

EU and US development and security policies.
How compound polities react to external and internal challenges

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Introduction

The EU and the US political systems share basic features regarding their distribution of power. In both cases powers are separated along territorial and institutional lines and multiple institutions share decision-making powers. The center-periphery relationship is based on multi-level governance and separated institutions have different bases of legitimacy (as opposed to Parliamentary and Semi-Presidential systems). From this perspective, the EU and the US political systems can be understood in the framework of the Compound Republic Theory. Notwithstanding these similarities, though, their policies differ under many respects. Foreign policy is a remarkable example of this difference. While US foreign policy is based on a traditional approach focused on military means and negative conditionality (sanctions) and its development policy is subordinated to security and defense goals, the EU tends to prioritize development cooperation, and specifically the use of positive conditionality (conditioned aid), as a foreign policy instrument.

Of course, the US and the EU play quite a different role internationally, being the US mainly a global military power and the US a global economic power. This granted, assuming that domestic politics matters, it is worthwhile asking why the EU and US approaches to security and development differ despite the above mentioned similarities in their distribution of power. We argue that these differences are due to different reactions of the two political systems to external relations and domestic challenges. Both the EU and the US compound polities have adjusted to these pressures through changing their internal balance of power. Given the different nature of external challenges for the EU and the US and different internal pressures, though, the balance of power in the two polities has taken different forms. These differences account for the divergence between EU and US foreign policies.

The paper is structured as follows. The first part presents the EU and the US political systems in the framework of the compound polity theory. The second part compares historical data related to EU and US development and security policies showing differences in their approaches to international assistance, sanctions and military intervention. The third part interprets these differences in the light of the changes in the balance of powers in the EU and in the US in reaction to external and internal challenges.

Compound polities

The EU and the US are two different species of the same political genus: the *compound democracy model* (Fabbrini, 2007). The compound model is proper of polities which have the features of both an inter-state (confederal, intergovernmental) and a supra-state (federal, supranational) organization. A compound polity is a union of states and *their citizens*. At the founding moment, states are the basic units of the polity, in the sense that citizens belong to the union because they belong to one of its constituent units. Through such union, the states agree to pool their sovereignty within a larger integrated supra-state or supranational framework. They do so because such unions, to use the formidable expression elaborated by Hendrickson (2003), are primarily *peace pacts*. In their own way, both the US and the EU are an attempt to go beyond balance of power system for promoting peace and cooperation between independent states sharing a common territory. In fact, at the origins of European integration stood the idea that economic integration was functional for promoting political integration (Haas 1958). And a politically integrated Europe was considered to be the only viable answer to the twin dangers of anarchy or empire, as the integration of America more than one century and a half before was the answer to similar dangers. One might add that the US was the explicit answer to an implicit threat of war, whereas the EU was the implicit answer to explicit experiences of war. In any case, both the EU and the US polities are constructed for forestalling the possibility of war through the formation of a complex institutional structure able to induce cooperation between potential rivals, without however imposing any hierarchy on them.

The US compound polity

Since the Constitutional Convention of Philadelphia in 1787, the US has been explicitly designed as a 'compound polity' (Ostrom 1987): that is, a democracy organized around multiple separations of power. Sovereignty was fragmented between the federated states and the federal state, and thus between separated institutions within the latter (Senate, House of Representatives and President). Once defined the few competences of exclusive control by the federal centre, all the remaining ones were recognized as proper of the federated states. At the federal centre, separation among governmental institutions was further secured by giving them different institutional interests to protect. Or better, connecting each of them to a different electoral constituency and staggering the time frame of their institutional mandate. This created incentives for the formation of multiple and concurrent majorities in the separated institutions at the various levels of the system, in such a way that an 'institutional ambition' could check another 'institutional ambition'. The jurisdictional

powers of these various institutional entities thus had to overlap, although such overlapping generated inter-states and inter-institutional conflicts (the most dramatic instance being the Civil War of 1861-65). The American compound polity, too, was able to institutionalize itself thanks to particular conditions, namely a low involvement in international affairs (i.e., European affairs in the nineteenth century). For a long time, the US was a security-consumer (and not a security-producer as it has become since the second half of twentieth century), benefiting from British marine protection, thus dedicating its own resources and energies to continental enlargement and the building of a common trans-states market. Indeed, the new polity was able to legitimize itself by virtue of the economic success that ensued from the ever-expanding nature of its continental market, an expansion favored and sustained by Supreme Court rulings (Goldstein 2001). Isolation from European affairs and economic growth thus contributed to America's ability to put down roots and acquire legitimacy as a compound polity.

