Lawrence Summers's recent review of Mian and Sufi's book.<sup>40</sup> As a key player in the US financial system during the crisis, Professor Summers offers a variety of insights into the difficulties of policing and making critical policy decisions illustrated by concrete examples. His basic conclusion is that constructing institutional frameworks and rules is the easier part of the game. The rough part in a complex and evolving marketplace is getting the decisions right in practice.

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<sup>39</sup> *House of Debt: How They (and You) Caused the Great Recession, and How We Can Prevent It from Happening Again*, by Atif Mian and Amir Sufi, University of Chicago Press, \$26, 192 pages, May 2014.

<sup>40</sup> "Lawrence Summers on 'House of Debt'" *Financial Times*, 7 June 2014.

**Book Review**

**The EU's Foreign Policy: What Kind of Power and Diplomatic Action?, Edited by Mario Telò and Frederik Ponjaert, (Farnham: Ashgate Publishing Ltd), 2013, ISBN: 9781409464525, pp.vii-243, £20.00**

***Review by Eleni Xiarchogiannopoulou, Institute for European Studies, Université Libre de Bruxelles, Belgium. Email: Eleni.xiarchogiannopoulou@ulb.ac.be***

This is a timely edited volume that analyses EU's foreign policy during the post-Lisbon Treaty era in the multi-polar world that we are living in. It asks the academically and politically significant question: what kind of power and diplomatic action for the EU after the Lisbon Treaty? The volume contains a number of thoughtful and provocative chapters written by world-renowned scholars and policy experts. They all analyse topical themes and address compelling questions, which are conceptually, theoretically and politically relevant. Their contribution to the literature on EU's foreign policy is therefore extremely valuable and constructive.

The volume includes three parts. The first one deals with the EU as a controversial global political actor within an emergent multipolar world. Andrew Gamble (chapter 1) focuses on the power shifts in global governance during the post-cold war era. He addresses the question of how the EU can retain its international influence within the context of the ongoing financial crisis and an excessively multipolar world. He identifies a number of scenarios that would allow the EU to retain and enhance its power depending on the type of world order and international economic system that will eventually prevail. Mario Teló (chapter 2), on the other hand, explores the conditions under which the EU will remain a civilian power in the changing multipolar international context. He argues that although the Lisbon Treaty has increased internal coherence, it has also increased internal complexity, which eventually tempers the EU's international performance. He suggests that the EU's external actorship can be improved in three distinct ways: (a) by increasing the horizontal and internal coherence of external policies (EU's multilaterality and international procedural identity); (b) by improving the EU's position in the UN system and by building alliances within different regionalisms; (c) by advancing close cooperation within a hard core of states and hence by advancing the process of European integration. Finally, Jolyon Howorth analyses the limited influence of the EU in the Balkan and Libyan crises to argue that the only way for the EU to emerge as an effective global power is to integrate even more into NATO.

The second part of the book focuses on the impact of the Lisbon Treaty on the common foreign policy and the European External Action Service with a particular emphasis on the themes of consistency and coherence. Christian Lequesne (chapter 4) analyses the EEAS as a bureaucratic institution 'set-up up to reduce the transaction costs between the multiple actors of the EU foreign policy-making' (p. 80). It offers useful insights as to how the EEAS can enhance horizontal coordination with the European Commission and vertical coordination with the member states. At the same time, however, he does not fully account for the impact of the