American compoundness was challenged, between the end of the nineteenth century and the Second World War, by dramatic internal economic transformations and by the country's new international role. A new institutional equilibrium could take shape, thanks to the fact that the constitution was already sufficiently consolidated. Under the pressure first of tumultuous domestic industrialization and then of growing international exposure, America started to alter its traditional institutional patterns and to create a real and proper federal centre (Skowroneck 1987; Higgs 1987). It needed a viable federal state, both to regulate the economy and, above all, to promote and preserve its geopolitical interests. Politics became nationalized as never before, thus upsetting the equilibrium which favored the states in the nineteenth century. If nationalization of American democracy entailed redefinition of the matrix which connected states and federal powers, its subsequent internationalization required a radical restructuring of the decision-making practices, and therefore of the relations between Congress and the President (Orren and Skowroneck 2004). This twofold institutional redefinition implied the transfer of competences and resources from the federated states to the federal state and, within the latter, from the Congress to the President. The growing influence of the federal institutions engendered popular discussion on their democratic deficit, with public opinion and social and political movements pressing for their democratization. Such democratization, already anticipated in many states by the popular election of the members of the presidential Electoral College, finally came about at the beginning of the twentieth century, with the seventeenth constitutional amendment of 1913 which introduced the direct election of the senators, and with the utilization in many states of the direct primary for the selection of the presidential candidates. Nevertheless, these important reforms did not alter the separation of powers structure of the governmental system.

Thus, in America, the challenges of economic transformation and the country's international involvement of the twentieth century induced the central (federal) rulers to look for more centralized institutional practices. The federal government met the challenge of capitalist transformation by introducing a growing number of new policies. The states became the terminals of federal activism: if they wanted federal money for their policies they were obliged to comply with very detailed federal guidelines or regulations (Posner 1998). The challenge of post Second World War international involvement was met by centralizing decision-making power on foreign and military policies in the presidency. The Cold War imperatives of the second part of twentieth century played a crucial role in increasing the capacity of the executive branch to coordinate national politics. Those imperatives not only accelerated the centralization of foreign and military powers in the presidency, they also created a public opinion in favor of such centralization. Thus internal complexity and density and external exposure pressured America into increasing its decision-making effectiveness. However, it was mainly the country's international involvement triggered by the Second World War and subsequently the Cold War which provided the federal government with the ideological justification it had never had before to grow more than the states, and the President with the justification to become more influential than the Congress (Schlesinger Jr. 2004). In terms of authority relations, territorial sovereignty of the country became much less fragmented than it had been in the past.

However, the defeat in Vietnam (in the late 1960s, *de facto*) and the resignation of President Nixon (in 1974) following the Watergate scandal, triggered a mobilization of interests and institutions opposed to presidential centralization. The Congress regained significant influence in the field of foreign and military policy, while the credibility of the presidency collapsed to an equal extent (Polsby 2004). From the 1970s to the 1990s, presidential leadership has constantly weakened, regardless of the President's party (Calleo 2000). And also federal centralization has been successfully halted. Reaction against federal taxes and ideological change in the 1970s delivered important political resources to those rulers within the states which questioned the expansion of federal power (Conlan 1998). Thus, a swing occurred from the centralization of the 1950s and 1960s to the decentralization of the following three decades (Nagel 2001). Compound democracy continued to be so alive that its constraints, regardless of growing pressure for more coherent and effective federal action, produced a 'new political disorder' (Dahl 1994) by the end of the twentieth century.

The tendency for a separated system to foster political dis-aggregation and to confuse governmental responsibility was heightened in the late twentieth century also because America experienced the institutionalization, between 1968 and 2000, of a divided government regime, with

each of the two parties in control of one of the separated institutions of government (Ware 2002). Yet, the terrorist attacks of 11 September 2001 restored large margins of manoeuvre to the President and the presidency, also because between 2003 and 2006 America returned to a unified party government, with the Republicans in firm control of both chambers of Congress and of the presidency (Hacker and Pierson 2005). In the aftermath of the terrorist attacks, presidential leadership of the separated government has become unquestioned. Indeed, some scholars (Rudalevige 2005) have spoken of the return (after the experience of the 1960s) of a 'new' imperial presidency, while others (Lieven 2004) have compared the America of the twenty-first century to the centralized European nation states of the first half of the twentieth century. However, the mid-term congressional elections of 2006, with the formation of a political majority in both the House of Representatives and Senate different from the presidential one, have again introduced powerful constraints on the imperial aspirations of the incumbent President. In fact, Congress still retains its formidable powers of check and balance, although it decided not to use them in the previous period of unified party government (Mann and Ornstein 2006).

Indeed, the institutional basis of the American compound democracy cannot easily be questioned. It is entrenched in the country's constitutional structure, and also in its constitutional culture. As Di Palma (2004) has argued, the efficient secret of American politics has been its liberal constitutionalism. American political development can be interpreted as a permanent dialogue, although frequently riddled with conflicts and contradictions, on the constitutional frame within which to carry on social and political interactions. "Conceptions of authority and of purpose have been interconnected in American thinking about government from our early days. (...) The concern with the institutions of authority has continued to characterize American constitutionalism" (Beer 1993: 379 and 383). In the twentieth century, this *constitutionalism* has hampered the search for more centralized responses to external challenges, preserving the institutional conditions that have made the development of American compoundness possible until the twenty-first century. The constitutional system has adapted to new contexts without altering its compound nature. The American experience suggests that internal and (especially) external pressures may seriously challenge the compound democracy, but also that those challenges meet formidable resistance if they are countered by a firmly-rooted constitutional structure and culture.

The EU compound polity

The growth of the EU in the second half of the twentieth century represents a radical transformation of European politics (Judt 2005). The EU is the most advanced experiment in the construction of a supranational or supra-states system in existence worldwide today (although

supra-states rather than supranational might better reflect the nature of the EU, we follow the predominant predisposition of EU studies to talk of supranationalism because of the negative reaction the term ‘supra-states’ seems to generate in certain countries or intellectual circles). It is supranational because it has neither the exclusive characteristics of an international organization nor those of a domestic system that aggregates differentiated states (Slomp 2000), but *it has both*. The EU is a combination of intergovernmental (confederal) institutional elements and supranational (federal) structures (Hix 2005; Fabbrini 2002). It is a mixed institutional system, with a variable geometry or balance, overlapping jurisdictions, and with an uncertain territorial identity. In fact, it is the answer to the need to create a new inter-states system on the European continent, able to prevent and neutralize any plausible return to a warring condition. It is an inter-states, and not just a balance of power, system, exactly because it contains supra-states (or supranational) features which institutionalize, and thus constrain cooperation among previously rival states.

Though formally still sovereign, the European nation states have witnessed the migration of a considerable amount of their sovereignty both to the supranational EU, and also to sub-national regional and local governments (Keating 1999). Gradually, the European nation states have become EU member states (Sbragia 1994), with few exceptions such as Norway and Switzerland. A silent divorce between sovereignty and authority has occurred (Caporaso 2000). Decision-making power over a growing number of traditionally domestic policy issues has been transferred from the nation states to the network of Community institutions. Of course, the nation states are part of those institutions, but their individual representatives participate in a collective decision-making process that dilutes their influence and power. Authority over the decisions that they must implement at home is shared with other member state representatives and Community officials. Moreover, those decisions are the outcome of a political process with a fragmentation, porosity and indeterminacy historically unknown to domestic political processes. As Ansell (2004: 9) writes, in Europe it is evident that “the mutually reinforcing relations between territory, authority, and societal interests and identities can no longer be taken for granted”.

The EU has the characteristics of a system of *governance* which encompasses the institutional structures pertaining to *government* (Sbragia 2002). Informal decision-making processes combine with formal ones, public actors with private ones. It is a supranational democracy in the sense that it lacks the traditional attributes of a sovereign state (Greven and Pauly 2000), and in particular control over the legitimate use of force both internally and externally. The EU possesses neither a police force nor an army in the strict sense. Furthermore, it has fairly limited fiscal resources with which it could finance either one of such bodies, for its budget cannot exceed 1.3% of the GNP of its member states. Clearly, a system of governance without state attributes can only develop in

particular conditions, namely the absence of external (that is, international, and particularly military) challenges. In fact, the EU benefited from international isolation during the long Cold War period, gradually becoming institutionalized within NATO's system of military protection (Fabbrini 2004). If it is true that the EU started as a peace pact, it is also true that the pact among its member states was militarily guaranteed by a 'third' power, acceptable to all also because it was (geographically) a non-European power (Ickenberry 2000). With a financial budget unconstrained by military or security spending, the EU member states were thus able to foster economic and social development which ensured the overall institutional success of the integration process.

As it has become institutionalized, the EU has gradually acquired the features of a compound polity – by which is meant a polity structured around a *multiple separation of powers*, both vertical (between Brussels and the member states) and horizontal (among the European Council, the Council of Ministers, the Commission and the European Parliament); a separation of powers rigorously safeguarded by the European Court of Justice. Of course, there are other democratic polities in Europe with a vertical separation of powers (the federal countries of Germany, Austria and Belgium, the quasi-federal Spain, or federal Australia and Canada among the Western established democracies), but none of them has a horizontal separation of powers as well (they are parliamentary democracies, even Austria, whose President of the polity is popularly elected). The only other exception, apart from the US, is Switzerland, which has both levels of separation; but 'size matters'.