Lisbon Treaty EU's external action as he ignores the role of the EEAS as a strategic actor that can produce and promote EU foreign policy. Caterina Carta (chapter 5) borrows the policy-cycle model from the public policy literature in order to analyse and explain the policymaking process in the area of foreign policy. The chapter offers useful insights into the different policymaking stages (initiative, policy formulation, decision-making and implementation) and the actors involved in each of them. At the same time, however, it fails to address the political role of the policymaking process in terms of advancing/tempering the EU's power in a multipolar world. Finally, Hartmut Mayer (chapter 6) is skeptical about the feasibility and the potential impact of the institutional coherence the Lisbon Treaty has brought about, particularly within the context of the ongoing EU crisis. He shows the limitations of policy coherence both in terms of applied policy and academic analysis and argues that the EU as a global actor would be better served if it focused on the effectiveness of its policies and its concrete pragmatic actions. By doing so however, Mayer ignores previous research (eg. Bretherton and Vogler 2009<sup>41</sup>), which links the effectiveness of the EU external policies to their coherence. Inevitably one is left wondering if these two notions can be treated as independent from each other as this chapter suggests.

The final part assesses the EU Common Foreign and Security Policy and its external relations with its neighbouring and more distant partners. It highlights the EU's role as a global power and its interrelationship with a number of rising powers. Richard Gillespie (chapter 7) focuses on the European Neighbourhood Policy (ENP) in the Arab world. He claims that, although the EU discourse about the Arab world has become more consistent over time, the lack of leadership and strategy compromised its responses to the Arab uprisings. He also questions the adequacy of the ENP to foster EU's influence in the southern Mediterranean in the future and calls for an integrated EU-Mediterranean policy. As the author also notes, this assessment is somewhat provisional given that the events in the Arab world are recent and ongoing. Frederik Ponjaert (chapter 8) deals with inter-regionalism as an integral element of the EU's foreign policy. He shows that there is a discrepancy between the EU actions and discourse. Although at the practical level the EU is strategically committed to inter-regionalism, with the Lisbon Treaty introducing a series of institutional changes to support it, its inconsistent discourse is hindering this effort. He claims that the EU must not only balance its actions with its discourse, but it must also enhance the coherence between its bilateral and multilateral relations. Giovanni Grevi (chapter 9) focuses on the usefulness the EU strategic (SPs) partnerships in promoting its interests and mobilizing cooperation in multilateral, rule-based environment. He attributes their limited effectiveness to institutional, organizational and policy related factors. More specifically he claims that the SPs have failed to fulfill their purpose due to (a) the lack of coordination between the EU institutions and the EU member states, (b) poor information flow within and between EU institutions and the member states, (c) the lack of real strategic purpose for the SPs. He concludes that the jury is still out on SPs particularly since the eurozone crisis has compromised political decision-making and has sidelined foreign policy priorities.

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41 Bretherton, C. and J. Vogler. 2008. The European Union as a sustainable development actor: the case of external fisheries policy. *Journal of European Integration*, 30(3), 401–417.

The final three chapters focus on the EU's relationship with China, Japan and India. Chen Zhimin (chapter 10) argues that, while the Lisbon Treaty and the EU crisis revitalised the EU-China relations, they have not resulted to a major breakthrough in addressing key concerns of both sides. These include issues such as foreign direct investment, trade, competition and arms embargo. The institutional structure of the EU as a two-level system plays an important role in this regard since political unity and policy coherence matter greatly when it comes to building a long-term relationship with China. In this context China uses bilateral strategic partnerships with member states to pursue its strategic goals in Europe. The EU-China relations have a long way to go before they result in a credible relationship and mutually beneficial outcomes, which will depend on the reciprocal efforts, dialogues and negotiations of the EU and Chinese leaders. Hidetoshi Nakamura (chapter 11) deals with the EU-Japan relations. He treats the EU and Japan as two civilian powers and claims that they have cooperated closely with one another across time both bilaterally and multilaterally (G7-G8). The EU-Japan relations have spread across a number of economic, political and military issues while at the same time being responsive to US policies and priorities. Despite the overall harmonious cooperation there are a few thorny issues between the EU and Japan, such as the conservation of Bluefin tuna and the death penalty. Nakamura distinguishes between the short-term efficiency and long-term effectiveness of the EEAS in Japan. He claims that although the EU's diplomacy has been efficient in terms of its short-term goals in Japan, it been less effective in terms of achieving its long-term diplomatic objectives. In order to achieve them, the EU needs more sophisticated instruments and a clear framework of action. Finally, Bava (chapter 12) claims that the EU-India relations have resulted in a strategic partnership that seeks to create a positive-sum game for both partners and advance effective cooperation. Nevertheless, the different perceptions each actor holds regarding the other obstructs this effort. While the EU has traditionally seen India as a norm-taker, India has traditionally perceived itself as a norm-setter and an influential international actor that is equal to the EU when it comes to shaping the global order. Moreover, India perceives the EU as a weak actor in terms of security and political matters. Another obstacle is the fact that India, similarly to China, is an advocate of sovereignty and non-interference into the affairs of third countries. In this context, effective cooperation between the EU and India depends on changing the expectations they have for each another.