Within the EU, member states' interests are promoted and guaranteed by the European Council and the Council of Ministers, while supranational institutional interests are guaranteed and promoted by the European Commission, the European Parliament, and the European Court of Justice (Hix 2005). Since the Maastricht Treaty of 1992, the EU has developed into a veritable public policy regime (Wallace and Wallace 2003; Fabbrini and Morata 2002), strengthening its supranational side without detriment to its intergovernmental one. Such a balance is characteristic of political systems in which separated institutions have distinct bases of legitimacy: the strengthening of one institutional power does not necessarily imply the reduction of another. Indeed, in systems of multiple separations of powers, the relation between political institutions is rarely a zero sum game. Interestingly enough, the EU has progressively absorbed, on a supranational level, a growing number of responsibilities for public policy-making which, within federations, are controlled by the federated states; while the traditional responsibilities of the federal level in federations (such as foreign policy) are controlled by member state governments in the EU. This is why Sbragia (2005) has defined the EU a 'reversed federal state'.

It has been said that the EU represents the crisis of the Westphalian state (Caporaso 1996), because the individual European nation states are no longer able to exercise exclusive authority within their territory. It used to be generally assumed in Europe that only specific organizational arrangements (those based on centralization of power) could enable exercise of that exclusive authority. Accordingly, the evolution of the polycentric and fragmented EU has been viewed as a substantive challenge to both the *external* and *internal* faces of the sovereignty of its member states. Although actual sovereignty never corresponded to its theoretical model (Krasner 1999), it is nevertheless beyond question that the individual EU member states have experienced a dramatic decrease in their capacity both to exclude *outside* authorities from their own decision-making process and to centralize the *internal* resources necessary for performing that process. The EU member states are enmeshed in an institutional web with features of a compound polity unknown to domestic institutional arrangements. EU politics has become the domestic politics of its member states (Cowles, Caporaso and Risse 1999), while the domestic politics of the EU member states has grown increasingly Europeanized (Schmidt 2006; Featherstone and Radaelli 2003). In sum, although the EU has a growing authority, it does not possess sovereignty in the traditional sense, and its authority is not supported by centralized institutions and procedures.

It is the first time in European history that established nation states have decided to peacefully and voluntarily pool growing portions of their sovereignty in a larger institutional 'container' (Hoffmann 1995). If one considers that the US started from a similar experience, then it is not surprising that the institutional structure and functional logic of the EU appear much less exceptional when compared with those of the US.

Given similarities between the EU and US political systems in terms of separation of power, their difference in foreign policy decisions appears striking, as their approaches to development and security shows.

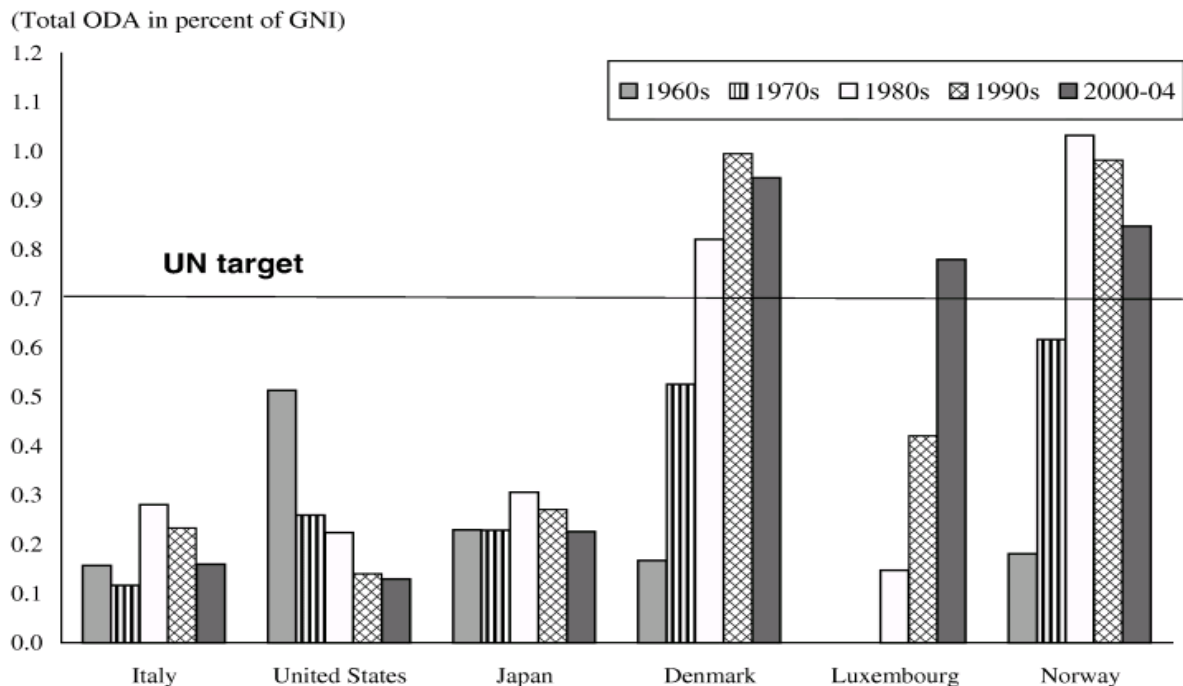
US and EU development and security policies

The major aspects of development and security policies where differences between the EU and the US approaches have emerged are the following: 1) the amount of aid (both as percentage of GDP and in absolute terms) to developing countries; 2) the degree of subordination of aid to security purposes; 3) the use of negative conditionality, and 4) the use of military power.

With respect to the first point, EU member states has historically been the major donor, while the US has been the weakest donor (in percentage to Gross National Income, GNI) for the last 30 years. Figure 1 shows changes in Official Development Aid (ODA) in the 1960-2004 time frame for two groups of countries: the group of countries located in the lowest level in terms of ODA in

percent of GNI (Italy, the US and Japan) and the group of the greatest donors (Denmark, Luxemburg and Norway). Out of these states, the US is the only donor whose aid shows a decreasing trend since the '60s.

Fig. 1. Aid effort over time for the top three and bottom three donors of 2004¹



Source: OECD, 2005.

The EU member states holds the highest position in terms of development aid. In 2004 the 15 states members of the EU was the greatest donor internationally both in absolute terms and in percentage to GNI. After the last enlargements to 27 countries, the EU has continued to be the greatest donor in absolute terms. Data gathered in 2004 before the enlargement of the EU to 12 new Member States show that the EU-15 provided more than half of the global ODA (European Commission, 2006). In 2005, after the enlargement to 10 new states, the EU has continued to be the greatest donor in absolute terms (providing 55% of global ODA), which shows that, by now, enlargement has not fostered substantial reallocation of funds from development assistance to other policies of the EU.

Also with respect to the second point, one may see differences between EU and the US. On the one hand, the US appears to consider aid subordinated to national security purposes. The US tends to allocate aid to states that are considered “allies” (Mavrotas and Villanger 2006). In 2006, for example 36% of US aid was directed to allied countries in North Africa and the Middle East as opposed to 14% of EU aid to these areas. On the other hand, the EU does not allocate its aid primarily to strategic targets, with the exception of two exceptions- France and Great Britain -, who

¹ Data elaboration: Gupta et al. (2006)

tend to favor their former colonies in the dispersion of aid and, together with the US and Germany, allocate more aid to recipients that vote in unison with them in the UN (Mavrotas and Villanger 2006). Moreover EU Member States tend to provide more aid to multilateral organizations than the US. In 2005, for example, the EU-15 included in the Development Assistance Committee (DAC) of the OECD provided almost 30% of their ODA to multilateral institutions (EU included). Out of this amount of ODA, 16% was allocated to the EU and 14% to other multilateral institutions (World Bank, UN Agencies and others). The amount of ODA the US allocated to multilateral institutions in 2005 corresponds to 8% of the total US ODA (see table 1). In other words, the US allocated more than 90% of its ODA to unilateral aid, while the 15 DAC states that are members of the EU provided a smaller percentage (70%) of their average ODA to unilateral aid.

Tab. 1 Distribution of ODA to Multilateral Organizations in 2005

	US		EU DAC countries	
	million \$	%	million \$	%
ODA to unilateral programs	25.279	92	47.725	70
ODA to Multilateral Organizations	2.343	8	8.020	16 (to EC) and 14 (to other organizations)
ODA total	27.622	100	55.745	100

Source: elaboration of data from OECD (2006).

Regarding the third point, another specificity of US development cooperation policy is that it has tended to be based more on negative conditionality than on positive conditionality. The US has extensively used sanctions (economic, military, diplomatic and financial restrictive measures) as a foreign policy tool since the 1980s. The use of restrictive measures as an instrument for US foreign policy has increased after the end of the Cold War, with the exception of sanctions against Latin America (Marinov 2004). Among the countries penalized by the economic sanctions recently adopted by the US one may list Iran, Iraq, North Korea and Syria.

The EU appears less oriented than the US towards strategic imposition of sanctions. For example, the number -and level- of sanctions applied by the EU is not correlated to the status of being a former colony of one of the European states nor to the status of being part of an institutionalized agreement with the EU (Hazelzet 2005). As compared to the total number of US sanctions, the EU has historically been involved in a smaller number of sanctions. If one takes into account the number of sanctions the EU and the US imposed through time, though, the two policies

appear gradually converging. The US started out the practice of sanctions in the 1970s. The number of sanctions imposed by the EU has steadily increased since the 90's. In the year 2000, both the EU countries and the US were involved in 70% of all cases of sanctions applied on illiberal governments (Marinov 2004).