This volume offers an original and comprehensive overview of the EU's external action, and critical insights into the various aspects of the EU's external affairs and diplomatic machinery. The chapters are both academically and politically significant with contributions focusing on a variety of topics and geographical areas, both from EU and non-EU scholars and policy experts. The volume inevitably raises a number of critical questions that need to be addressed if the EU is to bypass its limitations and evolve into an influential actor in a dynamic global world. This volume is an indispensable reading to all who are interested in the EU's foreign policy and its role as global power in the 21<sup>st</sup> century. It is also highly recommended to readers who are interested in the relations between the internal and external dimensions of the EU's foreign policy.



## Call for Papers

### **CfP: 8th Annual Conference on the Political Economy of International Organizations (PEIO)**

February 12-14, 2015, Hertie School of Governance, Berlin, Germany

Submissions are invited for the eighth annual conference on the political economy of international organizations, to be held at the Hertie School of Governance, Berlin, Germany, on February 12-14, 2015. The conference brings together economists and political scientists to address political-economy issues related to international organizations such as the World Trade Organization, the United Nations, the International Monetary Fund, the World Bank, and the European Union, and also other international organizations that have as yet received less attention in the academic literature.

#### Submission of Papers:

Both empirical and theoretical papers will be considered. Please submit full papers to [conference@peio.me](mailto:conference@peio.me). **The deadline for submission is 30 September, 2014.** Decisions will be made by 31 October, 2014. The special issue of the Review of International Organizations will focus on Developing Countries and International Organizations, edited by Eric Werker (Harvard University). Submission to the conference does not require submitting to the special issue.

#### Conference Format, Attendance, and Registration:

The number of participants will be limited to about 70 to allow for in-depth discussion of each paper. Authors of accepted papers are expected to attend the entire conference. There is no registration or conference fee. Travel and accommodation are at the expense of participants.

#### Conference Venue:

Hertie School of Governance, Berlin, Germany. Berlin has several airports which are roughly equidistant from downtown Berlin.

#### Conference Website:

<http://www.peio.me/>

### **CfP: ECPR Workshop on the Politics of Non-Proportionate Policy Responses**

Paper proposals are invited for the workshop on the Politics of Non-Proportionate Policy Response, which will take place as part of the ECPR Joint Sessions of Workshops, at the University of Warsaw, Poland, from 29 March - 2 April 2015. **Registration for paper proposals will open on August 1, 2014, and close on December 1, 2014.**

The workshop theme is derived from the punctuated equilibrium theory which suggests that policy responses will oscillate between periods of underreaction to the flow of information coming from the environment into the system, and overreaction to it due to disproportionate information processing (Jones and Baumgartner 2005). The aim of the workshop is to take this promising research agenda further by focusing on the dynamics of overreaction and underreaction in enacting policy solutions, and on the varieties of policy over- and underreaction. The workshop also revolves around the life-cycles of longer-term over- and underreaction which are propelled by self-reinforcing processes, as well as the analytical reach of concepts which aim at capturing these phenomena, namely, policy bubbles and policy anti-bubbles. Please see the call for papers here:

<http://www.ecpr.eu/Events/PanelDetails.aspx?PanelID=2417&EventID=90>

### **CfP: The 2015 Structure and Organization of Government (SOG) conference**

Paper proposals are invited for SOG conference, which will take place at Scandic Bergen City Hotel, Håkonsgt. 2, Bergen, Norway, from February 19-20, 2015. The conference theme concerns accountability and welfare state reforms. There has been a growing concern that welfare states are inefficient, not sustainable and lack popular support. A series of reforms have been introduced to address this challenge, following the principle of granting autonomy to welfare agencies and responsibility to public managers. This has created confusion over who is accountable to whom for what and with what effects. Some claim accountability overload while others point at accountability deficit and the links between accountability and performance is contested. Our aim is to understand how recent reforms oriented towards agencification, managerialism and marketization as well as whole-of-government initiatives have affected the existing accountability relationship in welfare traditionally delivered by public institutions. **Deadline for abstract submissions: 15 September 2014.** Please see the call for papers here:

<http://rokkan.uni.no/sites/rtws/sog-accountability-and-welfare-state-reforms/>.

### **CfP: Sociology Special Issue: Sociologies of Everyday Life**

Papers are invited for consideration in the Sociology Editor's Special Issue in 2015. The theme will be the Sociologies of Everyday Life. **Deadline for submissions: 31 August 2014** (full papers). Word limit: 8000 words.

Everyday life sociology is a well-established tradition in the discipline and interest in ways of understanding day-to-day worlds continues to be significant. These engagements are becoming increasingly interdisciplinary, across the social sciences as well as outside them. It is in this context that the 2015 Special Issue aims to provide a timely opportunity to take stock. This is intended to be a reflective moment – where has sociology arrived at in its attempts to think through the everyday? It is also intended to be an anticipative moment – what are the new logics, foci, approaches, uses, limits of sociologies of the everyday?

Sociological approaches to everyday life attempt to capture and recognize the mundane, the routines in (and of) social relations and practices. We invite papers that explore, through the



lens of everyday life, one or more of the following indicative themes and/or areas:

- Theories of everyday life and conceptual approaches
- Materialities, cultures and senses
- Social practices, activities and interactions
- Social divisions and exclusions
- Animals, entities and the more-than-human
- Senses of community and belonging
- Selfhood and identifications
- Public, semi public spaces and the built environment
- Domestic spaces and routines
- Institutions and organisations
- Affect and intimacies
- Landscapes, localities, places and place making
- Convivialities and socialities and social interdependencies
- Everyday racism, cultural difference and everyday multiculturalism
- Environmental practices and consumption
- In/security and violence
- Methods - researching the everyday

Queries: To discuss initial ideas or seek editorial advice, please contact the special issue editors by email at [sociology-editors@open.ac.uk](mailto:sociology-editors@open.ac.uk). Submit papers to: <http://mc.manuscriptcentral.com/soc>.



### External Grants & Fellowships

**ERC Starting Grants** aim to support up-and-coming research leaders who are about to establish a proper research team and to start conducting independent research in Europe. The scheme targets promising researchers who have the proven potential of becoming independent research leaders. More info: <http://erc.europa.eu/starting-grants>.

**Dr. Guido Goldman Fellowship** for the Study of German and European Economic and International Affairs supports promising American scholars and analysts whose research bears special significance for German economic and international policy within the wider European context. **Application deadline: 1 July 2014**. More info: <http://acgusa.org/index.php?section=goldman-fellowships>.

The **DAAD/AICGS Research Fellowship Program**, funded by a generous grant from the Deutscher Akademischer Austauschdienst (DAAD), is designed to bring scholars and specialists working on Germany, Europe, and/or transatlantic relations to AICGS for research stays of two months each. Fellowships include a monthly stipend of up to \$4,725, depending on the seniority of the applicant; transportation to and from Washington; and office space at the Institute.