Finally, with respect to point 4, the different use of military power in democracy promotion is well known. The EU lacks a proper army comparable to that of a state, although it employs multinational forces in the European Union Force (EUFOR) missions. Moreover, as opposed to the US, the EU has used military power only in the framework of broader UN missions. Since 2003, when the first mission took place, the EU has flanked the UN with four military missions (one in Macedonia, one in Bosnia-Herzegovina and two in Congo). These missions had a short mandate and were restricted to small geographical areas.

Differences between the EU and the US approaches to security and development are synthesized in table 2. These differences can be interpreted from an institutional point of view. They appear related to adjustments of the EU and US internal balance of power in reaction to international and external pressures.

Table 2. EU and US approaches to security and development

	US	EU
Security	Based on the value of national security and on the use of hard power instruments (since the Cold War).	Based on the value of international law and of the use of soft power instruments (despite attempts to develop military power).
Development	Mainly based on sanctions and subordinated to national security goals.	Mainly based on aid and oriented to broader goals of structural stability.

The domestic balance of power

Compoundness is by definition an obstacle to concentration of decision-making powers, which is a basic requirement for effective foreign policy. Nevertheless, the balance of powers in a compound polity may be subject to change. In order to react to external pressures and develop an effective foreign policy, both the EU and the US had to modify their internal balance of powers. The US was able to centralize decision-making in the field of security, while the EU did so in the field of development.

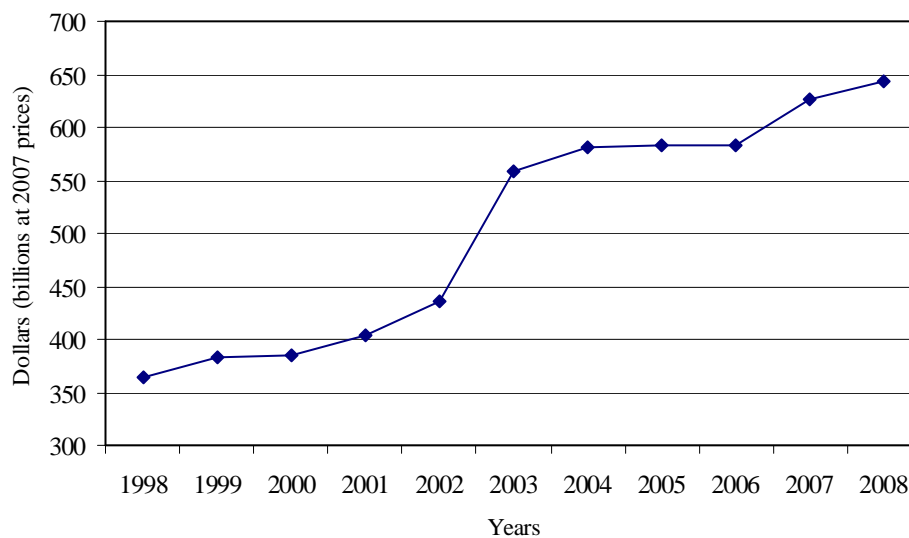
The US political system and foreign policy-making

Two major processes took place within the US compound polity in reaction to external pressures: centralization of US security policy powers from the federated state level to the federal

level and strengthening of the President *vis a vis* the Congress. These processes appear crucial in explaining the American approach to security both with respect to military interventions and to sanctions policy. Development cooperation policy, on the contrary, has remained decentralized and fragmented, which accounts for the US position of a laggard under this respect.

The US compound polity has adjusted to foreign policy challenges such as the Cold War and the War on Terror through centralizing powers in the federal government and strengthening the powers of the President on security and defense policy. In order to improve its capacity to react timely to crisis situations and external threats, the President, in the exercise of his constitutional power as Commander-in-Chief, has claimed to have the power to declare war, bypassing the Congress's decision. Concentration of powers in the hands of the President has contributed to the recourse to military action in US foreign policy. Contextually to concentration of powers, the US increased also its investment on military security. Figure 2 shows the increasing US military expenditure after the terrorist attack of 11 September 2001.

Fig. 2. *US Military expenditure since 1998*



Source: Shah (2007)

Centralization of decision-making took place also in another field of US foreign policy, namely sanctions to governments allegedly not respectful of democracy and human rights. US policy-making in this field, although officially fragmented, has become *de facto* largely centralized in the hands of the President. Decisions related to suspension of aid and trade sanctions are subject to the ordinary legislative procedure, therefore the Congress has the power to propose sanctions and the President has to agree with them. If the President poses its veto, the Congress has the power to

override it, but only through qualified majority voting in both chambers. In 1986, for example, the Congress overrode Reagan's veto of the Congressional penalties against South Africa (the Comprehensive Anti-Apartheid Act). Despite its powers on sanction policy, the Congress rarely decides or it is in the numerical condition to override the veto of the President. The President has also the authority to waive application of sanctions every year and, given its diplomatic powers, plays a central role in the imposition of arms embargoes and diplomatic or financial sanctions (Hazelzet 2005).

While US security and sanctions policies have gone through a centralization process, development cooperation decision-making has remained fragmented between multiple institutions. Back in 1961, in the inaugural speech for the U.S. Agency for International Development (USAID), which is in charge of development programs, President Kennedy described US foreign-aid policy "Bureaucratically fragmented, awkward and slow". He argued that "its administration is diffused over a haphazard and irrational structure" (USAID, 2005). This description is not so different from the current situation. As the OECD comments, "The growing number of official United States Government (USG) entities that deliver foreign aid (perhaps as many as fifty separate government units) operate with considerable autonomy. While they carry out their functions under the general guidance of the Secretary of State, they have sometimes surprisingly weak linkages to each other and relatively modest systematic opportunity to co-ordinate their respective parts of United States Government aid" (OECD, 2002). USAID, the largest of these body, has to respond to a generally skeptical Congress for the decisions related to aid programs (Thiel 2004). Republican domination of the Congress since 1995 has contributed to freeze aid programs that are not strategic for the defence of the US national interest. In the last decade, moreover, the aid budget of the US has gone through funding cuts. Republican leaders, included Jesse Helms, the chairman of the Senate Foreign Relations Committee during the Clinton Presidency of the 1990s have even proposed a reform of the US State Department aimed at eliminating USAID (Hook 2003).

Parallel to centralization of foreign and security policy in the federal level and in the hands of the President, the US approach to foreign policy became more and more consistent to that of a Westphalian "sovereign state". While the US was a major promoter of multilateral organizations after the Second World War, in the last decade it appeared more interested in defending its autonomy and room of maneuver in the international relations. The strengthening of Republicans in the US Congress and Presidency since the mid '90s further contributed to centralizing powers domestically and prioritizing the defense of national sovereignty internationally. As a matter of fact this approach to foreign policy has emerged most clearly during the Republican lead Congress (1995-2006) and the G.W. Bush Presidency (2004-2008), which may suggest a greater propensity

of the Republicans to unilateral foreign policy. However, resistance to international law is evident also in large sectors of the democratic party, as the bipartisan refusal to ratify international Treaties, such as the International Criminal Court and to the Kyoto Protocol, shows.

This conception of national sovereignty contributes to explain why the US has tended to subordinate development policy to national security. A representative of the US in the UN Economic and Social Committee in 1997 explained the US imposition of unilateral sanctions: “When faced with unacceptable international behavior, economic sanctions were one of a series of steps available to press for change. (...). The US had the sovereign right to decide with whom it would trade and where its investment dollar would flow. While it was always preferable to act multilaterally, here were times when his government had no choice but to act unilaterally” (UN Economic and Social Committee, 1997). Moreover, as in the case of US security policy, the relevance of national sovereignty in US foreign policy accounts also for the strategic allocation of aid and for the concentration of greater amount of aid to Middle East and Northern Africa allies and to unilateral programs.

The EU political system and foreign policy-making

The EU, on the contrary, due to the weaker intensity of external challenges during the Cold War and to resistance of the member states to cede their sovereignty over Foreign and Security Policy, failed to react to the constraints of its compound polity and centralize foreign policy-making. While US foreign policy went through a process of Westphalianization, the EU has developed a “post-modern”, “extra-national” (Smith 2004) or “post-Westphalian” (Manners, 2002, p.240) foreign policy. This policy is “lacking the key central institutions and instruments characteristic of foreign policies based on statist or what might be termed *modernist* assumptions, but nonetheless significant as an expression of trends in global politics more generally” (Smith 2004, 558).

Like the US, also in the EU the internal balance of power is affected by external challenges. The end of the Cold War pushed for development of an autonomous EU foreign and security policy and for more stringent coordination of EU foreign policy-making. In response to this pressure, a Common Foreign and Security Policy (CFSP) was created in Maastricht, but, due to resistance of EU member States to surrender sovereignty in that field, it was included in a separate pillar, where unanimity is required for relevant decisions. Nevertheless the EU has tried to build a foreign policy which is not sum of the foreign policies of its member states. Community official documents show the EU ambition to become a global player, a credible actor in the international relations able to face international threats such as terrorism and poverty. The EU member states aim at increasing

EU foreign policy powers in order to be able to speak with one voice and to become influential in the international relations. Given the weakness of EU foreign and security policy, development cooperation is an excellent arena for the EU attempt to increase its presence in the international affairs.