**Application deadline: 31 August 2014.**

More info: <http://www.aicgs.org/employment/daad-aicgs-research-fellowship/>.

The **COFUND** scheme aims at stimulating regional, national or international programmes to foster excellence in researchers' training, mobility and career development, spreading the best practices of Marie Skłodowska-Curie actions. This will be achieved by co-funding new or existing regional, national, and international programmes to open up to, and provide for, international, intersectoral and interdisciplinary research training, as well as transnational and cross-sectoral mobility of researchers at all stages of their career. **Application deadline: 11 September 2014.** More info:

<http://ec.europa.eu/research/participants/portal/desktop/en/opportunities/h2020/calls/h2020-msca-if-2014.html#tab2>.

ACLS invites applications for the **Charles A. Ryskamp Research Fellowships**. Amount: \$64,000, plus \$2,500 for research and travel, and the possibility of an additional summer's support. These fellowships support advanced assistant professors and untenured associate professors in the humanities and related social sciences whose scholarly contributions have advanced their fields and who have well-designed and carefully developed plans for new research. **Application deadline: 24 September 2014.** More info:

<http://www.acls.org/programs/ryskamp/>.

**John Simon Guggenheim Memorial Foundation.** Often characterized as "midcareer" awards, Guggenheim Fellowships are intended for men and women who have already demonstrated exceptional capacity for productive scholarship or exceptional creative ability in the arts. Organizations or centers will not be funded, only individuals may apply. Please focus your application on one project only. Applicants may submit the names and addresses of no more than four references via email. **Application deadline: 19 September 2014.** More info: <http://www.gf.org/about-the-foundation/the-fellowship/>.

**Fernand Braudel Senior Fellowships** provide a framework for established academics with an international reputation to pursue their research at the European University Institute in Florence, Italy. Fellowships last for up to ten months in one of the EUI's four Departments which in turn invite fellows to participate in departmental activities (seminars, workshops, colloquia, etc.). Fellows are encouraged to make contact with researchers sharing their academic interests, may be involved in the teaching and thesis supervision tasks of EUI professors, and associated with one of the research projects being carried out at the EUI. **Application deadline: 30 September 2014.**

The **American-Scandinavian Foundation (ASF)** offers fellowships (up to \$23,000) and grants (up to \$5,000) to individuals to pursue research, study or creative arts projects in one or more Scandinavian country for up to one year. The number of awards varies each year

according to total funds available. Awards are made in all fields. Applicants must be US citizens or permanent residents. **Application deadline: 1 November 2014.** More info: [http://www.amscan.org/study\\_scandinavia\\_details.html](http://www.amscan.org/study_scandinavia_details.html).

**BA/Leverhulme Small Research Grants.** Grants are available to support primary research in the humanities and social sciences. The first recourse for funding should be to your own institution (where applicable). Applications will not be considered for less than £500. The maximum grant is £10,000 over two years. Applications for collaborative or individual projects are equally welcome under this scheme. Applications from international groups of scholars are welcome, provided there is a UK-based scholar as lead applicant. **Application deadline: 1 October 2014.** More info: <http://www.britac.ac.uk/funding/guide/srg.cfm>.

**Fritz Thyssen Foundation Scholarship.** The scholarships are intended for junior researchers, generally one to two years after they have received their doctorate. No scholarships are awarded for doctoral dissertations or postdoctoral theses. **Application deadline: rolling.**

More info: <http://www.fritz-thyssen-stiftung.de/funding/types-of-support/?L=1>.



### Deadline

for submissions to the winter 2014 issue:

- **Monday, 22 December 2014**

Please direct all correspondence to the editor:

- Alexandra Hennessy, email: [alexandra.hennessy@shu.edu](mailto:alexandra.hennessy@shu.edu)

In particular we are looking for:

- Members' recent publications (since this issue)
  - Members' news (since this issue)
- Suggestions and Contributions for the Forum section
  - Calls for papers
  - Book Reviews
- Notice of forthcoming events