According to the Treaty of the EU, development policy requires pillar I procedures, including an active role of the Commission, qualified majority voting in the Council and co-decision making powers of the European Parliament. EU member states do not have veto powers with respect to pillar I policies, since decisions are taken through qualified majority voting. Thus the European Commission and the European Parliament tend to play a relevant role in these decisions. The Commission has the monopoly of policy initiative, while the Parliament flanks the Council as a co-decision making body. EU Member States provide funds for aid programs, but the Commission has a certain autonomy in managing these funds. Taking into account differences between the US and the EU political systems, Thiel argues that, while US policy-making concerning development cooperation is fragmented and subordinated to geo-strategic considerations, EU development policy is based on a more communicative logic and central (EU) institutions play a relevant role. According to the author (Thiel, 2004, 17), “the European Commission and Parliament have (relative) freedom in pursuing trans-national goals through the funding of E.U.’s aid”. The decision of EU member states to share sovereignty on development cooperation matters is mirrored also in their approach to international law. Since EU member states have ceded portions of their national sovereignty to EU institutions in the field of development cooperation, they are less reluctant to provide greater support to multilateral organizations than the US.

Another difference between the EU and the US concerns distribution of decision-making powers related to sanctions. As opposed to development cooperation, EU sanction policy process remains fragmented. Most decisions related to economic and financial sanctions are included in the second pillar of the EU and therefore require unanimity in the Council. A Joint Action needs to be adopted by unanimity in order to impose sanctions (articles 60 and 301 of the EC Treaty). Decisions related to how to implement those sanctions instead require qualified majority voting and the Commission has room of maneuver in deciding how to implement sanctions, including an interruption or reduction of economic relations. Moreover, qualified majority voting is required for suspension of development aid. This cumbersome procedure makes EU decisions on sanctions less likely than in the US (Hazelzet 2001).

Moreover, EU law does not provide EU member states with incentives to carry out unilateral sanctions. According to the Treaty of the EU, member states are allowed to pose unilateral sanctions to non-EU member states only if these sanctions do not conflict with EU policy (Kern,

2006). EU official policy on sanctions is based on the notion of preferences for UN regimes (Kreutz 2006). Beside multilateral agreements, relations between the EU and non-EU countries are based on bilateral agreements. These agreements make unilateral action rather exceptional (Hazelzet 2001). The increased use of sanctions by the EU since the 90's can be explained with the fact that most sanctions imposed by the EU were in accordance to UN resolutions. As a matter of fact also the frequency of UN sanctions increased after the Cold War. The UN Security Council, for example, employed economic sanctions twice between 1945 and 1990 (against Rhodesia and South Africa) and twelve times in the 1990s (Drezner 2003). As opposed to the US, national sovereignty does not appear to be the guiding principle for European sanction policy, as the tendency to impose sanctions primarily in the framework of UN decisions shows.

Conclusion

A comparison between EU and US foreign policies shows that decision-making in the two compound polities follows different power logics. As a reaction to external and internal pressures, both the EU and the US institutional systems had to change their internal balance of powers. A distinctive feature of compound polities is precisely that of being based on variable balances of power. Unlike fusion-of-power systems (either parliamentary or semi-presidential) compound polities are more prone to change in their balance of powers because relations between institutions are not based on a hierarchical order.

The US has reacted to external pressures through centralizing its foreign policy-making process in the federal level and in the hands of the President, which has allowed the US to act like a sovereign state in its foreign policy. These changes in US foreign policy, coupled with institutional constraints for aid-based development assistance, have put initiatives not compatible with the national interest in a secondary position (within US foreign policy). In the EU, on the contrary, political and institutional constraints and the relative lack of external pressures during the Cold War were an obstacle to centralization of CFSP decision-making process, including the use of unilateral sanctions. Internal divisions in the CFSP and a relative consensus of EU member states in development assistance policy have made the latter a relevant dimension of EU foreign policy. Moreover the lack of veto players in the EU decisions related to development has contributed to the formation of a supranational policy based on the values of shared sovereignty and international law.

The internal balance of power is still undergoing changes both in the EU and in the US. Since the end of the Cold War, debate in the EU has started to focus on the future of a Common Foreign and Security Policy and on the possibility of strengthening EU hard power. As far as the US is concerned, domestic pressure such as public opposition to national foreign policy and division in

the US government since the 2006 mid-term elections, in turn, have lead to partial changes in the attitude of the President towards external relations and to a renewed “multilateral” rhetoric. The 2008 Presidential elections will pose a further challenge to US foreign policy. These changes further confirm that the EU and US political systems are permeable to external and internal challenges and that their compound nature is in itself an obstacle to long term concentration of power.

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